

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on February 5, 1997, at 8:00 A.M., in Room 201

ROLL CALL

Members Present:

Rep. Roger DeBruycker, Chairman (R)
Sen. Thomas F. Keating, Vice-Chairman (R)
Sen. Larry L. Baer (R)
Rep. John Johnson (D)
Sen. Linda J. Nelson (D)
Rep. William R. Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Roger Lloyd, Legislative Fiscal Division
Cindy Weaver, Legislative Fiscal Division
Theda Rossberg, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted:
Executive Action:

Tape 1,A
Speed 2.4

HEARING DEPARTMENT OF COMMERCE
HOUSING DIVISION

EXHIBIT 1. Maureen Rude, Administrator of the Housing Division and Executive Director Board of Housing gave testimony on that division.

Questions and Responses:

{Tape: 1; Side: A; Approx. Time Count: 2.1; Comments: .}

CHAIRMAN DEBRUYCKER inquired as to whether or not they rented housing and how the rent was paid.

{Tape: 1; Side: A; Approx. Time Count: 3.7; Comments: .}

HOUSE NATURAL RESOURCES SUBCOMMITTEE
February 5, 1997
Page 2 of 8

EXHIBIT 2, Pages G-111 and G-112. Ms. Rude explained the tax credit program.

{Tape: 1; Side: A; Approx. Time Count: 6.7; Comments: .}

EXHIBIT 3. Low Income Housing Tax Credit Program.

{Tape: 1; Side: A; Approx. Time Count: 7.3; Comments: .}

EXHIBIT 4. Reverse Annuity Mortgage Program.

{Tape: 1.; Side: A; Approx. Time Count: 11.8; Comments: .}

EXHIBIT 5 and 5A. Single Family Mortgage Program Loans Purchased by County.

{Tape: 1; Side: A; Approx. Time Count: 20.7; Comments: .}

Continued testimony by Maureen Rude.

{Tape: 1; Side: A; Approx. Time Count: 26.3; Comments: .}

EXHIBIT 6, Pages G-113 and G-114. Ms. Rude reviewed the budget for the Housing Division.

{Tape: 1.; Side: A; Approx. Time Count: 35.3; Comments: .}

Ms. Weaver stated that the committee needed to act on the rates. See EXHIBIT 2, Page G-111.

{Tape: 1.; Side: A; Approx. Time Count: 39.2; Comments: .}

EXECUTIVE ACTION HOUSING DIVISION

BUDGET ITEMS:

Motion/Vote: REP. WISEMAN MOVED TO APPROVE THE FEE RATES FOR 1998 AND 1999. Motion carried unanimously.

EXHIBIT 7, Page C-263. EXECUTIVE PRESENT LAW ADJUSTMENTS;

5) Consolidated Plan:

Motion/Vote: SEN. KEATING MOVED TO APPROVE THE \$90,000 FOR FY99 FOR CONSOLIDATED PLAN. Motion carried unanimously.

6) Section 8 Rent Surveys:

Motion/Vote: REP. WISEMAN MOVED TO APPROVE ITEM 6, SECTION 8 RENT SURVEYS. Motion carried unanimously.

7) Section 8 Equipment Replacement:

Note: No action taken on Item 7, because of "0" request.

HOUSE NATURAL RESOURCES SUBCOMMITTEE
February 5, 1997
Page 3 of 8

8) Section 8 Rent Increase:

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 8, SECTION 8 RENT INCREASE. Motion carried unanimously.

{Tape: 1; Side: A; Approx. Time Count: 54.0; Comments: .}

9) Grants:

Discussion: The department and the committee members discussed the grants budget.

{Tape: 1; Side: A; Approx. Time Count: 67.7; Comments: .}

Motion/Vote: REP. WISEMAN MOVED TO APPROVE ITEM 9, GRANTS. Motion carried unanimously.

10) Replacement Equipment:

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 10, REPLACEMENT EQUIPMENT. Motion carried unanimously.

11) Indirect Administrative Costs:

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 11, INDIRECT ADMINISTRATIVE COSTS. Motion carried unanimously.

12) Contracts and Operating Costs:

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 12, CONTRACTS AND OPERATING COSTS. Motion carried unanimously.

Other Base Adjustments:

Motion/Vote: SEN. KEATING MOVED TO APPROVE OTHER BASE ADJUSTMENTS. Motion carried unanimously.

{Tape: 1; Side: A; Approx. Time Count: 75; Comments: .}

EXHIBIT 8, Page C-263 - EXECUTIVE NEW PROPOSALS

1) Section 8 Workload Increase:

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 1, SECTION 8 WORKLOAD INCREASE. Motion carried unanimously.

Tape 1, B
Speed 2.4

EXECUTIVE NEW PROPOSALS CONTINUED

{Tape: 1; Side: B; Approx. Time Count: 6.1; Comments: .}

2) Project Based Replacement:

Motion/Vote: REP. WISEMAN MOVED TO APPROVE ITEM 2, PROJECT BASED REPLACEMENT. Motion carried unanimously.

Motion/Vote: REP. WISEMAN MOVED TO CLOSE THE HEARING ON THE HOUSING DIVISION. Motion carried unanimously.

{Tape: 1; Side: B; Approx. Time Count: 11.3; Comments: .}

HEARING COMMUNITY DEVELOPMENT BUREAU

EXHIBIT 9, Flow charts. Mr. Newell Anderson, Administrator Local Government Assistance program reviewed the flow charts on Montana's Local Government.

EXHIBIT 10, Page C-247. Program Description.

EXHIBIT 11. Mr. Anderson's testimony on the Proposed 1999 budget for the different programs.

{Tape: 1; Side: B; Approx. Time Count: 32.2; Comments: .}

Dave Cole, Bureau Chief Community Development Bureau explained the grant funds.

Questions and Responses:

SEN. KEATING asked what was the final disposition of the grant money that goes to a local authority.

Mr. Cole said there was no reimbursement, because that was a grant and doesn't have to be repaid.

{Tape: 1; Side: B; Approx. Time Count: 37.1; Comments: .}

Questions and Responses Continued:

{Tape: 1; Side: B; Approx. Time Count: 41.1; Comments: .}

EXHIBIT 12. Treasure State Endowment Program Funding Comparisons. Mr. Anderson reviewed the funding comparisons.

Mr. Anderson gave testimony on the Montana Community Technical Assistance Program. See EXHIBIT 11.

HOUSE NATURAL RESOURCES SUBCOMMITTEE
February 5, 1997
Page 5 of 8

EXHIBIT 13. The Public Works Database brochure.

{Tape: 1; Side: B; Approx. Time Count: 54.8; Comments: .}

Mr. Anderson reviewed the Hard Rock Mining Impact program. See EXHIBIT 11.

{Tape: 1; Side: B; Approx. Time Count: 59.1; Comments: .}

Questions and Responses:

SEN. KEATING asked how that program was funded.

Mr. Anderson replied that the program was funded by 1.5% of the Metal Mines License Tax.

EXHIBIT 14, Page C-248. Ms. Weaver stated that under Local Impact, that figure changed to \$500,000 in FY98 and 0 in FY99, based on the committee's previous action.

{Tape: 1; Side: B; Approx. Time Count: 68.5; Comments: .}

EXECUTIVE ACTION COMMUNITY DEVELOPMENT BUREAU

EXHIBIT 15, Pages C-249 and C-250. BUDGET ITEMS

6) Coal Board Adjustment:

Mr. Anderson reviewed Item 6.

Motion: REP. WISEMAN MOVED TO APPROVE ITEM 6, COAL BOARD ADJUSTMENT.

Discussion:

Vote: Motion carried unanimously.

7) Hard Rock Mining Adjustments:

Mr. Anderson reviewed Item 7.

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 7, HARD ROCK MINING ADJUSTMENTS. Motion carried unanimously.

9) Treasure State Endowment Adjustment

Mr. Anderson said Item 9 was a definition of contracted services to deal with reviews of the applications.

Motion/Vote: SEN. NELSON MOVED TO APPROVE ITEM 9, TREASURE STATE ENDOWMENT ADJUSTMENT. Motion carried unanimously.

10) Indirect Administrative Costs:

Mr. Anderson said the administrative costs were 3 less programs than they had before.

Motion/Vote: REP. WISEMAN MOVED TO APPROVE ITEM 10, INDIRECT ADMINISTRATIVE COSTS. Motion carried unanimously.

{Tape: 1; Side: B; Approx. Time Count: 86.9 ; Comments: .}

11) CDBG Operating Costs.

Mr. Cole reviewed Item 11.

EXHIBIT 16 - Montana CDBG Program Incorporated Cities and Towns. Application & Funding History (1982 -1995)

Tape 2, A
Speed 2.4

{Tape: 2; Side: A; Approx. Time Count: 0; Comments: .}

Questions and Responses:

SEN. BAER asked the department if they could provide the funding for Item 11 out of special revenue rather than general fund.

Mr. Cole replied that the funding was approximately 90% federal funds and 10% general funds.

Motion/Vote: REP. WISEMAN MOVED TO APPROVE ITEM 11, CDGB OPERATING COSTS. Motion carried 4 - 2 with SEN. KEATING and SEN. BAER voting no.

12) Replacement Equipment:

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 12, REPLACEMENT EQUIPMENT. Motion carried unanimously.

13) Community Development Grants:

Discussion:

Mr. Anderson explained budget Item 13.

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 13, COMMUNITY DEVELOPMENT GRANTS AND REVISIT THAT ITEM AFTER THE NARRATIVE WAS CLARIFIED. Motion carried unanimously.

Other Base Adjustments:

Motion/Vote: REP. WISEMAN MOVED TO APPROVE OTHER BASE ADJUSTMENTS. Motion carried unanimously.

HOUSE NATURAL RESOURCES SUBCOMMITTEE
February 5, 1997
Page 7 of 8

Motion/Vote: SEN. KEATING MOVED TO CLOSE THE COMMUNITY DEVELOPMENT BUREAU. Motion carried unanimously.

{Tape: 2; Side: a; Approx. Time Count: 18.4; Comments: .}

HEARING LOCAL GOVERNMENT AUDIT AND SYSTEMS BUREAU

Mr. Anderson gave an overview of the Bureau. See EXHIBIT 11.

EXECUTIVE ACTION LOCAL GOVERNMENT AUDIT AND SYSTEMS BUREAU

BUDGET ITEMS:

EXHIBIT 17, Pages C-251 and C-252

4) On-Site System Work:

5) Information for Local Governments:

6) Service Offices:

{Tape: 2; Side: A; Approx. Time Count: 32.4; Comments: .}

Discussion:

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEMS 4, 5 AND 6. Motion carried 5 - 1 with SEN. BAER voting no.

7) Service Operations:

Discussion:

Mr. Anderson reviewed item 7.

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 7. Motion failed 3 - 3.

8) Indirect Costs and Recharges:

{Tape: 2; Side: A; Approx. Time Count: 33.8; Comments: .}

Discussion:

Mr. Anderson and the committee members discussed Item 8.

Motion/Vote: SEN. KEATING MOVED TO APPROVE ITEM 8, INDIRECT COSTS AND RECHARGES. Motion carried 5 - 1 with SEN. BAER voting no.

Other Base Adjustments:

Motion/Vote: REP. WISEMAN MOVED TO APPROVE OTHER BASE ADJUSTMENTS. Motion carried unanimously.

HOUSE NATURAL RESOURCES SUBCOMMITTEE
February 5, 1997
Page 8 of 8

ADJOURNMENT

Adjournment: 12:00 P.M.

Roger DeBruycker
REP. ROGER DEBRUYCKER, Chairman

Theda Rossberg
THEDA ROSSBERG, Secretary

RD/TR