

**MINUTES**

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

**JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT**

**Call to Order:** By CHAIRMAN ED GRADY, on January 13, 1997, at 8:05, in Room 402.

**ROLL CALL**

**Members Present:**

Rep. Edward J. "Ed" Grady, Chairman (R)  
Sen. Loren Jenkins, Vice-Chairman (R)  
Sen. Eve Franklin (D)  
Rep. Bob Keenan (R)  
Sen. Dale Mahlum (R)  
Rep. Joe Quilici (D)

**Members Excused:** Rep. Bob Keenan, joined meeting at 8:10  
Rep. Joe Quilici, excused from meeting at 8:10  
Sen. Eve Franklin, joined meeting at 9:25

**Members Absent:** None

**Staff Present:** Jim Turner, Legislative Fiscal Division  
Elaine Benedict, Committee Secretary

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: 1/8/97  
Executive Action: State Auditor's Office;  
Commissioner of Political  
Practices

**THESE TAPES RECORDED ON 2.4 SPEED SETTING. EACH SIDE OF EACH  
TAPE IS 60 MINUTES IN LENGTH.**

**HEARING ON STATE AUDITOR'S OFFICE**

Jim Turner, Associate Fiscal Analyst. EXHIBIT 1  
{Tape: 1; Side: A; Approx. Time Count: 0.1; Comments: None.}

John Patrick, OBPP.  
{Tape: 1; Side: A; Approx. Time Count: 6.4; Comments: None.}

Informational Testimony:

Mark O'Keefe, State Auditor. EXHIBITS 2 & 3  
{Tape: 1; Side: A; Approx. Time Count: 7.9; Comments: None.}

John Huth, Administrator of Centralized Services.  
{Tape: 1; Side: A; Approx. Time Count: 29.8; Comments: None.}

Frank Cote, Assistant Insurance Commissioner. EXHIBIT 4  
{Tape: 1; Side: A; Approx. Time Count: 32.1; Comments: SEE ALSO  
EXHIBIT 3.}

Hearing Questions/Responses:

{Tape: 1; Side: A; Approx. Time Count: 52.6; Comments: None.}

Non-Committee/Staff participants in discussion:

-Mark Nelson, State Auditor's Office

Informational Testimony (Resumed):

{Tape: 1; Side: A; Approx. Time Count: 54.1; Comments: None.}

Rene Erdmann, Securities Department Chief of Enforcement.  
{Tape: 1; Side: A; Approx. Time Count: 57.6; Comments: SEE  
EXHIBIT 3.}

Laura Weggenman, Securities Regulations Supervisor. EXHIBIT 5  
{Tape: 1; Side: A; Approx. Time Count: 65.3; Comments: SEE ALSO  
EXHIBIT 3.}

Mr. Huth.  
{Tape: 1; Side: B; Approx. Time Count: 8.4; Comments: None.}

Mr. O'Keefe.  
{Tape: 1; Side: B; Approx. Time Count: 11.1; Comments: None.}

Hearing Questions/Responses:

{Tape: 1; Side: B; Approx. Time Count: 14.4; Comments: None.}

Non-Committee/Staff participants in discussion:

-Mr. O'Keefe

-Mr. Huth

Tanya Ask, Blue Cross Blue Shield of Montana.

{Tape: 1; Side: B; Approx. Time Count: 54.5; Comments: SEE  
WITNESS STATEMENT.}

COMMITTEE BUSINESS

{Tape: 1; Side: B; Approx. Time Count: 58.8; Comments: None.}

REP. BOB KEENAN. EXHIBITS 6 & 7

{Tape: 1; Side: B; Approx. Time Count: 59.3; Comments: None.}

Mr. Turner. EXHIBITS 8, 9 & 10

{Tape: 1; Side: B; Approx. Time Count: 64.3; Comments: None.}

Questions/Discussion:

{Tape: 2; Side: A; Approx. Time Count: 2.9; Comments: None.}

Non-Committee/Staff participants in discussion:

-SEN. CHARLES "CHUCK" SWYSGOOD, SD 17, Beaverhead County.

EXECUTIVE ACTION ON STATE AUDITOR'S OFFICE

{Tape: 2; Side: A; Approx. Time Count: 36.8; Comments: None.}

Motion/Vote: SEN. EVE FRANKLIN moved to accept the 1996 base budget. Motion passed with REP. KEENAN voting no.

EXECUTIVE ACTION ON COMMISSIONER OF POLITICAL PRACTICES

{Tape: 2; Side: A; Approx. Time Count: 37.3; Comments: None.}

{Tape: 2; Side: A; Approx. Time Count: 38.0; Comments: TAPE STOPS  
MOMENTARILY.}

Motion/Vote: REP. JOE QUILICI moved to reconsider action on Commissioner of Political Practices. Motion passed unanimously.  
{Tape: 2; Side: A; Approx. Time Count: 38.1; Comments: None.}

Motion/Vote: SEN. FRANKLIN moved to accept the 1996 base budget. Motion passed unanimously.  
{Tape: 2; Side: A; Approx. Time Count: 38.9; Comments: None.}

Motion/Vote: REP. QUILICI moved to accept New Proposal for Personal Services deducting \$37,022 in FY 1998 and \$37,137 in FY 1999 as contained in the agency proposed budget table on page A-55 of Volume 1 of the Governor's Budget and Legislative Budget Analysis. Motion passed unanimously.  
{Tape: 2; Side: A; Approx. Time Count: 39.3; Comments: None.}


Motion/Vote: REP. FRANKLIN moved to accept New Proposal for Operating Expenses deducting \$6,271 in FY 1998 and \$6,489 in FY 1999 as contained in table on page A-55. Motion passed unanimously.  
{Tape: 2; Side: A; Approx. Time Count: 40.2; Comments: None.}

Motion: REP. FRANKLIN moved to accept Present Law Adjustment grand totals of \$42,557 in FY 1998 and \$42,275 in FY 1999 as contained in table on page A-56.  
{Tape: 2; Side: A; Approx. Time Count: 41.8; Comments: None.}

Vote: Motion passed with REP. KEENAN voting no.  
{Tape: 2; Side: A; Approx. Time Count: 45.9; Comments: None.}

ADJOURNMENT

Adjournment: 11:15

  
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REP. EDWARD J. "ED" GRADY, Chairman

  
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ELAINE BENEDICT, Secretary

EJG/emb