

MINUTES

MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON SENATE BILL 083

Call to Order: By CHAIRMAN LORENTS GROSFIELD, on April 6, 1995,
at 6:30 P.M.

ROLL CALL

Members Present:

Sen. Lorents Grosfield (R)
Sen. Judy H. Jacobson (D)
Sen. Charles "Chuck" Swysgood (R)
Rep. Royal C. Johnson (R)
Rep. Betty Lou Kasten (R)
Rep. Beverly Barnhart (D)

Members Excused: None

Members Absent: None

Staff Present: Roger Lloyd, Legislative Fiscal Analyst
Judy J. Keintz, Committee Secretary

Discussion: CHAIRMAN LORENTS GROSFIELD presented the amendments,
EXHIBIT 1.

Roger Lloyd explained amendments 1 and 5. Amendment 1 amended the title. Amendment 5 added a section to the bill which was forgotten when the House Appropriations de-earmarked the nursing home bed fees called the utilization fee for bed days in nursing facilities. Amendment 5 is a new section striking reference to that particular account.

Amendment 2 added the words "and the cost of administering this section". When the amendment re-instating the statutory appropriation for district court fees was written, it struck language authorizing that the funds could be used for costs of administering the program. This amendment re-inserts the language which is needed so the revenue may be spent for that particular purpose.

Amendments 3 and 4 adds the sentence, "Any cash balance that is unspent at the end of each fiscal year must be deposited in the general fund." The cash balance is the combined account which was created by the coal severance tax allocation. Currently there are four allocations which are combined into one state special revenue account. One of those allocations was the coal impact account. SB 83, page 63, (3) struck the same language which is put back in by amendments 3 and 4, which is that the

unexpended balance in the local impact account revert to the state equalization aid. Without this amendment, any unspent cash balance which went to the SEA because it went into the local impact account, would now build up into this combined account. It would not revert to the SEA. In HB 2 there is \$1 million which has been appropriated out of coal board money. The status sheet should show \$4.2 million for the SEA general fund because the fund balance would revert to the SEA under current law. Because SB 83 has struck that language, the SB 83 line in the status sheet is showing a reduction to the SEA general fund balance. This will take away the negative impact to the general fund that SB 83 has in it.

Amendments 9, 10, and 11, help coordinate SB 83 with a couple of other bills. One is SB 390, which would have reduced the drivers' license fees. SB 83 amended those percentages to hold harmless the effect of general fund based on SB 390 passing. Since it has failed, those percentages would need to be changed. This is accomplished by amendments 9 and 10 which would leave a net impact of "0" to the general fund.

Amendment 11 adds coordinating language to HB 248 which would also amend those same percentages. The coordination language would say that if HB 248 passes, SB 83 would take precedence over that change.

The remaining amendments reflect changes in sections.

SENATOR JACOBSON stated she was concerned that the Department of Justice would come in again with this bill to lower the fees, the percentages would then have to be changed again. She questioned if there wasn't some way to leave the percentages alone and allow the amount not appropriated to flow to the general fund. She would like to see the percentages left out and state that anything not appropriated would go back to the general fund. She explained this was on page 50, line 30.

Roger Lloyd explained further that on page 51, line 3, this would amend the amount going to general fund upward.

SENATOR JACOBSON stated her concern was that if they came back in with the bill next session and the drivers' license costs go down, they would have to change this again.

SKIP COLVER explained there was one problem with this. While the drivers' license fee remains the same, they have extended the drivers' license fee for eight years. When a license is renewed the individual will be paying \$32 instead of \$16. There will be more revenue up front and less revenue further down the road when less people are renewing their license plates. This would mean their cash balance would diminish very quickly. They will need to carry funds forward through the eight years.

Motion: SENATOR JACOBSON MOVED SB 83 BE AMENDED AS THE AMENDMENTS WERE PRESENTED.

Vote: The motion CARRIED UNANIMOUSLY on oral vote.

Discussion: REPRESENTATIVE BETTY LOU KASTEN asked the committee to look at the amendments 12 and 13 which were put on by House Appropriations Committee. This re-earmarks 1% of the coal tax for the libraries. She would like to see that go back to the way it was when it came out of the Senate.

REPRESENTATIVE ROYAL JOHNSON stated that as the bill came out of the Senate it didn't de-earmark the library or the growth through agriculture or the local impact account. It combined them into one but it was still state special revenue. It was not de-earmarked to the general fund. This would be to include the state library within that state special revenue account.

REPRESENTATIVE KASTEN recommend taking the 1% which was allowed for the libraries and putting it back into the pool.

Roger Lloyd stated the bill itself could be amended to accomplish that same purpose. The bill, as it stands, does reflect those changes.

CHAIRMAN GROSFIELD explained the proposed amendment. There are now four entities which have their own fund. Libraries are earmarked. The suggestion would be that the libraries would be placed into the small fund so there would be five entities.

REPRESENTATIVE ROYAL JOHNSON asked if this would change the dollar amount going to the libraries?

REPRESENTATIVE KASTEN commented it had the potential of increasing. Right now if the money flowing through the coal trust is decreasing, the 1% is a stable amount. If it is put back in the fund, the whole amount would be allocated to those programs.

SENATOR JACOBSON stated the intent of the subcommittee was to put all these accounts into one pool and let the legislature decide, based on their testimony each session, how much would go for each of these programs. Evidently, the library came in and made a compelling case by saying that they would prefer to have a percentage because they did not want to compete with anyone else. That was not what the subcommittee, finance committee, nor the Senate planned to do. They have the potential of getting more money and there is a danger they could get less.

REPRESENTATIVE JOHNSON stated they could also get no money. If they were to get 1% of a number, that number would have to go to zero before they would be in a position of getting no money.

SENATOR JACOBSON commented the Montana Growth Through Agriculture entity may be one entity they would want to look at again. It appears they have been stretching some things.

SENATOR SWYSGOOD stated the intent of the subcommittee was to put it in one pot and let them come in and justify their expenditures. By putting them back at 1%, the same argument could be made by all the others who were taken out. They had agreed in the subcommittee and through this process that all the entities who received money out of this particular portion of the coal trust would be put in one state special revenue fund. They would have to justify why they needed the money. He didn't feel that the library should be any different from the other entities. They should all be treated equally.

REPRESENTATIVE KASTEN asked which way would be the best to proceed. Should they strike the amendments which were put on by the House or simply amend the bill.

Roger Lloyd stated it would be better to amend the bill. It would then be easier to see what was happening.

Motion: **REPRESENTATIVE KASTEN** MOVED TO FURTHER AMEND SB 83 BY REMOVING THE DESIGNATION OF THE LIBRARY AT 1% AND PUTTING IT BACK INTO THE POOL.

Discussion: **REPRESENTATIVE BEVERLY BARNHART** asked if anyone else in the pool had a percentage?

CHAIRMAN GROSFIELD referred to page 9, line 8, and stated there were impacts, county land planning, libraries (which had been struck), conservation districts, and Montana growth through agriculture. Libraries would be reinserted.

Roger Lloyd explained that on page 9, line 3, 21% would be increased by 1% so it would read 22%. Lines 8 through 11 would see the reinsertion of the basic library services for residents of all counties. Libraries would be added back into the pool. (F) would be struck.

REPRESENTATIVE BARNHART asked **REPRESENTATIVE JOHNSON** if he remembered the compelling testimony by the library. She thought perhaps the counties would not receive their money if it was not handled this way.

REPRESENTATIVE JOHNSON stated he did not believe that was the case. He didn't remember the compelling argument. By the amount of money involved now, he questioned if the distribution was already set up for this year.

SENATOR JACOBSON stated it would be in HB 2.

REPRESENTATIVE JOHNSON questioned if the libraries would get 1% of the 21%.

Roger Lloyd explained that the library has a state special revenue appropriation already in their budget which would be whatever the legislation has set in HB 2. That hasn't been changed. They have the state special revenue authority which they would use to spend out of this combined account. It is the next session where they would have to compete with the other four users for the legislature to set whatever level of appropriation they wished.

REPRESENTATIVE JACOBSON commented the way the governor's budget comes in and the LFA treats it, that would be their base amount and they would show the same spending level that they have for this biennium. The only difference would be if the legislature chose to change that and the legislature can do that now.

Roger Lloyd stated that was correct; although, he could visualize the executive budget reallocating that money in the way it felt would be best through present law adjustment to the base.

REPRESENTATIVE JACOBSON commented that the LFA would still show it as current level.

CHAIRMAN GROSFIELD questioned if the adoption of this amendment would require an amendment to HB 2? **Roger Lloyd** stated it would not.

Vote: The motion **CARRIED UNANIMOUSLY** on oral vote.

Motion: **REPRESENTATIVE BARNHART** MOVED TO FURTHER AMEND SB 83 BY DE-EARMARKING THE BED TAX.

Discussion: **SENATOR JACOBSON** asked for clarification. She stated her committee treated the bed tax the same way they treated the libraries. It was in a special revenue account which was targeted for the programs that are presently being funded with it. She questioned if this amendment would put it in the general fund or a special revenue account and treat it like the libraries?

REPRESENTATIVE BARNHART stated she would like to put it in the general fund. She did not like all the percentages which were used.

SENATOR SWYSGOOD stated they had been through this battle too many times before and it would be too late in the session to deal with it now.

Vote: The motion **FAILED** on oral vote with **REPRESENTATIVE BARNHART** voting "AYE".

Motion: **REPRESENTATIVE JOHNSON** MOVED THE FREE CONFERENCE COMMITTEE REPORT ON SB 83.

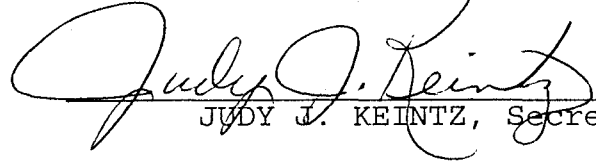
Vote: The motion **CARRIED UNANIMOUSLY** on oral vote.

ADJOURNMENT

Adjournment: The meeting adjourned at 7:00 P.M.



SENATOR LORENTS GROSFIELD, Chairman



JUDY J. KEINTZ, Secretary

LG/jjk

Free Conference

Committee
SB 8

4/6/95

[illegible]

Attach to each day's minutes

Free Conference Committee
on SB 83
Report No. 1, April 7, 1995

Page 1 of 4

Mr. President and Mr. Speaker:

We, your Free Conference Committee on SB 83, met April 6, 1995,
and considered:

House Committee on Appropriations amendments to the third
reading copy dated March 8, 1995; and

House Committee of the Whole amendments to the third reading
copy dated March 11, 1995.

We recommend that SB 83 (reference copy - salmon) be amended as
follows:

1. Title, line 8.

Following: "15-60-102,"

Insert: "15-60-210,"

2. Page 2, line 28.

Following: "PROGRAM"

Insert: "and the cost of administering this section"

3. Page 7, line 25.

Strike: "21%"

Insert: "22%"

4. Page 7, line 30.

Following: "planning,"

Insert: "provision of 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,"

5. Page 8, line 4.

Following: "ACT"

Strike: " ";"

Insert: ". Any cash balance that is unspent at the end of each
fiscal year must be deposited in the general fund."

6. Page 8.

Strike: lines 19 through 22 in their entirety.

7. Page 8, line 23.

Strike: "(G)"

ADOPT

REJECT

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Insert: "(f)"

8. Page 9, line 3.

Strike: "21%"

Insert: "22%"

9. Page 9, line 8.

Following: "planning,"

Insert: "provision of 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,"

10. Page 9, line 12.

Following: "ACT"

Strike: " ; "

Insert: ". Any cash balance that is unspent at the end of each fiscal year must be deposited in the general fund."

11. Page 9.

Strike: lines 27 through 30 in their entirety.

12. Page 10, line 1.

Strike: "(G)"

Insert: "(f)"

13. Page 12, following line 5.

Insert: "Section 9. 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

14. Page 16, line 22.

Strike: "18"

Insert: "19"

15. Page 18, line 18.

Strike: "19"

Insert: "20"

16. Page 18, line 30.

Strike: "19"
Insert: "20"

17. Page 50, line 30.
Strike: "35%"
Insert: "26.25%"

18. Page 51, line 3.
Strike: "36.25%"
Insert: "54.55%"

19. Page 63, line 9.
Following: "COORDINATION."
Insert: "(1)"

20. Page 63.
Following: line 11
Insert: "(2) If House Bill No. 248 is passed and approved and if it includes an amendment to 61-5-121 that changes the percentage of driver's license fee receipts to be distributed to the state traffic education account or to the general fund, then the amendments to 61-5-121 contained in House Bill No. 248 are void and are superseded by the amendments to 61-5-121 contained in [this act]."

21. Page 63, lines 16 and 18.
Strike: "11"
Insert: "12"

22. Page 63, line 19.
Strike: "18"
Insert: "19"
Insert: "19"
Insert: "20"

23. Page 63, line 20.
Strike: "18"
Insert: "19"

24. Page 63, line 21.
Strike: "19"
Insert: "20"

25. Page 63, line 23.

Strike: "80"
Insert: "81"

And that this Free Conference Committee report be adopted.

For the Senate:

Grosfield

Chair

Swysgood

Jacobson

Amd. Coord.

Sec. of Senate

For the House:

Royal Johnson

Chair

Kasten

Barnhart

Amendments to Senate Bill No. 83
Reference Reading Copy

Requested by Senator Grosfield
For the Conference Committee

Prepared by Roger Lloyd
April 5, 1995

SENATE JUDICIARY COMMITTEE
COMMITTEE NO. 1
DATE 4/6/95
BILL NO. SB 83

1. Title, line 8.

Following: "15-60-102,"

Insert: "15-60-210,"

2. Page 2, line 28.

Following: "PROGRAM"

Insert: "and the cost of administering this section"

3. Page 8, line 4.

Following: "ACT"

Strike: ";

Insert: ". Any cash balance that is unspent at the end of each fiscal year must be deposited in the general fund."

4. Page 9, line 12.

Following: "ACT"

Strike: ";

Insert: ". Any cash balance that is unspent at the end of each fiscal year must be deposited in the general fund."

5. Page 12, following line 5.

Insert: "**Section 9.** 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

6. Page 16, line 22.

Strike: "18"

Insert: "19"

7. Page 18, line 18.

Strike: "19"

Insert: "20"

8. Page 18, line 30.

Strike: "19"

Insert: "20"

9. Page 50, line 30.

Strike: "35%"

Insert: "26.25%"

10. Page 51, line 3.

Strike: "36.25%"

Insert: "54.55%"

11. Page 63, line 9.

Following: "COORDINATION."

Insert: "(a)"

Following: "activity" on line 11

Insert: "(b) If House Bill No. 248 is passed and approved and if it includes an amendment to 61-5-121 that changes the percentage of driver's license fees receipts to be distributed to the state traffic education account or to the general fund, then the amendments in House Bill No. 248 are void and are superseded by the amendments to 61-5-121 contained in [this act]."

12. Page 63, lines 16 and 17.

Strike: "11"

Insert: "12"

13. Page 63, line 19.

Strike: "18"

Insert: "19"

Insert: "19"

Insert: "20"

14. Page 63, line 20.

Strike: "18"

Insert: "19"

15. Page 63, line 21.

Strike: "19"

Insert: "20"

16. Page 63, line 23.

Strike: "80"

Insert: "81"

Amendments 1 & 5

Since the House Appropriations Committee amended Senate Bill 83 to de-earmark the utilization fee for bed days in nursing facilities, section 15-60-210 must also be amended. Greg Petesch had written an amendment for the House to do this, but it never got introduced.

Amendment 2

When the amendment re-instating the statutory appropriation for district court fees was written, it struck language authorizing that the funds could be used for costs of administering the program. This amendment re-inserts the language.

Amendment 4

The amendment adds language to statute (similar to that currently in law for the local impact account) so that the cash balance in the combined coal severance tax account reverts to the general fund. This amendment was written for the House, but never introduced.

Amendments 9, 10, & 11

Since Senate Bill 390 (an act reducing drivers license fees) has failed, the percentages of the fees allocated to the state traffic education account need to be lowered and the allocation to the general fund needs to be increased so the net effect to the general fund from de-earmarking justice's fine is zero. The amendments also add coordinating language for House Bill 248 (which also amends the percentages) so that Senate Bill 83 amendments take precedence.

{Office of Legislative Fiscal Analyst

444-2986}