

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

#### FREE CONFERENCE COMMITTEE ON HOUSE BILL 398

**Call to Order:** By CHAIRMAN MIKE TAYLOR, on April 17, 1997, at 9:00 A.M., in ROOM 405.

#### ROLL CALL

**Members Present:**

Rep. Royal C. Johnson (R)  
Rep. John Johnson (D)  
Rep. Betty Lou Kasten (R)  
Sen. Mike Taylor (R)  
Sen. Larry L. Baer (R)  
Sen. John "J.D." Lynch (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Nan LeFebvre, Fiscal Analyst  
Jaelene Racicot, Secretary

#### EXECUTIVE ACTION ON HB 398

#### Discussion:

SEN. TAYLOR opened the free conference hearing on HB 398. {Tape: 1; Side: A; Approx. Time Count: .1.}

REP. R. JOHNSON explained why HB 398 ended up in a free conference committee. Issues were not worked out with the Long Range Building Committee. He said the Senate put in the \$900,000 worth of potential general obligation bonds to be issued to affect the lease on the OPI building than doing it through a lease purchase. {Tape: 1; Side: A; Approx. Time Count: .6.}

REP. R. JOHNSON explained lease purchase. {Tape: 1; Side: A; Approx. Time Count: 3.2; Comments: See EXHIBIT 1.}

SEN. LYNCH stated he put #6 amendment in on the Senate amendments. He asked the committee why they would give up a valuable piece of land for \$1,000. {Tape: 1; Side: A; Approx. Time Count: 6.4.}

**Motion:** REP. KASTEN MOVED TO AMEND HB 398. {Tape: 1; Side: A; Approx. Time Count: 7.4.}

Discussion: Nan LeFebvre explained the amendment. {Tape: 1; Side: A; Approx. Time Count: 8.1.}

REP. KASTEN stated they should purchase the Billings building. She felt it would cost less in the long run than leasing the building for 25 years. {Tape: 1; Side: A; Approx. Time Count: 8.3.}

REP. J. JOHNSON asked who would be responsible for the operation and lease of the Billings building. SEN. TAYLOR stated the person who would leased the building would be responsible for the general maintenance of the building. {Tape: 1; Side: A; Approx. Time Count: 9.8.}

REP. R. JOHNSON stated either the committee could have the landlord maintain the building or the state would maintain the building. This would be negotiated before the contract would be signed. {Tape: 1; Side: A; Approx. Time Count: 10.7.}

Debra Fulton, Department of Administration, reiterated what REP. R. JOHNSON stated. {Tape: 1; Side: A; Approx. Time Count: 11.3.}

REP. J. JOHNSON asked if the contract would include major updates. Ms. Fulton stated no. {Tape: 1; Side: A; Approx. Time Count: 11.9.}

SEN. LYNCH asked Debra Fulton after five years the landlord could not double the rent. {Tape: 1; Side: A; Approx. Time Count: 12.3.}

REP. R. JOHNSON talked about impairment clauses in the lease. {Tape: 1; Side: A; Approx. Time Count: 12.9; Comments: Questioned Ms. Fulton.}

SEN. TAYLOR asked how many buildings were being leased in Billings. {Tape: 1; Side: A; Approx. Time Count: 13.5; Comments: Ms. Fulton stated four agencies would be moving into the building.}

SEN. TAYLOR asked about entering into an agreement with an option to purchase, would the rent be comparable to what the state was currently paying. {Tape: 1; Side: A; Approx. Time Count: 14.7; Comments: Ms. Fulton stated she did not know the exact figure but that cost would be higher.}

SEN. TAYLOR asked Ms. Fulton to explain why the state wanted to enter into this lease. {Tape: 1; Side: A; Approx. Time Count: 15.9.}

REP. KASTEN stated the cost of rent had been one of the menaces of controlling increases to the budget. {Tape: 1; Side: A; Approx. Time Count: 18.1.}

Vote: A ROLL CALL VOTE WAS TAKEN. THE MOTION FAILED 2 TO 4.

*{Tape: 1; Side: A; Approx. Time Count: 22.1.}*

Motion/Vote: REP. R. JOHNSON MOVED HB 398 DO CONCUR AS AMENDED.  
CONCUR WITH THE SENATE AMENDMENTS). A ROLL CALL VOTE WAS TAKEN.

THE MOTION CARRIED 4 - 2. *{Tape: 1; Side:A ; Approx. Time  
Count: 23.1.}*

ADJOURNMENT

Adjournment: 9:26 A.M.



SEN. MIKE TAYLOR, Chairman



JAELENE RACICOT, Secretary

MT/JR