

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - SPECIAL SESSION

JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT & TRANSPORTATION

Call to Order: By REP. MARY LOU PETERSON, CHAIRMAN, on Friday,
November 19, 1993, at 8 a.m.

ROLL CALL

Members Present:

Rep. Mary Lou Peterson, Chairman (R)
Rep. Marjorie Fisher (R)
Sen. Gary Forrester (D)
Rep. Joe Quilici (D)
Sen. Larry Tveit (R)

Members Excused: Sen. Harry Fritz, Vice Chairman (D)

Members Absent:

Staff Present: Jonathon Moe, Legislative Fiscal Analyst
Terri Perrigo, Legislative Fiscal Analyst
Clayton Schenck, Legislative Fiscal Analyst
Dan Gengler, Office of Budget & Program Planning
John Patrick, Office of Budget & Program Planning
Pat Bennett, Committee Secretary

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

Committee Business Summary:

Executive Action: Secretary of State
Military Affairs
Board of Crime Control
Highway Traffic Safety
Department of Justice
Department of Revenue
Department of Administration

EXECUTIVE ACTION ON EXECUTIVE BUDGET PROPOSAL FOR SECRETARY OF STATE

CHAIRMAN PETERSON suggested that the members ask questions as
they proceed through the discussions and then vote on the issue
as some members had to appear at other meetings at 10 a.m.

Motion: REP. QUILICI MOVED TO ACCEPT THE EXECUTIVE BUDGET
PROPOSAL FOR THE OFFICE OF SECRETARY OF STATE.

Discussion: CHAIRMAN PETERSON pointed out that portions of the proposal may need contingency language and some portions might require the introduction of legislation. She asked that the motion be amended to include the contingency language should it be needed.

Substitute Motion/Vote: REP. QUILICI MOVED TO ACCEPT THE EXECUTIVE BUDGET PROPOSAL, INCLUDING THE CONTINGENCY LANGUAGE. Motion carried unanimously.

EXECUTIVE ACTION ON
EXECUTIVE BUDGET PROPOSAL FOR DEPARTMENT OF MILITARY AFFAIRS

Discussion: SEN. TVEIT expressed his concerns regarding #2, the reductions in the Air National Guard, and in view of the Pentagon reducing its budget asked that Section 1 and 2 be segregated and a vote taken on each.

CHAIRMAN PETERSON asked Mr. Moe for his understanding of the fixed cost items. Mr. Jonathon Moe, Legislative Fiscal Analyst, responded that adjustments could be made to all of the agencies and when the vote is taken it would plug in wherever it is required. He said the State Cost Allocation Program discussed the previous day, should the committee adopt it, would have a global effect but there would also probably be a need for contingency language based on what the joint committee did.

Motion/Vote: REP. FISHER MOVED TO ACCEPT SECTION 1. Motion carried unanimously.

SEN. TVEIT stated if there was no motion on Section 2 it would remain as it is. CHAIRMAN PETERSON agreed and said it would then be reported out of committee with no recommendation.

Motion: REP. FISHER MOVED TO ACCEPT SECTION 2.

Discussion: SEN. TVEIT said he had asked for the segregation in order for discussion to be held. He believed Montana was very vulnerable to federal reductions in the Guard and Air Guard.

REP. QUILICI was concerned with the loss of \$98,274 and asked if that number was left in there, the general fund money of \$32,000 was taken out and the authority was given to capture those funds in the event the federal government comes up with that money, would the Department be able to utilize those funds. Adjutant General Prendergast responded that was correct.

Substitute Motion: REP. QUILICI MADE A SUBSTITUTE MOTION TO AMEND THE CONTINGENCY LANGUAGE INTO SECTION 2.

Discussion: Mr. Moe said the federal funds could possibly be put into the line item as part of the total federal funds appropriation and not have the contingency language.

REP. QUILICI responded that he didn't care how it was accomplished just so the Department would have that authority and that it was specifically the intent of the Legislature.

SEN. FORRESTER asked Mr. Moe to explain how they would get the federal funds in the event the matching funds were gone.

Doug Booker, Centralized Services, Department of Military Affairs, explained how that would be accomplished and said the match was important if they wanted to use it for the original intent which was repair and maintenance, etc. SEN. FORRESTER said if the general fund money was lost they would have no chance to get the federal money and the opportunity would be gone.

REP. QUILICI explained that the reason for his motion was when this goes to the full Appropriations Committee it would show that this committee had made the cuts that had been recommended as opposed to sending it out with the full general fund match in there.

Vote: Substitute motion carried unanimously with SEN. FRITZ leaving his written vote.

EXECUTIVE ACTION ON
EXECUTIVE BUDGET PROPOSAL FOR BOARD OF CRIME CONTROL

Mr. Moe explained there were two items under the Board of Crime Control: the first item being to offset \$3,000 to the general fund with a federal fund match and the second item to transfer \$250,000 from the fund balance of the Crime Victims account to the general fund. He said the second item would be taken care of in separate legislation because in order for the transfer to occur they need to change law. Therefore, he didn't believe the committee had to vote on the second item. The first item only would require a vote of the committee.

Motion/Vote: REP. QUILICI MOVED TO ACCEPT THE EXECUTIVE BUDGET FOR THE BOARD OF CRIME CONTROL. Motion carried unanimously with SEN. FRITZ leaving his written vote.

EXECUTIVE ACTION ON
EXECUTIVE BUDGET PROPOSAL FOR HIGHWAY TRAFFIC SAFETY

Al Goke, Highway Traffic Safety Division, explained the A.B.A.T.E. program relating to motorcycle safety. He said that in Montana, motorcycle accidents as a percentage of all accidents, is approximately 2%. The original federal money to help with the start-up of the program was not to exceed three years of funding. He said they get about \$800,000 of the Section 402 funds in a year. He said the point he was making was that there did not appear to be a demand for motorcycle safety training and if the industry itself doesn't take advantage of the training it was difficult to argue for throwing additional federal money into it. Mr. Goke said he develops a plan each

year and reviews that plan with the Governor to secure his approval before the plan is submitted.

Mr. Moe said the first item would be to reduce the agency's budget and the second would be the separate legislation to deal with changing the law to deal with the transfer from the state special to the general fund. Both cases would require legislation in order for them to occur.

Motion/Vote: REP. FISHER MOVED TO ACCEPT THE EXECUTIVE BUDGET FOR HIGHWAY TRAFFIC SAFETY. Motion carried 4-2 with REP. QUILICI and SEN. FRITZ voting no. SEN. FRITZ left his written vote.

EXECUTIVE ACTION ON
EXECUTIVE BUDGET PROPOSAL FOR THE DEPARTMENT OF JUSTICE

Mr. Moe pointed out the three items in the Department of Justice proposal: (1) to reduce the number of drivers' license stations, (2) to reduce freight and express costs and, (3) to eliminate general fund support for the position of Drug Prevention Education Coordinator. He explained the green sheet which was presented to the committee. EXHIBIT 1

SEN. FORRESTER asked for a clarification of Exhibit 1. Mr. Moe said the top portion of the green sheet was a possible substitution for the elimination of the D.A.R.E. program because they wanted to keep that funding.

Dennis Taylor, Deputy Director, Department of Justice, said they had the additional opportunity to use federal funds and to reduce this year's budget by approximately \$30,000, they had requested the additional spending authority, and also requested that the committee reconsider the deletion of the drug prevention coordinator position.

Motion: REP. FISHER MOVED TO ACCEPT EXHIBIT 1, THE GREEN SHEET.

Discussion: SEN. TVEIT asked for an explanation of the bottom portion of Exhibit 1. Mr. Taylor responded that the lower portion asked that they be allowed to hold an additional recruit school for new highway patrol officers' training in the next fiscal year. The patrol is down 16 officers at the present time. He said they had also been granted four additional FTE several years ago that they had never been able to hire and those positions were lost during the last general session. He said they needed more trained candidates to replace people. The reserve of trained cadets will be depleted early next year which would mean another two years of running without the required number of officers. This would be spending authority of the gas tax revenue.

Vote: Motion carried unanimously. SEN. FRITZ did not leave his vote on this particular item.

CHAIRMAN PETERSON asked if the second part eliminating the backlog was spending authority also. **Mr. Moe** responded that was correct.

CHAIRMAN PETERSON said #3 had been dealt with by substituting Exhibit 1 and #2 didn't require a vote because it had already been rejected by another committee. She asked if the subcommittee wished to vote on #1 or remain silent.

Motion: **SEN. FORRESTER** MOVED TO ACCEPT REDUCTION OF THE DRIVERS' LICENSE STATIONS.

Discussion: **SEN. TVEIT** said there was great concern to many, especially in rural areas, of the disruption of services, the necessity of taking time off work and the hardship to senior citizens, etc.

CHAIRMAN PETERSON expressed concern that what the attorney general's office was doing with pilot programs and temporary adjustments to offer that service would be hindered by a vote of this committee.

REP. FISHER asked what was going on at the present time. **Dean Roberts, Department of Justice**, explained the pilot program going on at the present time in the Helena School District which incorporates the driving and written curriculum testing service into their curriculum and does not expand drivers' education. Under the program, if the driver was not certified to drive by the instructor, then that driver would have to go to the Department for testing. **Mr. Roberts** said they believe 95% of the students would be certified to drive. The program has raised the level of driver education and has made the instructors more aware of what they are doing and how important that is.

REP. FISHER asked how soon this would be implemented around the state, at least in the larger schools. **Mr. Roberts** said the schools would have to choose to do this even though department people had met with all the driver education teachers at their convention.

In answer to a question from **REP. QUILICI** regarding funding, **Mr. Roberts** said some schools charge a minimal fee, however, the Helena School District charges \$110. Provisions are also made for students who can't afford the fee.

CHAIRMAN PETERSON said if the subcommittee approves this, the perception would be that drivers' education is important.

SEN. TVEIT reiterated what Attorney General Mazurek had said to the committee which was to give his office some time to come up with some alternative proposals.

Vote: The motion failed on a tie vote of 3-3 with **REP. QUILICI**, **SEN. FORRESTER** and **SEN. FRITZ** voting no.

EXECUTIVE ACTION ON
EXECUTIVE BUDGET PROPOSAL FOR DEPARTMENT OF REVENUE

Mr. Moe reviewed the three items discussed the previous day. Those items were to recover collection and audit costs from taxes administered by the Natural Resource and Corporate Tax Division, to streamline the Property Assessment Division and to privatize retail liquor operations.

He distributed a handout showing the impacts by county for item #1. **EXHIBIT 2** Mr. Moe said a portion of the monies collected from these taxes would be deposited to the county equalization account and then ultimately transferred to the state equalization account.

Motion/Vote: REP. FISHER MOVED TO ACCEPT ITEM #1, TO RECOVER COLLECTION AND AUDIT COSTS IN NATURAL RESOURCES AND CORPORATION TAX. Motion failed a tie vote with SEN. FORRESTER, SEN. TVEIT and REP. QUILICI voting no.

Motion: REP. FISHER MOVED TO ACCEPT ITEM #2, STREAMLINING THE PROPERTY ASSESSMENT DIVISION.

Discussion: CHAIRMAN PETERSON stated that based on this elimination of workload it was expected to reduce 45 FTE. Ken Morrison, Property Assessment Division of the Department of Revenue, said it was difficult to say how many FTE would be reduced, however, they were confident they could reduce their budget by \$1.2 million. The exact number wouldn't be known until implementation of the plan but it would be a complete refiguration of the Division. He said their goal would be to ensure that nobody would be without a job.

SEN. TVEIT asked if it would also affect the Helena office. Mr. Morrison said the plan had been put together by the employees of the Property Assessment Division so the staff would also be reduced in Helena to reach the goal.

Vote: The motion failed on a tie vote with REP. QUILICI, SEN. FORRESTER AND SEN. TVEIT voting no.

Discussion: CHAIRMAN PETERSON then moved on to item #3, privatizing liquor retail operations. REP. QUILICI referred to the handout distributed by the Montana Agency Liquor Store Association which said there could be some changes made within the Liquor Division without changing the current state agency store system. He asked Gary Blewett, Liquor Division, Department of Revenue, to respond. Mr. Blewett said he had not seen the handout. REP. QUILICI said he would not vote for the change because it would only be a one-time savings. He suggested looking at other alternatives and presenting the plan to the 1995 Legislative Session.

CHAIRMAN PETERSON questioned **Mr. Blewett** about some ongoing revenue in the amount of \$800,000 and asked if that was coming off the tax on liquor or was it as a result of the different arrangement of retailing. **Mr. Blewett** said with the proposal coming up under separate legislation, a total of \$2.8 million in reduction over current costs would result - \$2 million would go to reduce the current retail price and \$800,000 would be increased profits.

SEN. TVEIT expressed his concerns with the proposal and said he could see some real hardships with it, particularly as it would affect the small "mom and pop" bar owners. He said he was not prepared to vote for the proposal at this time.

Motion/Vote: **SEN. FORRESTER** MOVED TO NOT ACCEPT #3, THE PRIVATIZATION OF STATE LIQUOR STORES. Motion failed on a tie vote.

CHAIRMAN PETERSON stated it would now go to the full Appropriations Committee without a recommendation.

EXECUTIVE ACTION ON
EXECUTIVE BUDGET PROPOSAL FOR DEPARTMENT OF ADMINISTRATION

Mr. Moe explained the House Bill 2 adjustments and said #1, #2 and #3 should be considered as one package. Number 4 is the management fees for the state purchasing contracts, #5 and #6 are the rate reductions for computer processing and capitol complex rent and #7 concerns additional language concerning consolidation of state mail and printing services.

Mr. Moe said the dollar amounts that would be recovered and would offset general fund had slightly increased in the latest information and would be a few thousand dollars higher than the numbers currently shown.

Motion/Vote: **REP. QUILICI** MOVED TO ACCEPT ITEMS #5, #6 AND #7. Motion passed with **SEN. FRITZ** voting no on #7.

CHAIRMAN PETERSON asked **Dan Gengler**, Governor's Office of Budget and Program Planning, if #4 could be implemented without any legislation to which **Mr. Gengler** agreed. **Mr. Gengler** said it was included as part of their plan to reach the \$54 million target but didn't believe it was part of formal legislative action to implement.

Marvin Eicholz, Administrator, Purchasing and Printing Division, Department of Administration, said the budget for purchasing was around \$400,000. In the long term, if this plan was successful, all the transactions would be fee generated and a rough estimate would be \$100,000 over the biennium, which would be 25% this year and 75% next year. Any fees generated would be deposited into the general fund which would hopefully mean a general fund savings for the operations of the department. He said once they

reach the next biennium, instead of simply offsetting the general fund, they would budget for purchasing out of a special revenue account or some other combination.

Motion/Vote: REP. FISHER MOVED TO ACCEPT #4, FEES FOR PURCHASING CONTRACTS. Motion failed on a tie vote, with SEN. FRITZ, SEN. FORRESTER and REP. QUILICI voting no.

CHAIRMAN PETERSON then reverted to items #1, #2 and #3. Mr. Moe explained that #8 deals with the fixed costs which had previously been voted on in items #5 and #6, as well as the cost allocation plan. Therefore, #8 will not be voted on separately but as a part of the other items as they are taken under consideration.

Motion: REP. FISHER MOVED TO ACCEPT #1, #2 AND #3.

Discussion: Lois Menzies, Director, Department of Administration, stated that in 1987 the legislature had authorized the department to utilize the cost allocation plan but it was limited to those state special revenue accounts that retain their own interest. Part of the accounting division's work plan is to implement that in FY 1995. If this plan fails they would take the authority granted in 1987 and implement it although she believed it was an inferior plan to the one being proposed because it only goes after certain funds and is not as fairly distributed. Ms. Menzies distributed a copy of statutory authority. EXHIBIT 3 If the committee did not feel the 1987 authorization was a good plan, she asked that the statute be changed and clarification given to the department.

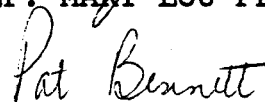
REP. QUILICI asked who would be hit hardest under the 1987 plan. Ms. Menzies said the ones mentioned were Agriculture and Fish, Wildlife and Parks. OPI would also have to be looked at in terms of the School Foundation Program. She said the 1987 plan was much more narrow than the one being proposed.

Vote: The motion to accept items #1, #2 and #3 failed on a 2-4 vote with SENS. FRITZ, TVEIT and FORRESTER and REP. QUILICI voting no.

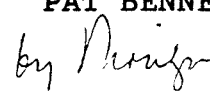
ADJOURNMENT

Adjournment: The meeting adjourned at 10 a.m.


REP. MARY LOU PETERSON, Chairman



PAT BENNETT, Secretary

by  931119JG.HM1

HOUSE OF REPRESENTATIVES

GENERAL GOVERNMENT AND HIGHWAYS SUB-COMMITTEE

ROLL CALL

DATE

19 Nov 93

NAME	PRESENT	ABSENT	EXCUSED
REP. MARY LOU PETERSON, CHAIRMAN	✓		
SEN. HARRY FRITZ, VICE CHAIRMAN			✓
REP. MARJORIE FISHER	✓		
SEN. GARY FORRESTER	✓		
REP. JOE QUILICI	✓		
SEN. LARRY TVEIT	✓		

H. FRITZ

Secretary of State

1. Yes
2. Yes
3. No

Military Affairs

1. Yes
2. Yes
3. Yes

Crime Control

1. Yes
2. No
3. Yes

Highway Traffic Safety

1. No
2. No
3. Yes

Department of Justice

- | | |
|--------|--------|
| 1. Yes | 3. Yes |
| 2. No | 4. Yes |

Department of Revenue

1. Yes
2. Yes
- ③ Yes
4. Yes

Department of Administration

1. No
2. No
3. No
- ④ No
5. Yes
6. Yes
7. No
8. Yes

SSSUB

17-Nov-93

07:40 PM

*Passed
man*

DEPARTMENT OF JUSTICE

SUBCOMMITTEE PROPOSAL

EXHIBIT 1
Date 19 Nov 93
U.S. GEN GOV
TRANSPORT

PROPOSED GENERAL FUND REDUCTIONS:

		<u>FY94</u>	<u>FY95</u>
1. Commercial Vehicle Operating License Carryover: Additional federal spending authority is requested allowing a like amount of general fund to be reduced.	Gen Fund	(7,500)	
	Federal	7,500	
2. Criminal History Records Grant Carryover: Additional federal spending authority is requested allowing a like amount of general fund to be reduced.	Gen Fund	(50,000)	
	Federal	50,000	
3. Delay of Academy Space Increase: Expansion of space approved by the last legislature to address increased useage and demand must be delayed one year. Funds approved for the first year can be reverted.	Gen Fund	(59,500)	

REQUESTED INCREASES TO BUDGET:

1. Highway Patrol Recruit School in FY95: The Patrol was down 16 officers as of 10/31/93. Of these, 3 were from deaths and 8 from retirements. Three more officers have committed to leave before 6/30/94. Addtl terminations or retirements for the last 7 months of this year are unknown. The recruit pool will likely be exhausted by FYE94. Assuming the average yearly attrition rate of 14 officers in FY95 & the next recruit school in Dec. of FY96, the force could be down over 21 officers before new recruits are trained. An additional recruit school in FY95 is needed to maintain minimum coverage of the state.	State Spec.	170,000
	FTE	7.50
2. Eliminate Criminal History Record Backlog: Criminal History Records Grant carryover funds are available until June 30, 1994 to eliminate the backlog of fingerprints and dispositions. Technicians have struggled to keep up with the current submissions and have not been able to reduce the 6 mo. fingerprint/ 12 mo. disposition backlog.	Federal	47,000

EXHIBIT 2
DATE 19 Nov 93

HB
J.S. GEN GOV'T +
TRANSPORT

Table 6
Natural Resource Bureau Tax Administration Fee By County
Fiscal 1994

County	Administration Fee Allocated To:					Total Taxes	Administration Fee Allocated To:			% Of Total Taxes
	Local Government Severance	Coal Proceeds	New Net Proceeds	Metal Mines Gross Proceeds	Misc. Mines Net Proceeds		LGST	Coal	Metals	
Beaverhead					136,881	136,881				
Big Horn	25,370	9,276,794				9,302,164	(76)	(92,768)		-1.00%
Blaine	1,437,399		1,121,750			2,559,149	(5,774)			-0.23%
Broadwater				55	36,505	36,560				
Carbon	1,234,834		175,691		55,048	1,465,573	(3,798)			-0.26%
Carter					613,406	613,406				
Chouteau	135,193		17,925			153,118	(557)			-0.36%
Custer	44,569					44,569	(232)			-0.52%
Daniels			110,757			110,757				
Dawson	494,104		56,023			550,127	(1,355)			-0.25%
Fallon	6,460,886		929,491			7,390,377	(18,910)			-0.26%
Fergus	5,971		6,575	113,720		130,866	(24)		(1,318)	-1.03%
Gallatin					47,979	47,979				
Garfield	54,210		681			54,891	(146)			-0.27%
Glacier	2,005,316		54,155			2,059,501	(11,212)			-0.54%
Golden Valley	14,235		1,806			16,041	(66)			-0.41%
Granite				512		619				
Hill	1,005,422		579,447			1,584,869	(4,100)			-0.26%
Jefferson				1,092,389	6,923	1,099,312			(5,691)	-0.52%
Johns & Clark				12,075		12,075			(59)	-0.49%
L. y	597,688		14,451			612,169	(8,151)			-1.33%
Lincoln				258,812		258,812			(2,666)	-1.03%
Madison					570,879	570,879				
McCone	114,206					114,206	(318)			-0.28%
Meagher				806		806				
Musselshell	710,195		22,455			732,680	(5,661)			-0.77%
Park				120,645		120,645			(958)	-0.79%
Petroleum	76,713		14,453			91,146	(213)			-0.23%
Phillips	1,453,454		280,275	275,448		2,009,177	(6,751)		(2,825)	-0.48%
Pondera	486,012		20,558			506,880	(12,039)			-2.38%
Powder River	560,943					560,943	(1,414)			-0.25%
Powell						0				
Prairie	38,886		56,454			95,340	(111)			-0.12%
Richland	3,241,869	229,430	511,953			4,283,257	(3,156)	(2,294)		-0.13%
Roosevelt	2,107,357		117,097			2,224,454	(20,250)			-0.91%
Rosebud	345,013	3,959,820	14,073			4,318,836	(2,057)	(39,598)		-0.96%
Sheridan	2,287,886		386,012			2,673,898	(15,785)			-0.70%
Silver Bow				1,643,556		1,643,556			(9,167)	-0.56%
Stillwater	56,433		2,115	357,547		412,195	(255)		(2,848)	-0.75%
Teton	118,404		3,753			122,157	(747)			-0.61%
Toole	1,022,016		450,380			1,482,396	(2,663)			-0.18%
Valley	253,636		49,562			303,298	(1,014)			-0.33%
Wibaux	885,552		61,114			946,666	(2,407)			-0.25%
Yellowstone	19,109		22,073			41,182	(50)			-0.12%
	27,292,881	13,466,044	5,391,754	3,622,583	1,457,521	51,500,723	(132,272)	(134,660)	(25,532)	-0.54%

CORPORATION TAX BUREAU ADMINISTRATION FEE BY COUNTY
FISCAL 1994

COUNTY	% OF TOTAL	ADMINISTRATIVE COSTS
BEAVERHEAD	0.64%	313
BIGHORN	0.85%	416
BLAINE	1.06%	519
BROADWATER	0.29%	141
CARBON	0.85%	416
CARTER	0.25%	121
CASCADE	4.94%	2,420
CHOTEAU	1.14%	560
CUSTER	3.39%	1,659
DANIELS	0.23%	112
DAWSON	1.89%	925
DEER LODGE	0.74%	364
FALLON	0.61%	299
FERGUS	0.99%	484
FLATHEAD	10.47%	5,128
GALLATIN	6.59%	3,227
GARFIELD	0.20%	98
GLACIER	0.67%	328
GRANITE	0.30%	146
HILL	2.32%	1,138
JEFFERSON	0.30%	148
JUDITH BASIN	0.34%	165
LAKE	2.79%	1,366
LEWIS & CLARK	4.38%	2,146
LIBERTY	0.42%	205
LINCONL	1.26%	618
MADISON	0.38%	187
McCONE	0.16%	81
MEAGHER	0.14%	67
MINERAL	0.13%	63
MISSOULA	7.39%	3,619
MUSSELSHELL	0.76%	374
PARK	1.56%	763
PHILLIPS	1.20%	589
PONDERA	1.29%	630
POWDER RIVER	0.44%	217
POWELL	0.16%	80
PRAIRIE	0.48%	236
RAVALLI	3.85%	1,885
RICHLAND	2.38%	1,164
ROOSEVELT	0.89%	438
ROSEBUD	0.71%	348
SNADERS	1.06%	517
SHERIDAN	1.08%	531
SILVERBOW	2.46%	1,204
STILLWATER	0.76%	372
SWEETGRASS	0.48%	234
TETON	0.96%	471
TOOLE	0.93%	457
TREASURE	0.08%	37
VALLEY	1.82%	890
WHEATLAND	0.38%	188
WIBAUX	0.00%	0
YELLOWSTONE	20.19%	9,893
TOTAL REFUNDS	100.00%	49,000

EXHIBIT 3
 DATE 19 NOV 93
 17-6-202
 RE DOA
 S.S. GEN GOV'T T

Repairs that cost in excess of \$2,500 must be bid, and the bid must be awarded in compliance with existing state law and regulations. Emergency repairs may be made by the board without bid if approved by the state architect.

(7) The cost of administering and accounting for each investment fund must be deducted from the income from each fund.

(8) At the beginning of each fiscal year, the board shall, from the appropriate fund, reimburse the department of commerce for the costs of administering programs established under Title 90, chapter 3, that are not covered by payback funds available from the account established in 90-3-305.

(9) (a) The director of the department of administration annually may prepare a statewide cost allocation plan to distribute program costs incurred by state agencies that are funded through the general fund to the programs served by the agencies. Except as provided in subsection (9)(b), the cost to an agency of providing services to a program funded through an account in the state special revenue fund, as defined in 17-2-102, must be deducted by the board from the account's investment earnings according to the statewide cost allocation plan. Amounts deducted by the board must be credited to the general fund.

(b) A deduction for program costs, as provided in subsection (9)(a), may not be made if an account's cash on hand is pooled for investment in the treasury cash account defined in 17-6-202.

History: (1), (2), (5) thru (7) En. Sec. 5, Ch. 298, L. 1973; amd. Sec. 1, Ch. 203, L. 1977; Sec. 79-308, R.C.M. 1947; (3), (4) En. 82A-204 by Sec. 1, Ch. 272, L. 1971; amd. Sec. 90, Ch. 326, L. 1974; Sec. 82A-204, R.C.M. 1947; R.C.M. 1947, 79-308, 82A-204(4); amd. Sec. 1, Ch. 395, L. 1981; amd. Sec. 11, Ch. 281, L. 1983; amd. Sec. 19, Ch. 677, L. 1983; amd. Sec. 2, Ch. 183, L. 1985; amd. Sec. 3, Ch. 418, L. 1985; amd. Sec. 1, Ch. 158, L. 1987; amd. Sec. 1, Ch. 335, L. 1987; amd. Sec. 12, Ch. 581, L. 1987; amd. Sec. 1, Ch. 291, L. 1991; amd. Sec. 1, Ch. 46, L. 1993; amd. Sec. 1, Ch. 331, L. 1993.

Compiler's Comments

1993 Amendments — Composite Section: Chapter 46 inserted (2)(b) prohibiting investment in private corporate capital stock; inserted (3)(d) prohibiting a direct loan to an individual borrower; in (4), at end of second sentence, inserted "unless otherwise provided by law"; inserted (6)(d) allowing expenditure of funds needed to cover costs of necessary property repairs; and made minor changes in style.

Chapter 331 in (4), in first sentence before "authority", substituted "primary" for "sole" and at beginning of second sentence inserted exception clause; inserted (8) relating to Board reimbursement to the Department of administrative costs not covered by payback

funds; in (9)(a) substituted "subsection (9)(b)" for "subsection (8)(b)"; in (9)(b) substituted "subsection (9)(a)" for "subsection (8)(a)"; and made minor changes in style. Amendment effective July 1, 1993.

Style changes in (1)(a), (1)(c), (2)(a), (3)(a), (5)(e), and (7) were slightly different in the two chapters. In each case, the codifier chose the more appropriate of the two.

Cross-References

Accurate accounting records and interaccount loans, 17-2-107.

U.C.C. — secured transactions — sales of accounts, contract rights, and chattel paper, Title 30, ch. 9.

Proceedings in foreclosure suits, 71-1-222.

17-6-202. Investment funds — general provisions. (1) For each treasury fund account into which state funds are segregated by the department of administration pursuant to 17-2-106, individual transactions and totals of all investments shall be separately recorded to the extent directed by the department.

(2) However, the securities purchased and cash on hand for all treasury fund accounts not otherwise specifically designated by law or by the provisions of a gift, donation, grant, legacy, bequest, or devise from which the fund

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