

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON HB 9

Call to Order: By SENATOR ETHEL HARDING, on April 12, 1995, at
1:00 p.m.

ROLL CALL

Members Present:

Sen. Ethel Harding, Chairman (R)
Sen. B. F. "Chris" Christiaens (D)
Sen. Tom Beck (R)
Rep. Ernest Bergsagel (R)
Rep. Linda McCulloch (D)
Rep. Steve Vick (R)

Members Excused: None

Members Absent: None

Staff Present: Nan LeFebvre, Office of the Legislative Fiscal
Analyst
Jane Hamman, Office of Budget & Program Planning
Tracy Bartosik, Committee Secretary

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

Motion: SEN. CHRIS CHRISTIAENS moved to approve amendment
901.a11 (EXHIBIT 1) to HB 9.

Discussion: In response to questions raised by the free
conference committee, Arlynn Fishbaugh, Executive Director,
Montana Arts Council, said that the Copper Village Art Museum's
original request was for \$23,000, the Cultural and Aesthetic
Projects Advisory Committee recommended it for \$7,800, and the
Long-Range Planning Subcommittee brought that figure down to
\$3,000.

A copy of the Copper Village Arts Museum's application was
submitted to the committee. EXHIBIT 2

Vote: Motion carried.

Motion: REP. ERNEST BERGSAGEL moved to approve amendment 902.a11
(EXHIBIT 3) to HB 9.

Discussion: REP. BERGSAGEL said the Beaverhead Development Corporation's "Road Agent Trail" project was recommended for zero funding from the Cultural and Aesthetic Projects Advisory Committee, and the Senate then approved it at a funding level of \$8,000. It is his recommendation that this amount be reduced in order to respect the decision of the Advisory Committee.

SEN. CHRISTIAENS asked what the \$5,000 included in the amendment would accomplish for the project. REP. BERGSAGEL said he wasn't sure what it would accomplish, but it was the best compromise reached.

Vote: Motion carried.

(Committee took an extended break.)

Motion: SEN. CHRISTIAENS moved to approve an amendment to HB 9 which would authorize a one-time general obligation bond issue for acquisition of Nevada City, and a grant to the Lewis and Clark Interpretive Center in Great Falls. Debt service on the bonds would be paid with accommodation tax revenue. EXHIBIT 4

Discussion: SEN. CHRISTIAENS stated this amendment would require a 2/3 vote to pass.

REP. BERGSAGEL asked if there are ready and willing buyers for Nevada City. SEN. CHRISTIAENS replied that he didn't know.

REP. VICK stated that he would like the proceeds from the resale of the Nevada City property to be used to pay off the bonds to the extent possible.

SEN. CHRISTIAENS asked REP. BERGSAGEL what it would take to satisfy his discomfort level. REP. BERGSAGEL replied that he does not want the State of Montana to own Nevada City. He said he doesn't feel the state can afford another park because the state can't afford the parks they have. He also feels the state can't afford the potential operations and maintenance costs that may occur. REP. BERGSAGEL stated he does not feel comfortable deciding this issue in a committee of only six people, and doesn't feel that the conference committee has the right to buy a city.

SEN. CHRISTIAENS said he feels what this conference committee is faced with is not much different than six people working on HB 2, because there were many things in HB 2 that the whole body didn't have much input on.

Vote: Motion failed with SEN. CHRISTIAENS, SEN. TOM BECK and REP. LINDA McCULLOCH voting yes.

Motion/Vote: SEN. BECK moved to close the free conference committee on HB 9, and to accept HB 9 as amended. Motion carried unanimously.

ADJOURNMENT

Adjournment: 7:10 p.m.


SEN. ETHEL HARDING, Chairman

TRACY BARTOSIK, Secretary

EH/tb

Amendments to House Bill No. 9
Reference Copy As Amended

Requested by Rep. Bergsagel
For the Conference Committee

Prepared by Nan LeFebvre
April 11, 1995

EXHIBIT 1
DATE 4-12-95
~~SB~~ Conference Com. on
HB 9

1. Page 4, line 8.

Strike: "7,000"

Insert: "3,000"

This amendment restores the grant amount awarded by the Long-Range Planning Subcommittee for the Copper Village Museum and Arts Center. This grant request is primarily to fund administrative and organizational development, especially as it relates to training staff and board members in funding raising skills.

{Office of Legislative Fiscal Analyst

444-2986)

COPPER VILLAGE MUSEUM & ARTS CENTER, ANACONDA, MT
 ACHIEVING FULL STRIDE
 PROJECT DIRECTOR IS LINDA TALBOTT

APPLICATION NUMBER: 0622

HISTORY NUMBER: 0800	START DATE: 07/01/95
INDIVIDUALS TO BENEFIT: 30,000	END DATE: 06/30/97
SPECIAL POPULATIONS TO BENEFIT: 0	DISCIPLINE CODE: MULTI-DISCIPLINARY
VOLUNTEERS: 250	PROJECT CATEGORY: ART
TYPE OF ACTIVITY: RESEARCH/PLANNING	GRANT CATEGORY: SPECIAL PROJECT

	% of TOTAL REVENUE	CHANGE %
TOTAL EXPENSES: \$ 115,000		
EARNED INCOME: \$ 26,500	28%	
PRIVATE REVENUE: \$ 1,000	1%	
FEDERAL SUPPORT: \$ 40,000	43%	
STATE SUPPORT: \$ 0	0%	
CITY/COUNTY SUPPORT: \$ 1,500	1%	
APPLICANT CASH: \$ 0	0%	
TOTAL CASH REVENUE: \$ 69,000	75%	
TOTAL IN-KIND CONTRIB.: \$ 23,000	25%	
TOTAL REVENUE: \$ 92,000		
GRANT REQUEST: \$ 23,000		
AMOUNT RECOMMENDED: \$ 7,800		
CATEGORY RANKING: 26		

LAST YEAR OPERATING INCOME: \$ 124,466	
LAST YEAR OPERATING EXPENSES: \$ 130,062	
PRESENT YEAR OPERATING INCOME: \$ 141,000	13%
PRESENT YEAR OPERATING EXPENSES: \$ 141,000	8%
NEXT YEAR OPERATING INCOME: \$ 153,000	8%
NEXT YEAR OPERATING EXPENSES: \$ 153,000	8%

PROJECT DESCRIPTION

Founded in 1971, the Copper Village Museum and Art Center is an arts organization which serves rural Anaconda-Deer Lodge County and the surrounding rural areas. The CVMAC service area is also part of the nation's largest Superfund site, dealing with 100 years of toxic mining and smelting waste left by the now defunct Anaconda Copper Mining Company. In direct response to the needs of this community—striving to recover from physical, emotional and economic devastation—CVMAC has expanded the scope of its services and now acts as a community and regional local cultural agency. CVMAC now seeks support for "Achieving Full Stride," a two-year project that will provide for strategic administrative and organizational development to strengthen administrative capabilities and to diversify the center's funding base. The project will focus on CVMAC's paid staff, volunteers, board of directors and funding base and will include hiring a consultant to lead the process of restructuring paid staff and adding one new staff position, training for the board and executive director in advanced fundraising skills, and maximizing the use of volunteers.

COMMITTEE RECOMMENDATIONS

The committee recognized that this growing art center/local arts agency addresses the cultural needs of a large artistically underserved area that not only includes Anaconda but also Philipsburg in adjacent Granite County. The request is for support of internal organizational development work that is often difficult to fund but once accomplished results in increased skills for accessing various funding sources. The committee was concerned that the organization was spending a lot of time in this area and the request seemed high. The committee also wondered if the Center was taking advantage of existing leadership development training such as provided by the Montana Symphony Orchestra Association. Noting the growth and value of this organization, the committee recommended partial funding.

CULTURAL & AESTHETIC GRANTS HISTORY

	REQUEST AMOUNT	GRANT AMOUNT	AMOUNT RETURNED
1984/85 REST ANACONDA CITY HALL	117,000	58,000	0
1986/87 ANACONDA CITY HALL RESTORATION & REUSE	78,445	42,000	0
1988/89 ENDOWMENT DEVELOPMENT	10,000	10,000	10,000
1988/89 PURCHASE ART STUDIO EQUIPMENT	21,673	0	
1990/91 SUPPORT OF ARTISTS	22,265	11,000	0
1992/93 DIRECTOR OF PROGRAMING & EDUCATION	20,000	5,000	0
1994/95 ANACONDA CULTURAL EXPANSION/RURAL ARTS I	16,223	8,500	?

TOTAL AMOUNT GRANTED

134,500

*Wait/need
d-...
b...*

COBB? for capital inv.

Amendments to House Bill No. 9
Reference Copy As Amended

Requested by Rep. Bergsagel
For the Conference Committee

Prepared by Nan LeFebvre
April 11, 1995

EXHIBIT 3
DATE 4-12-95
Conference Com. on
HB9

1. Page 7, line 7.

Strike: "8,000"

Insert: "5,000"

This amendment reduces from \$8,000 to \$5,000 the grant award approved by the Senate for the Beaverhead Development Corporation's "Road Agent Trail" project. This reduction enhances the ending fund balance for the cultural and aesthetic grant program should revenue shortfalls occur.

Amend House Bill No. 9 (reference copy)
Free Conference Committee

EXHIBIT 4
DATE 4-12-95
~~SB~~ Conference Com. on
HB9

April 12, 1995

1. Title, line 6.

Following: "GRANTS;"

Insert: "AUTHORIZING A ONE-TIME GENERAL OBLIGATION BOND ISSUE FOR ACQUISITION OF NEVADA CITY AND A GRANT TO THE LEWIS AND CLARK CENTER; PROVIDING THAT THE BOND BE SERVICED BY ACCOMMODATION TAX REVENUE; APPROPRIATING THE PROCEEDS; "AMENDING SECTION 15-65-121, MCA;"

2. Page 8, line 2.

Following: line 1

Insert:

"Section 2. Section 15-65-121, MCA, is amended to read:

"15-65-121. Distribution of tax proceeds -- general fund loan authority. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited in an account in the state special revenue fund to the credit of the department of revenue. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a) through (1)(d) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the general fund. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use, subject to 23-1-131; and

(d) the balance of the proceeds as follows:

(i) subject to [section 3], 75% to be used directly by the department of commerce;

(ii) except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(iii) if 25 % of the proceeds collected annually within the limits of a city or consolidated city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city or consolidated city-county is located is to be distributed to the nonprofit convention and visitors bureau in that city or consolidated city-county.

(2) If a city or consolidated city-county qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(4) The department of commerce may use general fund loans for efficient implementation of this section."

{Internal References to 15-65-121:

15-65-122 15-65-131 17-7-502 23-1-131
23-1-131 60-2-224}

NEW SECTION. **Section 3. Authority to issue general obligation bonds.** (1) The board of examiners is authorized to issue and sell \$4 million in general obligation bonds to finance the acquisition of Nevada City, for an amount not to exceed the appraised value or \$3 million, whichever is lower, and to provide a \$1 million grant to the Great Falls convention and visitors bureau for the Lewis and Clark national historic trail interpretive center.

(2) All or any portion of accommodation tax revenue allocated in 15-65-121 may be pledged to the payment of the principal, interest, and redemption premium, if any, on the bond issue for up to twenty years through fiscal year 2016, and this pledge is and remains at all times a first lien and prior charge on the pledged accommodation tax revenue deposited to the accommodation tax revenue bond debt service account.

(3) Bonds issued under this section are negotiable instruments under the Uniform Commercial Code, subject only to the provisions for registration of bonds.

(4) The bonds, including the transfer and income of the bonds, such as any profits made on their sale, are exempt from taxation by the state or any political subdivision or other instrumentality of the state, except for inheritance, estate, and gift taxes.

(5) Bonds issued under this section are legal investments for any person or board charged with investment of public funds and are acceptable as security for any deposit of public money.

NEW SECTION. Section 4. Accommodation tax debt service account. (1) There is in the debt service fund an accommodation tax general obligation bond debt service account.

(2) The department of commerce shall deposit each year in the debt service account the amount of the accommodation tax revenue necessary for debt service for acquisition of Nevada City and the Lewis and Clark center. *grant to the* *interpretive*

(3) Private donations, gifts and revenue collected from the operation of or concessions at Nevada City may be deposited to this account to service the bonds.

(4) No more than the principal and interest on the bonds due in any year may be transferred to the accommodation tax revenue bond debt service account for the payment of bonds. The money pledged and appropriated for the payment of bonds is a first lien and prior charge upon the funds, and the funds must be used for payment of the bonds.

NEW SECTION. Section 5. Administration of Nevada City--lease or sell--conditions for acquisition. (1) The Montana historical society is authorized to take title of Nevada City pursuant to [section 7(1)] and shall, subject to subsection (2) of this section, oversee the administration of the property, including all of the buildings, facilities, and artifacts. The historical society shall work with the capitol renovation "state of the capitol" committee to ensure that the state capitol artifacts are transferred to and made a part of the capitol renovation project. The historical society shall lease or sell the remaining property to a local nonprofit corporation.

(2) The Montana historical society may not take title under subsection (1) until it receives a contract from a local nonprofit corporation agreeing to assume full responsibility for the management, maintenance, and operational costs of Nevada City and associated personal property and agreeing that major changes or modifications to the property will be done only upon approval by the Montana historical society.

(3) Alternatively, the Montana historical society may sell all or any of the remaining Nevada City properties. Proceeds of the sale must be used to retire bonds issued for the purchase.

NEW SECTION. Section 6. Appropriation. There is appropriated from the proceeds of bonds issued pursuant to [section 3] \$4 million to be used for the purposes described in [section 3]."

NEW SECTION. Section 7. Requirements for approval of state debt. Because [section 3] authorizes the creation of a state debt, a vote of two-thirds of each house is required for enactment of [section 3].

NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Renumber: subsequent sections

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