

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on March 2, 1995, at
8:00 a.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quilici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Gary Feland (R)
Rep. Marjorie I. Fisher (R)
Rep. Don Holland (R)
Rep. Royal C. Johnson (R)
Rep. John Johnson (D)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Marjorie Peterson, Committee Secretary

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

Committee Business Summary:

Hearing: HB 18, HB 88, HB 460, HB 512, HB 553
Executive Action: HB 9 DO PASS AS AMENDED, HB 88 TABLED,
HB 304 DO PASS AS AMENDED, HB 553 DO
PASS, SB 83 BE CONCURRED IN

HEARING ON HB 88Opening Statement by Sponsor:

REP. ROYAL JOHNSON, HD 10, Billings, opened the hearing on HB 88 which includes capital construction costs in the costs of confining a prisoner. REP. JOHNSON said this bill really deals with how we handle prisoners. In the past, the Department of Corrections has refused to add capital costs to costs of jails when they are used by the state. REP. JOHNSON told the committee that there were people from many towns in Montana who were there to testify that they couldn't operate their jails unless capital costs were included. The bill needs to be clarified as to whether capital construction costs would be included only in future construction costs or in existing facilities. The fiscal note reflects the Department of Corrections' ADP (average daily population) at \$22.32 per day. The funding source is from the state special revenue fund in the case of the Highway Patrol and the Department of Fish, Wildlife and Parks and would be about \$576,000 for each fiscal year, and from the general fund for the Department of Family Services for about \$18,000 each year. REP. JOHNSON further stated that if a city commits a person to the county jail, the costs are paid by the county and this bill is a matter of fairness.

Proponents' Testimony:

Gordon Morris, Director, Montana Association of Counties, submitted a resolution from his Association's annual convention which deals with capital costs when detaining prisoners. He said this bill should be tied in with HB 304, which is the regional jail facility bill. He said that Montana taxpayers are subsidizing the state for prisoners arrested by the state who are confined in county jails. He also stated that if this bill passes, he does not want it construed that cities be made to pay instead of counties. He reiterated this bill should be tied in with HB 304 as these are two pieces of the same puzzle and he hopes they both pass. EXHIBIT 1.

Alec Hansen, League of Cities and Towns, said his organization supports HB 88 with a proposed amendment that would clarify that cities not be held liable for costs under this bill. Taxpayers already pay mill levies to counties to fund county jails. He is also representing Silver-Bow and Deer Lodge counties and they also support the bill and feel it is a good solution to a serious fiscal problem.

Captain Mike O'Hara, Jail Administrator, Missoula County, mentioned some examples why the state should pay these costs. When they receive goods and services from private vendors, they pay the costs plus a profit. The state doesn't ask vendors to deduct capital costs from the price of their services. The

counties simply cannot afford these costs any longer. In contracts with the U.S. Marshall, capital appreciation is allowed for building costs. Over one-half of the jails in the state are probably paid off. Some are over 70 years old. **Captain O'Hara** suggested that one change that could be beneficial is charging a prisoner who is sent to jail and have them reimburse the state for their pay. The state can work with counties to develop community service programs to defer some of these people from going to jail.

Dennis McCave, Yellowstone County Sheriff Department, supports the bill. He said the state has absolved itself from paying any capital costs and has let counties pay these costs with no reimbursement at all. The Billings Gazette had an article which he referred to that had just been written the previous day. It stated that capacity at the Yellowstone County jail was 145 and current population was 209. There is simply no more room to house inmates. He also mentioned that it seemed to him that the pre-release centers have put offenders back on the streets too soon and, therefore, the offenders are committing multiple crimes and violating their program guidelines. He also stated that about 16% of the inmates in the county jail in his area are state inmates.

James Cashell, Gallatin County Sheriff Department, said the issue before the committee today was one of fairness. He said the state is giving the counties an unfunded mandate. The counties should be able to recoup capital construction costs. He said ADP in his jail is about 2.2, which means 803 prisoner/days/year, at \$40 a day for \$32,000.

Andy Whiteman, Budget Director, Yellowstone County, said he would give the committee more numbers to think about. In 1994, his county facility held 491 state inmates and billed the state for 3,959 days for a total cost of \$167,000. Presently, the taxpayers in Yellowstone County are being assessed 3.83 mills to pay off the bonds for about \$850,000 a year. **Mr. Whiteman** said he thought it would be great to negotiate with the state to help pay these costs. He said the capital construction costs in his county would be about \$15 per inmate and they would like to negotiate with the state to pay their bonds.

Charles Brooks, Chamber of Commerce, Billings, said he supports the bill as it is a matter of fairness. As a taxpayer, he is concerned that the counties are paying costs that aren't legitimate. Since the Billings jail was built in 1987, the taxpayers of Yellowstone County have subsidized the state by about \$500,000. They feel it is time the state recognizes these costs are being borne by the local communities and would like to negotiate the true costs involved. He also urged passage of HB 304.

Jim Kembel, City of Billings, supports the bill.

Opponents' Testimony:

Craig Reap, Highway Patrol, said he was here neither as a proponent nor an opponent, but to inform the committee the effect this bill would have on the Highway Patrol budget. He submitted a chart comparing appropriations to expended monies for prisoner costs from the Department of Justice. The expenditures are definitely more than the appropriations. They have a contract with 45 of Montana's 56 counties to charge state rates for their prisoners at \$34 per inmate per day. He advised the committee that the contracts expire at the end of the fiscal year and are subject to negotiation at that time. He also said the Highway Patrol accounts for less than 10% of the total jail population.
EXHIBIT 2.

Questions From Committee Members and Responses:

REP. RED MENAHAN, HD 57, Anaconda, asked how much money in traffic fines, other fines and DUIs Yellowstone County received from people only spending one or two nights in jail. **Mr. Whiteman** said they receive about \$1 million a year and half of that goes to the state, leaving \$500,000. He said about \$250,000 is used to operate the justice courts and the remainder goes to the general fund. **REP. MENAHAN** said he was certain that more than one-fourth of those fines are put into the county budgets for people who are not incarcerated.

REP. WILLIAM WISEMAN, HD 41, Great Falls, said he was concerned about the proposed regional jail for Cascade County. He wanted to know what would happen if Cascade County would be stuck for construction costs if state prisoners are in the state pod. **Mr. O'Hara** said currently the state pod only houses state prison inmates; they can't house county inmates or Highway Patrol inmates. They would probably have to be housed in the county section of the jail. **REP. WISEMAN** was still concerned that if the state pod is full and the only space is in the county pod, if Cascade County would be stuck for construction costs. **Mr. O'Hara** said they should be paying for construction costs under the state pod program.

REP. GARY FELAND, HD 88, Shelby, asked if the bill passed, what **Captain O'Hara** would anticipate the daily charges to be. He said the Missoula jail was paid off and he didn't have anticipated figures if they build a new one. Right now, the cost is \$46 a day for each inmate and they are currently getting \$40 a day; they have been receiving lower payments than costs for years. **REP. JOHNSON** said if the state finances the general obligations bonds, it would be about \$22.32 a day.

Closing by Sponsor:

REP. JOHNSON said when the state of Montana finances general obligations bonds and provides that money to build a new facility, neither Yellowstone County, Silver-Bow County nor Missoula County would have anything to do with that except the use and management of the facility. The per diem rate would be negotiated. It was considered to be \$40 per day per inmate. It would have nothing to do with the debt.

{Tape: 1; Side: A; Approx. Counter: 36.6.}

HEARING ON HB 460**Opening Statement by Sponsor:**

REP. JOE QUILICI, HD 36, Butte, said he was asked a few years ago to sit on the telecommunications advisory council to study where that industry is headed in Montana. Technology is moving along so fast that there needs to be a study to make sure this competitive industry will provide the services Montanans need and want. This bill would establish a Blue-Ribbon Telecommunications Task Force to examine Montana's telecommunications infrastructure and make recommendations to the Governor and legislature to ensure implementation of policies, practices and statutes. There would be an appropriation of \$50,000 from the general fund and \$175,000 from the state special revenue account for a total of \$225,000. Senator Conrad Burns, as well as Governor Racicot, support this bill and think it is very important for the future of Montanans.

Proponents' Testimony:

Nancy McAfree, Public Service Commission, said this was an important piece of legislation. She stated Montana needs and deserves to be in line with other states in the telecommunications industry. The Public Service Commission strongly supports the enactment of HB 460. She noted page 2, Section E, where it authorizes the task force to examine policies regarding extended local calling areas. The Commission has been studying possible changes to these rules and may establish new guidelines. She just wanted the committee to be aware of that.

Amy Sullivan, Senator Burns' Office, strongly urged support of HB 460. She read a letter from Senator Burns in support of this bill. **EXHIBIT 3.**

Betti Hill, Governor's Office, said the Governor also supports this bill. She said he felt it was important that Montana not be the last state to be involved in the communication superhighway. She read a letter from the Governor. **EXHIBIT 4.**

Doris Barta, Deaconess Medical Center, Billings, said they are also in support of the bill. She referred to telemedicine projects, an interactive video system, which networks with other cities that have the same capabilities. They estimated a savings of \$47,000 to patients who were able to use this network for medical consultations. They also have education programs that use the system. She said it was very important to provide this infrastructure, especially to those in rural communities.

Mike Mospan, Helena, said he had worked for the federal government for 27 years in the area of national and international telecommunications. He said access to information is vital to the economic, as well as the cultural, growth of Montana. The areas that would particularly be beneficial would be state government, libraries, education, and economic development. He also felt that state government should not bear the burden of the advanced telecommunications infrastructure, but believes that the industry should also have a major involvement. He submitted his testimony. **EXHIBIT 5.**

Richard Miller, State Librarian, Helena, was also a member of the Montana Telecommunications Advisory Council and urged support of the bill. He also wanted to point out his enthusiasm for technology to be used in libraries and be extended statewide.

Jim Tutwiler, Montana Chamber of Commerce, said his interest extends from concern about information in our society, in business and the economy. As a way of providing a short history of society, the first emphasis was on land, and the utilization of land. Then, 300 years ago, the industrial age started and people looked at land, property and capital as the primary focus of the community. That is still true today, but besides that, we are now competing for priority in society by using the information superhighway. Information will quickly become the most important commodity we have in our society. This bill is a first step for Montana to recognize the importance of the information age and the future of our state. The country has gone from a society when manual labor was the priority, now it's the information age. He urged support of the bill.

Barbara Ranf, US West, said she was also a member of the Advisory Council. Telecommunications today is best described as a rapid expansion of adverse technology. While telecommunications is changing dramatically, the policies that shape it are in many regards based on principles used when technology was simpler and choices were limited. This bill provides an expansion of that technology and a way to deal with the changes that will occur in Montana in this industry. **EXHIBIT 6.**

Tom Hopgood, Citizens Telecommunication Company, said he was also a member of the Advisory Council. He submitted a letter from Carl Knudsen, Superintendent of Saco Schools, in support of the bill. **EXHIBIT 7.**

Charles Walk, Montana Newspaper Association, was also on the Advisory Council. His association sees the task force as a reasonable and logical step to assure telecommunications technology is advanced and reasonable to competitors. He is in support of HB 460.

Joan Mandeville, Montana Telephone Association, said her association represents the small cooperatives in the state who support the bill. She was concerned that, without the task force to study the issue, there would be many small crashes as we try to enter the information superhighway. She said they still want low prices to residential and rural customers. Montana currently receives about \$14 million from the federal universal service fund. There are companies who serve less than one customer per mile and they recognize the problems that may occur. She also stated that we are entering the world of competition and may have some losers in that transition -- competition is fairly unforgiving and tends to drive prices towards the top. There may be a lot of that in this particular industry. We need to meet the needs of all Montanans as we move towards changes in our future.

{Tape: 1; Side: B; Approx. Counter: 0.1.}

Kathy Bidwell, AT&T, agrees with the previous proponents. It is important that no one group be perceived as promoting their own interests, but support the project as a whole. She thought the representation on the task force should be made up of telecommunications users and providers. By being part of this project, the state brings leadership and respect and ensures that the recommendations are objective and considerate of the broad representation of the group. She said that private industry has already committed \$75,000 to this task force. The importance of the project is presented in the fact that the money will come from unregulated, as well as regulated, companies. Cable and cellular companies have voluntarily committed to their fair share. The remaining \$100,000 will come from grant requests, individual contributions and in-kind services. The council is already working on an MCI grant for \$75,000. It isn't easy to come up with financial support but she truly believes the proposal is fair and will result in the needs and timely opportunities for Montanans to benefit from advancement of the telecommunications industry.

REP. NORM MILLS, HD 19, Billings, also supports the previous testimony. He wanted to add a new perspective to the issue -- that of eliminating the barriers of transferring data from one place to another. We need to be sure that equipment will become more compatible than it has been in the past. He said he was also on the Council and had looked at the technological advances that are occurring. He urged the committee to look at the wider uses that will benefit Montanans, as well as state government. The information superhighway will lead us all into a new world.

Tom Glendenning, TCI Cablevision, Helena, supports the bill. He said he didn't have any new information and wanted to ask the committee for their support for HB 460.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. BETTY LOU KASTEN, HD 99, Brockway, asked what happens to the Council after the task force is formed. **REP. QUILICI** said he had not been told whether it would be disbanded or if any of them would serve on the task force. **REP. KASTEN** asked what issues the task force would specifically be looking at that the Council had not addressed. **REP. QUILICI** said all the entities have tried to work together and the task force will bring continuity and bring them to one consensus -- that of which type of technology would be best for Montana. He said that 20 years ago when he first came to the legislature, there was one telephone company, three broadcasting companies, free television -- today, there are so many things going on that unless we have a handle on it and the state works together with the private sector, it could get away from us and we won't be able to deal with it successfully.

REP. ERNEST BERGSAGEL, HD 95, Malta, questioned who would write the \$100,000 grant for the project. **Ms. Sullivan** said she would be helping from Senator Burns' office, as well as the Deaconess Hospital in Billings and Richard Miller, the state librarian. She said it was important to have a unified front move forward in terms of applying for any national money that is available. There are so many people applying for grants that it is important to have it done properly. **REP. QUILICI** added that the Department of Administration would administer the funds for the project.

REP. MATT McCANN, HD 92, Harlem, asked if this was a one-time study. **REP. QUILICI** said he hoped they could report to the Governor and come up with some very definite specifics on how telecommunications would work for the state. He said the staff from ISD (Information Services Division) has been very helpful and they will continue to work very closely with them.

REP. WILLIAM WISEMAN, HD 41, Great Falls, said he was very concerned about this because he sits on the subcommittee that oversees the Public Service Commission (PSC). He thinks the PSC will be out of regulating communications within two years. The reason for that is the industry has become so competitive, the state doesn't need to be in the business. Therefore, he didn't know why PSC would organize something now when they may be out in a few years. **Ms. McAfree** said one thing that is anticipated to come out of this study is a major telecommunications bill for the next session. In 1985, the legislature passed the Montana

Telecommunications Act and the program still provides very stiff regulation in some areas. One goal is to come to the next legislature with a bill that would probably, at the very minimum, alter regulations.

REP. STEVE VICK, HD 31, Belgrade, asked **Mr. Mospan** to clarify if the council would disband when the task force is established. He agreed and added that it was possible some of the same members would be on the task force. **REP. VICK** said that since Montana is such a small piece of the communications puzzle, what we do would probably be driven by what happens elsewhere in the nation.

REP. BEVERLY BARNHART, HD 29, Bozeman, said the study appropriation is much higher for the task force than it is for other groups doing studies. She wanted to know how they arrived at the figure. After **Ms. Bidwell** first came up with an amount, it was extremely important to split the responsibility fairly -- not all from the state nor all from private industry. She said that the \$100,000 would include in-kind donations and they have tried to reduce money from the general fund. **REP. BARNHART** thought that \$10,000 would be sufficient, as other committees are being funded with that amount. **Ms. Bidwell** did not like that as it would make the work more difficult to fund and she noted they had worked very hard to get to this point. The Governor asked them to come up with an acceptable statewide telecommunications plan.

REP. ROYAL JOHNSON, HD 10, Billings, asked how the study expenditure was broken down. **Ms. Ranf** said consulting services were about \$100,000. **REP. JOHNSON** then asked about travel costs and where the consultants would come from. **Ms. Ranf** said that other states have done studies of this kind and the consultants will be looking at very complex issues. **REP. JOHNSON** asked her to share a copy of the budget when it is written and she agreed she would. He then wanted to know how much money the state has spent on studies of this caliber since 1991. **Tony Herbert, ISD,** didn't think the state had been involved in any similar studies. He said they had studied the Metnet system, but this is a policy issue of what telecommunications could mean to the state. **Mr. Herbert** also reminded the committee that there are presently two bills being introduced before Congress that deal with telecommunications and will affect Montana in that they will change the landscape of what telecommunications as we know it today and how the market will work. This task force will look at those bills and determine what changes will affect Montana. **REP. JOHNSON** questioned whether it would be more economical to hire consultants and have them tell us what will happen rather than fund the task force for \$225,000. **Mr. Herbert** acknowledged that there could be some savings but it could be a gamble putting all their "eggs in one basket." Technical expertise will be needed, and there should be a broad range of people on the task force to share a consensus of opinions.

Closing by Sponsor:

REP. QUILICI said that the need for the task force is apparent today. This legislature will be a part of changing the way Montana fits in with the nation in the information superhighway. Industry wants to have a part in making these important decisions and the state should remain in the decision-making process.

{Tape: 1; Side: B; Approx. Counter: 41.2.}

HEARING ON HB 553

Opening Statement by Sponsor:

REP. EDWARD GRADY, HD 55, Canyon Creek, opened the hearing on HB 553 which eliminates the state-sponsored credit card that was put into effect during one of the last legislatures and never used. There were no appropriations in this bill. This is a committee bill from the General Government subcommittee.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

REP. GRADY closed.

EXECUTIVE ACTION ON HB 553

Motion/Vote: REP. GRADY MOVED HB 553 DO PASS. Motion carried unanimously.

{Tape: 1; Side: B; Approx. Counter: 43.3.}

HEARING ON HB 512

Opening Statement by Sponsor:

REP. ROGER DEBRUYCKER, HD 89, Floweree, opened the hearing on HB 512 which requires 50% of fishing license fees from the Department of Fish, Wildlife and Parks to be allocated to operate and maintain fishing access sites (FAS) and to support streambank restoration. The idea of this bill is to keep up with current FAS instead of acquiring additional sites that the state cannot maintain.

Proponents' Testimony:

Pat Graham, Director, Department of Fish, Wildlife and Parks (FWP), Helena, said he supports the proposed change in the FAS account to 50% for acquisition and 50% for operation. Currently, 75% is allocated for acquisition and 25% for operation and maintenance. The amendment he submitted clarifies the original intent to dedicate an additional 25% in earmarked money to weed control, restoration and other maintenance. He also submitted his testimony. EXHIBITS 8 and 9.

Jennifer Hill, Montana Stockgrowers and Montana Cattlegrowers Associations, said those associations also support the bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. GRADY asked if REP. DEBRUYCKER agreed with the offered amendments and he acknowledged that he did.

Closing by Sponsor:

REP. DEBRUYCKER said the bill was requested by the Natural Resources subcommittee. He said the department indicated their willingness to work together, so he agreed with their amendment.

{Tape: 1; Side: B; Approx. Counter: 49.4.}

HEARING ON HB 18Opening Statement by Sponsor:

CHAIRMAN TOM ZOOK, HD 3, Miles City, opened the hearing on HB 18, which increases the Governor's statutory appropriation in the case of an emergency or disaster from \$3 million to \$10 million. He also speculated that if the fire season is high in 1996 and all of the \$10 million is used, they could still have to come back to authorize more money. This bill is an attempt to address situations that could be avoided and possibly avoid a special session.

Proponents' Testimony:

Bob Kuchenbrod, Department of State Lands (DSL), Helena, said his division, the Central Management Bureau, pays for forest fires through a supplemental appropriation. In the interim, they pay with operating money, which is about \$6 million for each fiscal year. If necessary, they move some money from the second part of the year to the first part. The problem is maintaining money to pay for operations. If there is a low fire season in the first year, they would have \$6 million to use in the second. **Mr. Kuchenbrod** said that fires are also financed with agency transfers, i.e., from the Department of Natural Resources and then paid back, and from FEMA, Federal Emergency Management Association, if they are near or on federal land. The bottom line is they spend about \$23 million on fires. This bill would increase their appropriations and give them more leeway on how to pay for fires.

Jane Hamman, Budget Office, said this bill could minimize the need for special sessions if the Governor had the additional authority. The Budget office recognizes that DSL spends \$23 million on fires, but are confident this bill could help avoid special sessions.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. KASTEN asked how this would look on the balance sheet, if expenditures go up \$10 million thereby reducing the ending fund balance.

Clayton Schenck, Legislative Fiscal Analyst, said that statutory appropriations have to be calculated as part of the general fund balance, so they would have to make an estimate. In this case,

it would be very difficult in terms of the anticipated fire season. **Mr. Schenck** said he didn't think they would put in \$10 million but would consult with legislative leadership and the finance committee and come up with an agreeable estimate for the fire season.

REP. FELAND asked who determines the rate for equipment and personnel. **Mr. Kuchenbrod** said that the Forestry Division works with federal and county agencies to determine rates.

Closing by Sponsor:

CHAIRMAN ZOOK said they have met with DSL and have reviewed the costs for equipment, such as cats, bulldozers, etc., and personnel costs. DSL determines rates with people at the federal government who are involved with fire management, but there are emergencies, and then it is up to the commander at that time to determine the rates necessary to get the work done. **Mr. Kuchenbrod** will get the information to the committee.

{Tape: 1; Side: B; Approx. Counter: 61.4.}

EXECUTIVE ACTION ON SB 83

Motion: **REP. DEBRUYCKER** MOVED SB 83 AMENDMENT #1 BE CONCURRED IN.

Discussion: **REP. DEBRUYCKER** said his amendment puts the Montana Growth Through Agriculture Act back into the bill, which had been taken out on the Senate floor. He noted that page 7, line 14, replaces 22% with 20% and line 22 puts in the Act. **REP. QUILICI** asked for clarification on the Act. **REP. DEBRUYCKER** said it promotes agriculture products. **CHAIRMAN ZOOK** also thought it loaned money for agriculture. **REP. KASTEN** said the original Growth Through Agriculture Act is what instituted the loan program, but in recent years, it has turned completely into a grant program and that is not what it was intended to do.

{Tape: 2; Side: A; Approx. Counter: 4.4.}

REP. ROYAL JOHNSON asked how the loan was paid off. The money is from the coal tax revenue and the loans are established with payment schedules. **REP. JOHNSON** then asked if they coordinated this with other types of loans. **Lee Boyer, Rural Development Bureau, Department of Agriculture**, said yes, they do.

REP. BARNHART wanted to know how many jobs were created through the Act. **Mr. Boyer** said the Department of Agriculture did a conservative estimate last summer and the results showed about 60 jobs had been created. **REP. VICK** was not sure why this particular Act needed to have a statutory appropriation. **Roger**

Lloyd, Fiscal Analyst, said operating expenses are not statutory appropriations, but are funds for loans that are repaid and for grants. **REP. BERGSAGEL** wanted to know if this legislation is passed without the amendment, if it would affect agriculture. **Mr. Lloyd** said no, as SB 83 now stands. Currently, HB 2 will have state special revenue authority.

REP. GRADY said if this bill passed, he wanted to make sure the money went to the current sources. He wanted to know if the legislature could appropriate this money with an amendment in HB 2. **Mr. Lloyd** said HB 2 appropriates funding for the programs, but currently, the program is funded with state special revenues from the coal tax. If SB 83 passed without this amendment, that distribution would not be available. Basically if you want the program to continue, you would have to find other funding for the program. **REP. GRADY** asked if there will be a lot of amendments if this bill passed. He doesn't think the intent of SB 83 is to eliminate programs, but to distribute the money differently. **Mr. Lloyd** said that was correct. The finance committee intent was not to eliminate any programs. This amendment would only restore distribution of the Montana Growth Through Agriculture Act. If it did not pass, the funding would have to be in HB 2.

CHAIRMAN ZOOK said since these funds come from coal tax dollars, and also have loan repayments used for this program, if it would be considered a revolving source. **Mr. Lloyd** said yes. **CHAIRMAN ZOOK** asked if this does not pass, what would happen to the loans. **Mr. Lloyd** answered that since the statutes had not changed, the department would still have statutory appropriations for loan repayments and interest repayments. **REP. KASTEN** discussed the theory that the SB 83 portion of the coal tax to fund the Act is now in the general fund. Therefore, if they wanted to fund agriculture out of the general fund, in essence they're using the same amount of money. **CHAIRMAN ZOOK** said that one is coal tax money and that would go into the general fund, but the money from repayments of loans would not. **REP. KASTEN** maintained that funds from coal tax money are now general fund dollars. She thinks that not putting this amendment in, would de-earmark those funds and they would be replaced by general fund dollars.

REP. BERGSAGEL wanted someone to explain the relationship between the competing sources. **Jane Hamman, Budget office**, said it was her understanding that the entities listed in the bill would all be competing for the 22%; the library used to be earmarked with 1% and conservation districts had one-half of 1%; agriculture used to have 2%. By not restoring those allocations, but saying the 22% will get one account, the next legislative session would have to decide on who gets what share of that 22%. **REP. WISEMAN** thought there had been an amendment that changed the percentage from 20% **Mr. Schenck** said there is an amendment that was presented by the library association that would reduce the percentages from 20% to 19% so the library could retain their 1% and not be part of the pool. He suggested that could be worked out in the amendment coordination.

REP. McCANN asked if any loans had been dispersed in the last five years. **Ralph Peck, Department of Agriculture**, said yes, the council meets every six months and reviews loan and grant applications. He said there were some outstanding loans at the present time. He also mentioned that the council's future funding was questionable. This amendment would provide operation money. If it does not pass, it would basically shut down the program. REP. KASTEN wanted to know the last time a loan was made. Mr. Peck said a few applications had recently been rejected, but the last one was probably in 1991. REP. McCANN asked how people find out about the loans and what the maximum amount of the loans was. Mr. Peck said the department has agriculture newspapers feature information about the program; there are news releases in newspapers, dailies and weeklies, all over the state; they have an ongoing database of interested persons, and all the conservation districts have information. The maximum size of the loans is \$50,000.

Vote: Motion that SB 83 Amendment #1 Be Concurred In carried 9 - 8 on a roll call vote, with REP. FISHER, HOLLAND, ROYAL JOHNSON, KADAS, KASTEN, McCANN, VICK and WISEMAN voting no.

Mr. Schenck said SEN. GROSSFIELD asked him to provide the committee with a letter from the LFA office describing statutory appropriation information. It was distributed to the committee during executive action. EXHIBIT 10.

Motion: REP. GRADY MOVED SB 83 AMENDMENT #2 BE CONCURRED IN.

Discussion: REP. GRADY said the amendment removes the appellate defender program as an expense of district court and as a statutory appropriation. This issue was overlooked in the Senate.

Vote: Motion that SB 83 Amendment #2 Be Concurred In carried unanimously.

{Tape: 2; Side: A; Approx. Counter: 41.3.}

Motion: REP. MENAHAN MOVED SB 83 AMENDMENT #3 BE CONCURRED IN.

Discussion: REP. MENAHAN said this amendment deals with the six library federations around the state, drops the percentage from 20% to 19% and gives that 1% back to the library for purposes of providing basic library services for residents of all counties. Mr. Schenck said since this amendment deals with the percentage that was just passed, it should be 22% rather than 20%. It takes the library out of the percentage pool and gives them their own 1% appropriation. REP. MENAHAN agreed and asked to have it changed.

Vote: Motion that SB 83 Amendment #3 Be Concurred In carried 11 - 7, with REPS. ROYAL JOHNSON, VICK, KASTEN, FELAND, BERGSAGEL, KADAS and DEBRUYCKER voting no.

Motion: REP. BERGSAGEL MOVED SB 83 AMENDMENT #4 BE CONCURRED IN.

Discussion: REP. BERGSAGEL said this amendment restores the percentages allocated to the counties based on the amount of revenue that comes in up to \$3,000. This amendment essentially guarantees at least \$3,000 to the larger counties.

Vote: Motion that SB 83 Amendment #4 Be Concurred In carried unanimously.

Motion: REP. VICK MOVED SB 83 AMENDMENT #5 BE CONCURRED IN. Since the amendment was 20 pages, REP. VICK withdrew his motion at that time so SEN. GROSFIELD could review it. He also said the first five items on his amendment could change depending on what other amendments were passed.

Motion: CHAIRMAN ZOOK MOVED SB 83 AMENDMENT #6 BE CONCURRED IN.

Discussion: Mr. Lloyd said this amendment corrects errors in the amended section on page 21 which dealt with game warden retirement, and strikes additional funding of the retirement system that is not needed since the unfunded liability in the pension trust fund will be fully paid. The other items on this amendment make minor editorial changes. REP. KASTEN asked if this 1% would come from the general fund and Mr. Lloyd said it would be in HB 2.

Vote: Motion that SB 83 Amendment #6 Be Concurred In carried unanimously.

{Tape: 2; Side: B; Approx. Counter: 0.1.}

Motion: REP. ROYAL JOHNSON MOVED SB 83 AMENDMENT #7 BE CONCURRED IN.

Discussion: Skip Culver, Fiscal Analyst, explained that this amendment returns money to the Office of Public Instruction for school districts. He said the auditors suggested that it should definitely be recorded by OPI as opposed to just being appropriated from the general fund.

Vote: Motion that SB 83 Amendment #7 Be Concurred In carried unanimously.

Discussion: Mr. Schenck explained that there was an amendment request from the Budget office which simply deals with page 42, line 6, striking "state special revenue" and inserting "enterprise." This changes the fund from the state special revenue to the enterprise fund for the new bond repayment account. He explained that this change would make it consistent

with current operations of the state fund and with recent changes in accounting methods. This was the product of recommendations of the Legislative Auditor. Staff from the state fund then requested the change to avoid unnecessary transfers between funds.

Motion/Vote: REP. MENAHAN MOVED SB 83 OBPP AMENDMENT BE CONCURRED IN. Motion carried unanimously.

Motion: REP. VICK AGAIN MOVED SB 83 AMENDMENT #5 BE CONCURRED IN. He had withdrawn his motion earlier.

Discussion: REP. VICK said he conferred with SEN. GROSFIELD and discussed the items on his amendment. SEN. GROSFIELD said he mostly agreed with Item 6 on #5, de-earmarking records management in the Secretary of State's office. His main concern was that it had to do with microfilming, etc. and that there were several agencies who used this service. He said some may have a concern that they could be overcharged. The other part of the de-earmarking he has no problems with. Item 7 deals with the bed tax in nursing homes and deposits it into the general fund and Item 14 de-earmarks the lottery. He said Item 17 deals with two issues, the Consumer Counsel Tax and the Public Service Commission fees. He has justified concern about the consumer counsel section as it could have constitutional implications. He told the committee when they were studying de-earmarking funds, they tried to stay away from several areas and one was Item 17. The other section of Item 17, the Public Service Commission Tax, he has no specific problem with, except it has been earmarked and de-earmarked about three times in the past. It has become a seesaw issue. **EXHIBITS 11 and 12.**

REP. VICK clarified to the committee that Items 10, 14, 15 and 16 on Amendment #5 were not being offered. He noted there had not been enough time to have the amendment edited, so they were still listed on the original sheet. Exhibit 12 is a summary sheet which explains each item on the amendment. The items not being offered are 10, Gambling License Fees; 14, Securities, Insurance and Water Well Contractors Fees; 15, Criminal Justice Information Act; and 16, Laboratory Fees, Vital Statistics and EMT Certification. He also decided to withdraw Section 74 in Item 17, the Consumer Counsel Tax because there were problems with including that section.

{Tape: 2; Side: B; Approx. Counter: 13.2.}

REP. VICK said Item 6 had to do with Records Management Fees which were just earmarked during the last session. SEN. GROSFIELD told him the federal government would look at this more closely if this passes. REP. VICK said he doesn't have strong feelings on each item, but thought they should try to de-earmark as much as they could of those funds that did not have a good, solid reason for being earmarked.

REP. GRADY asked if **REP. VICK** was interested in stripping the funding on the items on his amendment. He said, no, he didn't want to strip any funding, but just wanted to de-earmark the funds, if possible. **REP. KADAS** told about a major study that was conducted during the last session which dealt with these issues and SB 83 is a result of that study. They need to put a review process in place, so the finance committee can keep track of statutory appropriations and earmarking in the future. Traditionally, bills like this are changed within 10 years or so if the programs survive. He thought **REP. VICK** was going through the same turmoil that they had gone through during the last session and he hoped it was educational to him. He asked **CHAIRMAN ZOOK** if they could vote on each item individually that was still on the amendment and **CHAIRMAN ZOOK** said that was his intention. **REP. VICK** said he would prefer that also.

Motion: **REP. VICK** MOVED SB 83 AMENDMENT #5, ITEM 6, SECTION 1, BE CONCURRED IN.

Discussion: **REP. FISHER** thought records management fees were part of a fund set up during the last session by the Secretary of State's office. **REP. QUILICI** said the records management fees were set up during the 1993 session because, at the time, they had money in the general fund. The Secretary of State's office and the General Government subcommittee had worked on using this method of funding records management. It is an internal fund and the federal government requires that charges for these services not be excessive. Therefore, this fund has been looked at very closely and is working very well as far as the state is concerned. They have put money from the fund into their operating expenses, but all service funds have gone into the general fund. **REP. QUILICI** also said that it was a proprietary account, not a revenue account, and he did not know how the funding process would work if it was changed right now. He thought it could cause problems in budgeting because the excess money has helped the state. **CHAIRMAN ZOOK** thought that excess funds were supposed to go to the general fund and he wondered if there were any reversions from that account.

Steve Bender, Legislative Auditor Office, said they were required within 60 days to revert any excess ending fund balances to the general fund. Last year, the figure was about \$330,000 and he felt that was a significant amount. **REP. McCANN** said he didn't understand what would happen after de-earmarking this account. **CHAIRMAN ZOOK** understood that next time in the appropriations cycle, they would have to come in and ask for money from the general fund instead of money being in this account. It's the same process, but a different source of money. **Mr. Schenck** explained to the committee that two bienniums ago, this was in the general fund and last session it was changed to a proprietary fund. So, if it goes back to the general fund, it will be reverting to the way it was in the past. In response to **REP. McCANN's** question in terms of the impacts, the committee has

requested a bill which would take proprietary funds off budgets and if it passes, they won't have to request an appropriation.

REP. KADAS said he understands that the reason they made the transition last time was because a lot of these businesses wanted services and were willing to pay for them, so they set it up that if the fees were raised, those agencies would get the additional services. He is concerned if it goes back to general fund, the businesses receiving those services would lose that connection and ownership in the service.

REP. JOHN JOHNSON asked if the federal government would require an internal account. **Connie Griffiths, Department of Administration**, said one issue is they have to remain in an internal service fund account if they provide services to other agencies in the state. She said that includes records management and other services from the Secretary of State's office. **REP. QUILICI** agreed, but wanted to clarify that **REP. KADAS** was referring to Section 2 of Item 6, Business Service Fees. **CHAIRMAN ZOOK** said the bottom line was the cost to the state, if it saves money or not. **Mr. Lewis** said he thought they could charge for services paid for from the general fund. If the Secretary of State's office offered services to another agency, they could still charge. **Ms. Griffiths** disagreed.

Mr. Schenck said the "Truth in Reporting" bill which Appropriations Committee would be introducing, would take proprietary funds off budget, which, in turn, would not require any appropriations for those funds. Any agency that had an internal service operation would not have to come in for appropriations; under proprietary funds they would not require appropriations, but under the general fund they would.

Vote: Motion that SB 83 Amendment #5, Item 6, Section 1, Be Concurred In failed 1 - 16, with **REP. VICK** voting yes.

Motion: **REP. VICK** MOVED SB 83 AMENDMENT #5, ITEM 6, SECTION 2.

Discussion: **REP. KADAS** said that businesses wanted this section so they could get services faster and it had worked quite well. Chances are the services will slow down and there would be no incentive to pay for them. **REP. VICK** said this could be considered a user fee and he did not want to de-earmark any user fees. **REP. QUILICI** said when business service fees were implemented in 1993, there was an influx of corporate filings. They took such a long time that corporations were willing to have their filing fees raised to make sure the services were provided in a timely manner. Since 1993, it has worked exceptionally well and this would not be a proper time to put corporate filing fees into the general fund.

Vote: Motion that SB 83 Amendment #5, Item 6, Section 2, Be Concurred In failed 1 - 17, with **REP. VICK** voting yes.

Motion: REP. VICK MOVED SB 83 AMENDMENT #5, ITEM 7, BE CONCURRED IN.

Discussion: REP. VICK said this was the nursing facility fee that was earmarked in the last session. REP. KADAS had a concern with this item since this kind of fee was under very strict scrutiny by the federal government. He doesn't want to run the possibility of losing federal funds. REP. COBB said it was first passed originally as a bed tax bill, but nursing homes didn't like that because they couldn't count on the money, so they made a special revenue account fee to make them feel better.

Vote: Motion that SB 83 Amendment #5, Item 7, Be Concurred In passed 10 - 8, with REPS. JOHN JOHNSON, QUILICI, GRADY, ROYAL JOHNSON, FISHER, HOLLAND, McCANN and CHAIRMAN ZOOK voting no.

Motion: REP. VICK MOVED SB 83 AMENDMENT #5, ITEMS 11-13, BE CONCURRED IN.

Discussion: REP. VICK said these items deal with revenue from 9.1% of the proceeds of the lottery. He wanted to de-earmark all of the lottery funds.

Vote: Motion that SB 83 Amendment #5, Items 11-13 Be Concurred In passed 17 - 1, with REP. ROYAL JOHNSON voting no.

{Tape: 2; Side: B; Approx. Counter: 49.4.}

Motion: REP. VICK MOVED SB 83 AMENDMENT #5, ITEM 17, BE CONCURRED IN.

Discussion: REP. VICK said this was the Public Service Commission tax which is set annually to generate appropriated amounts set by the legislature. He said SEN. GROSFIELD had mentioned it had moved back and forth from the general fund to de-earmarking a few times. He thinks it should stay in the general fund. REP. FISHER asked if anyone knew why it had been changed before. REP. QUILICI said when the state was short general fund money, they earmarked accounts. The PSC was funded in 1987 by state special revenue which the legislature eliminated in the 1988 session. The funding would still be state special if this passes, but it would be looked at carefully.

Vote: Motion that SB 83 Amendment #5, Item 17, Be Concurred In failed 8 - 9 on a roll call vote, with REPS. BERGSAGEL, COBB, FELAND, FISHER, HOLLAND, KASTEN, VICK and WISEMAN voting yes.

Motion: REP. KADAS MOVED SB 83 AMENDMENT #8 BE CONCURRED IN.

Discussion: REP. KADAS said this amendment deals with the tourism bed tax. The program is doing well on its own. REP. FISHER thought the intent was to put money from the bed tax to the general fund. REP. KADAS agreed. REP. GRADY was opposed to this, because he compared it to a sales tax. He didn't sign the

bill because it seemed to him an underhanded way of creating a sales tax and he also opposed this amendment. **REP. GRADY** said the tourism industry is the second largest industry in Montana and tourism people had this working quite well. He doesn't want to change it. **REP. BERGSAGEL** thought all this amendment would do would make those agencies justify their budgets and there is nothing wrong with that. **REP. ROYAL JOHNSON** strongly supports this amendment. He thought this money should go to the general fund. He said that other people in the state were entitled to any money that comes in from the bed tax. **REP. MENAHAN** said it wasn't fair to pay a bed tax just to keep motels in business who are now charging over \$100 a day in some areas. They developed a good program at the beginning but the state should get some of this money back. **REP. MCCANN** said he doesn't think it is unreasonable, and supports it. **REP. FELAND** said if the state was collecting too much money, then he suggested lowering the tax. **REP. MENAHAN** said the money used for advertising for Montana, at one point, decreased, and at the same time, there was an increase in tourism. He's been in the legislature many years and no one has ever showed him statistics that proved advertising was beneficial to the state in terms of tourism dollars. **EXHIBIT 13.**

Vote: Motion that SB 83 Amendment #8 Be Concurred In carried 13 - 5, with REPS. FISHER, HOLLAND, KASTEN, FELAND and GRADY voting no.

Motion: **REP. ROYAL JOHNSON** MOVED SB 83 AMENDMENT #9 BE CONCURRED IN.

Discussion: **REP. ROYAL JOHNSON** said this amendment was the result of an earlier one passed by Sen. Jacobson and has to do with driver's education funds. In paragraph (2), he noted a change that deletes, "there shall be deducted by," and inserts, "the legislature shall appropriate to." On line 2, delete, "an amount, not to exceed 9.5% of the total," and insert, "funds." **EXHIBIT 14.**

REP. JOHNSON said the Education subcommittee cut out funding for administration of this program. They had been paid from the general fund before. Driver's licenses will soon be going to an eight-year license and would generate more money than they can use. This amendment gives the money back to OPI to administer one FTE position; that person certifies all driver's training in Montana. The position was not funded in subcommittee and the money comes from the program and not the general fund, so he thought they should pass it.

{Tape: 3; Side: A; Approx. Counter: 0.1.}

REP. JOHNSON said that the amendment from Sen. Jacobson put the money back into SB 83 which should have gone to OPI. There is \$75,000 to administer this program and pay for the one position. **REP. BERGSAGEL** asked if they were appropriating \$75,000 to OPI. **REP. JOHNSON** said they had taken 35% of the total funds and put

them back into OPI and the Education subcommittee took out all administration funds. Now there are no administration funds and this money could fund the driver's education position and administration costs. **REP. BERGSAGEL** asked if that would be appropriating money in HB 2 and **REP. JOHNSON** said yes.

Vote: Motion that SB 83 Amendment #9 Be Concurred In carried unanimously.

Motion: **REP. COBB** MOVED SB 83 AMENDMENT #10 BE CONCURRED IN.

Discussion: **REP. COBB** said this amendment appropriates up to \$500,000 annually to cover foster care cost overruns due to youth court and probation foster care placements. Since excess amounts for district court grants are not determined until after the close of the fiscal year, foster care benefit appropriations and expenditures will be available to estimate the costs due to youth court and probation placements. Presently, Montana is spending about \$3.8 million in foster care for juvenile placements and it will continue to grow. The grants can be used for computers, youth court programs, and other services as well. **REP. COBB** said he was also trying to figure out a way the courts could fund part of the Department of Family Services.

Vote: Motion that SB 83 Amendment #10 Be Concurred In carried unanimously.

Motion/Vote: **REP. COBB** MOVED SB 83 BE CONCURRED IN WITH AMENDMENTS. Motion carried unanimously.

{Tape: 3; Side: A; Approx. Counter: 13.0.}

EXECUTIVE ACTION ON HB 9

Motion: **REP. BERGSAGEL** MOVED HB 9 DO PASS AS AMENDED.

Discussion: **REP. BERGSAGEL** said HB 9 deals with cultural and aesthetic project grant awards. **REP. VICK** offered an amendment which appropriates \$700,000 to the Department of Administration for renovation of historic priorities at the Capitol building. This amendment replaces all the grants with this one grant. The cultural trust fund was established originally for the purpose of protection of works of art in the state Capitol. The historic barrel vault, stained glass, decorative plaster and chandeliers are in danger of being lost. The effect of the amendment is to eliminate the grants for the biennium. **REP. VICK** also submitted a letter from Dr. Paul Monaco, Director of MSU Department of Media and Theatre Arts. **EXHIBITS 15 and 16.**

REP. FISHER said the renovation of the Capitol is important, but she opposes the amendment. HB 9 had 72 grants that went to all communities around the state. She likes to think that some money

they've spent here can be used on projects all over Montana.

REP. McCANN said the Long-Range Building subcommittee considered the preservation of the Capitol. They decided that they should try to get private donations for the work. He recognized the importance these grants made in communities around the state and to take them all away and put them in one place wouldn't even make that much headway because the Capitol renovation is much more costly than this \$700,000. **REP. JOHN JOHNSON** also opposes the amendment. He believes that the process in awarding these grants to communities has been fine-tuned and works very well. He does not want to see them lose that. **REP. KASTEN** asked if the amendment passes, which grants would be cut off -- if they were across the board or on a priority list. **REP. BERGSAGEL** said his best guess is the \$700,000 equals the amount of grants in the bill. **REP. VICK** said he proposed the amendment because he gets frustrated. Referring to Exhibit 17, he asked why small amounts of money should go for art, when there is crumbling and deterioration in our historic buildings. They need to make choices and prioritize and not just spend money all over the state. **REP. WISEMAN** opposed the amendment also. He said the Capitol renovation would be so costly that it could easily take all the money they could find.

Mr. Schenck said this amendment should reference where the funding will come from. It is passes, they will have to correct that error.

Motion/Vote: **REP. VICK MOVED HB 9 AMENDMENT DO PASS.** Motion failed 3 - 15, with **REPS. VICK, KASTEN and BERGSAGEL** voting yes.

Discussion: **REP. ROYAL JOHNSON** said there was a \$2,500 appropriation to the Billings Theater and he wants to offer a conceptual amendment to raise that amount to \$5,000. He said that these people had been asked to return a grant last year for \$2,500, so they actually did not receive any money. There is money in the ending fund balance and he would like them to have at least \$2,500. **REP. BERGSAGEL** said many art groups had spent all of their money before being asked to return it. **REP. BARNHART** asked if it meant that all people receiving funds might need to send money back to make up differences. **REP. BERGSAGEL** answered no, there had been individual grant cases who had currently spent all their money. They weren't required to send the money back, but most groups had been very responsive. **REP. McCANN** asked if this was a \$2,500 endowment. It was. **REP. MENAHAN** asked **REP. BERGSAGEL** if he cut programs more than half that were also in the same position as the Billings Theatre. He agreed.

Motion/Vote: **REP. ROYAL JOHNSON MOVED HB 9 CONCEPTUAL AMENDMENT DO PASS.** Motion failed 4 - 14, with **REPS. WISEMAN, ROYAL JOHNSON, FISHER and HOLLAND** voting yes.

Vote: Motion that HB 9 Do Pass As Amended carried 14 - 4, with **REPS. ROYAL JOHNSON, COBB, KASTEN and VICK** voting no.

{Tape: 3; Side: A; Approx. Counter: 36.2.}

EXECUTIVE ACTION ON HB 304

Motion: REP. FISHER MOVED HB 304 AMENDMENT #1 DO PASS.

Discussion: REP. WISEMAN said page 3, line 13, says a contract entered into under Section 4 may not exceed a term of 30 years. He objects to that, so the amendment allows the facility to be subject to future leasing with the state of Montana and not automatically go to the state.

Vote: Motion that HB 304 Amendment #2 Do Pass carried unanimously.

Motion: REP. FISHER MOVED HB 304 AMENDMENT #2 DO PASS.

Discussion: REP. FISHER said this amendment includes the language that the department must use the proceeds from the Long-Range Building program bonds and other state revenue appropriated for this purpose to negotiate with local government or private providers to obtain the greatest number of beds at the least cost.

Vote: Motion that HB 304 Amendment #2 Do Pass carried unanimously.

Motion/Vote: REP. FISHER MOVED HB 304 DO PASS AS AMENDED. Motion carried 16 - 1, with REP. QUILICI voting no.

{Tape: 3; Side: A; Approx. Counter: 40.2.}

EXECUTIVE ACTION ON HB 88

Motion: REP. ROYAL JOHNSON MOVED HB 88 DO PASS.

Discussion: REP. BERGSAGEL asked if each jail could negotiate a different rate for housing inmates. REP. JOHNSON said the proponents who testified from Missoula said they would not have any increases since they have no outstanding bonds on their jail. It is not a new facility and it is paid off. If they build a new facility, then they have an opportunity to include those costs in their negotiations with the state. REP. JOHNSON said the cost of housing an inmate is \$22.32 per inmate per day. REP. KADAS is concerned that counties can decide what size to build, and now are asking to treat that cost as a variable for the state to pay. They've decided to pay for these jails "up-front" and have already made their decisions on how large a facility they need. REP. KADAS doesn't think the state is obligated at all. REP. WISEMAN disagreed. He said Cascade County is building a new jail

not just for the county, but for Highway Patrol prisoners, federal prisoners and state prisoners. The building will be large enough to accommodate them. It isn't fair that they aren't compensated for costs. **REP. KASTEN** suggested a possible problem might occur since the state would have no say on how the jail is built and asked for help pay for it. Some jails could be built more expensively than others and there is no oversight. **REP. JOHNSON** said that was exactly what people were referring to during testimony. They want to negotiate costs. Whether you build prisons that house 10 or 75 prisoners, you are going to pay the cost of construction. This is a much more economical way for the state to look at it. The counties don't have a choice of taking state prisoners so should be able to negotiate costs. **REP. QUILICI** questioned how they could determine capital construction costs from one city to another -- one could be built at \$100 per square foot and another one for \$150 per square foot. He said that would fluctuate costs around the state and there would be no way to keep a handle on costs. **REP. MENAHAN** said in the past, many counties built facilities larger than they anticipated the needs were. Jefferson County facility in Boulder has lots of room left. Yellowstone County did the same. He mentioned that part of this issue is if a person commits a crime in Deer Lodge County, he would remain there until he is adjudicated in that county. He couldn't be taken anywhere else. The point is, they do not care how much it costs as long as it winds up in their area. There is only so much money and we need to find the cheapest way to incarcerate people, not the most expensive. **REP. BERGSAGEL** said the construction costs in the Great Falls facility are being paid by the state. **REP. WISEMAN** agreed with **REP. QUILICI's** concerns on having different costs around the state. Missoula County jail will cost nothing; the Bozeman jail could be \$5 a day; Great Falls would be higher because it's a new facility. In 20 years in Great Falls, if you want to put a state prisoner in the county pod, it will cost nothing because the bond will be paid off. Once jails are cleared of debts, it won't cost the state anything. **REP. KADAS** thought the counties had a choice whether to receive state prisoners or not. He referred to page 1, line 13, "with the consent of the governing body responsible for the detention center." To him, that means counties can decide whether to take a prisoner. **REP. JOHNSON** disagreed as that wasn't what the prison people told him. If they adjudicate a prisoner to Yellowstone County jail, the jail must take them until they go through the process of sending them to prison.

Rick Day, Director, Department of Corrections, offered technical assistance. If the state has a prisoner and the county is full, they can decline. They can decline any time, i.e., a Highway Patrol or a probation parole violator could be denied, as well. **REP. KADAS** said it's a question on how much money they can get, but decisions have already been made to build facilities without paying for construction costs. **REP. JOHNSON** asked if an inmate was denied, where they would be taken. **Mr. Day** said if is a Highway Patrol prisoner, the Highway Patrol would make the

decision to pay the transportation costs and put them in another jail close by that wasn't full. **REP. MENAHAN** said the state didn't control any county jails. He also didn't think it was fair to deny any county the money from construction costs if their bonds are paid off. Every county statewide should have the same opportunity to recover construction costs.

Motion/Vote: **REP. ROYAL JOHNSON MOVED HB 88 AMENDMENT DO PASS.**
Motion carried unanimously.

Motion: **REP. ROYAL JOHNSON MOVED HB 88 DO PASS AS AMENDED.**

Discussion: **REP. GRADY** referred to the fiscal note and questioned if Department of Corrections would also see an increase if this bill passes. **Mr. Lewis** said the first page referred to assumptions concerning the Department of Corrections. They did not make any assumptions on extra costs for probation violators and they reissued a different fiscal note later. There was a big impact on the Highway Patrol and a small impact on Department of Fish, Wildlife and Parks. **REP. GRADY** said if the fiscal note is not true, the figures could be considerably higher. He opposes the bill because it is too wide open on costs. He doesn't think they should be passing this type of legislation without knowing true costs. **CHAIRMAN ZOOK** referred to the technical statement on the fiscal note where it stated the bill did not clarify whether these costs would be included in future facilities, existing facilities or past facilities.

{Tape: 3; Side: B; Approx. Counter: 0.1.}

REP. BARNHART asked if \$22.32 per day per inmate was speculated to be only \$15. **REP. JOHNSON** said \$15 is the amount of money per prisoner per day they would try to recover from the constructions costs. \$22.32 per day is per diem for the inmates. **REP. WISEMAN** said it was a fairness issue. **REP. GRADY** didn't agree with him. He feels that there are too many assumptions and the fiscal note is not factual.

Vote: Motion that HB 88 Do Pass As Amended failed 6 - 11 on a roll call vote, with **REPS. BARNHART, FISHER, HOLLAND, JOHN JOHNSON, ROYAL JOHNSON** and **WISEMAN** voting yes.

Motion/Vote: **REP. MENAHAN MOVED HB 88 BE TABLED.** Motion carried 12 - 5 with **REPS. ROYAL JOHNSON, WISEMAN, BARNHART, HOLLAND** and **JOHN JOHNSON** voting no.

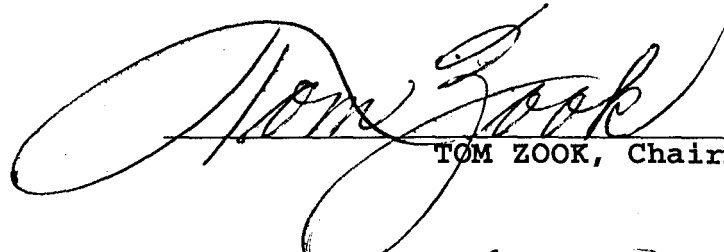
HOUSE APPROPRIATIONS COMMITTEE


March 2, 1995

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ADJOURNMENT

Adjournment: 5:40 p.m.


TOM ZOOK, Chairman


MARJORIE PETERSON, Secretary

TZ/mp

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL

DATE 3-2-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Marj Fisher	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Mike Kadas	✓		
Rep. Betty Lou Kasten	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		



Marjorie

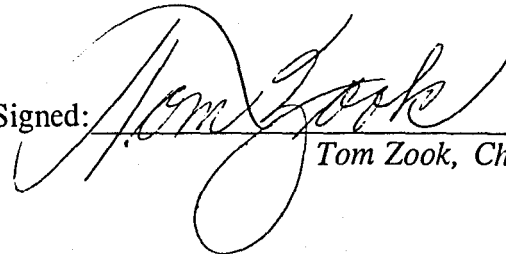
HOUSE STANDING COMMITTEE REPORT

March 7, 1995

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Mr. Speaker: We, the committee on Appropriations report that House Bill 9 (first reading copy -- white) do pass as amended.

Signed:


Tom Zook, Chair

And, that such amendments read:

1. Page 2, line 1.

Strike: "3,410"

Insert: "3,000"

2. Page 2, line 3.

Strike: "2,920"

Insert: "2,500"

3. Page 2, line 4.

Strike: "3,410"

Insert: "3,000"

4. Page 2, line 5.

Strike: "3,240"

Insert: "3,000"

5. Page 2, line 6.

Strike: line 6 in its entirety.

6. Page 2, line 7.

Strike: "0"

Insert: "4,000"

7. Page 2, line 9.

Strike: "24,370"

Insert: "24,000"

Committee Vote:

Yes 14, No 4.

521554SC.Hbk

8. Page 2, line 10.
Strike: "9,260"
Insert: "9,000"

9. Page 2, line 11.
Strike: "9,750"
Insert: "9,500"

10. Page 2, line 12.
Strike: "13,650"
Insert: "7,500"

11. Page 2, line 13.
Strike: "29,250"
Insert: "27,000"

12. Page 2, line 14.
Strike: "19,500"
Insert: "19,000"

13. Page 2, line 16.
Strike: "9,750"
Insert: "8,000"

14. Page 2, line 17.
Strike: "9,750"
Insert: "9,000"

15. Page 2, line 18.
Strike: "21,450"
Insert: "20,000"

16. Page 2, line 20.
Strike: "9,750"
Insert: "9,000"

17. Page 2, line 21.
Strike: "7,310"
Insert: "7,000"

18. Page 2, line 22.
Strike: "4,870"
Insert: "4,500"

19. Page 2, line 23.
Strike: "5,850"
Insert: "5,500"

20. Page 2, line 24.

Strike: "9,750"

Insert: "9,000"

21. Page 2, line 25.

Strike: "9,750"

Insert: "9,000"

22. Page 2, line 26.

Strike: "5,850"

Insert: "6,000"

23. Page 2, line 27.

Strike: "14,620"

Insert: "13,000"

24. Page 2, line 28.

Strike: line 28 in its entirety.

25. Page 2, line 29.

Strike: "8,770"

Insert: "8,500"

26. Page 2, line 30.

Strike: "3,900"

Insert: "3,000"

27. Page 3, line 1.

Strike: "2,240"

Insert: "2,000"

28. Page 3, line 2.

Strike: "7,800"

Insert: "7,000"

29. Page 3, line 3.

Strike: "15,600"

Insert: "15,000"

30. Page 3, line 5.

Strike: "3,410"

Insert: "3,000"

31. Page 3, line 6.

Strike: "3,900"

Insert: "4,000"

32. Page 3, line 7.

Strike: "7,800"
Insert: "3,000"

33. Page 3, line 8.
Strike: "3,900"
Insert: "4,000"

34. Page 3, line 9.
Strike: "7,800"
Insert: "7,000"

35. Page 3, line 10.
Strike: "4,870"
Insert: "4,500"

36. Page 3, line 11.
Strike: "2,920"
Insert: "3,500"

37. Page 3, line 12.
Strike: "1,950"
Insert: "1,000"

38. Page 3, line 13.
Strike: "4,880"
Insert: "4,000"

39. Page 3, line 14.
Strike: "2,920"
Insert: "2,500"

40. Page 3, line 15.
Strike: "6,820"
Insert: "5,000"

41. Page 3, line 16.
Strike: "4,870"
Insert: "6,000"

42. Page 3, line 17.
Strike: "5,850"
Insert: "5,500"

43. Page 3, line 19.
Strike: "0"
Insert: "2,000"

44. Page 3, lines 20 and 21.

Strike: lines 20 and 21 in their entirety.

45. Page 3, line 22.

Strike: "0"

Insert: "8,770"

46. Page 3, line 23.

Strike: "0"

Insert: "20,000"

47. Page 3, lines 24 through 30.

Strike: lines 24 through 30 in their entirety.

48. Page 4, line 1.

Strike: line 1 in its entirety.

49. Page 4, line 3.

Strike: "26,320"

Insert: "26,000"

50. Page 4, line 4.

Strike: "19,500"

Insert: "19,000"

51. Page 4, line 5.

Strike: "19,500"

Insert: "18,000"

52. Page 4, line 6.

Strike: "14,620"

Insert: "14,000"

53. Page 4, line 7.

Strike: "4,870"

Insert: "4,000"

54. Page 4, line 8.

Strike: "4,870"

Insert: "3,000"

55. Page 4, line 9.

Strike: "4,870"

Insert: "3,000"

56. Page 4, line 10.

Strike: "4,870"

Insert: "6,000"

57. Page 4, line 11.

Strike: "15,600"

Insert: "10,000"

58. Page 4, line 12.

Strike: line 12 in its entirety.

59. Page 4, line 13.

Strike: "0"

Insert: "2,500"

60. Page 4, line 15.

Strike: "29,250"

Insert: "5,000"

61. Page 4, line 16.

Strike: "14,620"

Insert: "15,000"

62. Page 4, line 17.

Strike: "4,870"

Insert: "4,500"

63. Page 4, line 18.

Strike: "14,620"

Insert: "10,000"

64. Page 4, line 19.

Strike: "14,620"

Insert: "12,000"

65. Page 4, line 20.

Strike: "14,620"

Insert: "7,500"

66. Page 4, line 21.

Strike: "3,900"

Insert: "3,000"

67. Page 4, line 22.

Strike: "14,620"

Insert: "10,000"

68. Page 4, line 25.

Strike: "2,440"

Insert: "3,500"

69. Page 4, line 26.

Strike: "3,900"
Insert: "25,000"

70. Page 4, line 27.
Strike: "3,410"
Insert: "3,000"

71. Page 4, line 28.
Strike: "6,820"
Insert: "6,000"

72. Page 4, lines 29 and 30.
Strike: lines 29 and 30 in their entirety.

73. Page 5, line 1.
Strike: "0"
Insert: "5,000"

74. Page 5, line 2.
Strike: line 2 in its entirety.

75. Page 5, line 3.
Strike: "0"
Insert: "550"

76. Page 5, following line 3.
Insert: "Condition: Grant funds will be released only upon
receipt of a letter of agreement from the state historic
preservation office."

77. Page 5, line 5.
Strike: "4,390"
Insert: "5,000"

78. Page 5, line 6.
Strike: "7,020"
Insert: "2,500"

79. Page 5, line 7.
Strike: line 7 in its entirety.

80. Page 5, line 8.
Strike: "4,390"
Insert: "2,500"

81. Page 5, line 9.
Strike: line 9 in its entirety.

82. Page 5, line 10.

Strike: "6,580"

Insert: "2,500"

83. Page 5, lines 11 and 12.

Strike: lines 11 and 12 in their entirety.

-END-



HOUSE STANDING COMMITTEE REPORT

March 16, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that **House Bill 460** (first reading copy -- white) **do pass as amended.**

Signed: _____

Tom Zook
Tom Zook, Chair

And, that such amendments read:

1. Title, line 9.

Strike: "OF \$50,000"

2. Page 3, line 11.

Strike: "13"

Insert: "11"

3. Page 3, line 13.

Following: "(b)"

Strike: "one member of the senate"

Insert: "two members of the senate, one from each political party"

4. Page 3, line 14.

Following: "(c)"

Strike: "one member of the house of representatives"

Insert: "two members of the house of representatives, one from each political party"

EXPLANATION: This amendment adds two additional legislators to the task force and requires balance between the political parties.

5. Page 3, line 16.

Strike: "The governor shall appoint the presiding officer of the task force."

Committee Vote:

Yes 15, No 3.

611547SC.Hbk

March 16, 1995

Page 2 of 2

Insert: "The presiding officer must be selected by a majority vote of the members of the committee."

EXPLANATION: The amendment changes the selection of the presiding officer from being chosen by the governor to be elected by the members of the task force.

6. Page 4, line 14.

Following: "(a)"

Strike: "\$50,000"

Insert: "\$20,000"

EXPLANATION: This amendment reduces the general fund appropriation for the task force from \$50,000 to \$20,000.

-END-



HOUSE STANDING COMMITTEE REPORT

March 16, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that **House Bill 512** (first reading copy -- white) **do pass**.

Signed: _____

Tom Zook
Tom Zook, Chair

Committee Vote:
Yes 14, No 4.

611358SC.Hdh



HOUSE STANDING COMMITTEE REPORT

March 6, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that **House Bill 553** (first reading copy -- white) **do pass**.

Signed: _____

Tom Zook
Tom Zook, Chair

Committee Vote:
Yes 18, No 0.

521217SC.Hbk

3/16/95



HOUSE STANDING COMMITTEE REPORT

March 6, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that House Bill 304 (first reading copy -- white) do pass as amended.

Signed:

Tom Zook
Tom Zook, Chair

And, that such amendments read:

1. Page 3, line 2.

Following: "of"

Insert: "long-range building program"

2. Page 3, line 5.

Following: "program"

Insert: "general obligation"

3. Page 3, line 11.

Following: line 10

Insert: "(7) The department shall use the proceeds of long-range building program bonds and other state revenue appropriated for regional correctional facilities to negotiate with local government entities or private providers to obtain the greatest number of beds that is consistent with program objectives for the least cost to the state."

4. Page 3, line 13.

Following: "years"

Insert: "and must contain provisions for renegotiation after 30 years"

Following: "."

Insert: "The provisions of 18-3-104 and 18-4-313 that limit the term of a contract do not apply to a contract authorized by [section 4]."

3/6
Committee Vote:

Yes 12, No 1.

521219SC.Hbk

March 6, 1995
Page 2 of 2

5. Page 4, line 15.

Following: "years."

Insert: "The provisions of 18-3-104 and 18-4-313 that limit the term of a contract do not apply to a contract authorized by this subsection (3)."

-END-

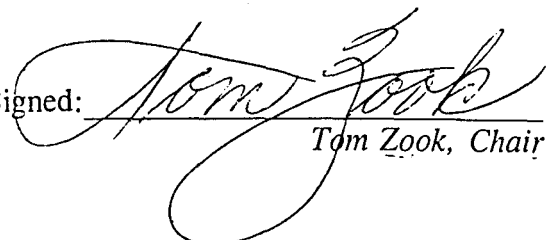


HOUSE STANDING COMMITTEE REPORT

March 8, 1995

Page 1 of 7

Mr. Speaker: We, the committee on Appropriations report that Senate Bill 83 (third reading copy -- blue) be concurred in as amended.

Signed: 
Tom Zook, Chair

And, that such amendments read:

Carried by: Rep. Royal Johnson

1. Title, line 8.

Following: "~~15-65-121,~~"

Insert: "15-60-102, 15-65-121,"

2. Title, line 10.

Following: "20-7-504,"

Insert: "20-7-506,"

3. Title, line 16.

Following: "~~17-1-503,~~"

Insert: "15-65-122, 15-65-131,"

4. Page 2, line 3.

Strike: "APPROPRIATED TO THE DEPARTMENT FROM THE STATE GENERAL FUND"

Insert: "paid by the office of public instruction"

5. Page 2, lines 18 and 19.

Following: ";" on line 18

Insert: "and"

Strike: line 19 in its entirety

Renumber: subsequent subsection

Committee Vote:

Yes 18, No 0.

541144SC.Hdh

6. Page 2.

Strike: lines 21 through 24 in their entirety

Insert: "(2) If the revenue received under 61-3-509 exceeds the amount appropriated by the legislature to fund the expenses of the appellate defender program, the excess amount is statutorily appropriated, as provided in 17-7-502, to the supreme court to fund the expenses described in subsections (1)(a) through (1)(f)."

7. Page 2, line 26.

Following: "expenses,"

Strike: "the excess amount"

Insert: "up to \$500,000 of the excess amount must be used for youth court and probation foster care placements if the department of family services certifies to the supreme court that appropriations for youth court and probation foster care placements will be inadequate to fund those costs and remaining excess amounts"

8. Page 2, line 30 through page 3, line 1.

Strike: "THE APPELLATE DEFENDER COMMISSION AND THE OFFICE OF APPELLATE DEFENDER MUST BE FUNDED FIRST AND"

9. Page 7, line 14.

Strike: "20%"

Insert: "21%"

10. Page 7, lines 20 and 21.

Strike: "provisions" on line 20 through "AND" on line 21

11. Page 7, line 22.

Following: "Act"

Insert: ", and the Montana Growth Through Agriculture Act"

12. Page 8, line 7.

Following: line 6

Insert: "(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;"

Renumber: subsequent subsection

13. Page 8, line 17.

Strike: "20%"

Insert: "21%"

14. Page 8, lines 23 and 24.

Strike: "provision" on line 23 through "AND" on line 24

15. Page 8, line 25.

Following: "Act"

Insert: ", and the Montana Growth Through Agriculture Act"

16. Page 9, line 10.

Following: line 9

Insert: "(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;"

Renumber: subsequent subsection

17. Page 11, line 8.

Insert: "Section 8. Section 15-60-102, MCA, is amended to read:

"15-60-102. Utilization fee for bed days in nursing facilities. A nursing facility in the state shall pay to the department of revenue a utilization fee in the amount of \$2 for each bed day in the facility during fiscal year 1994 and \$2.80 for each bed day in the facility during fiscal year 1995 and each year thereafter. The fees collected must be deposited in the nursing facility state special revenue account established in 15-60-210 general fund."

Section 9. Section 15-65-121, MCA, is amended to read:

"15-65-121. Distribution Deposit 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 general fund to the credit of the department of revenue. The department of revenue may spend from that account pay the expenses of collecting the tax 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), 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) 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."~~

Renumber subsequent sections

18. Page 14, line 11.

Strike: "17"

Insert: "19"

19. Page 16, lines 7 and 19.

Strike: "18"
Insert: "20"

20. Page 21, line 6.
Strike: "15-65-121;"

21. Page 21, lines 27 and 28.
Following "~~(1)~~" on line 27
Strike: remainder of line 27 through "each" on line 28
Insert: "Each"
Following: "month" on line 28
Insert: ", "
Following: "fund"
Strike: ":"

22. Page 21, line 29.
Strike: "(1)"
Strike: "7.15%"
Insert: "8.15%"

23. Page 21, line 30.
Following "salaries"
Strike: "; and"
Insert: "."

24. Page 22, lines 1 and 2.
Strike: subsection (2) in its entirety

25. Page 25, line 29.
Insert: "Section 30. Section 20-7-506, MCA, is amended to read:
"20-7-506. Annual allocation and distribution of traffic education account proceeds. (1) The Subject to the provisions of subsection (2), the superintendent of public instruction shall annually order the distribution of all moneys money in the traffic education account to the districts conducting approved traffic education courses. The distribution of the traffic education moneys money must be based on the distribution policy promulgated by the superintendent of public instruction, provided that the reimbursements to districts must be based upon the number of pupils who, in a given school fiscal year, complete an approved traffic education course, including both the classroom instruction and behind-the-wheel driving.
(2) Before the funds in the traffic education account are disbursed, there must be appropriated to the superintendent of public instruction funds to administer the statewide traffic education program for eligible, young, novice drivers. The administration may include:
(a) supervision and assessment of approved traffic education

courses:

(b) preparation for teachers of traffic education;
(c) development, printing, and distribution of essential
instructional materials for traffic education; and
(d) any other activities considered necessary by the
superintendent of public instruction, provided that the money is
available only to support traffic education for young, novice
drivers."

Renumber: subsequent sections

26. Page 35, line 30 through page 36, line 1.

Following: "state" on page 35, line 30

Strike: remainder of line 30 through "control" on page 36, line 1

27. Page 36, line 28.

Strike: "Except" through "net"

Insert: "Net"

28. Page 37, lines 5 through 11.

Strike: subsection (5) in its entirety

29. Page 42, line 6.

Strike: "state special revenue"

Insert: "enterprise"

30. Page 55, line 29.

Following: "~~made,~~"

Insert: "an equal percentage of the funds, up to \$3,000. After
this disbursement has been made,"

31. Page 55, line 30.

Following: "~~counties~~"

Insert: "balance of the"

Following: "funds"

Insert: "must be apportioned among the counties"

Following: "~~each~~"

Strike: "the"

Insert: "each"

32. Page 56, line 1.

Following: "~~balance~~"

Insert: "balance of the"

Following: "~~counties~~"

Insert: "must be apportioned among the counties"

Following: "~~each~~"

Strike: "the"

Insert: "each"

33. Page 60, line 9.

Following: "~~17-1-503,~~"

Insert: "15-65-122, 15-65-131,"

34. Page 60, lines 12 and 14.

Strike: "10"

Insert: "12"

35. Page 60, lines 15 and 16.

Strike: "17"

Insert: "19"

Strike: "18"

Insert: "20"

36. Page 60, line 18.

Strike: "78"

Insert: "81"

37. Page 60, line 20.

Following: "(2)"

Strike: "[through "ARE"

Insert: "Except as provided in subsection (1), [this act] is"

-END-

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-2-95 BILL NO. SB 83

MOTION Rep. DeBruycker moved SB 83 Amendment #1
Be Concurred In. motion passed 9-8.

NAME	AYE	NO
Rep. Ed Grady, VICE CHAIRMAN, MAJORITY	✓	
Rep. Beverly Barnhart	✓	
Rep. Ernest Bergsagel	✓	
Rep. John Cobb	✓	
Rep. Roger DeBruycker		
Rep. Gary Feland	✓	
Rep. Marjorie Fisher		✓
Rep. Don Holland		✓
Rep. John Johnson	✓	
Rep. Royal Johnson		✓
Rep. Mike Kadas		✓
Rep. Betty Lou Kasten		✓
Rep. Matt McCann		✓
Rep. Red Menahan	✓	
Rep. Joe Quilici, VICE CHAIRMAN, MINORITY	✓	
Rep. Steve Vick		✓
Rep. Bill Wiseman		✓
Rep. Tom Zook, CHAIRMAN	✓	

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-2-95 BILL NO. SB 83

MOTION Rep. Vick moved SB 83 Amendment #5,
Item 17, Be Concurred In. motion failed 8-9.

NAME	AYE	NO
Rep. Ed Grady, VICE CHAIRMAN, MAJORITY		✓
Rep. Beverly Barnhart		✓
Rep. Ernest Bergsagel	✓	
Rep. John Cobb	✓	
Rep. Roger DeBruycker		
Rep. Gary Feland	✓	
Rep. Marjorie Fisher	✓	
Rep. Don Holland	✓	
Rep. John Johnson		✓
Rep. Royal Johnson		✓
Rep. Mike Kadas		✓
Rep. Betty Lou Kasten	✓	
Rep. Matt McCann		✓
Rep. Red Menahan		✓
Rep. Joe Quilici, VICE CHAIRMAN, MINORITY		✓
Rep. Steve Vick	✓	
Rep. Bill Wiseman	✓	
Rep. Tom Zook, CHAIRMAN		✓

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-2-95

BILL NO. HB 88

MOTION Rep. Royal Johnson moved HB 88 Do
Pass As Amended. motion failed 6-11.

NAME	AYE	NO
Rep. Ed Grady, VICE CHAIRMAN, MAJORITY		✓
Rep. Beverly Barnhart	✓	
Rep. Ernest Bergsagel		✓
Rep. John Cobb		✓
Rep. Roger DeBruycker		
Rep. Gary Feland		✓
Rep. Marjorie Fisher	✓	
Rep. Don Holland	✓	
Rep. John Johnson	✓	
Rep. Royal Johnson	✓	
Rep. Mike Kadas		✓
Rep. Betty Lou Kasten		✓
Rep. Matt McCann		✓
Rep. Red Menahan		✓
Rep. Joe Quilici, VICE CHAIRMAN, MINORITY		✓
Rep. Steve Vick		✓
Rep. Bill Wiseman	✓	
Rep. Tom Zook, CHAIRMAN		✓

**MONTANA
ASSOCIATION OF
COUNTIES**

EXHIBIT 1
DATE 3-2-95
HB 88
2711 Airport Road
Helena, Montana 59601
(406) 442-5209
FAX (406) 442-5238

RESOLUTION 94-10

**CAPITAL COST TO BE INCLUDED IN
PAYMENTS FOR PRISONERS IN COUNTY
DETENTION CENTERS**

WHEREAS, counties are prohibited by MCA 7-32-2243 to charge capital construction and debt costs to the state for the confinement of state prisoners in county detention centers; and

WHEREAS, local taxpayers are subsidizing the state for prisoners arrested by state arresting agencies who are confined in county detention centers; and

WHEREAS, in many counties the taxpayers are being assessed tax levies for the payment of general obligation bonds to retire debt that has been issued for the construction of county detention centers.

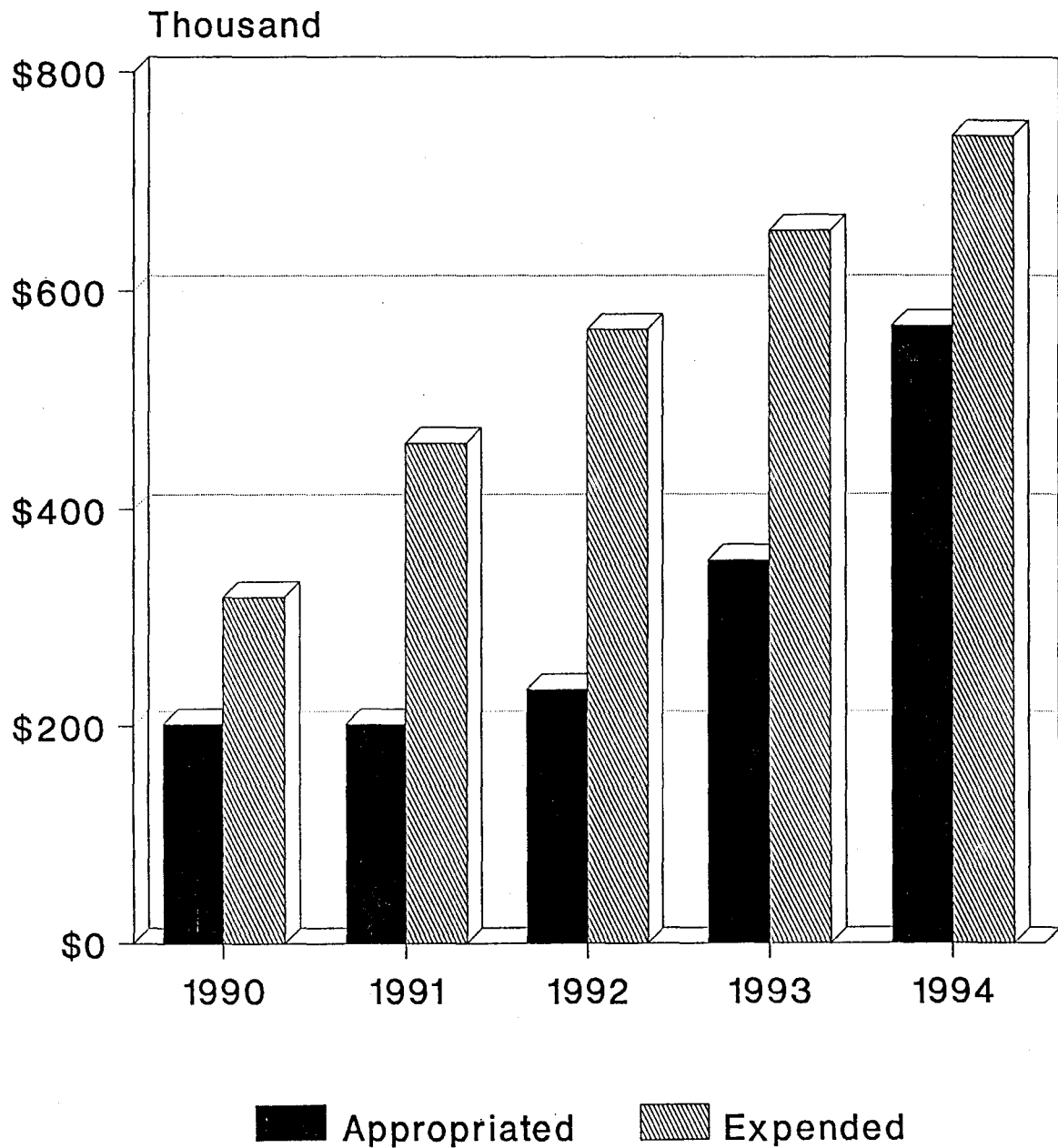
NOW, THEREFORE BE IT RESOLVED that the Montana statutes be amended in order that state arresting agencies be required to pay the actual costs of housing prisoners in county detention centers, and that these actual costs include both operating and jail construction costs.

SUBMITTED BY: Districts 6 & 7

PRIORITY: MEDIUM

ADOPTED: AS AMENDED
 ANNUAL CONVENTION
 SEPTEMBER 21, 1994

Department of Justice Prisoner Costs



United States Senate

WASHINGTON, DC 20510-2603

March 2, 1995

EXHIBIT 3
DATE 3-2-95
HB 460

Rep. Tom Zook
Chairman
House Appropriations Committee

Chairman Zook and Members of the Committee:

I would like to strongly urge your support of House Bill 460. This bill to enact a blue ribbon telecommunications task force will go a long way towards organizing Montana's telecommunications infrastructure.

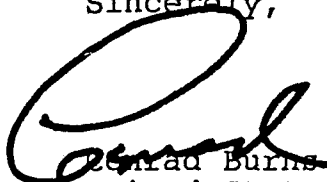
The Montana Telecommunications Advisory Council (MTAC) was established in 1991 by Governor Stan Stephens and myself to begin looking at Montana's future in telecommunications in a bipartisan manner. MTAC has since grown to more than 300 members from all corners of the state and from diverse backgrounds. This group has used all of those assets to write a bill that has industry support; citizen-support; health care industry support; educational support; nonprofit support; library support; government agency support and now MTAC and Governor Racicot and I are asking you for your support. House Bill 460 represents the kind of partnership that will guarantee the success of telecommunications in our great state.

I realize these are tough fiscal times and decisions are being made daily that impact a great deal of Montanans. Please remember that telecommunications impacts everyone; not just a select few. It is Montana's future and without it we will not be able to compete in the global marketplace.

This bill offers to bring together everyone interested in telecommunications to create a combined assessment of where we go from here. Be a part of Montana's future by supporting House Bill 460.

With best wishes,

Sincerely,



Conrad Burns
United States Senator

OFFICE OF THE GOVERNOR
STATE OF MONTANA

EXHIBIT 4
DATE 3-2-95
HB 460

MARC RACICOT
GOVERNOR



STATE CAPITOL
HELENA, MONTANA 59620-0801

March 2, 1995

Chairman Zook, members of the committee:

As co-chairman of the Montana Telecommunications Advisory Council, I am delighted to endorse this proposal for the creation of a Blue Ribbon Telecommunications Task Force. Whether our communication is on a super-highway or a simple roadway, whether it is by wire, microwave or in person, I strongly believe that there is nothing more important to our joint future here on this earth than communication.

In a state as vast as Montana, telecommunications is crucial in everything we do. Whether it be in our schools, our hospitals, our libraries, our businesses, or in our government, telecommunications plays an important role in our lives. As we encounter the revolution known as the Information Age, we see that in much the same way that telephones, railroads and highways improved Montana's economic climate, the advanced technologies of the information superhighway promise to remove many of the remaining barriers to living, learning, and prospering in Montana.

The only problem we currently have with this exciting evolution is the absence of direction for the industry. The Blue Ribbon Task Force proposed by HB460 will be charged with the challenge of carefully examining every aspect of the telecommunications industry in Montana. By doing so, it will be able to provide a thoughtful transition to a competitive environment. This task force will be able to identify what policies and practices can be promoted to ensure an orderly and successful progression for the industry.

As a result of this effort, I believe that we will be able to provide an environment in which this industry can continue to grow and prosper while the citizens of Montana can realize the benefits and choices of a truly competitive marketplace.

Many other states have already completed similar studies, and several others currently are in the process of conducting theirs. It is important that Montana not be the last to become involved in this process.

I would like to take this opportunity to congratulate those who have already committed funding for this project. The industry members of MTAC have already committed to contribute \$75,000 and the MTAC board members are busy applying for national and statewide grants for an additional \$75,000.

Thank you for your consideration of HB460.

Sincerely,

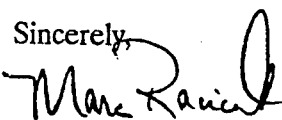

MARC RACICOT
Governor

EXHIBIT 5
DATE 3-2-95
HB 460

March 2, 1995

TO: Members of the House Appropriations Committee,
Montana Legislature

FROM: *Mike Mospan*
Mike Mospan

SUBJECT: House Bill 460

I am submitting this document for your review in consideration of House Bill 460. My interest in passage of this bill is best described as coming from the perspective of a Montana citizen lobbyist thoroughly familiar with telecommunications technology. I do not represent any particular special interest group.

This bill was initiated by the Montana Telecommunications Advisory Council (MTAC). I am a general member of MTAC and until December 1994 I served as the Executive Director of MTAC and participated in the formulation of the draft legislation which is now before this committee as H.B. 460.

I'd like to provide a very brief overview of my background in the telecommunications area to dispel any thoughts which may lead one to believe that I am frivolous in my support of H.B. 460. I worked for the Federal Government in Washington, DC for 30 years with 27 1/2 of those years involved in National & International deployment of telecommunications networks. I worked for the Federal Bureau of Investigation (FBI) for over 8 years, the U.S. Department of Housing & Urban Development (HUD) for 18 years and the U.S. Small Business Administration (SBA) for over 3 years. While at HUD and SBA I was the senior agency official for all telecommunications services and computing services with the exception of mainframe computer applications development. I participated in inter-agency organizations dealing with the formulation of Federal Government policy, procedures and standards as well as significantly participating in Federal technology procurements ranging from \$8,000 to \$850,000,000 in value. From 1978 until my retirement in 1992 I had to deal with issues related to shrinking budgets and generally coming up with innovative ways to "do more with less", essentially streamlining and downsizing.

It is my understanding that other studies of a technology nature have been funded through actions taken by the legislature. It is also my understanding that these prior studies have been specific in nature with the focus being directed at either educational institutions or the functions of State government. H.B. 460 is directed at a broad overview which hopefully addresses the entire spectrum of the needs/benefits for Montana and all Montanans.

Access to information is vital to continued economic and cultural growth of Montana as well as delivery of public services at all levels of government.

Telecommunications technology is an enabling and empowering force of growing importance in today's world. Defining ways to effectively and efficiently use the technology in support of education, delivery of government services, promote economic growth and provide affordable access to information at all levels of the citizenry is, in my view, extremely critical to Montana.

If this task force is funded and properly performs its functions there are significant benefits to be derived for all Montanans. I will briefly identify areas which I sincerely hope will be addressed by this group, if funded. They are, in no particular order or priority, as follows:

Government - streamlining State government from the standpoint of assuring standards are established/modified to promote an open architecture technology approach to government entities which will eliminate any dependency on vendor proprietary products, whether it be hardware or software. This will provide for cost efficiencies and provide a means to achieve longer service life from technology products and aid in cost reductions for future technology upgrades when needed.

provision of the potential to derive benefits from technology by improving the productivity of employees so that employees can deal with tasks which are not being accomplished now due to workload and shifting priorities.

use of technology to provide timely access to public information for citizens. Basically identifying how technology can be used to promote and establish a 24 hour a day access to government.

extend Montana State government capabilities to deal with external entities whether it be other State organizations, local government, the Federal government, commercial concerns dealing with the State and private citizens.

Libraries - develop recommendations which address the means to extend the capabilities of State, public and private libraries beyond the traditional local service area. The goal here would be to provide access to information on a global scale to all users of library facilities.

Cost-effective methods for implementing this access to information should also be defined.

Education - the same areas identified in "Government" above should be applied for consideration at all levels of education.

Identification of effective means to deliver distance-learning subject matter should be identified and should address issues concerning the delivery source of such materials.

Effective ways of using technology for educational administrative functions should also be identified.

A viable means to educate the education staff on the use and benefits of technology for administration and instructional material delivery should also be addressed by the task force.

Economic Development - This is an area that I strongly believe deserves very serious consideration from a telecommunications technology perspective. By no means am I trying to diminish the importance of the use of technology in terms of delivery of government services, education, public safety and health and access to information, in general. Technology is one of the most important tools used in the business world today. The use of telecommunications technology provides a means to overcome the barriers of time and distance in terms of efficiency in a competitive market. Businesses using this technology are positioned to expand their existing markets beyond prior traditional limiting boundaries. The overwhelming majority of businesses in Montana are small businesses. Having access to enhanced telecommunications technology can only add value to the business environment and promote the growth of new businesses which can make advantageous use of this enabling technology. Practical business uses of technology run the spectrum from Electronic Data Interchange (EDI) for the purposes of electronic ordering, to invoice generation, shipping orders and electronic payment. Businesses can not only make use of technology to identify additional sources of supplies, goods and services but use technology to expand their customer base. Access to enhanced technology can provide the impetus for new business establishment and aid in the growth of existing businesses. There is the strong possibility for the emergence of technology-based businesses which can provide above-average salaries for employees but also serve as a means to reduce the exodus of Montana residents to locations outside the state.

I'd like to further state that this task force will have a myriad of issues to deal with that I have not touched on in this document. I would like to state that I feel strongly that the

State government should not bear the burden of deploying an advanced telecommunications infrastructure. I believe that this would be best accomplished by the telecommunications industry. An environment to promote this industry activity should be defined and addressed as a result of this task force. I also feel very strongly that the legislature should have standing committees to address technology. In spite of the fact that the current environment mandates a streamlining of the State government I also feel very strongly that there should be a technology advocate/advisor for the State, possibly attached to the Governor's Office, to address and advise on matters of technology which go beyond the charter of State government services of the Office of Administration and consider all aspects of technology deployment and its impact on Montanans. I would certainly hate to see Montana lag behind other States in deriving the benefits of modern technology. If you have any questions concerning these and other issues I would be more than glad to discuss them with you at your convenience.

I can be reached by telephone at my residence in Helena at 449-2740 or by mail at

P.O. BOX 1685
Helena, MT 59624

if you have access to e-mail via the INTERNET or online services I can be reached at MIKE_MOSPAN@DESKTOP.ORG,INTERNET.

Thank you for your consideration.

Telecommunications today is best described as

- a rapid expansion and convergence of technology
- increasing competition and choices for consumers

While telecommunications is changing dramatically, the policies that shape it are, in many regards, based on principles that worked in a time when technology was simpler and choices were limited.

HB 460 provides a process to examine those policies and look at changes that will encourage a competitive telecommunications market in Montana and ensure that Montanans are able to participate and enjoy the benefits of an information superhighway.

As Congress considers sweeping legislation and the FCC moves forward on major changes in telecommunications policy, it's timely that Montana also looks to ensure that our public policies and practices promote competition, and stimulate technological innovation and efficiency in the every aspect of the telecommunications industry.

There are numerous public policy issues which need to be addressed in light of competition and changing technology.

Universal Service:

Universal Service is the goal of establishing widely available telephone service. It's been successful in ensuring that people, regardless of geographic location and economic status, have access to basic telephone service at reasonable rates. (National 94.8% of households have telephone service, Montana has 96%.)

Universal Service has been achieved through three general telecommunications policies established both by law and by regulation.

- Rate averaging - Areas with low population densities tend to cost more to provide phone service than high-density urban areas. Statewide rate averaging assures that all consumers generally pay the same rates. The total cost to serve all consumers is divided equally, regardless of geography and the actual cost to serve each customer.
- Targeted assistance -Montana's' Low Income Telephone Assistance Plan, 10 cent Telephone Relay Service fee, 25 cent 9-1-1 fee.
- Subsidies
 - Explicit - REA loans, Universal Service Fund
 - certain services (business and long-distance) priced higher than their cost to subsidize other telecommunications services that have been priced below cost to ensure widespread affordability and accessibility. (For example, a telephone line is technically the same regardless of whether it goes into a home or a business. U S WEST residential rate for that line is \$13.84. U S WEST has two business rates for that same line depending on size of community. A large community, say the size of Billings or Helena, would be \$38.69. A business line in a smaller community, say the size of Stevensville, would cost \$35.81.)

Congress, as well as the FCC, are currently looking at changes that will have an impact on Universal Service. As competition increases, it is increasingly difficult to ensure universal service through these policies.

New entrants into the telecommunications marketplace are often not regulated in the same manner or are they required to contribute towards universal service. And, understandably, they often selectively provide services in those parts of the market which are most profitable and often the services that have contributed towards universal service.

Montana must consider how it will retain universal service in a future marked by competition, multiple providers and existing providers offering non-traditional services.

There are many other issues, such as taxation and regulatory policy which need to be examined by this task force.

Task Force Approach and budget:

When MTAC began to look for the best process to examine these issues and make telecommunication policy changes for Montana, we looked at what other states were doing to encourage the development of the telecommunications industry in their state for their citizens. To date, we've found 24 other states that have either completed, or are in the process of examining many of these same issues.

There are many different approaches, MTAC selected the one that is recommended in HB 460 because we believed it

- had the right mix of consumers, policy makers, and industry to reach consensus as to what policies would be in the best interest of Montanans.
- and that it involved the legislature, which is the body in this state in the best position to address the full spectrum of telecommunications issues and who have the best access to the information that it will be necessary to consider.

MTAC believes this examination of telecommunications policy will cost about \$225,000. In building the budget, we examined the budgets of several other states who have used similar approaches. We also examined the actual expenditures of the Governor's Renew Montana Government task force. Our original budget was \$300,000. We have revisited that budget several times to streamline the costs as much as possible. The goal of the budget is to give the task force the funding they need to enable them to make specific policy recommendations-- not to build volumes of information that will sit on a shelf.

U S WEST offers our full support to HB 460 and have agreed, as have other industry members, to financially contribute towards the cost of this task force.

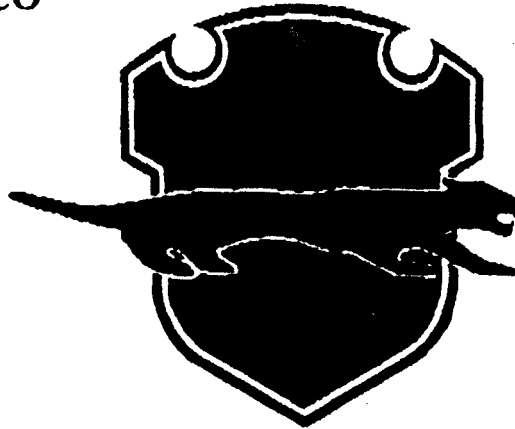
We hope that you will give favorable consideration to HB 460.

SACO

PANTHER

EXHIBIT 7
DATE 3-2-95
SCHOOLS 460
District #12
Phillips County
(406) 527-3531

P O Box 298
321 Highway 243
Saco, MT 59261



TO: Chairman and Members of the House Appropriations Committee

FROM: Carl Knudsen, Superintendent
MTAC Executive Board Member

RE: House Bill 460

DATE: March 1, 1995

We at Saco have been involved in telecommunications for the past ten years. We were the first school in the State of Montana to use distance learning via an educational electronic bulletin board. Saco hosts EDUNET, a computer accessed course delivery system, we are one of the nine regional telecommunications centers for the METNET and the state E-mail system, have three satellites dishes providing courses and information to our students and community members. We are a member of a consortium that recently received a telecommunications grant to implement ITV (interactive television) between eight schools in Northeastern Montana. Other groups of schools are implementing similar projects. We need to ensure connectivity and provide for the compatibility of systems so they can communicate with each other. Unfortunately, all of these things have been happening with little or no coordination from the state level. Technology has surpassed the ability of current statutes to control or remove barriers that prohibit cost effective use of our state telecommunications infrastructure.

The task force could address the needed changes in policies, practices and statutes that would remove barriers, study ways to ensure that Montana's K-12 and university educational system and public libraries have access to advanced telecommunications services and make their recommendations to the Governor and legislature.

We encourage your support for the passage of this bill. Thank you for your time and consideration.

WE CAN'T HIDE OUR PANTHER PRIDE!

THB512.HP

House Bill No. 512
March 2, 1995
Testimony presented by Pat Graham
Montana Fish, Wildlife & Parks
before the House Appropriations Committee

Montana Fish, Wildlife & Parks supports the proposed temporary change of the Fishing Access Site earmarked account to 50 percent for acquisition and 50 percent for operation and maintenance of the existing sites. We were criticized in a hearing on HB 172 for not adequately controlling weeds on our fishing access sites.

The earmarked account is currently allocated 75 percent acquisition and 25 percent O&M. Only \$94,329 is generated for the operation and maintenance functions of 313 sites statewide. The actual budget of maintenance is \$750,307. The difference comes from the general license account.

There are several reasons why this change is supported now. First, the use levels of these sites has escalated appreciably during recent years, some areas have increased 30 percent within the last year, alone. This increased use requires more latrine service, road maintenance and more frequent visits for general site pick-up. This makes it difficult to reallocate resources to weed control.

Second, when we suspended weed control in order to complete environmental compliance, we got behind. Although expenditures during 1994 exceeded \$25,000, our efforts need to be increased to get ahead of this problem.

The rate of fishing access site acquisition has slowed considerably. Acquisition rate was once more than 15 sites per year. We now purchase about three sites per year.

Although we are buying fewer sites, the average cost of each site has increased greatly. The proposed four year duration of this change will allow needed flexibility to address current site maintenance needs and still provide an opportunity to acquire important sites that become available. This can be reevaluated during the 1997 session.

The amendments we are suggesting for this bill clarify the original intent to dedicate the additional 25 percent in earmarked money to weed control, restoration and other maintenance.

Attachment

EXHIBIT 9
DATE 3-2-95
HB 512

Amendments to House Bill No. 512
First Reading Copy

Requested by Representative DeBruycker
For the Committee on Appropriations

February 13, 1995

1. Page 1, line 28.

Strike: "Operation"

Insert: "(a) At least one-half of the operation"

2. Page 1, line 30.

Strike: "(a)"

Insert: "(i)"

Renumber: subsequent subsections

3. Page 2.

Following: Line 2

Insert: "(b) The remainder of the operation and maintenance money set aside each year under this section may be expended on general operation and maintenance."

Legislative Fiscal Analyst
CLAYTON SCHENCK



STATE OF MONTANA
Office of the Legislative Fiscal Analyst

EXHIBIT 10
DATE 3-2-95
SB 83
Room 105 - State Capitol
P.O. Box 201711
Helena, Montana 59620-1711
(406) 444-2986
FAX (406) 444-3036

January 16, 1995

Senator Lorents Grosfield
Seat No. 23
Montana Senate
Helena, MT 59620

Dear Senator Grosfield:

This letter is in response to your recent request for information concerning statutory appropriations. Please note that the figures used are not actual expenditures, but estimates used for the purpose of establishing spending authority in each year.

In fiscal 1986, a total of \$105.72 million in authority was established for statutory appropriations. In fiscal 1994, a total of \$945.04 million in authority was established. Table 1 shows the increase by fund type. As shown, the largest increase, both in total dollars and as a percentage, occurs in state special revenue.

Table 1 Increases in Statutory Appropriations by Fund Type Fiscal 1986 to Fiscal 1994				
Fund Type	Fiscal 1986	Fiscal 1994	Dollar Increase (Decrease)	Percent Increase (Decrease)
General Fund	\$14,789,010	\$38,817,517	\$24,028,507	162.5%
State Special	53,960,729	604,077,427	550,116,698	1019.5%
Federal	8,672,382	17,562,533	8,890,151	102.5%
Proprietary/Other	<u>28,294,966</u>	<u>284,584,077</u>	<u>256,289,111</u>	905.8%
Total	<u>\$105,717,087</u>	<u>\$945,041,554</u>	<u>\$839,324,467</u>	793.9%

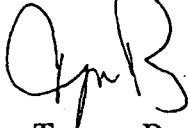
The increase in statutory appropriations is primarily due to three factors: 1) change to statutory appropriation of three major state expenditures; 2) addition of new programs; and 3) growth in statutory appropriations already in place

in this fund. Rather, the increase appears to be an anomaly in the base year of fiscal 1986.

As an appendix, I have included a final table showing all statutory appropriations in fiscal 1986 and fiscal 1994, for your reference.

I hope this information is useful. Please call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Taryn Purdy', written over the word 'Sincerely,'.

Taryn Purdy
Principal Fiscal Analyst

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Amendments to Senate Bill No. 83
Third Reading Copy

Requested by Representative Vick
For the Committee on Appropriations

Prepared by Greg Petesch
February 28, 1995

1. Title, line 7.

Following: "SECTIONS"

Insert: "2-4-313, 2-6-103,"

2. Title, line 8.

Following: "~~15-65-121~~,"

Insert: "15-60-102, 15-60-210,"

3. Title, line 11.

Following: "23-4-202,"

Insert: "23-5-612,"

4. Title, line 12.

Following: "27-12-206,"

Insert: "30-10-115, 30-10-209, 33-2-708, 33-17-1207, 37-43-204,

Following: "39-71-2504,"

Insert: "44-2-313,"

Following: "46-18-235,"

Insert: "50-1-202, 50-6-103, 50-6-203, 50-15-111,"

5. Title, line 13.

Following: "61-10-226,"

Insert: "69-1-223, 69-1-402,"

6. Page 1, line 20.

Insert: "Section 1. Section 2-4-313, MCA, is amended to read:

"2-4-313. **Distribution, costs, and maintenance.** (1) The secretary of state shall distribute copies of ARM and supplements or revisions to ARM to the following:

(a) attorney general, one copy;

(b) clerk of United States district court for the district of Montana, one copy;

(c) clerk of United States court of appeals for the ninth circuit, one copy;

(d) county commissioners or governing body of each county of this state, for use of county officials and the public, at least one but not more than two copies, which may be maintained in a public library in the county seat or in the county offices as the county commissioners or governing body of the county may determine;

(e) state law library, one copy;

(f) state historical society, one copy;

(g) each unit of the Montana university system, one copy;

(h) law library of the university of Montana, one copy;

(i) legislative council, two copies;

(j) library of congress, one copy;

(k) state library, one copy.

(2) The secretary of state, each county in the state, and the librarians for the state law library and the university of Montana law library shall maintain a complete, current set of ARM, including supplements or revisions to ARM. The designated persons shall also maintain the register issues published during the preceding 2 years. The secretary of state shall maintain a permanent set of the registers.

(3) The secretary of state shall make copies of and subscriptions to ARM and supplements or revisions to ARM and the register available to any person at prices fixed in accordance with subsection (4).

(4) The secretary of state, in consultation with the administrative code committee, shall determine the cost of supplying copies of ARM and supplements or revisions to ARM and the register to persons not listed in subsection (1). The cost must be the approximate cost of publication of the copies, including indexing, printing or duplicating, and mailing. However, a uniform price per page or group of pages may be established without regard to differences in cost of printing different parts of ARM and supplements or revisions to ARM and the register. Fees are not refundable.

(5) The secretary of state shall deposit all fees in a proprietary the general fund.

(6) The secretary of state may charge agencies a filing fee for all material to be published in ARM or the register. The secretary of state shall fix, in consultation with the administrative code committee, the fee to cover the costs of supplying copies of ARM and supplements or revisions to ARM and the register to the persons listed in subsection (1). The cost must be the approximate cost of publication of the copies, including indexing, printing or duplicating, and mailing. However, a uniform price per page or group of pages may be established without regard to differences in cost of printing different parts of ARM and supplements or revisions to ARM and the register."

Section 2. Section 2-6-103, MCA, is amended to read:

"2-6-103. Filing and copying fees. (1) The secretary of state, for services performed in the office, shall charge and collect the following fees:

(a) for each copy of any law, resolution, record, or other document or paper on file in ~~his~~ the office, except corporate papers, 40 cents per folio or, if the copy is made by any process of reproduction by photographic, photostatic, or similar process, the fee ~~shall be~~ is 50 cents per page or fraction of a page;

(b) for affixing certificate and seal, \$2;

(c) for receiving and recording each official bond, \$10;

(d) for each commission or other document signed by the governor and attested by the secretary of state (pardon, military commissions, and extraditions excepted), \$5;

(e) for issuing each certificate of record, \$5;

(f) for filing and recording miscellaneous papers, records, or other documents, \$5;

(g) for filing and recording any other paper not otherwise

provided for, \$5;

(h) for filing and recording any paper, record, or other document or other than a standard form when recommended by the secretary of state, \$5;

(i) when a copy of any law, resolution, record, or other document or paper on file in the office of the secretary of state is presented for comparison and certification, 10 cents per folio must be charged and collected for proofreading the same.

(2) A member of the legislature or state or county officer may not be charged for any search relative to matters appertaining to the duties of the member's office or for a certified copy of any law or resolution passed by the legislature relative to the member's official duties.

(3) The secretary of state may not charge a fee, other than the fees authorized in 2-6-110, for providing electronic information.

(4) Fees must be collected in advance and when collected by the secretary of state are not refundable and must be deposited in the general fund pursuant to 17-6-105.

~~(5) Within 120 days following the end of each fiscal year, the secretary of state shall deposit into the general fund from the proprietary fund any revenue collected in the proprietary fund during the prior fiscal year that is in excess of the amount appropriated from the proprietary fund for the current year."~~
Renumber: subsequent sections

7. Page 11, line 8.

Insert: "Section 10. Section 15-60-102, MCA, is amended to read:

"15-60-102. Utilization fee for bed days in nursing facilities. A nursing facility in the state shall pay to the department of revenue a utilization fee in the amount of \$2 ~~for each bed day in the facility during fiscal year 1994 and \$2.80 for each bed day in the facility during fiscal year 1995 and each year thereafter.~~ The fees collected must be deposited in the ~~nursing facility state special revenue account established in 15-60-210~~ general fund."

Section 11. Section 15-60-210, MCA, is amended to read:

"15-60-210. Disposition of fee ~~--- nursing facility account.~~
(1) All proceeds from the collection of utilization fees, including penalties and interest, must, in accordance with the provisions of 15-1-501(6), be deposited in the ~~nursing facility state special revenue account established in subsection (2)~~ general fund.

~~(2) There is a nursing facility account in the state special revenue fund. The purpose of the account is to provide a continuing source of revenue for nursing facility reimbursements as appropriated by the legislature."~~

Renumber: subsequent sections

8. Page 14, line 11.

Strike: "17"

Insert: "21"

9. Page 16, lines 7 and 19.

Strike: "18"

Insert: "22"

19. Page 35, line 21.

Insert: "Section 46. Section 23-5-612, MCA, is amended to read:

"23-5-612. Machine permits -- fee. (1) The department, upon payment of the fee provided in subsection (2) and in conformance with rules adopted under this part, shall issue to the operator an annual permit for an approved video gambling machine.

(2) (a) The department shall charge an annual permit fee of \$200 for each video gambling machine permit. The fee must be prorated on a quarterly basis but may not be prorated to allow a permit to expire before June 30. The department may not grant a refund if the video gambling machine ceases operation before the permit expires.

(b) If the person holding the gambling operator's license for the premises in which the machine is located changes during the first quarter of the permit year and the new operator has received an operator's license and if a machine transfer processing fee of \$25 per machine is paid to the department, the permit remains valid for the remainder of the permit year.

(3) The department shall retain deposit in the general fund 50% of the total permit fee collected under subsection (2)(a) and 100% of the machine transfer processing fee collected under subsection (2)(b) ~~for purposes of administering this part~~. The balance of the fee collected under subsection (2)(a) must be returned on a quarterly basis to the local government jurisdiction in which the gambling machine is located. The local government portion of the fee is statutorily appropriated to the department, as provided in 17-7-502, for deposit in the local government treasury."

Renumber: subsequent sections

11. Page 35, line 30 through page 36, line 1.

Following: "state" on page 35, line 30

Strike: remainder of line 30 through "control" on page 36, line 1

12. Page 36, line 28.

Strike: "Except" through "net"

Insert: "Net"

13. Page 37, lines 5 through 11.

Strike: subsection (5) in its entirety

20. Page 37, line 29.

Insert: "Section 50. Section 30-10-115, MCA, is amended to read:

"30-10-115. Deposits to the general fund. ~~(1) All fees, examination charges, and miscellaneous charges received by the commissioner pursuant to parts 1 through 3 of this chapter, except for portfolio registration fees described in 30-10-209(1)(d), must be deposited in the general fund.~~

~~(2) All portfolio registration fees collected under 30-10-209(1)(d) must be deposited in the state special revenue~~

~~account to the credit of the state auditor's office. The funds allocated by this section to the state special revenue account may only be used to defray the expenses of the state auditor's office in discharging its administrative and regulatory powers and duties in relation to portfolio registration. Any excess fees must be deposited in the general fund."~~

Section 51 Section 30-10-209, MCA, is amended to read:

"30-10-209. Fees. The following fees must be paid in advance under the provisions of parts 1 through 3 of this chapter:

(1) (a) For the registration of securities by notification, coordination, or qualification, there shall be paid to the commissioner for the first year of registration a registration fee of \$200 for the first \$100,000 of initial issue or portion thereof in this state, based on offering price, plus 1/10 of 1% for any excess over \$100,000, with a maximum of \$1,000.

(b) Each year thereafter, a registration of securities may be renewed, prior to its termination date, for an additional year upon consent of the commissioner and payment of an additional registration fee to be computed at 1/10 of 1% of the aggregate offering price of the securities that are to be offered in this state during that year, even though the maximum fee was paid the preceding year. The additional registration fee may not be less than \$200 or more than \$1,000. The registration statement for the securities may be amended to increase the amount of securities to be offered.

(c) If a registrant sells securities in excess of the aggregate amount registered for sale in this state, the registrant may file an amendment to the registration statement to include the excess sales. If the registrant fails to file an amendment before the expiration date of the registration order, the registrant shall pay a filing fee for the excess sales of three times the amount calculated in the manner specified in subsection (1)(b). Registration of the excess securities is effective retroactively to the date of the existing registration.

(d) Each series, portfolio, or other subdivision of an investment company or similar issuer is treated as a separate issuer of securities. The issuer shall pay a portfolio registration fee to be calculated as provided in subsections (1)(a) through (1)(c). ~~The portfolio registration fee collected by the commissioner must be deposited in the state special revenue account provided for in 30-10-115.~~

(2) (a) For registration of a broker-dealer or investment adviser, the fee is \$200 for original registration and \$200 for each annual renewal.

(b) For registration of a salesperson or investment adviser representative, the fee is \$50 for original registration with each employer, \$50 for each annual renewal, and \$50 for each transfer.

(3) For certified or uncertified copies of any documents filed with the commissioner, the fee is the cost to the department.

(4) For a request for an exemption under 30-10-105(15), the fee must be established by the commissioner by rule. For a

request for any other exemption or an exception to the provisions of parts 1 through 3 of this chapter, the fee is \$50.

(5) All fees are considered fully earned when received. In the event of overpayment, only those amounts in excess of \$10 may be refunded.

(6) ~~Except for portfolio registration fees established in this section, all~~ All fees, examination charges, miscellaneous charges, fines, and penalties collected by the commissioner pursuant to parts 1 through 3 of this chapter and the rules adopted under parts 1 through 3 of this chapter must be deposited in the general fund."

Section 52. Section 33-2-708, MCA, is amended to read:

"33-2-708. **Fees and licenses.** (1) Except as provided in 33-17-212(2), the commissioner shall collect in advance and the persons served shall pay to the commissioner the following fees:

(a) certificates of authority:

(i) for filing applications for original certificates of authority, articles of incorporation (except original articles of incorporation of domestic insurers as provided in subsection (1)(b)) and other charter documents, bylaws, financial statement, examination report, power of attorney to the commissioner, and all other documents and filings required in connection with the application and for issuance of an original certificate of authority, if issued:

(A) domestic insurers \$ 600.00

(B) foreign insurers 600.00

(ii) annual continuation of certificate of authority 600.00

(iii) reinstatement of certificate of authority 25.00

(iv) amendment of certificate of authority 50.00

(b) articles of incorporation:

(i) filing original articles of incorporation of a domestic insurer, exclusive of fees required to be paid by the corporation to the secretary of state 20.00

(ii) filing amendment of articles of incorporation, domestic and foreign insurers, exclusive of fees required to be paid to the secretary of state by a domestic corporation 25.00

(c) filing bylaws or amendment to bylaws when required 10.00

(d) filing annual statement of insurer, other than as part of application for original certificate of authority 25.00

(e) insurance producer's license:

(i) application for original license, including issuance of license, if issued 15.00

(ii) appointment of insurance producer, each insurer, electronically filed 10.00

(iii) appointment of insurance producer, each insurer, nonelectronically filed 15.00

(iv) temporary license 15.00

(v) amendment of license (excluding additions to license) or reissuance of master license 15.00

(vi) termination of insurance producer, each insurer,
electronically filed 10.00

(vii) termination of insurance producer, each insurer,
nonelectronically filed 15.00

(f) nonresident insurance producer's license:

(i) application for original license, including issuance of
license, if issued 100.00

(ii) appointment of insurance producer, each insurer,
electronically filed 10.00

(iii) appointment of insurance producer, each insurer,
nonelectronically filed 15.00

(iv) annual renewal of license 10.00

(v) amendment of license (excluding additions to license)
or reissuance of master license 15.00

(vi) termination of insurance producer, each insurer,
electronically filed 10.00

(vii) termination of insurance producer, each insurer,
nonelectronically filed 15.00

(g) examination, if administered by the commissioner, for
license as insurance producer, each examination 15.00

(h) surplus lines insurance producer license:

(i) application for original license and for issuance of
license, if issued 50.00

(ii) annual renewal of license 50.00

(i) adjuster's license:

(i) application for original license and for issuance of
license, if issued 15.00

(ii) annual renewal of license 15.00

(j) insurance vending machine license, each machine, each
year 10.00

(k) commissioner's certificate under seal (except when on
certificates of authority or licenses) 10.00

(l) copies of documents on file in the commissioner's
office, per page50

(m) policy forms:

(i) filing each policy form 25.00

(ii) filing each application, certificate, enrollment form,
rider, endorsement, amendment, insert page, schedule of rates,
and clarification of risks 10.00

(iii) maximum charge if policy and all forms submitted at
one time or resubmitted for approval within 180
days 100.00

(n) applications for approval of prelicensing education
courses:

(i) reviewing initial application 150.00

(ii) periodic review 50.00

(2) The commissioner shall establish by rule fees
commensurate with costs for filing documents and conducting the
course reviews required by 33-17-1204 and 33-17-1205.

(3) The commissioner shall establish by rule an annual
accreditation fee to be paid by each domestic and foreign insurer
when it submits a fee for annual continuation of its certificate
of authority.

(4) ~~(a) Except as provided in subsection (4)(b), the~~ The
commissioner shall promptly deposit with the state treasurer to

the credit of the general fund of this state all fines and penalties, those amounts received pursuant to 33-2-311, 33-2-705, and 33-2-706, and any fees and examination and miscellaneous charges that are collected by the commissioner pursuant to Title 33 and the rules adopted under Title 33, ~~except that all fees for filing documents and conducting the course reviews required by 33-17-1204 and 33-17-1205 must be deposited in the state special revenue fund pursuant to 33-17-1207.~~

~~(b) The accreditation fee required by subsection (3) must be turned over promptly to the state treasurer who shall deposit the money in the state special revenue fund to the credit of the commissioner's office. The accreditation fee funds must be used only to pay the expenses of the commissioner's office in discharging the administrative and regulatory duties that are required to meet the minimum financial regulatory standards established by the national association of insurance commissioners, subject to the applicable laws relating to the appropriation of state funds and to the deposit and expenditure of money. The commissioner is responsible for the proper expenditure of the accreditation money.~~

(5) All fees are considered fully earned when received. In the event of overpayment, only those amounts in excess of \$10 will be refunded."

Section 53. Section 33-17-1207, MCA, is amended to read:

"33-17-1207. Funding for continuing education program. All annual continuing education filing fees collected by the commissioner and fees paid to the commissioner for the review of initial applications for approval of continuing education courses or the periodic review of these courses must be turned over promptly to the state treasurer who shall place the money in the state ~~special revenue~~ general fund to the credit of the state auditor's office to be used appropriated for the continuing education program. ~~The funds allocated by this section to the state special revenue fund may be used only to defray the expenses of the state auditor's office in discharging its duties as prescribed by this part, subject to the applicable laws relating to the appropriation of state funds and to the deposit and expenditure of state money. The state auditor is responsible for the proper expenditure of this money as provided by law.~~"

Section 54. Section 37-43-204, MCA, is amended to read:

"37-43-204. Earmarked money for board expenses -- expenditure of funds from bonds. (1) All money collected under this chapter must be deposited in the state ~~special revenue~~ general fund and may be ~~used only~~ appropriated for the purpose of paying expenses of the board. Except for funds received from bonds in subsection (2), the money must be appropriated by the legislature before it may be expended by the board. ~~Income and interest from investment of the money in the state special revenue fund that are collected under this chapter must be credited to the board.~~

(2) The board may accept and expend all funds received from bonds required by 37-43-306. The funds must be used to remedy defects in water wells, to compensate for damages caused by

Renumber: subsequent sections

"44-2-313. Payment of charge. Such ~~The~~ charge ~~shall~~ must be billed monthly to the agencies. Payments made as a result of the billing ~~shall~~ must be remitted to the attorney general and deposited by him in a special account in the state treasury general fund."

(13) develop, adopt, and administer rules setting standards for a program to provide services to handicapped children, including standards for:

- (a) diagnosis;
- (b) medical, surgical, and corrective treatment;
- (c) aftercare and related services; and
- (d) eligibility;

(14) provide consultation to local boards of health;

(15) bring actions in court for the enforcement of the health laws and defend actions brought against the board or department;

(16) accept and expend federal funds available for public health services;

(17) have the power to use personnel of local departments of health to assist in the administration of laws relating to public health;

(18) after consultation with the board, adopt rules imposing fees for the tests and services performed by the laboratory of the department. Fees, established on an annual basis, should reflect the actual costs of the tests or services provided. The department may not establish fees exceeding the costs incurred in performing tests and services. All fees shall must be deposited in the state ~~special revenue~~ general fund for ~~the use of the department in performing tests and services.~~

(19) adopt and enforce rules regarding the definition of communicable diseases and the reporting and control of communicable diseases; and

(20) adopt and enforce rules regarding the transportation of dead human bodies."

Section 61. Section 50-6-103, MCA, is amended to read:

"50-6-103. Powers of department. (1) The department of health and environmental sciences is authorized to confer and cooperate with any and all other persons, organizations, and governmental agencies that have an interest in emergency medical services problems and needs.

(2) The department is authorized to accept, receive, expend, and administer any and all funds which are now available or which may be donated, granted, or appropriated to the department. Certification fees must be deposited in the general fund."

Section 62. Section 50-6-203, MCA, is amended to read:

"50-6-203. Rules. (1) The board, after consultation with the department of health and environmental sciences, the department of justice, and other appropriate departments, associations, and organizations, shall adopt rules of the board implementing this part, including but not limited to training and certification of emergency medical technicians and administration of drugs.

(2) The board may, by rule, establish various levels of emergency medical technician certification and shall specify for each level the training requirements, acts allowed, recertification requirements, and any other requirements regarding the training, performance, or certification of that

level of emergency medical technician that it considers necessary or desirable. Certification fees must be deposited in the general fund."

Section 63. Section 50-15-111, MCA, is amended to read:

"50-15-111. Certified copy fee. (1) The department shall prescribe a fee of not less than \$5 for a certified copy of certificates or search of files.

(2) Fees received for a certified copy of a certificate or a search of files ~~shall must~~ be deposited in the state ~~special revenue general~~ fund ~~to be used by the department for the maintenance of indexes to and costs for the preservation of vital records.~~"

{Internal References to 50-15-111: None.}

Renumber: subsequent sections

17. Page 50, line 7.

Insert: **"Section 74.** Section 69-1-223, MCA, is amended to read:

"69-1-223. Funding of office of consumer counsel. (1) ~~There is an account in the state special revenue fund to which all~~ All fees collected under this section must be deposited in the general fund ~~and from which all appropriations to the office of the consumer counsel must be paid.~~ An appropriation to the office of the consumer counsel may consist of a base appropriation for regular operating expenses and a contingency appropriation for expenses due to an unanticipated caseload.

(2) In addition to all other licenses, fees, and taxes imposed by law, all regulated companies shall:

(a) within 30 days after the close of each calendar quarter, file with the department of public service regulation and the department of revenue a statement, in a form that the commission and department may determine, showing the gross operating revenue from all activities regulated by the commission within the state for that calendar quarter of operation or portion of a quarter, separately stating gross revenue from sales to other regulated companies for resale; and

(b) at that time pay to the department of revenue a fee based on a percentage of the gross operating revenue reported, as determined by the department of revenue under 69-1-224.

(3) The amount of money which may be raised by the fee on the regulated companies during a fiscal year may not be increased, except as provided in 69-1-224(1)(c), from the amount appropriated, including both base and contingency appropriations, by the legislature for that fiscal year. Any additional money required for operation of the office of the consumer counsel must be obtained from other sources in a manner authorized by the legislature."

Section 75. Section 69-1-402, MCA, is amended to read:

"69-1-402. Funding of the department of public service regulation. (1) All fees collected under this section must be deposited in ~~an account in the state special revenue~~ general fund ~~to the credit of the department.~~ An appropriation to the department may consist of a base appropriation for regular operating expenses and a contingency appropriation for expenses

due to an unanticipated caseload.

(2) In addition to all other licenses, fees, and taxes imposed by law, all regulated companies shall, within 30 days after the close of each calendar quarter, pay to the department of revenue a fee based on a percentage of gross operating revenue reported pursuant to 69-1-223(2)(a), as determined by the department of revenue under 69-1-403.

(3) The amount of money that may be raised by the fee on the regulated companies during a fiscal year may not be increased, except as provided in 69-1-224(1)(c), from the amount appropriated to the department by the legislature for that fiscal year, including both base and contingency appropriations. Any additional money required for operation of the department must be obtained from other sources in a manner authorized by the legislature.""

Renumber: subsequent sections

18. Page 60, lines 12 and 14.

Strike: "10"

Insert: "14"

19. Page 60, lines 15 and 16.

Strike: "17"

Insert: "21"

Strike: "18"

Insert: "22"

20. Page 60, line 18.

Strike: "78"

Insert: "95"

21. Page 60, line 20.

Following: "(2)"

Strike: "[through ARE

Insert: "Except as provided in subsection (1), [this act] is"

**Proposed House Additions to SB 83 Accounts Deemarking
Accounts Proposed and Explanation**

✓ **Consumer Counsel Tax**

A dedicated tax on regulated public utilities is deposited in the account and used to fund the Consumer Counsel. The tax is deposited in a state special revenue account. Its tax rate is set annually to generate appropriated amounts set by the Legislature. The tax and office are constitutionally required, but not the fund placement. The FY 95 appropriation is \$1,007,311.

6 ✓ **Record Management Fees**

The proprietary account is funded with record storage, microfilming and administrative rule, filing fees and is used to support the record management program in the Office of the Secretary of State. Collections in excess of appropriations are to be transferred to the general fund following the close of each fiscal year. Prior to FY 94, these fees were deposited in the general fund. The FY 95 appropriation is \$453,150.

6 ✓ **Business Service Fees**

The proprietary account is funded primarily from corporate filing and license fees and is used to support the business services program in the Office of the Secretary of State. Collections in excess of appropriations are to be transferred to the general fund following the close of each fiscal year. Prior to FY 94, these fees were deposited in the general fund. The FY 95 appropriation is \$1,093,646.

(14) ✓ **Securities Fees**

Portfolio registration fees are deposited in this state special revenue account and are used to assist in the funding of the securities program in the State Auditor's Office. Collections in excess of appropriations are to be transferred to the general fund following the close of each fiscal year. FY 95 revenues are projected to total \$1,000,000, with only \$63,732 appropriated.

(14) **Insurance Fees**

Insurance agent accreditation, continuing education and examination fees are deposited in the special revenue account. The account helps fund the insurance program in the State Auditor's Office. The FY 95 appropriations total \$533,050.

15 Criminal Justice Info. Network Fees assessed against users of the network are deposited in this special revenue account of the Department of Justice. The FY 95 appropriation is \$337,259.

10 Gambling License Fees License fees for the privilege of operating gaming machines are deposited in this special revenue account used to fund the gambling control division of the Department of Justice. One-half of the fees are statutorily appropriated for return to the local jurisdiction where the machine is located. FY 95 appropriations total \$3,775,329.

11, 12, 13 Juvenile Detention Services A state special revenue account for regional juvenile detention services grants to counties and for administration of the grant program within the Board of Crime Control. The account is funded with 9.1% of the net proceeds of the state lottery (the remainder of which is de earmarked in SB 83). The grant funds are statutorily appropriated. FY 95 appropriations total \$1,127,484.

17 PSC Tax A dedicated tax on all activities regulated by the Public Service Commission are deposited in this account. The tax is deposited in a state special revenue account. Its tax rate is set annually to generate appropriated amounts set by the Legislature. Prior to FY 94, the tax was deposited in the general fund. The FY 95 appropriation is \$2,372,329.

16 Vital Statistics Various administrative fees fund this special revenue account administered by the Department of Health and Environmental Sciences. The FY 95 appropriation is \$243,908.

16 Laboratory Fees Various administrative fees fund this special revenue account administered by the Department of Health and Environmental Sciences. The FY 95 appropriation is \$1,894,749.

16 EMT Certification EMT certification fees are deposited in this special revenue account administered by the Department of Health and Environmental Sciences. The FY 95 appropriation is \$47,051.

(14)

Water Well Contractors

Fees imposed on water well contractors are deposited in a state special revenue account to fund the Board of Water Well Contractors attached to the DNRC. The FY 95 appropriation is \$55,269.

✓

Nursing Facility Fee

A \$2.80 per day fee is assessed on each occupied nursing home bed and deposited in this state special revenue account of SRS to provide match funds for federal Medicaid funds. Prior to FY 94 these revenues were deposited in the general fund. The FY 95 appropriation is \$6,552,848.

Amendments to Senate Bill No. 83
Third Reading Copy

Requested by Representative Kadas
For the House Appropriations Committee

Prepared by Roger Lloyd
March 2, 1995

1. Title, line 8.

Following: "~~15-65-121,~~"

Insert: "15-65-121,"

2. Title, line 16.

Following: "~~17-1-503,~~"

Insert: "15-65-122, 15-65-131"

3. Page 11, following line 7.

Insert: "Section 8. Section 15-65-121, MCA, is amended to read:

"15-65-121. Distribution Deposit 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 general fund ~~to the credit of the department of revenue.~~ The department of revenue may ~~spend from that account~~ pay the expenses of collecting the tax 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), 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% 16.5% 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:~~

Insert: "19

9. Page 60, line 18.

Strike: "78"

Insert: "79"

10. Page 60, line 20.

Strike: "77, 79, and 80"

Insert: "78, 80, and 81"

{Office of Legislative Fiscal Analyst

444-2986}

Amendment to SB83

SCHOOL LAWS OF MONTANA

20-7-506. Annual allocation and distribution of traffic education account proceeds. (1) Subject to the provisions of subsection (2), the superintendent of public instruction shall annually order the distribution of all moneys in the traffic education account to the districts conducting approved traffic education courses. The distribution of the traffic education moneys must be based on the distribution policy promulgated by the superintendent of public instruction, provided that the reimbursements to the district must be based upon the number of pupils who in a given school fiscal year complete an approved traffic education course, including both the classroom and behind-the-wheel driving.

(2) Before the funds in the traffic education account are disbursed there shall be deducted, by the superintendent of public instruction, an amount, not to exceed 9.5% of the total, to administer the statewide traffic education program for eligible young novice drivers. Such administration may include:

funds *the legislation shall approve to*

- (a) supervision and assessment of approved traffic education courses;
- (b) preparation of teachers of traffic education
- (c) development, printing, and distribution of essential instructional materials for traffic education; and
- (d) any other activities deemed necessary by the superintendent of public instruction, provided that these moneys are only available to support traffic education for young novice drivers.

Amend House Bill 9, Introduced Reading Copy
House Appropriations Committee
February 15, 1995

Representative Steve Vick

1. Page 1, line 14.
Following: "(3),"
Strike: "and"
2. Page 1, line 15.
Following: "(4)"
Insert: ", and fourth to the projects listed in subsection (5) "
3. Page 1, line 17.
Strike: "(4)"
Insert: "(5) "
4. Page 1, line 28.
Following: line 27
Insert: "(4) There is appropriated to the Department of Administration \$700,000 for the Montana state capitol renovation historic priorities."

Renumber subsequent subsections

Explanation of Amendments

The cultural trust fund was established originally for the purpose of protection of works of art in the state capitol. The historic barrel vault, stained glass, decorative plaster and chandeliers are in danger of being lost. As part of the capitol renovation, the amendment would appropriate \$700,000 of the approximately \$1.0 million available for the 1997 biennium. The effect of the amendment is to eliminate the grants for the biennium.

MONTANA STATE UNIVERSITY

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EXHIBIT 16
DATE 3-2-95

Department of Media SB 8
and Theatre Arts

College of Arts and Architecture
Montana State University
Bozeman, MT 59717-0334

Telephone 406-994-2484

- Motion Pictures/Video
- Photography
- Theatre

January 25, 1995

Dear Representative Vick,

I am writing you on letterhead stationery so that my interest in the arts and artistic projects will be clear; for nearly three decades I have combined a career as an artist, arts education, writer on the arts and culture, and academic administrator.

I urge you that now is the time to take a hard, critical look at two forms of State spending: 1) the "Cultural & Aesthetic Projects" grants; 2) the Montana Arts Council itself.

1) There needs to be a thorough rethinking of what the "Cultural & Aesthetic Project" grants are really meant to be doing. At a time when the State's roads and bridges are crumbling, one must question why sizable amounts of money are being awarded to fledgling arts organizations, or, more critically, special artistic projects. Have arts organizations in the State become too used to the guaranteed "Coal Tax" dollars for their own good? And are special projects before the legislature, and recommended for funding, that appeal only to narrow, specific tastes? The expenditure of "Coal Tax" monies needs to be examined in a probing, fundamental way.

2) Let's have the legislature review the status of the "Montana Arts Council" as a state agency. I seriously doubt that this agency is so much a valid promoter of the arts in our State, as it is a bloated bureaucracy. A good number of artists agree with me on this, but they'll keep that opinion private because it's terribly bad "politics" in a State this small to say so.

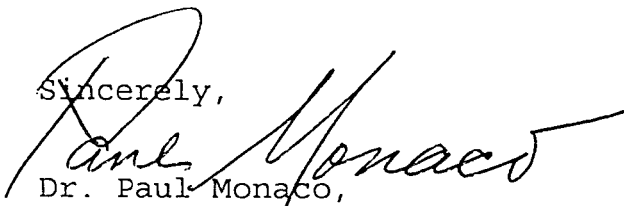
Public funding for the arts will inevitably be controversial, because, finally, lawmakers wind up making appropriations that either support certain "tastes" or don't. It is one thing when you can find a broad consensus to support certain cultural institutions that are already established with the peoples' money--e.g., a state historical museum--but quite another when you dole out grants to isolated and individual projects. As in any kind of program some citizens feel their interests served in the present structure. But let's look at just what government should be doing and how it does it best. In my opinion the "Montana Arts Council" is a bureaucracy that squanders scarce resources on administration, so that what is spent on managing monies is grossly disproportionate to the actual spending on the arts themselves. The

"Coal Tax" grants are run willy-nilly and haphazardly, so that some monies go to established programs that benefit a broad populace, while other awards are made to organizations and special projects that serve only narrow and parochial interests and audiences, or the interests of groups and places perceived to have political clout.

The State of Montana would better help the arts and our collective culture by allowing citizens to deduct admissions to live performances and museums from their income taxes, and by encouraging contributions to arts organizations directly through a single, simple, statewide publicity campaign.

Thank you for your consideration of this letter. The "Coal Tax" issue and the "Montana Arts Council" may not seem like large matters overall, but they are at the center of just what State government should be doing, why, and for whom...

Sincerely,



Dr. Paul Monaco,
Department Head & Professor

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

HB 18

HB 88

HB 460

HB 512

HB 553

Appropriations

COMMITTEE

BILL NO.

DATE

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HOUSE OF REPRESENTATIVES

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