MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - SPECIAL SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By CHAIRMAN STEVE BENEDICT, on December 16, 1993, at 8:30 A.M.

ROLL CALL

Members Present:

Rep. Steve Benedict, Chairman (R)

Rep. Sonny Hanson, Vice Chairman (R)

Rep. Bob Bachini (D)

Rep. Joe Barnett (R)

Rep. Ray Brandewie (R)

Rep. Vicki Cocchiarella (D)

Rep. Fritz Daily (D)

Rep. Tim Dowell (D)

Rep. Alvin Ellis (R)

Rep. Stella Jean Hansen (D)

Rep. Jack Herron (R)

Rep. Dick Knox (R)

Rep. Don Larson (D)

Rep. Norm Mills (R)

Rep. Bob Pavlovich (D)

Kep. Dob raviovich (

Rep. Bruce Simon (R)

Rep. Carley Tuss (D)

Rep. Doug Wagner (R)

Members Excused: None

Members Absent: None

Staff Present: Susan Fox, Legislative Council

Claudia Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and

discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 11

Executive Action: SB 11

HEARING ON SB 11

Opening Statement by Sponsor:

SEN. GREG JERGESON, Senate District 8, explained where SB 11 came from and why. He said due to the action taken by the public this

bill is pursuing the intent of the petition drive of HB 671. 11 will abolish the Department of Commerce and reorganize and restructure state agencies to provide services and programs more efficiently at less cost. As a member of the Appropriation's Subcommittee on Natural Resources and Commerce for the 1989 and 1993 Legislature he feels familiar with the two agencies and how their reorganization should occur. This reinventing will disperse the responsibility in programs and eliminate agencies as a consequence. SB 11 will take all of the functions of the department and disperses them to other agencies. SEN. JERGESON referred to the fiscal note which shows the cost savings that will be involved. He said these will be administrative savings that the public often feel the need to be pursued in Helena rather than the programs that effect the people throughout the He said the other concept of reorganizing would be to take the agencies that are similar with each other and merge them together. He had introduced SB 484 earlier which takes the Department of Natural Resources, Department of State Lands, Department of Fish, Wildlife, and Parks, and the Environmental Sciences Division from the Department of Health and Environmental Sciences which are all Natural Resource Agencies and combine them into a single resource management agency. He said it was very complicated like this one, but it was left on the table in the Senate Finance and Claims Committee. The fiscal note on that bill also showed a potential savings towards the state's general fund through the merger process. Only the Secretary of State's Office came forward after this bill came out to ask how they could work with him on the reorganization, and thus, the result of SB 11. The original intent of the bill was to transfer many of the duties from the DOC to the Secretary of State's Office. With the amendments from the Senate, the Business Development Division from that part of the agency needed a higher profile and will need to be attached to the Governor's Office. If SB 11 is to go into effect on July 1, 1994, some of the functions will need to be moved to their proper place, i.e., Professional and Occupational Licensing going to the Secretary of State's Office, the Local Government Audit going to the Legislative Auditor's Office, the Business and Development Division to the Governor's Office, and the Financial Services Regulation of the banks to the State Auditor's Office. He said some of the legislators had some misgivings about the reorganization so the Senate Finance and Claims Committee changed the date to July 1, 1995. He said SB 11 could not wait until the 1995 Legislature because the Governor has appointed a task force to be led by Gary Buchanan to study government organization, reorganization, and how the government could be reinvented to work better. He feels that the Buchanan study will not go far because the agencies that are effected feel they are not being treated well by the recommendations of the study and will resist the system. There is nothing to compel the next legislature to overcome institutional inertia and make changes that the public is asking the state government to make. He gave an example of a national study that was done on the Base Closure Commission of the federal government that did cause major changes. The Congress voted that after the commission had made

their recommendations for the closure of the bases unless Congress threw out the whole list the recommendations of that commission would go into place. In order to make sure the Buchanan study would work it, was essential for the Senate to place a delayed effective date on this bill for July 1, 1995. There is enough unsurety in the provisions of the bill that it will go into effect unless the 1995 Legislature actually acts to restructure agencies and to satisfy the public that they have done the right thing in the state of Montana with respect to reinventing government. The legislature could then take positive action and repeal this bill so it would not go into effect.

Proponents' Testimony:

Doug Mitchell, Chief Deputy, Secretary of State, spoke of the involvement with SEN. JERGESON in developing the concepts in SB 11. If this bill passes a small portion of the DOC that will merge with the Secretary of State will be the Professional and Occupational Licensing Bureau. The office is involved with business names, trademarks, and all corporate activity in-state and out-of-state that conduct businesses in Montana. There are 3.2 million documents on file for 38,000 corporations conducting business in Montana. There is a similarity between licensing and the Secretaries' office that can make efficiencies and cut the red tape. He offered the assistance of Secretary Mike Cooney and the office to help make the changes that will be made by this committee and the Buchanan study to make Montana government more efficient.

Beth Baker, Department of Justice, informed the committee of the number of ways this bill will effect the department, but the delay of the effective date has cleared most of their concerns. She said the department is willing to work with the legislature towards this reorganization. Ms. Baker said the original intent of SB 11 was to have the Consumer Protection function of the DOC placed under the attorney general, and the department is concerned that it is now listed in the bill under the Secretary of State's Office. She said there are 40 states that have the attorney general overseeing the Consumer Affairs agency. The department has received numerous telephone calls and documents relating to consumer protection and its overlapping functions. She has prepared amendments that will reflect the duty of the attorney general. EXHIBIT 1

Frank Cote, Deputy Insurance Commissioner, State Auditor's Office, said this bill will only effect the State Auditor's Office by transferring the banking regulations and approximately 25 FTEs. He said that now most banks sell life insurance and have licensed insurance agents. Also, banks now sell securities and have licensed security salespersons. Mr. Cote said the regulations of banks, securities, and insurance are now combined in many states. The Auditor's Office supports the transfer of the banking regulation.

Opponents' Testimony:

Jon Noel, Director, Department of Commerce (DOC), said he is the director at this moment while there still is a DOC. He has spent 25 years reorganizing businesses before Governor Racicot appointed him director of the DOC. He said the department has been reorganizing and doing what the people want. There is a problem with the bill and the fiscal note. He broke the fiscal note down into three categories: 1) he spoke of the cost savings from the \$774,000. From this amount there is approximately \$240,000 in reductions that exists in current HB 2, which came about from the restructuring of the DOC. He spoke of the elimination of the five divisions that were under the direct control of the DOC, i.e., Board of Investments, Lottery, etc. said this eliminated three administrators, the director of cities, and the director of chief counsel to the director. instead of five people reporting to the director there are 22 people reporting to the director. Within the Business Development Division portion in addition to eliminating a division administrator, a number of small bureaus have been brought together which has eliminated a majority of the managers. He said the passage of HB 2 did not include the Economic Development Division as it existed at the end of the last There are two managers remaining: one is in charge of a session. combined function that included the Census and Information Center (CEIC), and the office of Research and Information; the second manager is in charge of the Small Business Development Center System, this position coordinates a statewide FDTC. Mr. Noel said \$140,000 of the \$240,000 is general fund. The entire DOC have less than one-half of 1% of the general fund and all of that is in the Economic Development Division. He said there is \$268,000 in savings by moving the Local Government Audit function to the Legislative Auditor's Office. He said this savings will only reduce the proprietary fund expenditures by the DOC. will reduce that by eliminating inflow of those funds into the department, it will not reduce the amount of money that will be spent by local governments to have audits performed. They will continue to spend the \$268,000, which will not flow through state government, but directly to other auditing entities. He said a bill that was tabled in the Senate Finance Committee had a fiscal note that shows the audit cost would increase to local This happens because the DOC bids on audits along with the private sector and the DOC receives the bid if they are the low bidder. If the DOC is taken out of that business or reduces the number of audits that they perform the cost will go up because the low bidder isn't there. The move to the Legislative Auditors saves the \$268,000 only because they take out eight and one-half people, and the only way to do this is to bid on fewer audits. He said the Legislative Auditor that testified on the bill requested an additional \$70,000 of general fund money to provide for terminations starting July 1 when the Auditor's Office is suppose to take that function over, because they have decided to do fewer audits. He said government can be taken out of the audit business, but it is the government that

requires the audits. The third issue that he and the Governor feels shouldn't be done is to take the Census and Information function and remove general fund support. He said this function is a part of the federal government and this agency is the Census Bureau contact for the state of Montana. He explained what will happen if the CEIC is placed on a proprietary fund basis. the work done by the CEIC to provide information that is used for filing grant applications, i.e., CDBG funds for sewer and water systems. He said the DOC has to prove various income levels in order to receive those grants. Most of the 49% is directed to local government entities, which means this is a shift of cost to local governments. Every dollar the local governments spend is a dollar they will not be able to spend towards economic development. He said 75% of these dollars will be passed on to local governments which cannot afford them. Mr. Noel asked that SB 11 not be passed out of committee in order to give the commission the opportunity to do their work.

Annie Bartos, Chief Legal Council, Department of Commerce, said SB 11 in its present form has numerous legal defects, both constitutionally and statutorily. She said that many of the statutes have not been amended that is relative to which agency will administer a particular board, i.e., Section 2-15-1811, subsection 4, establishes the Board of County Printing. This board has not been transferred to any other state agency and remains in the DOC. The State Banking Board which is established under Section 2-15-1803, subsection 4 has not been amended and remains in the Department of Commerce. She said there are at least 27 to 29 other boards where there are statutory problems that exist and leaves these boards in limbo as to which agency will administrator them. Section 105 of SB 11 also amends the financial institutions supervision regulation. Currently, the supervision of financial institutions, credit unions, the banks, and the savings and loans are under the DOC, and this bill will transfer those functions to the State Auditor's Office. that no amendment has been made to follow through with Section 32-2-101, including chapters 2, part 3 and part 4 that regulate the savings and loan institutions in the state. Failing to amend this section will leave the issues of examination of the savings and loans, and leave the duties of the directors and officers and their removal by a particular agency and which agency will be responsible for that function. Similarly, in the event that a savings and loan becomes insolvent, the department supervisory powers as they currently exist will be required to act as a trustee for that particular institution. As this bill stands it leaves those issues in limbo. She gave another example in section 117 of SB 11 on page 136, lines 12 through 18. This will erroneously transfer a number of professions and occupations from the DOC to the Secretary of State, i.e., transfers Title 37, chapter 61, the attorney at law profession to the Secretary of State from the DOC. The regulation of attorneys has never been The profession is licensed by the Montana Supreme under the DOC. The Secretary of State licensing attorneys in the state violates the separation of powers provision of the Montana

The Montana Supreme Court oversees the licensure Constitution. and conduct of attorneys in Montana. Article VII, Section 2 of the Montana Constitution provides the Supreme Court shall make rules regarding the admission of attorneys and their conduct. 11 is an unconstitutional delegation of the Montana Supreme Court power to the Secretary of State. Further more, attorneys act as officers of the court and it involves a function of the Montana She informed the committee this bill should have Supreme Court. been heard by the Senate Judiciary Committee, but they had less than 48 hours when the bill came out and was presented to the Senate committee. She said the citizens of the state need to know which agency will be administering the particular boards. Section 2-15-121 that pertains to the administrative oversight and administrative actions of boards in terms of examination, hearings, licensing of licensees has not been amended to either of the elected officials. Section 168 of SB 11 provides for the functions that are not changed by this act to the appropriate office, director, or department may be changed by the governor through an executive order. She said this also violates constitutional provision of the Montana Constitution requiring a separation of powers between the judiciary, the executive branch, and the legislature. The legislature is charged with passing laws in the state, the governor the executive, is charged with approving and executing the laws. In 1991, the Lewis and Clark County district court had the opportunity to review an identical issue that occurred where the legislature gave Governor Stephens through his executive order power to reallocate the budget. governor through the executive order required the University System and the state agencies to reduce their budgets by \$30 This was challenged in 1991, and Judge Sherlock claimed this was an unconstitutional delegation of power. The court found that the legislature failed to provide the governor sufficient details and direction to execute this executive order and ruled that this law was unconstitutional. She finds an exact similarity exists with SB 11. She said that SB 11 has no severability clause. If one portion of this bill is found unconstitutional such as section 168, the entire bill is found unconstitutional. She said the most important issue of SB 11 is it unconstitutionally allocates boards to various elected officials, Article VI, Section 7 of the Montana Constitution provides that all executive and administrative offices, boards, bureaus and agencies of the executive branch and their receptive functions, powers, and duties, should be allocated by law among not more than 20 principle departments as to provide an orderly arrangement in the administrative organization of state Any allocation of a board outside of the executive government. branch violates the language of the Constitution. 101 cannot risk the constitutional provision in Article VI, Section 7, if the legislature cannot define a department to include the principal functions of an administrative agency that is created and operated from the executive branch. summarized her statements. By allocating the boards to the Secretary of State or the State Auditor's Office outside of the Chief Executive Branch violates the Constitution. What SB 11

plans to do can only occur by constitutional amendment or by transferring those functions to another department. She said for the above reasons, the director of the DOC request that SB 11 not be passed.

Keith Colbo, Montana Tourism Coalition and Montana Private
Capital Network, said they speak against the bill, but not
against the concept of reorganization or restructuring. He said
the executive branch and the legislature look to the DOC to run
programs and run them well. On behalf of his clients he
submitted those programs that concern them most are operating
efficiently. He asked that the committee consider a do not pass
on SB 11, to allow the governor's appointed group to study this
issue and bring it before the next full session.

JoAlice Mospan, Montana State Director for the United State's Small Business Administration (SBA), said she is before the committee to make sure they are informed of the federal funding that is in dire jeopardy if the DOC is abolished. Her agency funds every state in the nation including Montana for their small business development centers. There are nine centers in Montana that are important to the viability of the small business and economic development. The agency gives a grant to the DOC each year in the amount of \$322,000. Through the diligence of Gene Marcel, the state director in her office was able to place a contract for three years which will total \$966,000 in funding. The United State's Congress passed a public law three sessions ago that stated that all activities of small business development centers had to be delivered through institutions of higher learning. With the help of the U.S. Senators and the U.S. Congress at that time they were able to grandfather in the DOC as a recipient of those funds. It is written in the law that if the DOC is abolished the funding cannot be transferred. For agencies that are grandfathered in, the grandfather clauses cannot be It would take an act of the United State's Congress to allow that funding to be anywhere else.

Judy Browning, Governor's Office, said the Governor urges rejection of SB 11 for the reason that he recently selected members for a task force to renew Montana government. That task force is charged with looking at the reorganization of the executive branch among other areas. He commends SEN. JERGESON'S concerns about downsizing government, but would prefer that the task force be given 9 months, the schedule that has been given to them. They will look at the reports that came out of the Schwinden Administration and the Stephen's Administration. The task force will look at downsizing and come back with proposals for statutory changes as well as amending the Constitution.

Stuart Doggett, Montana Innkeepers Association, said the association opposes SB 11. They are concerned about the impact and the priorities placed on the travel promotion division. He distributed a handout that illustrates the importance of tourism in Montana. EXHIBIT 2

David Owen, Chamber of Commerce, said by the narrowest of margins, SB 11 will complicate the legislature's deliberation in 1995, and they oppose it for that reason.

Questions From Committee Members and Responses:

REP. BACHINI asked Annie Bartos if her presentation had been brought to the attention of the Senate committee? Ms. Bartos said that the director requested her to review this bill a day and a half ago in detail for the department. REP. BACHINI said SB 11 should have been reviewed in detail to the Senate committee prior to being heard in the House Business Committee.

REP. KNOX asked JoAlice Mospan how many states are under the grandfather clause? Ms. Mospan said there are 11 states that are grandfathered in. REP. KNOX wanted to know where the centers are in Montana? Ms. Mospan said they are in Kalispell, Missoula, Helena, Havre, Sidney, Butte, Billings, Great Falls, and Bozeman.

REP. LARSON asked SEN. JERGESON to address the concerns that Annie Bartos presented? SEN. JERGESON informed the committee that the bill was heard 48 hours after it had been introduced in a Senate Committee. He said the bill was placed in a subcommittee after the regular hearing and the DOC was invited to participate in the discussions of the subcommittee and Ms. Bartos was not at that subcommittee meeting, but the Director, Jon Noel, and the Deputy Director, Andy Poole were in attendance. didn't question Annie Bartos analysis, but feels what will happen in 1995 without something that will compel action by the legislature and that is the spectacle that has happened here The agencies may participate in the discussions of the task force, but they have the ability to always find fault somewhere along the process. It is institutional and protecting the way things currently are and will come into play and influence the 1995 Legislature. Then the members of the public will be brought in that agree with the DOC.

REP. LARSON asked Doug Mitchell if he concurred with the Baker Amendment that will shift the consumer protection over to the Attorney General? Mr. Mitchell said yes. EXHIBIT 1

REP. LARSON asked Frank Cote to address the allegations of the increase in cost of the auditing functions in this proposal? Mr. Cote said that portion of the bill refers to the Legislative Auditor's Office. The State Auditor's Office does not deal with those types of auditing functions.

The question was referred to Mary Bryson, Legislative Auditor's Office. Ms. Bryson said it is the position of the Legislative Auditor to move the audit functions out of state government and not participate in a vast majority of them. Currently there are 1,500 government entities that are subject to audit, and of those, approximately 400 are required to receive a annual or biannual audit. The DOC has been hired for approximately 100 of

those. If this function goes through, the Legislative Auditor's Office will move to reduce that number significantly. Her office has spoken with the Montana Society of CPAs who have indicated that the private sector is more than able and willing to take on the additional functions.

CHAIRMAN BENEDICT asked SEN. JERGESON if he had an updated chart that is more current than the fiscal note that will show the changes from the Senate committee and the director's testimony where the functions of the departments are being reallocated by the changes in the Senate? Will there be an updated fiscal note? SEN. JERGESON said with the change of the effective date from July 1, 1994 to July 1, 1995, there is no fiscal impact in this biennium. The fiscal note that was prepared for the bill was contingent on the effective date, and has not been updated since that time. CHAIRMAN BENEDICT asked if it is impossible to guess what the fiscal impact will be? SEN. JERGESON said the change in the effective date impacts a different biennium. The assumption that the fiscal impact will be different because of the changes the Senate made, would assume that the governor's office would either do the economic development programs more or less efficiently than the Secretary of State's Office. CHAIRMAN BENEDICT said that shouldn't have anything to do with the Senate The \$246,000 is already implemented and out of HB 2. The \$268,000 savings of the audit functions to the Legislative Auditor and regardless of the Senate changes, the fiscal note is SEN. JERGESON said the fiscal note is accurate, because the OBPP has to prepare a fiscal note based on the content of the bill as to apply to something in the term of law. A fiscal note cannot be made to assume if other things happen. EXHIBIT 3

CHAIRMAN BENEDICT asked Annie Bartos in regard to her testimony when she alluded to the fact that there were references in the bill to the department and there were still some boards and licensing functions that were attached to the department, but there isn't a department anymore? Ms. Bartos said that is correct. She said that under one portion of the bill the DOC is abolished under the executive branch agencies, but at the same time under Title 2, chapter 15, part 18, establishes at least 29 various boards, some of the boards had been properly allocated and laws had been amended. The amendment has not occurred for the 29 boards and they do not have a department to which they are administratively attached.

REP. ELLIS asked **Jon Noel** to comment on the audit cost. **Mr. Noel** said the local government incur the cost who gives it to state government who reimburses the auditor.

Mr. Noel was asked to respond to the comment on the responsibility of why Annie Bartos did not explain this bill in detail to the Senate committee. The DOC did ask for a detail legal review of SB 11 because in its original form it disbanded the DOC. The bill was drafted by the Secretary of State. He

said there was a point in time when certain functions were to be transferred to the Governor that he felt it was incumbent on the DOC to be sure that things were being done properly. He didn't think it was the responsibility of the DOC at the outset to ensure that this bill was correct. He feels it was the responsibility of the departments that were going to absorb the DOC to make sure it was correct.

REP. PAVLOVICH asked SEN. JERGESON in the transfer to the Legislative Audit there will be 17 FTE's transferred to the Legislative Auditor's Office, will there be a new office built to accommodate them? SEN. JERGESON didn't think they would be moved physically from the building where they are located at this time. He said if this bill were to go into effect, there would have to be decisions made as to where the current FTEs will go.

REP. TUSS asked JoAlice Mospan regarding her testimony on losing the small business grants if the DOC is abolished, wouldn't this revert to current law and the grants would be supervised by a division of higher learning? Ms. Mospan said they would be available for an institution of higher learning to apply for them.

Closing by Sponsor:

SEN. JERGESON addressed exhibit 3. He said this hearing has made his point perfectly. As the legislature becomes involved in reinventing government that it is not going to be an easy The resistance to change will be strong, and the process. resistance demonstrated today is overwhelming. He said everyone from the WhiteHouse to the courthouse is opposed to this bill. He felt that it is unprecedented that a federal agency has come into this committee against a bill in the State Legislature. This shows that agencies will do anything they have to do to avoid the prospect of ever changing. He said in the 1995 Legislature, no matter how good the Buchanan study is, that resistance to change will be very strong. Unless this bill is used with the delayed effective date, and despite all of the problems in it, that will have to be resolved. He said anyone running for office will have to tell the public how the legislature will overcome the resistance to change. How will the legislature demonstrate that they have the will to actually act? If this trigger isn't put into place, there will not be one legislator that can tell the public that anything will happen any different in the 1995 session, then the public will have the perception of inadequate changes by the legislature. The public demands that the legislature find ways for government to serve them more efficiently and effectively. He said SB 11 is the trigger that will cause the 1995 session to act and that is why this bill was passed by the Montana Senate on a very solid bipartisan 45 to 4 vote. He hoped the committee would feel that this is also a worthy goal to achieve.

EXECUTIVE ACTION ON SB 11

Motion: REP. PAVLOVICH MOVED SB 11 BE CONCURRED IN.

- <u>Discussion</u>: REP. PAVLOVICH MOVED TO ADOPT THE AMENDMENTS. Voice vote was taken. Motion carried unanimously. EXHIBITS 5 and 6
- REP. BRANDEWIE said he doesn't agree with the bill and felt the task force study should be given the time allotted and study the report in the regular session.
- REP. MILLS said there are too many problems and he disagrees with SB 11.
- REP. SIMON said he looked forward to hearing this bill and is disappointed that there are too many technical flaws in it for the legislature to deal with during this special session. He said it is a continuing process in government to move functions and make changes.
- REP. LARSON said he agrees with the bill. It speaks of change and that is the message the legislators came here with from their various districts. He finds it ironic that not one member from this committee is on the task force to study the reorganization.
- REP. KNOX said he has problems with the Constitutional problems and doesn't support the bill.
- REP. PAVLOVICH said the task force has until the 1995 session to study the problem of reinventing government. He said the legislature can repeal SB 11 in 1995 before the July 1 effective date. This bill would be obsolete if a good plan is presented by the task force in reorganizing government.
- REP. BACHINI said SB 11 is the mechanism to trigger the action to make the changes in government. He supports the bill.
- REP. ELLIS said this bill states to do something even if it is wrong. He is against the bill.
- REP. BARNETT said in concept he agrees with REP. LARSON'S comments, but he opposes the concept because it is unconstitutional. He said the legislators are here to protect the constituents that they are here at the legislature to serve. REP. STELLA JEAN HANSEN said she supports SB 11.
- **REP. DAILY** spoke of the cuts in K-12 and the University System, but less than \$2 million was cut from Helena. He addressed the jobs lost when the smelter in Anaconda closed in the 1980's, the Butte mine, and the jobs lost at Deer Lodge and Galen.
- CHAIRMAN BENEDICT said the legislature needs to show the people of Montana that they (the legislators) are serious about cutting government in Helena. SB 11 does not do that. SB 11 transfers

people around. He said in this bill there are only 6 FTE that are eliminated out of several hundred. It reorganizes government and takes the FTEs that are in this department and doesn't do a thing about the issue of too many people in Helena. issue is he cannot believe the comments he is hearing from the committee members. He said this committee is responsible to pass out a bill that at least makes the legislature look like they This bill has no clue where some of know what they are doing. the boards are going. He said some of the members in this room want to pass out a bill that will effect the lives of thousands of Montanans through their boards, through their licensing, etc., not to mention the Constitutional problems, and "we don't care". Someone says to "trust us" and maybe someone will "clean it up for us". He said that effective date is an absolute. Unless a repealer is put into place in 1995, this bill will becomes law. If the legislators do not agree on the changes and the legislature locks up on this bill, this bill will stay the way it is in 1995, and on July 1, 1995 this "baby" is law. the different divisions and functions are better handled and more in tune to what their true function are instead of putting them "willy nilly", and pass this bill out of the committee right now in the absolute mess that it is in doesn't make any sense.

REP. COCCHIARELLA defended the public employees that work for the state government. The legislators don't come in with a pay increase, and no meaningful pay plan. The people that work here in Helena and the people that REP. DAILY referred to have been bunkered down literally defending their lives when session is taking place. She is against SB 11, not to cut Helena, but to The legislature needs to prioritize and decide if cut programs. what they see is not worth doing anymore. Then go from that point forward and decide what to do and what needs to be cut by looking at programs rather than this type of reorganization. REP. COCCHIARELLA wanted to be on record by stating that she is sick of upper level management reorganizing and putting people back into positions which have been eliminated by the legislature. There are several agencies that don't have deputy directors anymore, but they have someone in there now doing that work and making almost the same amount of money with a different These are the types of things that make her and the people of Montana angry. Reorganization is the tool that is used to maintain that upper level of bureaucracy that makes everyone so angry when at the bottom the people are taking on more and more work because the legislature keeps cutting across the board, not programs, not prioritizing, and expect these agencies to do more with fewer people, fewer supplies and fewer tools to do the Meanwhile, the bureaucracy at the top remains the same, untouched and unscathed by what the legislature has done because of the word "reorganization". She is against SB 11, because it is a way to maintain that upper level of bureaucracy that gets away with it anyway. The people at the bottom who are doing the work and serving the public are not being supported, but tromped on by this legislation. REP. COCCHIARELLA said it is the responsibility of the legislature to look at and cut programs and

it is the responsibility of the public to tell the legislature what services they are willing to give up when the legislature reorganizes state government.

REP. WAGNER said by listening to the director of the DOC testimony, there are changes being made, but it takes time. He spoke of the jobs lost and the possibility of the Columbia Falls Aluminum Company shutting down. He said this is happening all over Montana and there is no excuse for it. The federal government seems to think they know more about what is good for the state than the citizens of Montana do. He said the citizens need to become involved on all different levels to change that. The talk here today is about cutting government when government is cut, people lose jobs. He said if government is to be cut and the citizens of Montana are out of a job there had better be something else to keep them employed. This type of economic development needs to be encouraged in Montana.

Motion/Vote: REP. KNOX MOVED SB 11 BE TABLED. Roll call vote
was taken. Motion carried 10 - 8 with REPS. BACHINI,
COCCHIARELLA, DAILY, DOWELL, S.J. HANSEN, LARSON, TUSS, AND
PAVLOVICH voting no. EXHIBIT 5

Vote: SB 11 BE TABLED. Motion carried 10 - 8.

NOTE: REP. COCCHIARELLA asked CHAIRMAN BENEDICT if she could express her reason for voting no on the table motion. He said yes. REP. COCCHIARELLA said she voted this way because she wanted to vote no on the do not pass motion. CHAIRMAN BENEDICT replied, so noted.

ADJOURNMENT

Adjournment: 10:40 a.m.

BTEVE BENEDICT, Chairman

CLAUDIA JOHNSON, Secretary

SB/cj

HOUSE OF REPRESENTATIVES BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL

date <u>12-16-93</u>

NAME	PRESENT	ABSENT	EXCUSED
REP. STEVE BENEDICT, CHAIRMAN	V		
REP. SONNY HANSON, VICE CHAIRMAN			
REP. BOB BACHINI	1		
REP. JOE BARNETT	V		
REP. RAY BRANDEWIE	V		
REP. VICKI COCCHIARELLA	V		
REP. FRITZ DAILY	1		
REP. TIM DOWELL	V		
REP. ALVIN ELLIS	V		
REP. STELLA JEAN HANSEN	1		
REP. JACK HERRON			
REP. DICK KNOX	V		
REP. DON LARSON	V	ļ	
REP. NORM MILLS	V		
REP. BOB PAVLOVICH	V		
REP. BRUCE SIMON			
REP. CARLEY TUSS	V		
REP. DOUG WAGNER	V		ļ
	<u> </u>		

HR:1993

wp.rollcall.man CS-09

EXHIE	BIT	1	
DATE	12	-16	- 9
5B_			

Amendments to Senate Bill 11 Second Reading Copy (Yellow)

Prepared by Department of Justice

1. Page 100, line 3. Following: "12,"
Strike: Remainder of line 3 through "2," on line 4.

2. Page 100, line 4.
 Following: "measures"
 Strike: Remainder of line 4 through "practices" on line 5.

3. Page 100, line 8.
Following: "12,"
Strike: Remainder of line 8 through "2," on line 9.

4. Page 103, line 6.
Following: "2-15-1801."

Insert: ""Department" means the department of justice provided for in 2-15-2001."

Renumber: Remaining subsections

5. Page 104, line 5. Following: "Section 93."
Insert: "Section 30-14-121, MCA, is amended to read:

"30-14-121. Duties of county attorney and attorney general. It is the duty of the county attorney to lend to the department such assistance as the department may request in the commencement and prosecution of actions pursuant to this part. The county attorney or the attorney general, on request of the department or a county attorney, may initiate all procedures and prosecute actions in the same manner as provided for the department. If an action is prosecuted by the county attorney alone or the attorney general on request of the county attorney, the person prosecuting shall notify the department as to the nature of the action and the parties to the action within 30 days of the filing of the action. The county attorney or attorney general shall make a report thereon to the department within 30 days of the final disposition of the matter.

Renumber: Remaining sections.

6. Page 105, line 24. Following: "2-15-1801."

Insert: ""Department" means the department of justice

provided for in 2-15-2001."

Renumber: Remaining subsections.

DATE 12-16-93 SB 11

THE

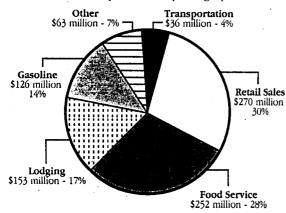
IMPORTANCE OF

TOURISM

Tourism is one of Montana's most important and promising industries. In fact, recent tourism industry growth has out-paced all other basic industries in Montana. From 1988 to 1992, the number of non-resident visitors to the state increased by 26%, from 5.17 million to 6.5 million visitors. In 1992, those 6.5 million visitors spent an estimated \$900 million in Montana.

More Than Hotel Rooms

Visitor Expenditures by Category*



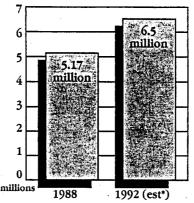
As the chart above shows, visitor expenditures have impacts far broader than the lodging industry, and circulate through a broad cross-section of the Montana economy. Total economic impact of tourism to Montana in 1992 is estimated at \$2.06 billion.

n direct benefit to all Montana citizens, visitors to Montana pay many millions of dollars annually into our general and highway funds through various Montana taxes. Non-resident travel expenditures in the state also sustained an estimated 32,000 jobs in Montana in 1992 which were directly or indirectly elated to travel. In total, these jobs accounted for \$500 million in travel payroll, including an estimated 325 million contribution to the general fund in the form of income taxes.

These measurements represent significant growth since 1988. Visitor expenditures have risen 37%, ravel-related or dependent jobs increased by 28% and labor income from tourism has grown by 36%.

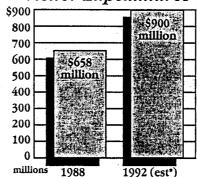
In addition, the filming of movie and commercial productions in Montana generated income to Montana of \$40 million from 1988 through 1992, double the amount generated during the previous five years.

Non-Resident Visitors Up 26%



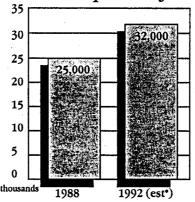
6.5 million people visited Montana in 1992, spending an estimated \$900 million in our state.

Visitor Expenditures Up 37%



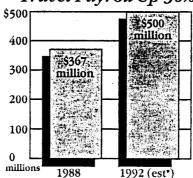
An estimated 5% of visitor expenditures in Montana contribute to our general and highway funds in the form of various Montana taxes.

Travel-Dependent Jobs Up 28%



32,000 jobs in Montana are directly or indirectly related to the travel trade – in botels, restaurants, gas stations, retail stores, and more.

Travel Payroll Up 36%



Montana workers earned \$500 million in 1992 from jobs related to non-resident travel, contributing an estimated \$25 million in income taxes to the general fund.

EXHIBIT 3

DATE 12-16-93

SB 11

Proposed Personal Services/FTE Reductions...Senate Bill 11

PERSONAL SERVICES BUDGETS...FY '95

	FY 1995	SB 11	FY 1995
Department/Agency	Appropriation	Proposal	Savings
.Department of Commerce	\$11,399,041	\$0	
Secretary of State*	\$881,556	\$7,054,724	
State Auditor	\$0	\$787,472	
Legislative Auditor	\$0	\$531,107	
Office of the Governor	\$0	\$718,841	
Department of Health	\$0	\$49,949	
Department of Administration	\$0	\$1,215,445	
Department of Revenue	\$0	\$1,100,945	
Department of Justice	\$0	\$111,125	
TOTAL	\$12 280 507	\$11 569 608	\$710 989

* FY 1995 personal services amount included here due to FTE reductions included as part of SB 11 reorganization (see FTE chart below).

FTE REDUCTIONS

FTE REDUCTIONS					•
	SB 11 Agency A	uthorized	SB 11	•	
Function	Responsible	FY 1995	Proposal	Change	
Secretary of State	s.o.s.	34.30	32.30	-2.00	
Public Safety Division	Eliminated	1.00	0.00	-1.00	
Weights and Measures	s.o.s.	10.00	10.00	0.00	
Financial Division	State Auditor	25.25	25.00	-0.25	•
Milk Control	\$.0.S.	6.00	6.00	0.00	HLIVESTOCK .
Prof. and Occupational Licensing	S.O.S.	43.03	42.03	-1.00	
Rusiness Development Division	\$.O.S.	19.00	15.00	-4.00	- GOVERNOR
Montana Promotion Divison	Governor	19.33	19.33	0.00	
Community Development Bureau	S.O.S.	26.50	26.50	0.00	- Governor
Office of Research and Info.	s.o.s.	6.83	6.83	0.00	60000,000
Local Government Services - Audit	Leg. Auditor	29.00	20.50	-8.50	
Local Government Services - Systems	N/A	0.00	0.00	0.00	
Local Government Services - Admin.	S.O.S.	2.50	2.50	0.00	
Building Codes Bureau	3.0.5.	35.00	35.00	0.00	*HCZC74
Indian Affairs Coordinator	Governor	4.00	4.00	0.00	
Health Facilites Authority	-Health-	1.00	1.00	0.00	ADMINUTTINTOFT
Mt. Science and Tech. Alliance	S.O.S.	7.00	7.00	0.00	- PLENTIFICATION
Board of Housing	s.o.s.	14.00	14.00	0.00	- Apani-15TTan-
Investments Division	Administration	28.00	28.00	0.00	
Montana Lottery	Revenue	35.00	35.00	0.00	
Board of Horse Racing	3.0.5. JUGTICE/5,	ς 3.78	3.78	0.00	
Management Services	s.o.s. —	22.59	18.84	-3.75	•
TOTAL		373.11	352.61	-20.50	

EXHIBIT_	
DATE /a	2-16-93
58 11	

HOUSE OF REPRESENTATIVES BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL VOTE

NAME	AYE	NO
REP. STEVE BENEDICT, CHAIRMAN	V	
REP. SONNY HANSON, VICE CHAIRMAN	V	
REP. BOB BACHINI		V
REP. JOE BARNETT	V	
REP. RAY BRANDEWIE	V	
REP. VICKI COCCHIARELLA	-	V
REP. FRITZ DAILY		V
REP. TIM DOWELL		V
REP. ALVIN ELLIS	V	
REP. STELLA JEAN HANSEN		V
REP. JACK HERRON	V	
REP. DICK KNOX	V	
REP. DON LARSON		W
REP. NORM MILLS	V	
REP. BOB PAVLOVICH		V
REP. BRUCE SIMON	V	
REP. CARLEY TUSS		レ
REP. DOUG WAGNER		
	10	8

HR:1993

wp:rlclvote.man

exhibit<u>5</u> date 12-16-93 8B 11

Amendments to Senate Bill No. 11 Third Reading Copy

For the Committee on Business and Economic Development

Prepared by Susan Byorth Fox December 16, 1993

1. Title, page 1, line 22. Following: "30-14-102," Insert: "30-14-121,"

2. Page 100, lines 3 through 5.

Following: "12," on line 3

Strike: remainder of line 3 through "2," on line 4

Following: "measures" on line 4

Strike: remainder of line 4 through "practices" on line 5

3. Page 100, lines 8 and 9.

Following: "12,"

Strike: remainder of line 8 through "2," on line 9

4. Page 103, line 6.

Following: "2-15-1801."

Insert: ""Department" means the department of justice provided

for in 2-15-2001.

(2)"

Renumber: subsequent subsections

5. Page 105, line 24.

Following: "2-15-1801."

Insert: ""Department" means the department of justice provided

for in 2-15-2001.

(8)"

Renumber: subsequent subsection

6. Page 214, line 25.

Following: line 24

Insert: "Section 169. Section 30-14-121, MCA, is amended to

read:

"30-14-121. Duties of county attorney and attorney general. It is the duty of the county attorney to lend to the department such assistance as that the department may request in the commencement and prosecution of actions pursuant to this part. The county attorney or the attorney general, on request of the department or a county attorney, may initiate all procedures and prosecute actions in the same manner as provided for the department. If an action is prosecuted by the county attorney alone or the attorney general on request of the county attorney, the person prosecuting shall notify the department as to the nature of the action and the parties to the action within 30 days of the filing of the action. The county attorney or attorney

general shall make a report thereon to the department within 30
days of the final disposition of the matter.""

Renumber: subsequent sections

Amendments to Senate Bill No. 11 Third Reading Copy

For the Committee on

Prepared by Greg Petesch December 10, 1993

1. Title, line 10.

Following: "2-15-1872,"

Insert: "2-5-1881,"

2. Page 3, lines 7 and 8.

Following: "commerce" on line 7

Strike: remainder of line 7 through the first "state" on line 8

Insert: "office of the lieutenant governor"

Following: "by the"

Strike: "<u>secretary of state</u>"
Insert: "lieutenant governor"

3. Page 4, line 17.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

4. Page 4, line 18.

Strike: "secretary of state"
Insert: "lieutenant governor"

5. Page 9, lines 18, 19, and 20.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

6. Page 15, line 21.
Following: "commerce"
Insert: "lieutenant"

7. Page 16, line 13.

Strike: "<u>secretary of state</u>"
Insert: "lieutenant governor"

8. Page 16, line 22.

Strike: "DEPARTMENT OF ADMINISTRATION"

Insert: "office of the lieutenant governor"

9. Page 17, line 18.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

10. Page 18, line 18.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

11. Page 19, lines 6 and 7.

Following: "department" on line 6

Strike: remainder of line 6 through "state" on line 7

Insert: "office of the lieutenant governor"

12. Page 20, line 8.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

13. Page 21, line 13.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

14. Page 22, lines 1 and 17. Strike: "secretary of state"

Insert: "office of the lieutenant governor"

15. Page 22, line 9.

Following: line 8

Insert: "Section 20. Section 2-15-1881, MCA, is amended to read: "2-15-1881. Board of horseracing. (1) There is a board of horseracing.

- (2) The board consists of five members appointed by the governor with the consent of the senate, who shall be citizens, residents, and qualified electors of this state. No \underline{A} person holding a financial interest in a racetrack or race meet, member of a county fair board, or owner, trainer, or breeder of a racehorse is <u>not</u> eligible for membership on the board. No \underline{A} member of the board may <u>not</u> wager at any licensed racing meet in this state.
- (3) The governor may not appoint any member who would have a conflict of interest during his the term of appointment. The governor shall appoint, on the basis of experience and qualifications one member from each of the following districts:
- (a) first district, consisting of Blaine, Carter, Custer, Daniels, Dawson, Fallon, Garfield, McCone, Phillips, Powder, River, Prairie, Richland, Rosebud, Roosevelt, Sheridan, Treasure, Valley, and Wibaux Counties;
- (b) second district, consisting of Big Horn, Carbon, Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, Sweet Grass, Stillwater, Wheatland, and Yellowstone Counties;
- (c) third district, consisting of Cascade, Chouteau, Glacier, Hill, Liberty, Pondera, Teton, and Toole Counties;
- (d) fourth district, consisting of Beaverhead, Broadwater, Deer Lodge, Gallatin, Jefferson, Lewis and Clark, Madison, Meagher, Park, and Silver Bow Counties; and
- (e) fifth district, consisting of Flathead, Granite, Lake, Lincoln, Missoula, Mineral, Powell, Ravalli, and Sanders Counties.
- (4) Each member shall serve for a staggered term of 3 years. A member may be removed from office by the governor only for cause.
- (5) A board member may succeed himself serve successive terms upon reappointment by the governor. A vacancy on the board must be filled for the unexpired term by appointment by the governor, with the consent of the senate, as provided in this

section.

(6) The board is allocated to the department of justice for administrative purposes only as prescribed in 2-15-121.""
Renumber: subsequent sections

16. Page 23, lines 11 and 24. Strike: "secretary of state"

Insert: "office of the lieutenant governor"

17. Page 25, line 4.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

18. Page 25, line 14.

Strike: "<u>secretary of state</u>"
Insert: "lieutenant governor"

19. Page 28, line 6. Following: "THE" Insert: "lieutenant"

20. Page 29, lines 17 and 24.

Following: "THE"
Insert: "lieutenant"

21. Page 30, line 14.

Following: "THE"
Insert: "lieutenant"

22. Page 30, line 22.

Strike: "<u>secretary of state</u>"

Insert: "office of the lieutenant governor"

23. Page 32, line 25.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

24. Page 33, lines 11 and 15. Strike: "secretary of state"

Insert: "office of the lieutenant governor"

25. Page 34, line 20.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

26. Page 36, lines 23 and 24

Following: "commerce" on line 23

Strike: remainder of line 23 through the first "state" on line 24

Insert: "office of the lieutenant governor"

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

27. Page 37, lines 10 and 12. Strike: "secretary of state"

Insert: "office of the lieutenant governor"

28. Page 38, line 13.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

29. Page 38, lines 15 and 16.

Following: "department" on line 15

Strike: remainder of line 15 through "state" on line 16

Insert: "office of the lieutenant governor"

30. Page 39, lines 8 and 9.

Following: "commerce" on line 8

Strike: remainder of line 8 through the first "state" on line 9

Insert: "office of the lieutenant governor"

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

31. Page 41, lines 6 and 8.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

32. Page 42, line 18.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

33. Page 43, lines 8, 12, 14, 15, and 22.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

34. Page 44, line 25.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

35. Page 45, line 3.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

36. Page 45, lines 24 and 25.

Following: "commerce" on line 24

Strike: remainder of line 24 through the first "state" on line 25

Insert: "office of the lieutenant governor"

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

37. Page 46, lines 2 and 3.

Following: "The" on line 2

Strike: remainder of line 2 through "state" on line 3

Insert: "office of the lieutenant governor"

38. Page 47, lines 13 and 15.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

39. Page 48, line 25.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

40. Page 49, lines 15, 18, 20, and 21.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

41. Page 50, line 2.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

42. Page 51, lines 4 and 17. Strike: "secretary of state"

Insert: "office of the lieutenant governor"

43. Page 53, line 7.

Strike: "<u>secretary of state</u>"
Insert: "lieutenant governor"

44. Page 53, lines 18 and 19.

Following: "department" on line 18

Strike: remainder of line 18 through "state" on line 19

Insert: "lieutenant governor"

45. Page 55, lines 7, 22, and 24.

Following: "the"

Insert: "lieutenant"

46. Page 56, lines 21 and 25.

Following: "the"

Insert: "lieutenant"

47. Page 57, lines 8 and 14.

Following: "THE"

Insert: "lieutenant"

48. Page 60, line 13.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

49. Page 68, lines 16 and 20.

Following: "THE"

Insert: "lieutenant"

50. Page 70, line 6.

Strike: "Secretary of state"

Insert: "Office of the lieutenant governor"

51. Page 70, lines 9, 17, and 25.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

52. Page 71, lines 3 and 7.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

53. Page 74, line 16.

Strike: "DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES"

Insert: "office of the lieutenant governor"

54. Page 75, lines 5 and 6. Following: "state" on line 5

Strike: remainder of line 5 through "SCIENCES" on line 6

Insert: "office of the lieutenant governor"

55. Page 76, line 4.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

56. Page 76, line 8.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

57. Page 78, lines 13 and 24.

Strike: "<u>secretary of state</u>"

Insert: "office of the lieutenant governor"

58. Page 82, lines 11 and 20.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

59. Page 83, lines 2, 5, and 21.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

60. Page 83, lines 8 and 9.

Following: "commerce" on line 8

Strike: remainder of line 8 through "state" on line 9

Insert: "office of the lieutenant governor"

61. Page 84, line 2.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

62. Page 85, lines 7 and 8.

Following: "commerce" on line 7

Strike: remainder of line 7 through "state" on line 8

Insert: "office of the lieutenant governor"

63. Page 85, lines 11 and 12.

Following: "commerce" on line 11

Strike: remainder of line 11 through "state" on line 12

Insert: "office of the lieutenant governor"

64. Page 85, line 24.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

65. Page 86, line 3.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

6

66. Page 86, line 7.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

67. Page 90, line 18.

Strike: "revenue"
Insert: "justice"

68. Page 91, line 5.

Strike: the second "the"

Insert: "a"

Strike: "revenue"

Insert: "the executive branch"

69. Page 93, line 7.

Strike: "revenue" Insert: "justice"

70. Page 96, line 8.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

71. Page 97, lines 11 and 12.

Following: "commerce" on line 11

Strike: remainder of line 11 through "state" on line 12

Insert: "office of the lieutenant governor"

72. Page 97, line 17.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

73. Page 97, line 23.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

74. Page 98, line 2.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

75. Page 100, line 6.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

76. Page 100, lines 10 and 11.

Following: "to" on line 10

Strike: remainder of line 10 through "state" on line 11

Insert: ""office of the lieutenant governor""

77. Page 106, line 11.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

78. Page 106, line 15.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

79. Page 107, lines 15 and 16.

Following: "the" on line 15

Strike: remainder of line 15 through "auditor" on line 16

Insert: "office of the lieutenant governor"

80. Page 107, line 20. Strike: ""state auditor""

Insert: ""office of the lieutenant governor""

81. Page 114, line 7.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

82. Page 114, lines 10 and 11.

Following: "commerce" on line 10

Strike: remainder of line 10 through "state" on line 11

Insert: "office of the lieutenant governor"

83. Page 115, line 12.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

84. Page 116, line 7.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

85. Page 116, lines 11 and 14.

Strike: ""state auditor""

Insert: ""office of the lieutenant governor""

86. Page 116, lines 16 and 17.

Following: "to" on line 16

Strike: remainder of line 16 through "auditor" on line 17

Insert: ""lieutenant governor""

87. Page 121, line 24.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

88. Page 122, lines 2 and 3.

Following: "director" on line 2

Strike: remainder of line 2 through "auditor" on line 3

Insert: "lieutenant governor"

89. Page 122, line 22.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

90. Page 124, line 11.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

91. Page 124, line 14.

Following: "commerce,"

Insert: "are changed to "the office of the lieutenant governor""

92. Page 124, line 16.

Strike: "are" Insert: "is"

Strike: ""state auditor""

Insert: ""lieutenant governor""

93. Page 128, lines 15 and 16.

Following: "commerce" on line 15

Strike: remainder of line 15 through "state" on line 16

Insert: "office of the lieutenant governor"

94. Page 129, line 22.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

95. Page 129, line 24.

Strike: "secretary of state"
Insert: "lieutenant governor"

96. Page 130, line 7.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

97. Page 130, line 11.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

98. Page 131, line 4.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

99. Page 131, line 8.

Strike: ""state auditor""

Insert: ""office of the lieutenant governor""

100. Page 135, line 1.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

101. Page 135, line 4.

Following: "commerce,"

Insert: "are changed to office of the lieutenant governor"

102. Page 135, line 6.

Strike: "are" Insert: "is"

Strike: ""secretary of state""
Insert: ""lieutenant governor""

103. Page 136, lines 17 and 18.

Following: "the"

Strike: remainder of line 17 through "state" on line 18

Insert: "office of the lieutenant governor"

104. Page 136, line 22.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

105. Page 137, line 4.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

106. Page 137, line 8.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

107. Page 140, lines 22 and 23. Following: "OF THE" on line 22

Strike: remainder of line 22 through "SCIENCES" on line 23

Insert: "office of the lieutenant governor"

108. Page 150, lines 4 and 5.

Following: "state" on line 4

Strike: remainder of line 4 through "SCIENCES" on line 5

Insert: "office of the lieutenant governor"

109. Page 150, lines 12 and 13.

Following: "state" on line 12

Strike: remainder of line 12 through "SCIENCES" on line 13

Insert: "office of the lieutenant governor"

110. Fage 150, lines 17 and 18.

Following: "state" on line 17

Strike: remainder of line 17 through "SCIENCES" on line 18

Insert: ""office of the lieutenant governor""

111. Page 151, lines 17 through 20.

Strike: subsection (4) in its entirety

Renumber: subsequent subsections

112. Page 152, line 19.

Strike: "(10)" Insert: "(9)"

113. Page 154, lines 11 and 12.

Following: "state" on line 11

Strike: remainder of line 11 through "SCIENCES" on line 12

Insert: "office of the lieutenant governor"

114. Page 154, lines 16 and 17.

Following: "state" on line 16

Strike: remainder of line 16 through "SCIENCES" on line 17

Insert: ""office of the lieutenant governor""

115. Page 154, lines 22 through 25.

Strike: subsection (1) in its entirety

Renumber: subsequent subsections

116. Page 158, line 11.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

117. Page 159, line 3.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

118. Page 159, line 7.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

119. Page 160, line 8.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

120. Page 160, line 12.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

121. Page 161, line 17.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

122. Page 162, line 9.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

123. Page 162, line 13.

Strike: ""state auditor""

Insert: ""office of the lieutenant governor""

124. Page 167, line 22.

Strike: "state auditor"

Insert: "office of the lieutenant governor"

125. Page 169, line 14.

Strike: "secretary_of_state"

Insert: "office of the lieutenant governor"

126. Page 172, line 5.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

127. Page 174, line 10.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

128. Page 175, line 11.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

129. Page 175, line 23.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

130. Page 176, line 2.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

131. Page 183, lines 8 and 12. Strike: "secretary of state"

Insert: "office of the lieutenant governor"

132. Page 183, lines 18 and 19.

Following: "the" on line 18

Strike: remainder of line 18 through "state" on line 19

Insert: "office of the lieutenant governor"

133. Page 183, line 23.

Strike: ""secretary of state""

Insert: ""office of the lieutenant governor""

134. Page 186, lines 11 and 17.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

135. Page 187, line 6.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

136. Page 188, line 23.

Following: "THE"

Insert: "lieutenant"

137. Page 189, line 2.

Following: "THE"

Insert: "lieutenant"

138. Page 189, lines 6 and 7.

Following: "THE" on line 6

Strike: remainder of line 6 through "ADMINISTRATION" on line 7

Insert: "office of the lieutenant governor"

139. Page 189, line 11.

Strike: ""DEPARTMENT OF ADMINISTRATION""

Insert: ""office of the lieutenant governor""

140. Page 190, lines 3 through 5.

Strike: subsection (6) in its entirety

Renumber: subsequent subsections

141. Page 193, lines 14, 15, and 22.

Following: "THE"

Insert: "lieutenant"

142. Page 193, line 20.

Following: "OF"

Insert: "lieutenant"

143. Page 202, lines 11 and 16.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

144. Page 203, lines 6, 8, and 21.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

145. Page 205, line 9.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

146. Page 206, line 6.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

147. Page 207, line 3.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

148. Page 208, lines 19 and 20. Following: "commerce" on line 19

Strike: remainder of line 19 through "state" on line 20

Insert: "office of the lieutenant governor"

149. Page 209, lines 8 and 9.

Following: "commerce" on line 8

Strike: remainder of line 8 through "state" on line 9

Insert: "office of the lieutenant governor"

150. Page 209, lines 13, 15, and 20.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

151. Page 211, line 3.

Strike: "secretary of state"

Insert: "office of the lieutenant governor"

152. Page 211, lines 16 and 20.

Following: "THE"

Insert: "lieutenant"

153. Page 212, line 19.

Following: "THE"

Insert: "lieutenant"

154. Page 215, line 10.

Strike: "SECRETARY OF STATE"

Insert: "office of the lieutenant governor"

These minutes include written testimony from opponents of SB11. The originals can be found at the Montana Historical Society, 225 North Roberts, Helena, Montana 59620. The phone number is 444-4775.

EXHIBITS #7-63

JON D. NOEL, DIRECTOR

MARC RACICOT, GOVERNOR



MONTANA DEPARTMENT OF COMMERCE

1424 9TH AVENUE PO BOX 200501 HELENA, MONTANA 59620-0501 (406) 444-3494 TDD (406) 444-2978

MEMORANDUM

TO:

Claudia Johnson, Secretary

House Business and Economic Development Committee

FROM:

Annie M. Bartos

Chief Legal Counse

DATE:

January 6, 1994

RE:

Testimony--Senate Bill 11

Enclosed please find a copy of my testimony used before the Business and Economic Development Committee relative to Senate Bill 11 which was heard on December 16, 1993.

LEGISLATIVE TESTIMONY

SB 11

Senate Bill 11 in its present form has numerous legal defects both constitutional and statutorily. I am sensitive to the time constraints of this committee. The purpose of my testimony is to only highlight several constitutional and statutory defects.

- 1. Section 2-15-1802(3), MCA, is not amended. The Milk Control Board is not reallocated. The Board remains in the Department of Commerce.
- 2. Section 2-15-1803(4), MCA, is not amended. The State Banking Board is not reallocated and remains in the Department of Commerce.
- 3. Section 2-15-1811(4), MCA, is not amended. The Board of County Printing has not been transferred to any other agency and remains in the Department of Commerce.
- 4. Section 2-15-1840(5), MCA, is not amended. The Alternative Health Care Board has not been transferred to another agency and remains in the Department of Commerce.
- 5. Section 2-15-1841(8), MCA, is not amended. The Board of Medical Examiners remains in the Department of Commerce.
- 6. Section 2-15-1842(5), MCA, is not amended. The Board of Dentistry remains in the Department of Commerce.
- 7. Section 2-15-1843(4), MCA, is not amended. The Board of Pharmacy remains in the Department of Commerce.

- 8. Section 2-15-1844(5), MCA, is not amended. The Board of Nursing remains in the Department of Commerce.
- 9. Section 2-15-1845(6), MCA, is not amended. The Board of Nursing Home Administrators remains in the Department of Commerce.
- 10. Section 2-15-1846(4), MCA, is not amended. The Board of Optometry remains in the Department of Commerce.
- 11. Section 2-15-1847(4), MCA, is not amended. The Board of Chiropractors remains in the Department of Commerce.
- 12. Section 2-15-1848(5), MCA, is not amended. The Board of Radiology Technicians remains in the Department of Commerce.
- 13. Section 2-15-1849(5), MCA, is not amended. The Board of Speech-Language Pathologists and Audiologists remains in the Department of Commerce.
- 14. Section 2-15-1853(4), MCA, is not amended. The Board of Funeral Services remains in the Department of Commerce.
- 15. Section 2-15-1854(1)(d), MCA, is not amended. The Board of Social Worker Examiners and Professional Counselors remain in the Department of Commerce.
- 16. Section 2-15-1856(4), MCA, is not amended. The Board of Barbers remains in the Department of Commerce.
- 17. Section 2-15-1857(5), MCA, is not amended. The Board of Cosmetologists remains in the Department of Commerce.
- 18. Section 2-15-1858(10), MCA, is not amended. The Physical Therapy Examiners remains in the Department of Commerce.

- 19. Section 2-15-1861(4), MCA, is not amended. The Board of Sanitarians remains in the Department of Commerce.
- 20. Section 2-15-1863(6), MCA, is not amended. The Board of Clinical Laboratory Science Practitioners remains in the Department of Commerce.
- 21. Section 2-15-1866(5), MCA, is not amended. The Board of Public Accountants remains in the Department of Commerce.
- 22. Section 2-15-1867(5), MCA, is not amended. The Board of Realty Regulation remains in the Department of Commerce.
- 23. Section 2-15-1868(7), MCA, is not amended. The Board of Real Estate Appraisers remains in the Department of Commerce.
- 24. Section 2-15-1871(5), MCA, is not amended. The Board of Architects remains in the Department of Commerce.
- 25. Section 2-15-1873(5), MCA, is not amended. The Board of Professional Engineers and Professional Land Surveyors remains in the Department of Commerce.
- 26. Section 2-15-1874(4), MCA, is not amended. The State Electrical Board remains in the Department of Commerce.
- 27. Section 2-15-1875(4), MCA, is not amended. The Board of Plumbers remains in the Department of Commerce.
- 28. Section 2-15-1881(6), MCA, is not amended. The Board of Horse Racing remains in the Department of Commerce.
- 29. Section 2-15-1891(7), MCA, is not amended. The Board of Private Security Patrol Officers and Investigators remains in the Department of Commerce.

Senate Bill 11 amends Section 2-15-1816(4)(b) to the Tourism Advisory Council. The amendment provides that the Tourism Advisory Council will advise the Governor relative to tourism promotion. A statutory conflict exists in another amendment to Section 13 under 2-15-1816(6), which provides that the Secretary of State shall adopt rules necessary to implement and administer Title 15, Chapter 65, Part 1. Which agency will oversee the council?

Senate Bill 11, Section 105, amends Section 32-2-101, MCA, which governs the supervision of building and loan associations. This amendment transfers the supervision of the building and loan associations from the Department of Commerce to the State Auditor under Section 32-2-101, MCA. No amendment has been followed through of the Building and Loan Association Act including Section 32-2-252, MCA, which requires department approval of plans of conversion, and Section 32-2-256, MCA, which requires an issuance of certificate.

Senate Bill 11 also fails to amend Section 32-2-301, MCA. Title 32, Chapter 2, Part 3 has not been amended to reflect that the State Auditor will assume the responsibilities of the Department of Commerce. The responsibilities include examination by the department as set forth by Section 32-2-301, MCA, reports and accounts prescribed by the department as set forth by Section 32-2-302, MCA, reports of the condition of the Building and Loan Association to the department as set forth by Section 32-2-303, MCA, the removal of directors, officers, or employees by reason

of dishonesty by the department under Section 32-2-304, MCA, department approval of contracts paying income to persons other than associations as set forth in Section 32-2-305, MCA, the department maintaining reports of all proceedings of associations examined by the department as set forth by Section 32-2-306, MCA, the department's supervisory powers in the event of insolvency and impairment by a Savings and Loan Association.

Senate Bill 11 has also failed to amend Title 32, Chapter 2, Part 4 relative to the powers and operation of Savings and Loan Associations.

Section 115 of Senate Bill 11, Page 136, Lines 12-18 erroneously transfers a number of professions and occupations from the Department of Commerce to the Secretary of State. section provides that the professions set forth under Title 37, Chapter 41 cesspool, septic tank, and privy cleaners will transfer to the Secretary of State. The regulation of these professions is presently under the Department of Health and Environmental Sciences. The Bill erroneously transfers water treatment plant operators set forth under Title 37, Chapter 42 to the Secretary of State. This profession is regulated by the Department of Health and Environmental Sciences. erroneously transfers water well contractors set forth under Title 37, Chapter 43 from the Department of Commerce to the Secretary of State. Water well contractors are regulated by the Department of Natural Resources and Conservation. erroneously transfers Title 37, Chapter 61, the attorney at law

profession to the Secretary of State from the Department of Commerce. The regulation of attorneys has never been under the Department of Commerce. The profession is licensed by the Montana Supreme Court. The Secretary of State licensing attorneys in this state violates the separation of powers provision of the Montana Constitution.

The Montana Supreme Court oversees the licensure and conduct of attorneys. Article VII, Section 2 of the Montana Constitution provides that the Supreme Court shall make rules regarding the admission of attorneys to the Bar and the conduct of its members. Senate Bill is an unconstitutional delegation of the Montana Supreme Court power to the Secretary of State. Senate Bill 11 unconstitutionally restricts the power of the judiciary. Furthermore, this Bill should have been reviewed by the Senate Judiciary Committee for that reason.

The Bill erroneously transfers the occupation of construction blasting as set forth in Title 37, Chapter 72 from the Department of Commerce to the Secretary of State.

Construction blasting has never been under the Department of Commerce it is regulated the Department of Labor and Industry.

Senate Bill 11 contains errors that create confusion as to transfer of the regulation of occupations and institutions. The Bill erroneously transfers some professions and occupations that were never under the control of the Department of Commerce or its agencies, are in fact administered by another department or the Montana Supreme Court.

The citizens of this state and the licensees need to know which agency will oversee the administration of boards in this state. Delegation of boards and institutions require that administrative and clerical services be provided including the issuance of licenses, arranging and providing for facilities for board meetings, hearings and examinations for each board, and the investigation and prosecution of complaints by the agency for illegal and unethical conduct remains the responsibility of the department that administers that board. Senate Bill 11 fails to correctly identify the agency that will oversee these boards and creates confusion.

Senate Bill 11 allocates boards and commissions to various elected officials.

Article VI, Section 7 of the Montana Constitution provides:
All executive and administrative offices, boards, bureaus,
commissions, agencies, and instrumentalities of the executive
branch and their respective functions, powers, and duties should
be allocated by law among not more than 20 principal departments
so as to provide an orderly arrangement in the administrative
organization of state government.

Any allocation of a board commission or instrumentality outside of an executive department violates clear language of the constitution.

Repeat in Section 2-15-101, MCA.

What is a department?

Section 2-15-102, MCA, defines "department" means a

principal functional and administrative entity, created by this chapter within the executive branch of state government; is one of the principal departments permitted under the constitution; and includes its units.

The definition does not include the term department as an elected official.

Issues of conflict that may arise:

If certain functions of the executive branch is transferred to another elected official contrary to the provisions of the constitution, there is also inconsistency with Section 2-15-102, MCA.

Section 2-15-103, MCA, provides that the Governor is the chief executive officer of the state.....

"Whenever a conflict arises as to the administration of the policies of the executive branch of state government, except conflicts arising in the office of the Lieutenant Governor, Secretary of State, Attorney General, Auditor, and Superintendent of Public Instruction, the Governor shall resolve the conflict and the decision of the Governor is final."

The Bill will disperse various functions of the executive branch into other elected officials. The Governor is removed from resolving administrative conflicts and the Bill thwarts the intent of present statutory language.

The Bill increases the likelihood of inconsistency in policy making, increasing the possibility of conflicts internally.

Section 168 of Senate Bill 11 provides that functions not

changed by this act to the appropriate office, Director, or Department may be changed by the Governor's Executive Order.

This section violates a cardinal and fundamental principle of the Montana Constitution requiring a separation of powers between the legislature, the executive, and the judiciary.

The legislature is charged with passing the laws of this state; the executive approves and executes the law.

In 1991 District Court Judge Jeffery Sherlock in <u>Alan</u>

<u>Nicholson v. Governor Stan Stephens</u> found a similar delegation of legislative power to the Governor unconstitutional.

The court found that the reallocations of the budget by executive order of the Governor lacked specific detail and direction.

The same lack of direction exists in Section 168 which may subject this law to constitutional challenge.

Senate Bill 11 has no severability clause, if one portion of the Bill is unconstitutional, the entire Bill is unconstitutional.

For the forgoing reasons that are briefly discussed, it is the position of the Director of the Department of Commerce that this committee not pass Senate Bill 11.



O1 South Wisconsin Street Contad, Montana 59425 278-3233

HORIZON LODGE

RETIREMENT RESIDENCE

EXHIBI	T.	8		_
DATE	12-	16	-93	_
HR				_

November 30, 1993

Finance and Claims Committee Senate Building Helena, Montana

RE: Senate Bill 11

SPONSOR: Senator Greg Jergeson

Honorable Senators,

I would like to go on record opposing Senate Bill ll for the elimination of the Department of Commerce on the merging of its various entities into other departments.

As part of the necessity of economic growth of the State of Montana, I feel the Department of Commerce is one of the most vital parts of our state government. Having worked quite closely with various staff members in the Department of Commerce I have seen a reduction in staff, elimination of middle managers and finally getting staff out in the state to help us more fully utilize their services.

We have worked with the Department on the Certified Cities program for Conrad and were one of the last cities to be certified before the budget was cut. This program enabled us to take a close look at our city and how we could utilize our assets and negate our liabilities. I'm sure many other cities across Montana feel the same.

I have also worked with this department through two (2) Community Development Block Grant applications. The first application we submitted was for Horizon Lodge, Inc. We did not receive help from the Department on this in preparing the grant nor in funding and maybe we would have received the grant if we had had help out in the field. We have another application in process and because of the Department of Commerce new staffing patterns we had excellent help in understanding and preparing this grant on site.

The Department of Commerce is responsive to the needs of the citizens and to the economic development of the State. As you are aware, we are in a changing economy in our great state. Other states have Departments of Commerce that I have used for help in locating facilities, etc. in their states.

I feel the Department of Commerce must retain their independence especially in the realm of the service they provide. Because the Department of Commerce are not elected positions and serve at the descretion of the Governor and approval by the Legislature, they must be more responsive to the citizens and the Governor, unlike the Secretary of State elected office.

They have "reinvented" this department, streamlined and made it effective for common citizens such as myself. This is the working man's department.

Again, I ask to stop Senate Bill 11 in committee.

I respectfully request this letter to be submitted as testimony for the Finance and Claims Committee Hearing on Senate Bill 11 scheduled for December 1, 1993 at 8:30 a.m.

Sincerely yours,

Stephen C. Stanley
Stephen C. Stanley

Chief Executive Officer

Horizon Lodge, Inc.

701 So. Wisconsin

Conrad. Montana 59425

SS/ch



EXHIBIT 9

DATE 12-16-93

SB 11

Mr. Gene Marcille Montana Dept. of Commerce Helena, MT 11/30/93

Dear Gene:

Today I received a call from Leslie Jensen here in Missoula that disturbed me quite a bit. Leslie mentioned that a Senate Bill 11 had been introduced that would eliminate the Department of Commerce. I personally cannot think of a branch of Montana State Government that if anything should be expanded not contracted. As you are aware, in my personal experience the Department of Commerce has helped us locate, expand, or start two companies in this State.

The first was Butler Creek Corporation in Belgrade, Montana that we moved from Jackson, Wyoming. We had eleven employees at the time. When I sold my interest in Butler Creek to Bill Beckerman we employed 45 people. My understanding is that Butler Creek now has over 65 people in over 20,000 mg. ft. of building. After we had been in Montana for three years we hired a private consultant to figure the return to the State under the "Build Montana Program". The return was over \$20.00 to every \$1.00 of program help in total tax revenue. I can state for a fact that Butler Creek would not be in Montana if not for the Montana Department of Commerce and the City of Belgrade.

In 1990 Hu-Priedy bought the assets of American Dental in Missoula. American Dental had about 65 employees at the time. In the summer of 1991 Hu-Friedy shut down American Dental and moved its assets back to Chicago. All 65 employees lost their jobs. American Dental had been around for 48 years.

In the summer and fall of 1991 the ex-employees of American Dental approached me about starting a new company competing with Nu-Friedy. Again we extensively used the Department of Commerce to help us with our business plan and justice package. In January of 1992 American Eagle Instruments was incorporated as an employee owned company. With the help of the Department of Commerce our growth has been explosive. We have 18 employee owners. We are selling to all 50 states and several foreign countries. We employ 35 full time people and are adding one to two a month. By the end of 1994 we expect to have 50 people or more. We also use five people from Opportunity Industries to package our product who work at our facility.

Once again American Pagle Instruments was greatly assisted by the Department of Commerce.

It is ironic that the week of the call from Leslio Jonson my calender had the following:

1. A meeting with Lewlin arranged by Gary Falkner to help establish our budget and cash flow forecasts for 1994. Our growth has been so explosive (500% 1993 versus 1992) that cash flow is of great concern.

- 2. A meeting with Tami Danning reviewing our product line for a trip she plans to Asia to help set up new customers in Taiwan, China, and Japan.
- 3. A meeting with Gary Falkner to look at State, SBA, and other financing alternatives to finance our continued growth.
 - 4. A meeting with my accountant and bank to coordinate the above.
- 5. A meeting and committment by the Missoula County Commissioners to work out terms and conditions of a loan from them to American Eagle Instruments from their C.D.B.G revolving fund.

Gene, I am not a politician but a business man. One thing I do know for sure is the Montana Department of Commerce is the best friend the people of Nontana have in creating jobs and business growth. As they say "the proof is in the midding". Both Butler Creek and American Eagle Instruments are proof of the Departments effectiveness. To even think of removing the Department, or reducing its ability to help Montana business is not only short sighted, it would be down right foolish.

If you need me to visit personally with the legislature or any committee please let me know. For the future of Montana we need to invest in its growth and development. In my opinion that means a greater investment in the Montana Department of Commerce.

Sincerely.

Brad B. Eeckerman President & CEO

Stateda



Mr. Gene Marcille Montana Department of Commerce Helena, MT 11/30/93

Dear Gene:

It has come to my attention that Senate Bill 11 has been introduced that would eliminate the Department of Commerce as a separate entity. As an employee owner of American Eagle Instruments I want to emphasize how helpful the Department has been to our start up and continued success. We have used the Department of Commerce in many ways. I strongly oppose any effort to downsize or eliminate the Departments ability to assist small businesses such as ours. We are proof in point that the Department can and does help strengthen our economic and tax base.

Stacerely,

Employee Owner

American Eagle Instruments

FAX to Gene Marcille 444-1872 to Harry Fritz 444-3036 cc: to Leslie Jensen 721-4584



Zenchiku Land & Livestock, Inc. 4600 CARRIGAN LANE, DILLON, MONTANA 5972 PHONE: (406) 683-5474, FAX: (406) 683-6494

November 30, 1993

Senator Charles Swysgood Montana Senate Senate Committee on Finance and Claims Montana State Capital Helena, Montana 59601

DATE 12-16-9

By fax: 1-406-444-4105

Dear Chuck:

I learned today of Senator Jergeson's bill, SB11, to abolish the Department of Commerce.

I am strongly opposed to SB11. While the reorganization and the streamlining of government, in general; is a worthwhile goal, this bill appears to be a poorly thought out and incomplete plan.

Recently Governor Racicot ordered a comprehensive reorganization study. It seems logical to me that we need to complete this study in an orderly fashion and then carefully make those reasoned decisions that are appropriate.

Now is the time to work diligently at the task at hand, namely balancing the budget.

Thank you for your consideration.

Sincerely,

ohn W. Morse, Jr.

JM/sly dptocom.fax



EXHIBIT__12 DATE_12-16-93 SB__11

Governor Marc Racicot Capitol Station Helena, MT 59620

Dear Governor:

Recently it has been brought to our attention that our State Department of Commerce may be eliminated. I would like to express our concerns to you if that were to happen.

After some poor experiences at the Commerce Department we eventually were introduced to Gary Mariegard, Departement Marketing Officer. In 1992, Gary, along with Commerce Department matching funds, took us to our first trade show in San Francisco. We did well at the show, but more importantly Gary shared his expertise in marketing and sales that has proven invaluable. We have had several other meetings with Gary since then, and each has been worthwhile and profitable for our company. He is truly the exception in our often overrated Commerce Department.

Gary Mariegard is not your average state employee. He is an entrepreneur that has worked hard to put a few Montana companies in the marketing mainstream.

I know that the fate of our Commerce Department will not be changed by the writing of this letter, but I do hope that it will get fair consideration.

Sincerely,

Dean Folkvord

EXHIBIT 13

DATE 12-16-93

SB 11

Connle Ricketts C.E.O.

THREE DOG DOWN

61545 Ilwy. 93 F.O. Bul 1 Polson, Montana 59860 . (406) 883-3696

November 29,1993

Governor Racicot State Capitol Helena, MT 59601

Dear Governor,

Robert Rickeus

President

I am rushing this brief note to you as I've heard about Senate Bill 11.
I am absolutely 100% against any measure that would in any way change, impede, or reorganize the Commerce Department!

I have personally had several dealings with the Commerce Department and I can speak in their behalf. As a businessman government agencies generally do not impress me-our Commerce Department however is one of the few exceptions. I feel this department operates in an efficient, and "business like" manner. It not only serves the needs of the business community, but is perhaps the most important agency that we have. By facilitating business in a cost effective manner, we facilitate—oh hell I surely don't need to give you a spiel on economics.

We are working on a new piece of medical bedding, and if it wasn't for Rick Jones and the help that I have personally received, our new Montana Product would still be buried somewhere at the FDA in Washington. Thanks to our Commerce Department, and Mr. Jones, we are now able to market this new product on an international basis. The time that he saved us I estimate to be 5 to 6 months, and some idiot wants to do away with an agency, that expedites, the creation of new jobs??

I hope you and your family are doing well, please say hello to your levely wife for me and if you ever need an Irish Tenor, you only need call.

Sincerely,

Robert Ricketts, owner
Three Dog Down

cc: John Mercer G. Jergeson Ethel Harding

EXHIBIT 14 DATE 12-16-93 SB_ []

November 30, 1993

Senator Judy Jacobson, Chairman Honorable Committee Members Senate Finance & Claims

RE: Senate Bill 11

Dear Judy:

I have not seen a copy of Senate Bill 11, but I understand that it will abolish the Department of Commerce as we know it today. I am assuming that all, or most, of their functions are being transferred to other agencies.

I don't envy your job in trying to come up with the necessary cuts to balance the budget. However, I want all of you to know that as an owner of a flour milling business in Conrad, that is adding value to Montana grain and employing fellow Montanans, that I have been very pleased with the assistance that we've received from the Marketing Department at the Department of Commerce.

It is my hope that the efforts of these individuals will not be lost or diminished in a reorganization plan that isn't thought through carefully. It would be nice if Governor Racicot's Government Reorganization Study was complete to assist you with your decisions.

Best regards to all of you and good luck in finding solutions to our financial dilemma.

Best_Personal Regards,

Gene Thayer

GT/ds

TETON COUNTY DEVELOPMENT CORPORATION

P.O. BOX 800

CHOTEAU, MONTANA

59422

EXHIBIT 15 DATE 12-16-93 SB 11

A NON-PROFIT CONSORTIUM



PROJECT P R I D E

Gov. Marc Racicot Capitol Building Helena, MT

Dear Gov. Racicot:

It has come to our attention that there is consideration in Helena to do away with the Dept. of Commerce.

Please be advised that our group and the community of Choteau have worked closely with the Department for the past three years in our development of the the tourism industry, locally. Their support has been invaluable to us and essential to our success as witnessed by awards we have received such as the Old West Trail award as the leading tourism community in Montana the past year.

We would also like to cite the work of the Department in acquiring a block grant for a business, Alpine Touch, that relocated to our community from Whitefish. Without this grant-loan the business would not have been able to move here and provide additional jobs for our community. The grant was handled expeditiously by the Department and its representative, Gary Morehouse.

We are disturbed that the Department may be abandoned and with it the good promotion for the State of Montana that it has been able to accomplish. We ask that you carefully consider this, taking in to count all of the good things they have been able to accomplish.

Sincerely,

Jay Dunckel, President

10.7 6362889

בארצחפאו ואחשופבי שחאם שוואסיבא כבבובמכי

Attn GEHR Marcall. 444-1872

DATE 12-16-

November 30, 1993

From:Marilyn Strange P.O. Box 489

Columbus, MT 59019

TO: COMMITTEE NEMBERS OF SENATE BILL 11/HOUSE BILL 3

PLEASE COPY TO BACH ONE: JUDY JACOBSON EVE FRANKLIN

GARY AKLESTAD
DON BIANCHI
GERRY DEVLIN
HARRY FRITZ
BOB HOCKETT
TOM KEATING
DENNIS NATHE
LARRY TVEIT
MIGNON WATERMAN

TON BECK
CHRIS CHRISTIANS
GARY FORRESTER
ETHEL HARDING
GREG JERGESON
J.D. LYNCH
CHUCK SWYSGOOD
ELEAMOR VAUGHN
CECIL WEEDING

EXHIBIT__

I strongly urge you to defeat this bill!

As a small business owner, citizen of Montana and a Yellowstone Country Board member, I can see no sense in this bill. The Department of Commerce is important to our state development and economic well being. Montana must have the tourism and an increase in industry and small business to survive.

The Department of Commerce is willing to make cuts and has found areas in which they can save a tremendous amount of money over cutting out the department and moving it else where. The Department of Commerce works on 6% of its budget for administration, as comparison to the Secretary of State office at 20%. All of government should do so well in its costs.

It is most important to vote NO on SB 11.

MONTANA NEEDS OUR DEPARTMENT OF COMMERCE.

FAX 406/444-4105

Manhortrange

LU7 400 ATT 41TA

Attn: GENE Marcille 444-1872

EXHIBIT...

DATE 12-11

November 30, 1993

From: Aron Strange

Arolyns' of the Rockies

P.O. Box 489

Columbus, MT 59019

FAX: 406/444-4105

TO: SENATE FINANCE AND CLAIMS COMMITTEE MEMBERS PLEASE COPY TO BACH ONE: JUDY JACOBSON, EVE FRANKLIN. GARY AKLESTAD, TON BECK. BIANCHI, CHRIS DON CHRISTIAENS, HARRY FRITZ, FORRESTER, DEVLIN. GARY ETHEL HARDING. JERGESON, HOB HOCKETT, GREG TOM KEATING, J.D. CHUCK SWYSGOOD, DENNIS NATHE. LARRY TVEIT, ELEANOR VAUGHN. MIGNON WATERMAN, CECIL WEEDING

RE: SENATE BILL 11/HOUSE BILL 3

Dear Committee Person:

The legislation that will most surely result in the present legislative session will bring with it a brutal reality and an education to the Montana Taxpayer. No man, woman or child will go untouched, I'm sure.

I for one am in favor of government reform, however I, as many, am not in favor of abolishment. For this reason, I urge you to consider carefully the implications of SB11 with the abolishment of the Department of Commerce.

We have found the Department of Commerce to be very beneficial in support and information while endeavoring to run a small business in Montana. Doing business in many states we have found the Department of Commerce in other states to be indispensable in short cutting access to suppliers and customers in various locations. It would be against the very nature of economic development to dispense with the Department of Commerce. Please vote no on SB11.

In closing, I would like to say I appreciate the tough position you have been placed by the people of Montana. We may be an ignorant lot, however education by way of legislation means at the very least we have failed as a modern society in the intercourse of our needs.

To do without will not prevail in the spirit of Montana.

Respectfully,

Aron G. Strange



EXHIBIT 18

DATE 12-16-93

SB. 11

The Honorable Senator Mignon Waterman Montana Senate Capitol Building Helena, Mt.

11-30-93

Dear Senator Waterman,

As a Montana business owner for the past 17 years, I can think of no other State Agency that has been as helpful to my business as has the Montana Department of Commerce. The elimination of this Department would be a detriment to the Montana business community.

I urge you to not support Senate Bill 11 which would eliminate the Department.

I would not oppose some minor reorganization, but to eliminate the in Department and distribute its services throughout other state offices would be a costly mistake for all Montana.

Thank you for your attention on this matter. I hope to see you at our next breakfast meeting on Dec. 2nd.

Sincerely,

Dick Krott

12 P.O. Box 572 45

HELENA, MT 59624 46.

20 MIONE & FAX (406) 442-4413 41



EXHIBIT 19
DATE 12-16-93
SB 11

By Industrial Design & Mig., Inc.

9600 Inspiration Dr., Missoula, MT 59802 (800) 776-5309 (406) 543-5309 FAX (406) 728-7143

November 29, 1993

Governor Marc Racicot c/o Jon Noel Montana Dept. of Commerce 1424 9th Ave. Helena, MT 59620

Dear Governor Racicot:

It has come to my attention that there is proposed legislation regarding the elimination of the Dept. of Commerce.

Please be aware of our opposition to this measure. As a small business with 22 full time employees, we feel that we cannot afford to loose such an entity. The Dept. of Commerce has been extremely helpful and supportive of our business. Their continued involvement with all Montana businesses is necessary for a prosperous economy, which is the result of business and government working together.

I would appreciate having you forward this letter to the proponents of the efforts to eliminate the Dept. of Commerce.

Sincerely.

Keith Krumbeck

AND AND RESIDENCE TO A CONTROL OF

Service Auditorial Services

President

ck

EXHIBIT_20 DATE_12-16-93 SB_11

Shelby, Montana 59474

Telephone 406-434-5203

November 30, 1993

Governor Marc Racicot State Capitol Helena, Montana

RE: SB 11

Dear Governor Racicot:

It has come to our attention that Senator Jergeson has introduced Senate Bill 11 which goes before the Finance and Claims Committee tomorrow morning at 8:30 a.m. The Bill will transfer approximately 90% of the present Department of Commerce agencies to the office of the Secretary-of-State.

It is our opinion that more details should be outlined regarding this proposal especially in terms of cost and efficiency benefits before it is expedited through the legislation.

We have worked with the Department of Commerce since NETA's inception in 1987 and strongly feel that there are facets within this agency that should be preserved.

We are aware that you recently appointed a task force to look at downsizing government agencies; this implies a more legitimate, well thought out process in contrast to quickly attempting to run SB 11 through the legislative process without having fully analyzed the consequences of such an action.

Your consideration of our concerns is very much appreciated.

Sincerely,

John F. Kavanagh, President

NETA

CC:

Jon Noel, Director, MDOC

am F. Genne

Senator Aklestad, Finance & Claims Committee

NORTHERN EXPRESS TRANSPORTATION AUTHORITY

INLAND PORT

Facsimile 1-406-434-2761

City of Shelby

P.O. Box 743 Shelby, Montana 59474 (406)-434-5222 EXHIBIT_2| 5 DATE 12-16-93 SB_11

November 30, 1993

Senator Gary Aklestad Capitol Station Helena, MT 59620

RE: Senate Bill 11

Dear Gary:

As you are aware, Senate Bill 11 has been introduced to the special session. This bill, if enacted, would effectively provide for the elimination of the Department of Commerce.

While all operating efficiencies available in the operating state government should be explored, I do not believe a special session is the proper arena to consider this dramatic of a change in state government.

The Department of Commerce provides vital services to the City of Shelby and the businesses located here. I would respectfully request that the Governor's Task Force on State Government be allowed to complete its analysis of state government and make its recommendations to the next legislature. This would provide for an orderly review of the Department of Commerce's function.

Please let me know of the status of this legislation and of any opportunities where my input would be beneficial.

Sincerely,

Larry J. Bonderud

Mayor

LJB/djm

cc: City Council

EXHIBIT_22 DATE_12-16-93 SB_11

November 30, 1993

David Sanchez
Women's Economic Development Group
Box 427
Superior, Mt. 59872

Ms. Judy Jacobson, Chair Finance and Claims Committee

Dear Ms. Jacobson,

Senate Bill #11 which has been introduced would provide for the elimination of the Montana Department of Commerce.

Elimination of this department would have a decidedly adverse effect on small business development in the State of Montana. The Commerce Department has historically been an able and willing partner with communities throughout the state in the development of small business. This has certainly been true in the case of Mineral County, where MtDoc has been extremely helpful in furthering our economic development goals. The department, in service to small business, is clearly a net contributor to the creation of jobs and economic opportunities.

Speaking as the Mineral County representative of WEDGo, SBDC, Missoula Community Business Incubator, and Bitter Root RC&D, I heartily support the activities and continued operation of the MtDOC.

David Sanchez,

Business Development Specialist

777 GRANDVIEW DRIVE - KALISPELL, MONTANA 59901 - (406) 756-8548 FAX: (406) 756-3815

TO : Governor Marc Racicot

% Montana Department of Commerce, 444-2808

FROM : Carol Daly, Executive Director

Flathead Economic Development Corporation

DATE: December 1, 1993

SUBJECT: Legislative proposal to dismantle the Department of

Commerce

The Jergensen bill to break up the Department of Commerce and to transfer its economic development functions to the office of the Secretary of State appears, from what I know of it, to be very unwise and inappropriate.

The director of the Department of Commerce is an appointee of the Governor, while the Secretary of State is elected on his or her own. Therefore, with the Secretary not necessarily of the same political or philosophical persuasion as the administration, it might well be possible to end up with a governor taking one direction in economic matters, while the state's economic development office is pursuing another.

While this might not be a problem with the current incumbents in the two offices, at some future time and with different elected individuals, it could produce some very severe problems.

If the object is to save money by reducing overhead costs, there must be a better way of addressing the problem than by throwing the state's economic development functions into a political minefield.

EXHIBIT 24 DATE 12-16-93

FRANK PRODUCTS INC.

TELEPHONE: (406) 388-6666

FAX: (406) 388-6777

5400 THORPE ROAD BELGRADE, MONTANA 59714

November 30, 1993

Mr. Marc Racicot Governor of Montana Helena, Montana 59601

Dear Governor Racicot:

We are writing this letter in opposition to Bill 11 proposed to the Senate. In July, 1993, Frank Products, a plastics fabrications company, relocated to Belgrade, Montana from Syosset, New York.

The Department of Commerce is an active part of the business community and without their assistance; our move would not have been made possible. They are an extremely helpful organization that offers a wide variety of opportunities. They help bring in new business which means more jobs in Montana.

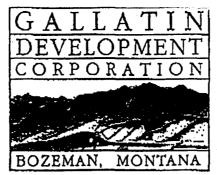
The Department of Commerce is also a great information center for the public. They are always there to answer any questions and distribute information pertaining to the area.

We ask that you would reject Bill 11. We fully support the Department of Commerce.

01.1927

John McMoRrow, Vice President

Frank Products, Inc.



DATE 12-16 November 30, 1993

Senator Don Bianchi State Capitol Helena, MT

Dear Don:

It has come to our attention that the Finance and Claims committee will be considering SB11, which includes provisions to eliminate the Department of Commerce and transfer various functions to other departments. While we are certainly supportive of efforts to save taxpayer dollars, we do not believe that such a move is warranted at this time.

There has not been sufficient opportunity to formulate the truly comprehensive restructuring of government which we believe is necessary for significant savings and efficiencies to be realized. Governor Racicot's recently appointed task force should be given time to do its work in a collaborative environment with opportunities for full comment from the citizens of Montana.

We believe SB11 is premature and should not receive further consideration in this short legislative session.

Sincerely.

Dixie F. Swenson

Executive Director

reference production

DFS

GEORESEARCH, IX



November 30, 1993

EXHIBIT_26 DATE_12-16-93 BR 11

Governor Marc Racicot Executive Office Room 204, State Capitol Helena, MT 59620-0801

Dear Governor Racicot:

As President of GeoResearch, Inc., I am writing to urge your support in opposing Senate Bill 11 currently before the Montana Legislature.

Senate Bill 11 would essentially abolish the Department of Commerce. Although some reorganization may be warranted, Senate Bill 11 goes too far and would send the wrong signal to businesses operating in Montana.

The State needs a strong and supportive Department of Commerce to assist businesses meeting the many difficult challenges facing Montana firms in this difficult economic climate. Thank you for your consideration of GeoResearch's viewpoint on this issue.

Sincerely,

Douglas Richardson, PhD

President

DR/316.790

cc: Pat Owen

David Desch

and the second has also also been al

Jon Noel



DATE 12-16-93

Phone (406) 365-3318 FAX 406-365-6873

December 1, 1993

300 South Merrill

Glendive, Montana 59330

Senator Judy Jacobson Chair, Finance & Claims Room 108 Capitol Station Helena, MT 59620

Dear Judy and Committee Members:

The City of Glendive would like to go on record as opposing Senate Bill #11 which would abolish the Department of Commerce and transfer its functions elsewhere.

Eastern Montana has gone through a long period of poor economy. We feel that the Department of Commerce is doing an excellent job in our end of the State to improve our business climate and bring jobs to our area. We question whether this might be a "penny wise and pound foolish" decision.

We know you have a tough task, and we wish you well as you deal with the many problems confronting our State.

Please give serious consideration to keeping the Department of Commerce as it is.

Sincerely,

. ∴ Les Ollerman

الأراجي والمراكبين الكيمة في المالية ا المالية إلى المالية ال

Mayor

T.0 /ma

Post-It™ brand fax transmittal	16 (1)
Next of CHIKING	From Glexbeire
0. 1	Chamber of Com
Depl.	Phone # 365-5601
406 1444-2808	Fax #

EXHIBIT 28 DATE 12-16-93

Glendive Area
hamber of Commerce
And Agriculture

200 N. Merrill • P.O. Box 930 Glendive, Montana 59330 406-365-5601



November 30, 1993

Marc Racicot, Governor c/o Director, Department of Commerce State of Montana Capitol Station Helena, Montana 59620

Re: Senate Bill 11

Dear Governor Racicot:

In my present capacity I have had involvement with the Department of Commerce on three levels:

- 1) As a board member of Custer Country Tourism.
- 2) Member of M.A.C.E. (Montana Association of Chamber Executives).
- 3) Economic Development Committee of the Glendive Chamber of Commerce and Agriculture.

I have been impressed with the programs and other operations intended to implement or assist all of the above mentioned agencies.

I encourage your support for the continuation of the present Department of Commerce for the State of Montana.

Sincerely.

John Trangmoe Executive Director

JT/sh







GLACIER ACTION & INVOLVEMENT, NOW, INC.

- P.O. Box 1329
- Cut Bank, Montana 59427
- (406) 873-2337

DATE 12-16-93 BB___

November 30, 1993

The Honorable Governor Marc Racicot Capitol Station Helena, Montana 59620

Dear Governor Racicot:

Glacier Action and Involvement Now, Inc. is the local economic development organization for Glacier County. The organization is represented by: Glacier Electric Cooperative, Glacier County Commissioners, City of Cut Bank, Farmers State Bank, Glacier Bank, First Interstate Bank, First Liberty Federal Credit Union, Cut Bank Chamber of Commerce, Glacier Development Corporation, Cut Bank Gas Company, and Montana Power Company.

Our organization is aware pf, and against, Senate Bill 11 which calls for the complete elimination of Department Commerce. The bill is sponsored by State Senator Greg Jergeson.

As Montanans, we all realize the State of Montana faces some hard choices as a result of budget shortfalls and that we may have to receive fewer services for more tax dollars. Additionally, it may be necessary to restructure state government so that it can more efficiently meet the needs of its citizen. However; -our-organization -believes -the - complete elimination of the Department of Commerce will not serve the best interests of the State.

We are aware of the task force you have created to determine how the Department should, if at all, be restructured. We favor recommendations by the task force which would have been done in a deliberate, thoughtful manner.

Sincerely yours Gerome Gauthier, Director

GAIN, Inc.

EXHIBIT_30 DATE_12-16-93

November 30, 1993

Honorable Governor Marc Racicot State of Montana Capital Building Helena, Montana

Dear Governor:

It has come to our attention that the Senate Bill 11 has been initiated to eliminate the State of Montana Department of Commerce.

We feel very strongly that this legislative bill is not prudent for State Government seeking to increase its revenue base. We feel that a very vigorous and serious agenda as to create wealth from our abundant resource base through value added manufactured products is essential. To even consider elimination at this crucial time is completely contrary to what good judgement would allow.

We urge you not to support this Senate Bill and encourage the expansion of this Department to more actively organize a means of creating commercial and industrial base. A livable income base for our people will be the result of this added creation of wealth.

Since rely,

Thor Jackola

cc. Jon D. Noel, Director Montana Department of Commerce

HERITAGE GALLERY

WHEN ONLY THE BEST WILL DO'

EXHIBIT_31 DATE 12-16-93 BR //

Lolo Shopping Center
P.O. Box 869

LOLO, MT 59847-0869

Telephone (406) 273-2404

FAX (406) 273-2640

'ON THE MALL' Southgate Mall MISSOULA, MT. 59801 Telephone (406) 273-2404

November 30, 1993

VIA FACSIMILE - (406) 444-2808

Governor Marc Racicot State Capitol Helena MT 59626

Re: Opposition to Senate Bill Number 11

Dear Governor Racicot:

This letter is written to formally oppose Senate Bill Number 11. I just received word this morning that the bill has been introduced and is scheduled for hearing tomorrow morning, December 1, 1993. Although I have not had the opportunity to completely review the contents of Senate Bill Number 11, I have been advised that it is primarily directed toward disbanding the Department of Commerce and consolidating those functions into the office of the Secretary of State.

Initially, I opposed this and similar legislation during this special session, because it is obviously not well thought out and designed to try and accomplish some type of short-term fix for the budget problems, rather than addressing the existing budget imbalance and dealing with that issue on its own. This special session is neither equipped nor intended to revamp the entire structure of Montana's state government. Further, there appears to be absolutely no fiscal savings even if such a consolidation is accomplished. Thus, the bill merely serves to take up time of the current legislature, create new issues and problems that result in no fiscal savings or budget balancing steps by the legislature. Thus, I am 100 percent opposed to this type of legislation.

In addition, to the above referenced reasons, I am opposed to suddenly throwing those two agencies together without adequate study of the situation. It is my understanding that there is a governmental reorganization task force that is being formed or will be formed to review these very issues in 1994. If, in fact, that is the situation, that task force should be allowed to do its job, rather than have its function usurped by this legislation.

Governor Marc Racicot November 30, 1993 Page 2

Although I do not always agree with the functions, actions, or rules of the Department of Commerce, that does not mean it is a useless state agency. If the legislature were to do away with every arm of the state government that I and other business people in Montana may not like at various times of the year, there would be very little state government left. I have worked closely with the Department of Commerce International Trade Division on various occasions and found them to be very helpful and knowledgeable. They assisted me in introducing many of our products into the Pacific Rim market and worked diligently to promote Montana goods in the international trade zones. I do not think the office of Secretary of State would continue that function. I would expect that the Department of Commerce is not immune to suggestions relative to streamlining their operations and economizing their functions. However, that same observation probably holds true for every state agency that exists in this great state. Now is not the time to make those assessments, without adequate evaluation and study. The mere fact that this bill has just been introduced, will be set for hearing tomorrow, and likely voted on soon thereafter, tells me that this is not well thought out legislation.

I realize that our legislators have an extremely difficult task to perform. However, legislation such as Senate Bill-Number 11 is not the way to perform that job.

Very truly yours,

Patrick Holl Patrick Holt

PH/mw

DATE 12-16-93

LINCOLN COUNTY

STATE OF MONTANA

DISTRICT NO. 1, LIBBY GERALD R. CRINER DISTRICT NO. 2, TROY
LAWRENCE A. ILARRY) DOLEZAL

DISTRICT NO. 3, EUREKA NOEL E. WILLIAMS

CLERK OF THE BOARD AND COUNTY RECORDER, CORAL M. CUMMINGS
512 CALIFORNIA AVENUE
LIBBY, MONTANA 59923

November 30, 1993

Honorable Governor Marc Racicot State Capital Helena, MT 59620

and the second s

Dear Marc:

Just today we were apprised of a Senate Bill (SB11) that will be formally requesting the abolishment of the Department of Commerce. Could you please provide us some explanation of the cost savings to be realized to Montana by transferring the Department of Commerce to the Secretary of State? How will this improve our image as a state encouraging business development if our Department of Commerce is hidden in this manner? Would this include some massive lay-off of personnel or would the same personnel be administered under the Secretary of State?

We have had a solid working relationship over the years with the Department of Commerce as we have pursued economic stability and diversification with their assistance. Most recently we find the Department of Commerce in a key role assisting our communities of Libby and Troy in an effort to maximize creation of job opportunities with the 1.2 million dollar diversification fund set up by Champion, Plum Creek and Stimson.

Unless we can get a sound, reasonable explanation that would justify this consolidation, we feel it is in Montana's best interest to leave the Department of Commerce intact. Please provide us information that would enable us to understand the logic behind this proposal. Thank you for considering our thoughts.

Sincerely, "

Opell. Williams

and the second of the second of the second

Gerald R. Criner

awrence M Doleral



Meadowlark Grain Co.

EXHIBIT_33 DATE_12-16-93 BB_1/

406-397-3130 • P.O. Box 33 • Hingham, Montana 59528

November 30, 1993

Ms. Judy Jacobson Chairman Finance and Claims Committee State Senate Momana State Capital

Re: Senate Bill 11

Dear Ms. Jacobson,

It is our understanding that Senate Bill 11 proposes to eliminate our Montana Department of Commerce. Speaking for many small businesses like ourselves, it would be like cutting off a lifeline to do away with this Department. The Department of Commerce has been a great asset for our company assisting in locating information, providing direction, and a link to the many other departments of our government.

Small businesses in Montana need to rely on a helpline, and it's hard to believe that you are considering taking away this one resource that has been such a plus to our business and many others like ours around Montana.

We would ask that you consider the very real needs of Montana businesses before you do away with a very valuable department in our government.

Churchich.

Thank you for regard in this matter.

John & Gayle Chvilicek

Co-owners

Meadowlark Grain Co.

DATE 12-16-93

November 30, 1993

Honorable Marc Racicot Governor of Montana Governor's Office State Capitol Building Helena, Montana 59624

RE: SB11

Re-organization of the Commerce Dept.

Dear Governor Racicot:

At this time I wish to make my feelings known to you that I strongly oppose SB11. It is my belief that re-organization of the commerce department deserves further and more intense study because a change such as this could have less than a satisfactory effect on people like myself who represent small business in this state.

I have, personally, placed a high value on the department's expertise in the area of international trading; namely, the assistance given us in developing a trading relationship with the Japanese market. Governor Racicot, I sincerely hope that you will take a closer look at what the net effect might be in terms of loss in relationship building with a foreign market. May I take this opportunity to thank you for your review and interest in this matter.

1901S (191),

Robert Lemm, President

Honorable Marc Racicot Governor, State of Montana Capitol Station Helena, MT 59620

Dear Governor Racicot:

November 30,1993

EXHIBIT 35 DATE 12-16-93

It has been brought to my attention that Senator Greg Jergeson has introduced a bill in the special legislative session which would eliminate the Department of Commerce and divide its responsibilities among other branches of state government. you have appointed a commission to study the overall governmental operation, to eliminate the Department of Commerce at this time may be premature. This is especially true because small effect funding the Department's operation has on the general fund. This bill seems only to divide the existing Department of Commerce pie up between other departments of government. How much savings can be achieved by doing this? If a comprehensive review and identification of essential governmental services is done; and government is redesigned to meet the publics needs in the most efficient means possible, then and only then can real savings be This bill falls under the description of "knee-jerk" achieved. reaction.

Montana has a as not being friendly toward business. With the elimination of a department which deals with business, what message are we sending? The Department of Commerce houses many of the business programs and provides business persons a one-stop access to government. Are we serving the needs of the people or bending to the political winds?

I am in total support of your efforts to evaluate all governmental services and organizations. In 1988 I served as a Loaned Executive to the Department of Commerce. I was amazed at the many and varied areas of responsibility which came under the Department of Commerce. At that time I questioned why many of the programs were under the Department of Commerce and even why they existed.

In my current position I work very closely with the Business Assistance Division of the Department of Commerce. I personally find the service this area provides new and existing businesses in Montana extremely helpful. Having the programs for business assistance in one area of government seems to make good sense. In fact consolidating additional economic development programs offered by state government in Commerce should be evaluated.

Once again I am not against evaluating the Department of Commerce, its programs and functions, however this should be part of an overall review of state government. Short term band-aid solutions will not solve the problems facing Montana.

Fax f	Fax
Dept.	Phone #
Ço.	Co.
to RICK JONGS	From Jim Smitham

Sincerely,

Jim Smitham Economic Development Specialist Montana Power Company MONTANA TECHNOLOGY COMPANIES, INC.
220 N. ALASKA
P. O. BOX 2009
BUTTE MONTANA 59702-3909

EXHIBIT 36 DATE 12-16-93

PHONE: (406) 782-0463 FAX: (406) 723-8328

December 1, 1993

Senator Judy Jacobson Montana Senate Capitol Station Helena, MT 59620

-- Dear Senator Jacobson:

It is my understanding that your committee will analyze a proposal to eliminate the Department of Commerce by moving programs to various agencies, primarily those of elected officials, with the bulk of the programs moving to the Secretary of State's office. Proponents of this bill indicate two basic reasons why the reorganization should be accomplished during the Special Session, namely money and efficiency. After examining this proposal, I find it to be deficient on both counts and request that you not concur and vote no.

Over the years I have had the opportunity to work with the Department of Commerce on a variety of issues and can attest to the fact that they have helped a lot of companies. Given Montana's lagging economy, it is not in the states best interest to eliminate the Department of Commerce. Thank you for your consideration.

Sincerely,

Donald R. Peoples President

DRP/mas

DRP24493.1tr

bcc: Gene Marcille

Feomorale Development Center

115 N. Broadway, Suite 200 Billings, MT 59101-2043 Ph (406) 256-6871

Fax (406) 256-6877



Center for Business & Community Development

November 30, 1993

Mr. Gene Marcille

Dear Gene:

st-II" brand fax transmittal r	memp 7671 (of pages > /)
Gene Marcille	
Dart of Commerce	Can't Tradesout
pi.	7566873
444 1872	Pax f
mbr.	756.687 Fase

Re: Senate Bill 11 - Recommend Tabling in Committee

Staff of the Montana TradePort Authority and Billings Regional Small Business Development Contac recommend that Senate Bill 11 as drafted be tabled. We have reviewed the major recommendations in this bill and feel that they are not adequately supported, nor do they seem to make good sense on the surface.

The projected cost savings would seem to be questionable since the proposal suggests all fishctions, with the exception of some or all of the Local Government Andit, would be transferred intact to other departments. Probably 95% of the activity is being transferred to the Secretary of State. It does not seem reasonable to assume that the Office of the Secretary of State could absorb these existing supervisoral and technical workloads and maintain the existing service level, without maintaining the current employee counts. We would sufely not want to see any further reduction in service delivery from the current Department of Commerce.

The most apparent savings documented in the Senate Bill 11 proposal would seem to cooks from the 8.5 saudoves reduction in the Local Government Audit area. This could be a function cut, or more probably a trensfer to local government, that could be acted upon independently of the current bill and produce real alvanus at the state level. It would really impact local governments, however.

The Montana TradePort Authority and Billings Regional Small Business Development Center weeks very closely with the Business Development Section of the Commerce Department and would not like to see any further reductions in service from that group. I'm sure the more rural areas of the state would feel even stronger about this since they generally do not have the luxury of a trained economic development staff in their areas. We think it is very important for our staff support services and for the business viability of the State of Montana that we have a very active and visible floorousic Development presence in the region. We would not like to see this area doemphasized. Under no circumstances would we want to see any firster cuts in the trained staff.

In closing, we would recommend that this bill be tabled and that the Governor's proposed Reorganization Study be allowed to run its course. Hopefully, the results and recommendations of this study and office soluted reviews our be teady for our next legislative session.

Thank you for your assistance in this matter.

Regards

Tam McKarlick

Duretted to!

EXHIBIT 38

DATE 12-16-93

SB 11

11/50/93

CARL SEECHEFF

126 W. ROSEBUD

BELLIPADE MT 597

GOVERNOR MARC RACICOT STATE CAPITOL BLOG. HEZENA, MT

Den Dovemon Racicot:

Dhave brand there in a new bill befor the special pession to curtail or recogning. He Dent of Commerce.

I would advise caution before any Crastei or ill considered change in implemented. I will tall

you when.

That have chromatically improved their business and market position sure to help from the Pept. of Commerce Their business now has a higher gross revenue and meny more employees. Montone Canvas, Kiel Kaile in and Butle Creeks come immedially to mind. The Opportunit of Commerce assisted them with marketing efforts and location of funds for expansion. We at Dappey Books hope to have such success too.

Amall monefectioners paid the type of technical and business consistence presently effored by the Dept Monefacturing jobs in Montine are growth jobs that add value to a product, increase the tay base and help communities grow. Monefacturing jobs are reversing jobs are

At had the prounces, I could show that the dollar sport by the Pept, of Commonce vitures mong dollars to our state economic, or a great return or investment, you need to look at that multiplen Be Cautions that we don't throw the body out with the Ball water of reorganization.

Seneraly,



EXHIBIT 39

DATE 12-16-93

BR 11

November 30, 1993

To: Governor Marc Racicot

Dear Governor Racicot:

I realize that downsizing government is a necessity during these times and in fact it should never have gotten to this point. But, regardless SB11, asking for the elimination of the Department of Commerce as an entity is not the proper way to go.

The Yogo Park Inn, as you know, a Community owned facility would not have its doors open today if it had not been for the availability to receive the CDBG funds a year ago.

If we expect the economy to grow, it's going to have to be a absolute necessity that the expertise provided by the Department of Commerce through its economic development facilities remain intact. The CDBC funds made available to us along with this expertise that is readily available, will maintain this property and we will continue with our \$300,000 annual payroli for the city of Lewistown.

Please do everything you possibly can to stop \$\mathbb{B}811.

Sincerely,

Henry W. Cehl Ceneral Manager

HWG/]1

November 30, 1993 Honorable Governor Marc Racicot Page #2 of 2.

initial creation of seven full time positions. PLASNETICS' growth path promises the addition of two more positions prior to the end of this year and potentially two more prior to the end of next year. I don't need to explain to you the impact nine, well paying, full time jobs have on the economy of Great Falls and Cascade County, not to mention the effect on competitiveness and profitability that the ability to obtain a locally manufactured product has on our local food and beverage bottlers. None of this type of primary growth would be possible without the help and guidance of these people and the DOC as it exists.

Personally, I respect and welcome the opportunity for change, as it is a necessity, and must be on-going in any government or business. However, change must always be well thought out and must provide a well documented plan that outlines specific benefits and goals. Senate Bill 11 does none of these things. Historically I've not been a proponent of the "paralysis of analysis", but Senate Bill 11 certainly warrants further study, especially in light of your pending re-structuring and re-organization plan.

Please develop your best effort to stop Senate Bill 11 now. It serves no benefit, has no fiscal responsibility, and eliminates an existing government program that actually works well. A realistic consideration might be to combine other departments, offices and agencies within the DOC.

Thank you for your consideration.

Sincerely.

PLASNETICS USA, INCORPORATED

Bill K.V. McPhail

Chairman of the Board

cc; File

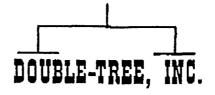


EXHIBIT 41

DATE 12-16-93

BB 11

PHONE: (406) 662-3438

BOX 147 Bridger, MT 59014

November 29, 1993

Marc Racicot, Governor State of Montana Capitol Building Helena, MT 59620

RE: SB 11

Dear Governor Racicot,

Our consulting firm assists local governments, nonprofit corporations and private businesses in securing funding for community projects.

The Montana Department of Commerce and specifically the Local Government Assistance Division and the Economic Development Division provides invaluable assistance through technical assistance for a wide range of topics from infrastructure finance to international marketing to business expansions.

We oppose SB 11 for the following reasons:

- * SB 11 would essentially dismantle an organization that has evolved over the past twenty years to meet the needs of Montana and local governments. The DOC provides a valuable link for local governments, not only to state government, but to federal programs administered by the state.
- * SB 11 does not appear to provide a sufficient cost savings to justify the elimination of the DOC and the effective operations that presently exist.
- * SB 11 does not allow for a thorough study of the DOC and its functions as you have proposed with your recently appointed task force on state government.
- * SB 11 is a potentially disruptive piece of legislation, that appears to be hastily composed and politically motivated.

Sincerely,

Barbara Campbell



EXHIBIT 42 DATE 12-16-93

November 30, 1993
Ar. Harry Fritz
State Senator
Helena, MT 59601

Dear Harry:

I just received a disturbing telephone call from a friend and customer of mine. She informed me that the Senate Bill 11, if passed would close the Department of Commerce for the State of Montana.

I em part owner of an eighteen year old small manufacturing business in Montana. We have become quite successful on our own with very little help from the state.

However, the only help, and true support we ever received was through the Department of Commerce.

Being that I am in business, I am aware of "cuts" that need to be made in spending, and "watching the overhead" is important. However, I believe that Montans is a growing state, with great potential for more business. Our Department of Commerce has worked very hard to bring new business to our state, therefore, creating more jobs.

Loosing this department would be a great disservice to our state, and would be biting the hand that feeds us all.

Please do not let this department close.

Sincerely,

Brenda K. Reid Operations Nanager

XC: Gene Marcille

Department of Commerce

Post-It "brand fax transmittal memo 7671 | of pages > ONE Burcous Coass Ca. SAME OF WOOD Dept. Fax # 444-440.

Memo

Date:

November 3Ø, 1993

To:

Finance and Claims Committee

Subject: Senate Bill 11

As practicing Architects in the State of Montana, we are always concerned with our working relationship with state government and more specifically with Bullding Codes.

Senate Bill 11 would alter that working relationship. The level of service to the professional and the general public would be reduced. Relocating Building Codes to the Secretary of State's Office would reduce service and place it in the control of a elected official.

Senate Bill 11 relocates the Department of Commerce to the Secretary of State's and Auditor's office. We understand this is being considered with the belief it would reduce cost by eliminating the Department of Commerce.

The Department of Commerce is a effective state agency providing the taxpayers immediate, access to several areas within one department. The system is not broken therefore does not need to be fixed. This is not a cost reducing idea, but will cost the state money in efficiency

We are opposed to Senate Bill 11

Raymond Johnson Architect Wayne W. Whitney Architect James B Brown Architect

Richard J. Griffin Architect William Butler Architect John Palmquist Architect

TOM HAMMERBACKER Mayor

MICHAEL EVE

MARY ANN RIES

City Clerk/Treasurer

CITY OF CONRAD

411 1/2 SOUTH MAIN CONRAD, MONTANA 59425 PETE HAUER BYRON GRUBB HUGH LARSON WALTER WAITE Aldermen

City Judge
GARY DENT
Police Chief

November 30, 1993

DATE 12-16-93 SB //

Governor Marc Racicot State of Montana Capitol Station Helena, MT 59620

Dear Governor Racicot:

The City of Conrad would like to go on record as being in opposition to Senate Bill Number 11. We feel there are beneficial changes that could be made to the Dept. of Commerce, however, due to the present time constraints on considerations, a less than viable plan might be adopted.

We think the Governor's appointed task force should have the time required to make educated recommendations.

Sincerely,

10. (1950年) · 华夏秋山北海山。

Thomas dammerbacker Mayor, City of Conrad

TH/lu

cc: Finance & Claims Commission

Strate in the control of the control

coordination & communication

William E. Murray director

P.O. Box 3127 Great Falls, MT 59403

December 1, 1993

Dear (Senate Finance & Claims Committee Member)

In my twenty five years of local government service, I've learned to be adaptable when it comes to working with state and federal government agencies. I've also been active in working with these levels of government as they search for the most efficient and effective balance between operational costs and service delivery.

It's with this background that I urge you to postpone any major changes in the structure of state government. Most specifically, I ask that legislation dealing with the Department of Commerce be postponed until a careful study can be made of the unexpected or unknown ramifications of SB-11.

The present Department of Commerce services provided us at the local level have been superior to any of the past structures the state has tried. The Local Government Assistance Division has been an invaluable source of guidance to those of us who lack the staff, time and resources to address complex issues that affect our citizens. Through several changes in governor and in party power, the Community Development Block Grant group has consistently maintained a balanced, objective grants review process. It has adapted rapidly to change and has been very responsive to local suggestions for improvement. In fact, the entire economic development section has been a source of major assistance to those of us at the local level who have been assigned a growing number of responsibilities. Most of these stem from state or federal legislation, so we have come to rely upon the Department of Commerce for guidance in meeting our joint responsibilities. The department has worked with us to achieve a work load balance that most effectively utilizes both state and local personnel. However, many of us at the local level are now reduced to one or two person operations, so we are relying on the state to maintain their end of the workload bargain.

I have read "Reinventing Government" carefully, as well as many other reference materials on adapting government to meet the balance referred to earlier. I know there are changes that can and must be made in the delivery systems administered by the Department of Commerce. I would be happy to participate in a study of such potential, and would support any rational realignment.

But given the past success and the potential offered by the Governor's recently appointed Task Force, I respectfully request you defer any action until a future regular session.

Sincerely,

William E. Murray Director

PEGGY T. CABE 4557 HEREFORD DRIVE BILLINGS, MONTANA 59106 (406) 656-0290 EXHIBIT 46 -93

DATE 12-16-93

EB 11

November 30, 1993

Governor Marc Racicot State Capitol Helena, Montana

Dear Governor Racicot,

Please allow this letter to express my concern about the proposed legislation to consolidate the Montana Department of Commerce under the office of the Secretary of State.

It has been my pleasure to work with the staff of the HUD HOME Investments Partnership Program, the Community Development Block Grant Program and others in the Housing Assistance Bureau this past year. They share my commitment to affordable housing and community development and have become an invaluable resource to me in my work. In addition, the Census and Economic Information Center deserves special recognition for its support of Montana businesses who need its vital data and expert guidance. I could not adequately serve my customers without their assistance.

Although I fully recognize the urgent need to streamline the State budget I do question the advisability of shifting critical State economic and regulatory functions at this functure. The potential for disruption of vital services to the people and communities of Montana could be significant, resulting in additional costs which cannot be offset by departmental consolidation savings.

Thank you for your consideration.

Sincerely,

Peggu Cabe

EXHIBIT 47

DATE 12-16-9:



Tuesday, November 30, 1993

Judy Jacobson, Chairperson Senate Finance and Claims Committee

Re: SB11

l understand that you will be hearing SB11 tomorrow morning. My associates who work in and own small private businesses throughout the state, along with our counterparts working in the public sector through the Travel Montana office, originally initiated and continue to support the self-imposed accommodations tax. These funds have been used extremely effectively and have begun to put Montana on the vacation destination playing field. I understand that the Department of Commerce is already implementing changes to operate more efficiently. Perhaps these changes are the most prudent adjustments for now. I'm not sure I fully understand the impact of SB11 on our travel department, but I'm sure that Travel Montana's stability within the Department of Commerce is crucial to our continued progress.

Together, with Travel Montana, we've put endless effort into romancing travellers to Montana. Their efforts have been worthwhile, and we're now a growing industry that pays wages, income taxes, gambling taxes, water bills, sewer bills and all other public services through very aggressive property taxes. Our visitors are paying their fair share through the same small businesses that are so fortunate to give them service. The trickle down benefits help everyone in our state. Please don't destroy this wonderful success story by punishing our customers. They are doing us a favor by accepting our invitation to visit ... not the other way around.

Yesterday morning an author told his version on television of why George Bush was overwhelmingly defeated last I all. He said that Mr. Bush was out of touch with the people in America. He was surrounded by people who loved him, and thus assumed that he was well accepted by everyone. The country gave him a startling message, however, and I believe Montanans are giving our legislators a strong mandate as well. We're asking you to balance the budget by reducing spending. New taxes are not our answer in the long run. It's very difficult, sometimes not possible, for me to cover my expenses in my business. Fortunately, I'm able to borrow funds to see me through the rough times, and this solution to hang on is the norm these days, not the exception. I believe that the tourism industry should be congratulated for creatively finding a funding source to support their business base. Please do not punish us now because we've been a little successful. Our success is fragile and will be easily destroyed. Please defeat SB11 and continue to support the pursuit of visitors to our beautiful State.

EXHIBIT 48
DATE 12-16-93
SB //

BUSINESS SERVICES, INC.

Jim and Barbara Richard

16 W. South Street, Box 508

White Sulphur Springs, MT 59645

Ph. 406-547-2289 FAX 406-547-3824

Consultants in Economic Development Community Development and Planning

November 30, 1993

Senate Finance and Claims Committee Judy Jacobsen, Chair Room 108 State Capitol, Helena, MT 59620

Dear Committee:

We strongly urge you to vote no on Senate Bill 11. The Montana Department of Commerce is too important to be targeted for reorganization during the crisis-ridden special session now convened.

The DOC is handling programs that are crucial to the current economic situation in Montana. We are facing a critical housing shortage, and virtually all the housing programs are handled by Commerce. Economic development, now under the Department of Commerce, is crucial, with escalating housing costs and the preponderance of low-paying service jobs.

The proposal set forth in Senate Bill 11 would effect no significant cost savings to State government. The Department has undergone a reorganization in the last six months, producing all possible savings and economy. The proposal would simply change the name and the administration, not the cost or the number of staff persons required to run the operations.

If State government is to be reorganized, the most appropriate arena for scrutinizing the Department of Commerce for possible changes would be with the task force now being organized by Governor Racicot. Please do not even consider the upheaval of a department as important to the people of this state as Commerce, during a crisis management session, when there is no justification.

-Sincerely,

Jim and Barbara Richard

BROADWATER PRINTING

222 Broadway • P.O. Box 608 • Townsend, Montana 59644

EXHIBIT 49

DATE 12-16-93

BR 11

November 30, 1993

Governor Marc Racicot State Capitol Building Helena, MT 59620

RE: Senate Bill 11

Dear Governor Racicot,

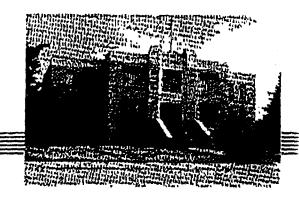
This letter is in support of the Montana Department of Commerce. My experience with them has been through its Travel Promotion Bureau and Business Development Division. They have been most efficient and effective.

I understand that Senate Bill 11 would eliminate the Department of Commerce and transfer its duties to the Secretary of State's office. I would certainly caution lawmakers to be careful not to fix what isn't broken.

Sincerely,

Del Schubring, owner Broadwater Printing

BIG HORN COUNTY



HARDIN, MONTANA 59034

December 1, 1993

EXHIBIT 50 DATE 12-16-93

Senator Jacobson Chairman Senate Finance and Claims Committee Room 108 Capitol Bldg. Helena, Mt. 59620

Dear Senator Jacobson,

This is to advise the Senate Finance and Claims Committee that the Board of Commissioners of Big Horn County is opposed to SB#11.

We have had a long standing working relationship with the DOC. They have assisted us in many areas including audit services, economic development, planning, coal impacts, and housing issues to name a few. And without exception, we have found the services useful and the staff helpful.

With that, we fail to understand how SB#11 is going to address our state's real problems, such as budget deficits and rising costs. To often our experience is that all "re-organization" provides is little more than hope, and worse yet, it creates a smoke screen of delay and confusion when it comes to addressing real issues.

Thank you for your attention to our concerns.

Sincerely,

John Doyle, Chairman,

Board of Commissioners

[City of Belgrade

STATE OF MONTANA

HENRY D. HATHAWAY DIRECTOR OF PUBLIC WORKS

JOSEPH A. MENICUCCI CITY MANAGER

MARILYN M. FOLTZ CLERK - TREASURER

November 30, 1993

State Senator Judy Jacobson Chairperson Senate Finance and Claims Committee State Capital Room 108 Helena, MT 59620 EXHIBIT 5 | -93

BB 11

Dear Senator Jacobson:

I am writing in opposition to Senate Bill Eleven. The Economic Development division of the Department of Commerce has provided invaluable assistance to me and to several businesses that I have had the opportunity to work with both in my previous position as Community Development Director In Polson (1983-1990), and my present position as City Manager in Belgrade since 1990.

Currently I am working with Mr. Gary Moorehouse, Regional Development Officer, in securing financing for three Belgrade area businesses that are in the process of expansion. This expansion will mean additional jobs and expanded tax base in the Belgrade Community.

I believe that any restructuring of the Department of Commerce without considerable study would not be in the best interests of the State of Montana. I urge you to oppose Senate Bill Eleven and take time to carefully study the implications of changes in the current programs providing Economic Development assistance in Montana.

Sincerely, CITY OF BELGRADE

Joseph A. Menicucci

City Manager

A LOCAL
ECONOMIC DEVELOPMENT
CORPORATION
SERVING DILLON AND
BEAVERHEAD COUNTY, MONTANA

BOX 1381 DILLON, MT 59725 (406) 683-2014

DATE 12-16-93

EXHIBIT_

SB 11

November 30, 1993

Governor Marc Racicot Room 204, State Capitol P.O. Box 200801 Helena, MT 59620-0801

RE: Senate Bill 11

Dear Governor Racicot:

In our efforts to promote and diversify our economic base in Beaverhead County, the Beaverhead Development Corporation (BDC) has had many opportunities to work with the Montana Department of Commerce. We are currently working with the Small Business Development Center, the International Trade Pacific Rim Officer, and a local manufacturer developing an export agreement with Japan. Our work with the CDBG Program Officer brought Centennial Foods, a waxy barley plant, to Beaverhead County.

We are opposed to Senate Bill 11. The work being done by the Department of Commerce for the citizens of Montana is invaluable. Relocating the Department of Commerce agencies serves no valid purpose and it would be in the best interest of Montana to wait for your study committee's recommendations for the restructuring of the Department of Commerce.

Sincerely,

Patricia J. Blade/At

Mrs. Patricia J. Blade. Executive Director

PB/kt

cc Gary Morehouse, CDBG Program Officer





Nov. 30, 1993

Senator Mark Racicot Executive Office Room 204 State Capitol Helena, Montana 59620

Dear Governor Rácicot,

P.O. BOX 842 ANACONDA, MONTANA 59711 TELEPHONE (406) 563-5538

EXHIBIT_53 DATE 12-16-93 SB 1/

I would like to take this means to express my feelings regarding the SB-11, the bill to abolish the Montana Department of Commerce.

While it is important to the citizens of Montana to review how and what services State government provide. The process should be done in a deliberate and careful fashion so as to assure that the responsibilities of State government are provided for in the best method possible.

While I am sure that certain functions in the current departments may be better served in other departments there are areas of economic development, licenser and technical assistance which could be transferred into the Department.

The economic development efforts of the Department have tried to adjust to changing times and to become more responsive to the needs of the regions. Individuals are now changed with direct contact and assistance to the various regions of this state. This approach has made commerce services more accessible to even the most remote community. It would be unfortunate to have to start over again with these efforts.

The department has actively sought solutions to tough problems and look for win win solutions. These solutions have taken great fortitude and commitment. This commitment could only come when all of the players could come together in a focused effort as provided by the Department of Commerce.

While I applaud legislature and your commitment to look at how government serves the people. SB-11 seems both premature and lacking in fiscal savings.

Respectively.

gines H. Davison



EXHIBIT 54

DATE 12-16-93

SB //

Mr. Gene Marcille Montana Department of Commerce Helena, MT 11/30/93

Dear Gene:

It has come to my attention that Senate Bill 11 has been introduced that would eliminate the Department of Commerce as a separate entity. As an employee owner of American Eagle Instruments I want to emphasize how helpful the Department has been to our start up and continued success. We have used the Department of Commerce in many ways. I strongly oppose any effort to downsize or eliminate the Departments ability to assist small businesses such as ours. We are proof in point that the Department can and does help strengthen our economic and tax base.

Sincerely,

Employee wner

American Eagle Instruments

FAX to Gene Marcille 444-1872 to Harry Fritz 444-3036 cc: to Leslie Jensen 721-4584

EXHIBIT_55

DATE 12-16-93

SB 11

O Phone (406) 466-2063

Fax (406) 486-2076

NOVERMBER 30, 1993

GOVERNOR MARC RACICOT STATE CAPITOL HELENA MT 59620

DEAR GOVERNOR:

THIS LETTER IS IN REGARD TO SENATE BILL #11, OR THE REMOVAL OF THE PRESENT DEPARTMENT OF COMMERCE.

I DON'T KNOW WHERE TO START TO LIST THE TIMES THE DEPARTMENT OF COMMERCE CAME TO MY AID. THEY ARE RESPONSIBLE FOR ALL THE OVERSEAS CONTACTS THAT WE HAVE MADE. THEY WORK HAND IN HAND WITH SMALL BUSINESS NOT ONLY TO HELP US SURVIVE IN MONTANA, BUT THEY SHOW US HOW TO REACH OUT BEYOND OUR OWN BORDERS TO NEW MARKETS.

PEOPLE LIKE MO, AND GENE MARCILLE, ARE IRREPLACEABLE. WHEN I STARTED LOOKING AT THE CANADIAN MARKET, KAREN HOWARD WAS THERE WITH CONTACTS AND HELPED ME THROUGH THE PAPERWORK THAT WOULD NORMALLY SCARE YOU OFF. I NOW HAVE TWO LABELS APPROVED BILINGUAL AND I AM SELLING TO FIVE GROCERY STORES IN CANADA.

LAST AND MOST IMPORTANT TO ME WAS GARY MOOREHOUSE. I CAME TO CHOTEAU MAY 1ST AND I NEEDED HELP. IF ALPINE TOUCH WAS TO SURVIVE I NEEDED MONEY OR REFINANCING. I TRIED TO GO TO SBA, THEY TURNED ME DOWN (THERE IS A PERFECT PLACE TO CUT WASTE), WE HAD A BANK THAT WAS WILLING TO WORK FOR US, SBA SAID NO. WE HAD SENATOR BAUCUS AND SENATOR BURNS INVOLVED, SBA SAID NO! THEY SHOULD NOT BE ALLOWED TO USE THE NAME SMALL BUSINESS.

THIS IS WHERE GARY MOOREHOUSE ENTERED THE PICTURE. GENE MARCILLE PUT ME IN TOUCH WITH GARY WHO PROMPTLY CAME TO CHOTEAU, MET WITH ME, THE BANK, AND THE P.R.I.D.E. COMMITEE. HIS ATTITUDE WAS SIMPLE, HE WAS THERE TO HELP ME. A SHORT TIME LATER CHOTEAU RECEIVED A COMMUNITY BLOCK GRANT THAT SAVED MY BUSINESS, BROUGHT A NEW BUSINESS TO CHOTEAU, AND CREATED JOBS FOR TWO MORE PEOPLE.

WHAT I APPRECIATE AS A SMALL BUSINESS MAN IN MONTANA IS THAT THE DEPARTMENT OF COMMERCE IS ALWAYS THERE TO HELP ME, THEY REALLY CARE THAT WE SURVIVE AND PROSPER.

SAY NO TO SENATE BILL #11

MARK A. SOUTHARD

12:56 PM 11. 30. 93

ELECTRIC *ALLEN

BR.

FAX to 2903 Andy Poole



ELECTRIC. INC. CONTRACTING, SUPPLIES AND BERVICE

Commercial • Residential • Industrial

UNION SHOP - NECA MEMBER

NEW CONSTRUCTION, REMODELING, MAINTENANCE AND REPAIRS JOHN R. ALLEN, PRESIDENT

November 30, 1993

Jim Brown, Bureau Chief Building Codes Division Commerce Dept, State of Montana

Pax # 444-4240

Dear Jim,

I am writing you in hopes you can pass along my views of Senator Jergenson's proposal to break up the Commerce Department.

First, let it be known that I consider this to be a worthless idea. "If it isn't broken then let's not fix it." My experience in dealing with staff at the Commarce Department has been that they do a good job. An overall look at the Commarce Department shows a lot of workers and not too many chiefs. As a matter of fact I've been informed that two or three more upper level supervisory positions are being eliminated. This is progress in the right direction. Your division eliminated a supervisor and added a field inspector this year. That is the way to serve Montana.

Secondly, I wonder how the ratio of supervisors to staff in the Commerce Department compares with other agencies. One that comes to mind is the Office of Secretary of State. I believe Cooney's agency ratio is a lot less favorable than that of Commerce.

Finally, I am damn tired of politics and if splitting up Commerce and re-assigning its functions only to Democratically controlled agencies isn't Jergenson's "Politics as usual" than nothing is! Don't they ever get the Tegassem?

Jim, I thank you for all the help Allen Electric has received from your agency and I would would again ask you to make my concerns known.

Sincerely,

President



EXHIBIT 57 - DATE 12-16-93

December 1, 1993

Senator Jacobson Chair Senate Finance and Claims Committee Capitol Bldg. Room 108 Helena, Mt. 59620

Dear Senator Jacobson,

This is to register our opposition to SB#11.

For more than twenty years and through many administrations, I have worked with the Montana Department of Commerce (DOC) and its predecessor, the Department of Community Affairs. I have seen many changes within the agency and I have watched it adapt and respond to the needs of Montana cities, towns, counties, tribes and non-profit organizations. The DOC has always been a lead agency for our state in terms of addressing needs. It is a conduit for many federal programs and outstanding in the nation for implementing many innovative processes, which in fact, have saved - rather than cost - the tax payers of Montana millions of dollars.

As you are aware, currently the Department spear-heads economic development through its CDBG program and the Board of Investments; it is helping our state address housing issues through the Board of Housing and CDBG Programs, and it is the lead agency in resolving Montana's massive infrastructure problems via TSEP, CDBG, Bond programs, InterCAP, and with technical assistance. Many communities depend upon Local Government Services for accounting and audit services, and our state's infant tourism industry is coordinated by the DOC. So are many of our regulatory processes and licensing procedures, which are now "one-stop".

During the past few years, I have met on numerous occasions with the Department Staff and on more than one occasion with Mr. Noel, DOC Director. And in every case, I would say they have always been honest, open, professional, well qualified, and helpful. So, somehow, to be very blunt, the "need" to dissolve a state agency that has been around for better than twenty years totally escapes me. I can only speculate, and quite frankly, none of my conclusions are very positive.

In the best case scenario, the motives may be a well intended, but ill-conceived as a solution which in no way, shape, or form addresses the real financial problems faced by our state. In the worse case scenario, I would hope it is not someone's personal vendetta or bargaining chip to protect a "pork-barrel".

Beyond speculation as to the reasons for SB#11, I would offer the following challenges to its supporters. First, please demonstrate that the merits of the change outweigh the negative impacts, and second, please prove that SB#11 addresses any real problem whatsoever.

I might be naive, but it seems to me that it is critical to identify the problems before we start enacting the solutions. And if the budget deficit is really the major problem, then how does dissolving DOC resolve that issue? How will it save money, while still providing all the legally mandated services? Will it generate new money?

I seriously doubt any reasonable person would believe SB#11 can accomplish any of the above tasks. In short, why fix something that isn't even remotely broken? And worst yet, why destroy the only real tool the State of Montana has in terms of staying competitive in the economic development or in terms of meeting our housing and infrastructure needs.

Thank you for your time and attention to my concerns.

Sincerely

Rusty Rokita

President

1/30/93	ت رجعت	🕰 1020010	

EXHIBIT 58

DATE 12-16-93

PLASNETICS USA

P.O. Box 1387, Great Falls, Montana, 59403, 406-727-0553

TELECOPIER COVER LETTER

Facsimile Number 406-761-5070.

PLASNETICSUSA

2500 AIRPORT SECOND STREET

G R E A T F A L L S

M O N I A N A

5 9 0 4

1 0 6 • 7 2 7 • 0 5 5 3

F A X • 7 6 1 • 5 0 7 0

November 30, 1993

Honorable Governor Marc Racicot Office of the Governor Montana State Capitol Building Helena, MT 59624

RE: Senate Bill 11 - An Act Abolishing The Department Of Commerce & Distributing Its Functions To Other Departments, Offices & Agencies.

Dear Governor Racicot:

This morning I was made aware that the above referenced Senate Bill has been introduced into the legislature as Senate Bill 11. The reason for my letter is to express my concerns relative to this bill. First I must say that I am strongly opposed to this-bill, especially in the format that it has been presented.

The Department Of Commerce (DOC) has been incredibly helpful in developing and implementing programs aimed at aiding small and start-up business. I speak from experience with this regard, as PLASNETICS is currently repaying an Economic Development CDBG Loan through Cascade County. The experience and the management currently exists within the DOC and their continued efforts, without a doubt, need to continue with continuity and cohesiveness. To abolish the DOC in favor of redistributing its functions to other departments, offices and agencies, without consideration of the impact this will have on their ability to perform, is simply poor management and probably ill conceived. There is no fiscal benefit that can result from this Bill and furthermore, considering your current re-structuring and re-organization plan, this Bill should be stopped in favor of allowing ample opportunity for your plan to be presented and reviewed. Circumvention of your plan in this manner appears to be nothing more than blatant politics.

As I mentioned before, the DOC was instrumental in helping PLASNETICS to become a reality. The specific help from Chuck Brooke, Jon Noel, Gary Morehouse, Gary Faulkner, Delrene Rasmussen and their entire staff was paramount in PLASNETICS start-up and the

Lincoln County Economic Development Council, Inc. 603 Mineral Avenue • Libby, Montana 59923 • 408-293-8406 DATE 12-16-93 SB 11 Number of Pages_ (including cover sheet) Remarks: The accurry concerned about 5B11, their aux letter to you which allows.

Stank you for Supporting The interest of leusinesses in Montana, so lew State can be come it monically stable

Lincoln County

Economic Development Council, Inc.

603 Mineral Avenue • Libby, Montana 59923 • 406-293-8408

November 30, 1993

Governor Marc Racicot State Capital Helena, Montana

Dear Governor Racicot:

We have become awars that a Senate Bill (SB11) has been formally put forth requesting the abolishment of the Department of Commerce.

EX 59 12-16-93

SBI

The Department of Commerce is a very important department of state government. The businesses of Montana must have administrative leadership which focuses its effort on the economic revitalization and growth of the communities of Montana.

Our dealing with the Department of Commerce have been very good. We have been treated with respect and provided quality assistance in many phases of our quest for economic stability. The most recent has been the work put into assisting the communities of Libby and Troy with the Champion/Plum Creek/Stimson fund package. The department is and will be a key player in helping our communities to maximize job creation from our portion of the \$1.2MM.

We feel that any anticipated cost savings would be lost by burying the Department of Commerce under the Secretary of State. We feel that the state would lose it's image as a state that wishes to be in business. It is crucial that the department remain intact as it is, so they can represent business to business within the state, nationally and internationally.

Jobs, economic stability, diversification, revitalization, healthy economy, international trade, port authority, business ambassadors, this is the vocabulary and world of the Department of Commerce. We request that you leave the department in place. They do a quality job at a good return to the state's bottom line via the success of private enterprise (taxpayers). Please do not break something that is working.

Sincerely

The state of the s

and the state of the

Lincoln County EDC, Inc.
Janene Ro Brown
President

City of Libby Fred A. Brown -Mayor - 16 F

CC: Senator Vaughn

Pantagantative Peterson

EXHIBIT_	100
	-16-93
SB 11	

the City of Hardin

OFFICE OF:

_		-	-
n	Δ	Т	F.
_	~		┗.

406 NORTH CHEYENNE HARDIN, MONTANA 59034

December 1, 1993

Senator Judy Jacobson Chair Senate Finance and Claims Committee Capitol Bldg. R 108 Helena, Mt. 59620

Ref: Register as OPPONENT of SB #11

Dear Senator Jacobson,

This is to advise you and members of the Senate Finance and Claims Committee that the City of Hardin is opposed to SB#11.

In summary, our reasons for opposition are as follows:

- 1. First, given our experience in working with State agencies, the Montana Department of Commerce is high among those which are the most responsive to the needs of cities.
- 2. To transfer many of DOC functions to the Secretary of State, which would place control directly in the hands of an elected office, which may be technically less equipped to carry out the many functions required of the DOC. Historically, DOC Directors are recommended by the Governor and confirmed by the Legislature; a system of check and balance that usually ensures that a person with strong administrative skills is selected. Under the proposed system if the agency failed to serve the public, there would be virtually no recourse, except wait for the next election.
- 3. The DOC is one of the few administrative tools any Governor has available to carry-out economic development. To remove that option would severely cripple not only the current administration, but all future administrations.
- 4. From a practical viewpoint, it is important to note that the DOC has spent years, in both Democrat and Republican administrations, developing contacts and building trust with local governments, Indian Tribes, and federal agencies. To dissolve the agency would not only jeopardize existing programs from which Montana benefits greatly, but it would destroy the State's credibility in many arenas. And, credibility is critical to success.

טר ב־טט וחט טיוט.

5. Finally, we would ask that proponents of SB#11 demonstrate how this legislation will address our problems in practical terms.

Thank you for your time, attention, and consideration of our position on this matter. We strongly feel passage of SB#11 would do far more damage to our state than would be beneficial.

Sincerely

Joseph V. Koebbe,

Mayor

cc: Sen. Yellowtail

Rep. Russell Rep. Hansen

EEAR PAW ECONOMIC DEVELOPMENT DISTRICT IBERTY HILL COUNTY Havre Rocky Boy's EXECUTIVE DIRECTORRichard C. King

ADMINISTRATIVE ASSISTANT, Jenny Mode

HOUSING/COMMUNITY DEVELOPMENT COORDINATOR.
Annuarie Robinson

ECONOMIC DEVELOPMENT LOAN OFFICER MAKED TO DRUGGO

SMALL BUSINESS DEVELOPMENT CENTER COORDINATOR
RODGY Harrison

November 30, 1993

Governor Marc Racicot Room 204 State Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Racicot:

Bear Paw Development Corporation of Northern Montana

P.O. BOX 1549 • HAVRE, MONTANA 59501

TELEPHONE: 406/265-9226 EXHIBIT. FAX: 406/265-5602

DATE 12-16-93

BOARD OF DIRECTORS

Eon Driscoll, President Art Kleinjan, Vice President Noto Nesion, Secretary Ray Gehten, Treasuter Richard Sonarey Roymond Porket, Jt. Donoven Archambault Jim Cottman Trudy Stan Lioyal Walery John Ellas Victor Miller Physis Leonard

On behalf of the Board of Directors of the Bear Paw Development Corporation, I want to express our support for your decision to appoint a special task force to study the issue of reorganizing state government. With the goal of increasing efficiency and reducing administrative costs, the task force will review ways to streamline state government. After careful study, debate and deliberation, the task force would submit its recommendations prior to the next regular session of the Legislature. We also understand that Gary Buchanan has agreed to lead this effort. He is uniquely qualified for the job.

Our organization has worked closely with the Montana Department of Commerce for many years. We have the highest regard for the professionalism of the Department's community and economic development staff. These people have shown a true commitment to helping local governments solve tough problems, and the Department's business assistance activities now reach every corner of the state.

For these reasons, we are very interested in any proposed changes that will affect the Department and will gladly make our comments known to the task force. We realize that the state is facing tough fiscal problems. But these cannot be solved by reorganizing state government just for the sake of "doing something." Hasty measures could be more expensive over time than the amount saved for the biennial budget.

With this concern in mind, we also want to comment on legislation recently introduced in the current special session. We do not think a special session is the time to reorganize state government. SB 11 would basically eliminate the Department of Commerce and transfer its activities to the Secretary of State's Office and other agencies. Although any proposal deserves a hearing, we do not think it should occur now while the state struggles to balance the current budget.

Sincerely,

Arthur Kleinjan, President

cc: Senator Greg Jergeson
Senator Bob Hockett
Representative Francis Bardanouve
Representative Ray Peck
Representative Bob Bachini
Representative Roger DeBruycker

Post Office Box 508 Philipsburg, Montana 59858



(406) 859-3226 (406) 859-3942 PAX

EXHIBIT_	62
DATE 12	
SBUL	

Marc Racicot
Governor of Montana

11/30/93

Dear Mr. Racicot,

My name is Mark Byington. I am a CPA that formerly was a partner in the public accounting firm Byington, Deveny & Meyer, P.C. I am currently president of Montana Silver Springs, Inc., a company formed in 1989 to produce and distribute bottled spring water.

I am writing to voice the support of both myself and the thirty other shareholders in MSSI for the Department of Commerce. While I am rather vague on the specifics, I understand the legislature is considering disbanding this Department.

The Department of Commerce, and specifically Gary Morehouse was very instrumental in helping MSSI obtain startup capital through After the startup, several, individuals from the CDBG program. the Department of Commerce have provided us help on a variety of things, including property tax relief and marketing contacts. We have met trade representatives from Japan through meetings arranged by the Department of Commerce, and we are hopeful that these leads will help us develop export sales to Japan. attended and benefitted from the economic development conferences hosted through the DOC. The Department of Commerce also tries to make us aware of other opportunities involving Montana companies such as Plasnetics, a blowmolder in Great Falls. We currently purchase all of our bottles from out of state sources - mostly Canadian. We have found all employees of the DOC to be very friendly and helpful and to make themselves available, even without an appointment.

We have experienced financial difficulty. We are trying to renegotiate a loan from the Town of Philipsburg. (This loan was made from the CDBG grant). Once more, Gary Morehouse has gone out of his way to help us in that effort. It appears as if we will accomplish this loan restructuring, and I think that Gary's lobbying on our behalf will probably be the deciding factor.

I realize the difficulties facing the legislature in balancing the budget, but to decrease business development activities can only hurt in the long run. I strongly advocate that the business assistance programs administered through the Department of Commerce be left intact.

Sincerely,

Montana Silver Springs, Inc.

Mark Byington, CPA

President

ponomic Development Center

i 5 N. Broadway, Suite 200 illings, MT 59101-2043 h (406) 256-6871 ax (406) 256-6877



Center for Business & Community Development

November 29, 1993

FAX 444-2903

EXHIBIT 63

DATE 12-16-93

BB 11

Governor Marc Racicot c/o Jon Noel Department of Commerce 1424 9th Avenue Helena, MT 59620

RE: SENATE BILL 11, 1993 SPECIAL SESSION

Dear Governor Racicot:

It is my understanding that S.B. 11 of this Special Session is proposed to eliminate the Montana Department of Commerce.

This would be a serious mistake should the legislature support this bill. Presently, this Department provides a valuable service in supporting business and community development.

We at the local level constantly rely on their expertise and the relearinghouse of information to support us as we work with the local business people and community leaders.

Many arguments can be made as to the most effective efforts at creating economic development. But, without question, the most effective is providing support to what we already have. Nationally, over 90% of all new jobs are created by small business, either because they're expanding or because there is a start-up faze. These numbers are even higher when you look at Montana. With local resources directed towards local needs for business and community development, it is important to know there is a state level of expertise to assist and provide informational support when needed:

Governor Marc Racicot November 29, 1993 Page 2.

I can tell you, that as a local developer, we need the State support.

Sincerely,

Jerry S. Thomas, Executive Director

cc: Yellowstone County Legislative Delegation

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Duleness	COI

DATE 12-16-93 SPONSOR (S)

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
JoAlice Mospan 3015, Park Helena	4:5.5BA	SB11	~	
Davord Owen	MT Chamber	5B11	/	
MIKE MOSPAN	SCORE	581)	V	
Stravt Dogget	MI Innkages	SB	1	
Judy Browning	Gov. Off.	5811		
beth baker	Rept of Justice	5BIJ		anero Amite
PRANK Cote	ST. Andita	SBU		
Sen Marill	Do C/SBDC	SBI		
JD NOEL	NTERMEN MOMT	SBIL	4	-
Keith L. Colbo	MT Private Capital Net.	5811	/	·
ANDY Proce	Doc	5811	/	
Mary Bryson	Legislative Auditor	5811		
, ,	U			

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