

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON SENATE BILL 98

Call to Order: By Senator "Doc" Rea, Chairman, on April 16, 1993, at 11:00 a.m.

ROLL CALL

Members Present:

Sen. "Doc" Rea (D), Chairman
Sen. Francis Koehnke (D)
Sen. Gary Aklestad (R)
Rep. Larry Hal Grinde (R)
Rep. Bob Bachini (D)

Members Excused: Rep. Wilbur Spring

Members Absent: None.

Staff Present: Laura Turman, Committee Secretary
Dave Bohyer, Legislative Council

Discussion:

Rep. Grinde said Rep. Spring could not be present but he would go along with what the Committee agreed to do regarding SB 98.

Sen. Rea provided Committee members with a set of amendments. (Exhibit #1) Sen. Rea said the amendments leave in civil penalties and the state special revenue account. He said that just about "everything else" in the bill had been stricken. Sen. Rea read the amendments.

Rep. Bachini asked to what the code numbers referred in the third and fourth amendments. Dave Bohyer, Legislative Council, said those numbers referred to definitions and licensing.

Sen. Rea continued reading the amendments.

Mr. Bohyer said the effective date was July 1.

Rep. Bachini asked Sen. Rea if, with the amendments, the grain growers will be able to advertise by a variety of their own production. Sen. Rea said they would.

Mr. Bohyer said grain growers can continue to advertise as they do currently.

Rep. Grinde said he had concerns about there being a special revenue account set up in HB 2 for the Department of Agriculture for the fees which are already being collected. Rep. Grinde asked if someone from the Department of Agriculture could explain the account.

Will Kissinger, Department of Agriculture, said HB 2 has all of the \$60,000 appropriation for the seed program in the special revenue account. That amount is based on the license fee being \$100.00. Mr. Kissinger said, with the amendments, the maximum fee which could be charged would be \$50.00 per license.

Rep. Grinde asked if HB 2 would have to be changed to reflect the new fee of \$50.00 for licensing.

Roger Lloyd, LFA Office, said currently as HB 2 is budgeted, \$56,000 is marked each year as state special revenue. If the fee increase in SB 98 was stricken, and the Department of Agriculture charged a maximum of \$50.00 for licensing fees, then state special revenue in HB 2 could be reduced by about \$24,000 in 1994 and 1995. He said there would not be enough state special revenue generated to cover the appropriation currently in HB 2.

Mr. Bohyer said under the bill as drafted, the Department of Agriculture can levy penalties to people who violate the seed licensing law. Penalties also go into the special revenue account. Mr. Bohyer said it was his understanding that the Department did not have the authority to levy civil penalties right now, so there is no way to guess what kind of revenue penalties would generate. He said the way special revenue accounts work is the Legislature provides spending authority, and if the money goes into the special revenue account, it can be spent. If there is no money in the account, it cannot be spent. Mr. Bohyer said if \$50,000 in special revenue is appropriated to the Department, they can spend up to \$50,000. If the Department receives \$90,000 (in fees), they can still only spend \$50,000. If they get \$30,000, they can spend \$30,000.

Rep. Grinde asked Mr. Bohyer what needed to be done to reflect the change in fees. Mr. Bohyer said it was not necessary to do anything. He said if the Committee wanted to reflect only the amount of money the Department could get from licensing fees, the special revenue appropriation would need to be reduced by \$24,000. He said if the Committee wanted to leave the Department some flexibility, then there would be no harm in leaving the special revenue allocation as it currently is.

Mr. Lloyd agreed with what Mr. Bohyer said and added the Department has the authority to move state special authority anywhere among other programs. For example, if some other program has excess revenue, the authority could be used elsewhere.

Sen. Aklestad asked Mr. Lloyd if the money generated from the

licenses and penalties went above \$56,000 appropriated in HB 2, those funds could be used elsewhere. Mr. Lloyd said it was necessary to keep in mind the difference between "revenue" and "authority". He said the authority was \$56,000, and if that amount is not generated, it cannot be spent. That authority, not the money, could be used elsewhere. For example, the authority could be moved to spend excess revenues in some other program.

Sen. Aklestad asked Mr. Lloyd if, in the past, funding had come through general funding and state special revenue. Mr. Lloyd said \$13,500 of general funds had been appropriated for this. He said that was the amount of revenue received.

Sen. Aklestad asked what the total appropriation in general funds and special revenues for this particular effort. Will Kissinger said there was no line-item appropriation for this program in the past.

Sen. Aklestad asked Mr. Kissinger what was appropriated out of the general fund. Mr. Kissinger said appropriation was equivalent to approximately \$60,000. In the past, revenues received were about \$13,000. Mr. Kissinger said the expense of the program, through general fund expenditure, was approximately \$60,000.

Sen. Aklestad asked how much money would be generated through licensing, separate from penalties. Mr. Kissinger said as the fees were currently set, they would bring in \$13,000. The law does allow for fees to be raised to \$50.00 per license. He said if that were the case, the fees would bring in approximately \$30,000.

Sen. Aklestad said \$30,000 was half of what was spent in the past, so the program would be short, or would they have to anticipate penalties totalling \$30,000.

Rep. Bachini said what was really happening was there would be half a program instead of a full program because of the change in the fee structure.

Sen. Koehnke asked Mr. Kissinger if money could be switched back and forth in other agriculture programs, if there were an excess in one program, for example. Mr. Kissinger said if there is excess appropriation in one program, and additional funding that one program is not using, it can be expended in other programs.

Mr. Lloyd said that was correct. He said the money could not be used for different purposes, but excess authority could be used to spend excess money elsewhere.

Sen. Rea asked Mr. Kissinger if problems would arise because the program was only half-funded. Mr. Kissinger said the program would not be as it had in the past. If the program cost \$60,000 in the past and only \$30,000 is appropriated, some cuts must be

made. He said 1-2 FTE's would have to be cut. If that is the case, an accounting system would be set up for field work. Mr. Kissinger said when the "pot is dry, that's it," and no more work would be done.

Sen. Aklestad asked about the House amendments where \$200 was changed to \$150. He said these figures did not seem to correlate to any mentioned so far.

Mr. Kissinger said \$200 and \$150 are maximums to which fees could be raised by rule in the future. The fiscal note indicates that the fee would be \$100 set by rule.

Sen. Aklestad said the fee is currently \$50.00. Mr. Kissinger said that was correct.

Sen. Aklestad said after the House amendments and the proposed amendments, the funding mechanism will be "straightened out" as far as earmarking. There will be a Section 3 pertaining to violations, and that would be the extent of SB 98.

Mr. Bohyer said a separate amendment would be needed if the Committee wants to give the Department of Agriculture only \$30,000 spending authority. That would be done in HB 2, not this bill. Mr. Bohyer said SB 98 sets up the account.

Sen. Aklestad said the \$56,000 spending authority could be left as it is. Mr. Bohyer said that was correct.

Sen. Aklestad said the Department has authority to spend \$56,000, and if \$30,000 generated, \$26,000 in excess appropriation remains which could be spent in another area. Sen. Aklestad asked if it has always been that way. Mr. Bohyer said it had.

Mr. Lloyd said that is the case unless the Legislature restricts the authority.

Mr. Kissinger said the authority can only be moved to a program that has the money. Rep. Grinde reminded Committee members that the money was not moved, only the authority.

Sen. Rea asked if \$5,000 were collected in penalty fees, does the Department have the authority to use that money under SB 98. Mr. Lloyd said they had the authority to spend \$56,000, from whatever source.

Motion/Vote:

Rep. Grinde moved the adoption of the amendments submitted by Sen. Rea. (Exhibit #1) The motion passed UNANIMOUSLY.

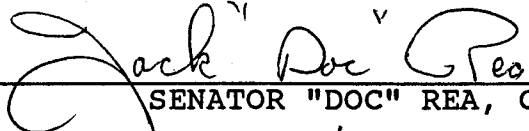
Motion/Vote:

Rep. Grinde moved SB 98 DO PASS AS AMENDED by the Free Conference

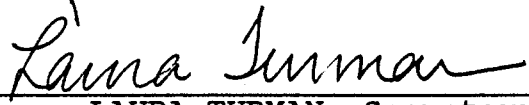
Committee. The motion carried UNANIMOUSLY.

ADJOURNMENT

Adjournment: Sen. Rea adjourned the meeting at 11:45.



SENATOR "DOC" REA, Chair



LAURA TURMAN, Secretary

DR/LT

(FREE) CONFERENCE COMMITTEE

DATE 4-16-93

[illegible]

Free Conference Committee
on Senate Bill No. 98
Report No. 1, April 16, 1993

Page 1 of 1

Mr. President and Mr. Speaker:

We, your Free Conference Committee on Senate Bill No. 98, met and considered: Senate Bill No. 98.

We recommend that Senate Bill No. 98 (reference copy - salmon) be amended as follows:

1. Title, lines 4 and 5.

Following: "AN ACT" on line 4

Strike: the remainder of line 4 through "SEED;" on line 5

2. Title, line 6.

Strike: "LICENSE PROVISIONS,"

Following: "PENALTIES"

Strike: ", AND FEES"

3. Title, line 8.

Strike: "80-5-120, 80-5-202,"

4. Title, line 9.

Following: "80-5-207"

Strike: ", "

5. Title, line 10.

Strike: "AND A TERMINATION DATE"

6. Page 2, line 10 through page 11, line 8.

Strike: sections 1 and 2 in their entirety

Renumber: subsequent sections

7. Page 14, lines 1 and 2.

Strike: section 6 in its entirety

And that this Free Conference Committee report be adopted.

For the Senate:

Don "Doc" Rea
Senator Rea, Chair

Al Aklestad

Frances Koehnke
Senator Koehnke

M-Coord.

Sec. of Senate

For the House:

Larry Hal Grinde
Representative Grinde, Chair

Bob Bachini

William Spring
Representative Spring

ADOPT

REJECT

841328CC.Sma

Amendments to Senate Bill No. 98
Reference Copy

Requested by Senator Jack "Doc" Rea
For the Free Conference Committee on Senate Bill No. 98

Prepared by Dave Bohyer
April 14, 1993

1. Title, lines 4 and 5.
Following: "'AN ACT" on line 4
Strike: the remainder of line 4 through "SEED;" on line 5
2. Title, line 6.
Strike: "LICENSE PROVISIONS,"
Following: "PENALTIES"
Strike: ", AND FEES"
3. Title, line 8.
Strike: "80-5-120, 80-5-202,"
4. Title, line 9.
Following: "80-5-207"
Strike: ", "
5. Title, line 10.
Strike: "AND A TERMINATION DATE"
6. Page 2, line 10 through page 11, line 8.
Strike: sections 1 and 2 in their entirety
Re-number: subsequent sections
7. Page 14, lines 1 and 2.
Strike: section 6 in its entirety