

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By CHAIRMAN DON HARGROVE, on January 22, 1997, at
10:00 a.m., in Room 331

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. Kenneth "Ken" Mesaros, Vice Chairman (R)
Sen. Vivian M. Brooke (D)
Sen. Delwyn Gage (R)
Sen. Fred Thomas (R)

Members Excused: Sen. Bill Wilson (D)

Members Absent: None

Staff Present: David Niss, Legislative Services Division
Mary Morris, Committee Secretary

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 75, 1/20/97;
SB 152, 1/20/97
Executive Action: SB 110 DPAA; SB 114 DPAA;
SB 124 DP; SB 154 TABLE

HEARING ON SB 152

Sponsor: SEN. WALTER MCNUTT, SD 50, SIDNEY

Proponents: John Cadby, Montana Bankers Association
Brenda Nordlund, Motor Vehicle Division, Montana
Department of Justice
Steve Turkiewicz, Montana Auto Dealers Association

Opponents: None

Opening Statement by Sponsor:

SEN. WALTER MCNUTT, SD 50, SIDNEY, stated that SB 152 will
provide for a pilot program to be established for the electronic
filing and perfection of liens on titled motor vehicles to create
a more efficient and effective method of filing liens. He

explained that, currently, lending institutions perfect voluntary liens, which are shown on the face of the title, but that involuntary liens, such as child support liens established by the State of Montana, are filed directly with the Motor Vehicle Division, and do not show on the face of the title. He added that, in Montana, there are currently about 2.2 million registered motor vehicles, and approximately 600,000 liens, and that around 250,000 liens are filed each year at a fee of \$4 each.

Proponents' Testimony:

John Cadby, Montana Bankers Association, reported that bankers and other lenders have been filing commercial liens with the Secretary of State electronically for quite a while, and have found it extremely helpful and efficient in determining instantly what other liens have been placed against that individual property, and in deciding whether or not to approve a loan. He pointed out that the electronic filing of motor vehicle liens would be slightly different, and that the purpose of this bill is to establish a pilot program to experiment with the procedures, and then come back to the Legislature in 1999 to implement a permanent state-wide program. He added that he did not think it would be very difficult, that other states already have this program in place, and commercial liens are currently being handled electronically in Montana. He urged the Committee's support of the bill.

Brenda Nordlund, Motor Vehicle Division, Montana Department of Justice, indicated that they are excited about the prospect of implementing this pilot program, allowing them to try things in a limited arena and, hopefully, get all the kinks worked out, and determine if this is a viable option for a state-wide program which they could propose to the Legislature in two years. She pointed out that the Motor Vehicle Division has had great success with pilot programs such as the Driver Education Program, which has been expanded state-wide, as well as the Third Party Commercial Driver Testing Program. She explained that a pilot program allows the Division to work things out on a smaller scale, noting that, with an electronic system of filing liens, a lot of people could be affected if the bugs are not worked out in advance. She added that they look forward to this public and private partnership, and urge a do pass recommendation.

Steve Turkiewicz, Montana Auto Dealers Association, reported that they are a non-profit trade association representing Montana's new car and truck franchise dealers, and are in support of this bill.

Opponents' Testimony: None

Questions From Committee Members and Responses:

VICE CHAIRMAN KEN MESAROS asked Mr. Cadby if the other states which have this program are surrounding states, and if Montana could communicate with them regarding this program.

Mr. Cadby reported that Colorado has an electronic lien filing system in place, and then indicated that Bud Schoen, Motor Vehicle Division, could provide more information.

Bud Schoen, Chief, Title and Registration Bureau, Motor Vehicle Division, Department of Justice, indicated that he believes there are about eight to ten states who are actively filing liens electronically, that Washington, Idaho, Virginia, and perhaps Wisconsin have an electronic system for lien filing. He added that they also do paperless titles, which is electronic filing of a transfer of ownership, and that a title is issued after the lien is paid.

SEN. DELWYN GAGE asked Mr. Cadby what types of liens are filed with the Secretary of State's office.

Mr. Cadby replied that commercial and agriculture liens are filed electronically with the Secretary of State's office, that only vehicles such as farm and ranch equipment used for the operation of a business would be included in these loans, adding that, if it is a titled vehicle, in order to be perfected, the lien has to be placed on the title of the vehicle itself and filed with the Registrar of Motor Vehicles in Deer Lodge.

SEN. GAGE asked if a specific auto dealership, or perhaps several, would be selected to participate in this pilot program.

Ms. Nordlund responded that she thinks they would be working with the Montana Bankers Association to decide where to start the pilot project, adding that Dean Roberts, Administrator, Motor Vehicle Division, had indicated they would probably start on a very small scale, perhaps even with only one bank.

SEN. GAGE asked if they had thought about talking to Ford Motor Credit or GMAC, as opposed to a local bank.

Ms. Nordlund stated that, at this point, they would like to keep it fairly focused, noting that, in the long-term, she would expect that the auto dealers and credit corporations associated with the manufacturers would like to see this benefit extended to them. She pointed out that this would mean a massive change in the way the filing of liens is currently handled, that it will affect a substantial number of people in the State, and they need to work out the kinks before they dedicate lines in and out of their system for these purposes.

SEN. GAGE asked if this program would go through the next biennium.

Ms. Nordlund indicated that the bill has a sunset provision, that it would end July 1, 2000, and, in order to go beyond this biennium, they would have to request further authorization from the Legislature.

SEN. GAGE indicated that the Fiscal Note (**EXHIBIT 1**) shows \$20,000 for FY98, noting that he would assume part of that cost would be for equipment, and asked if this would affect FY99 as well.

Ms. Nordlund responded that she would anticipate that is directly related to just the start-up, and that they do not anticipate any changes in personnel or anything else for 1999.

CHAIRMAN DON HARGROVE asked what the \$20 per hour referred to in the fiscal note is for, and if there would be any equipment or modifications of any kind included.

Ms. Nordlund explained that the assumption in No. 3 of the Fiscal Note, which refers to approximately 1,000 hours of costs at \$20 per hour in fiscal year 1998, in large part, will be programming costs, and that the remaining would be hardware, training, computer access lines, modem and telephone lines, all of which would be part of the start-up costs.

CHAIRMAN HARGROVE asked if they anticipate collecting additional revenue as a result of this, particularly from child support liens.

Ms. Nordlund responded that the Department has spent a lot of time with child support liens lately, but pointed out that she does not know that this program would result in a windfall to the Child Support Enforcement Division. She indicated that she thinks it will make things clearer between the bankers, the auto dealers and the Child Support Enforcement Division in terms of which lien has priority, but that she does not think this program was intended for that purpose, although she could not address the possibility of a collateral affect. She pointed out that this would not increase the Motor Vehicle Division's revenues, that the cost of filing a lien will not change.

Mr. Cadby reported that the Montana Bankers Association has been working with the Department to develop an electronic bulletin board for lenders and dealers to solve the problem of hidden involuntary child support liens. He indicated this would be funded by the people who access the information at an anticipated fee of something like ten-cents each time the information is accessed, which could generate additional revenue for the Motor Vehicle Division. He pointed out that the current fee of \$4 to file a lien could be increased, if the Motor Vehicle Division felt it was necessary to cover costs for the pilot program. He added that, in the future, this should reduce the administrative burden on both County and State government, and that the net

effect would yield more revenue, rather than incur greater cost to State and local government.

Closing by Sponsor:

SEN. MCNUTT indicated that he thinks the pilot program is the way to do this, that he believes it is only a matter of time before an electronic system will be implemented, and urged a do pass recommendation on the bill.

HEARING ON SB 75

Sponsor: SEN. MIKE SPRAGUE, SD 6, BILLINGS

Proponents: SEN. KEN MILLER, SD 11, LAUREL
Bob Brown, Whitefish

Opponents: None

Opening Statement by Sponsor:

SEN. MIKE SPRAGUE, SD 6, BILLINGS indicated that what they are trying to accomplish is to bring the discussion forward on the timeliness and/or need for annual legislative sessions, and that SB 75 is a Constitutional Amendment proposal, requiring a two-thirds vote of the Legislature in order to be placed on the ballot. He stated that it is time to readdress the issue of annual sessions, pointing out that SB 75 proposes annual 45 day sessions, with a biennial budget proposal, and is not the same bill previously defeated by the voters. He indicated that the voters of Montana feel that term limitations are necessary for the Legislature, but that those who remain must know as much as their predecessors, who may have spent up to thirty years learning the process. He stated that he feels somewhat uneasy knowing that he and SEN. LINDA NELSON could be the Deans of the Senate, and it is their responsibility to know the issues, the budgets, and those kinds of things, and to do a credible job for the voters. He indicated that he does not know any other way to do that other than to meet more often, with the idea being that the first 45-day session would be concentrated on budget issues and, in the next session, they would handle other issues. He added that the Federal Government is giving back states' rights, and it is the Legislature's duty to be responsive to those demands in a timely manner.

SEN. SPRAGUE then pointed out that states are in competition for opportunity and, if the Montana Legislature is out of session half the time, and can not react quickly enough, Montana will lose by default. He indicated that there would be testimony from people with more wisdom and experience than he has on this issue, and encouraged the Committee members to ask them questions.

Proponents' Testimony:

SEN. KEN MILLER, SD 11, LAUREL, stated that he supports this bill, that he and **SEN. SPRAGUE** have discussed this issue extensively over the past couple of years. He indicated the he has a driving urge to make our State as good as it can be, and that he thinks it is important to have a citizen's Legislature, but stated that it is difficult for a citizen to be gone for four months, no matter what their occupation, adding that, for people involved in agriculture, the 90-day session would interfere with planting season. He reported that he has talked to people in his district who would make excellent Legislators, but they tell him they can not be away from home that long, particularly during the month of April, adding that, with term limits, there will be a need for more people to be involved and shorter sessions would allow that. He stated that he thinks this would create a more responsible government, it would allow Legislators to be more responsive to their constituents, and he believes this is the direction they need to go in.

Bob Brown, Whitefish, reported that he discussed this issue with **SEN. SPRAGUE**, and shared with him some of the history regarding annual legislative sessions in Montana, adding that he would like to share this information with the Committee, and hopes the members will find it useful in deciding to give this bill a do pass recommendation.

He indicated that, when he first came to the Legislature in 1971, they were functioning under the 1889 Constitution, and the Legislature met every other year for sixty calendar days, including Sundays, adding that, in one session, they met for thirty-eight straight days without a break. He reported that, in 1972, the Constitution was re-written and provided for annual sixty-day legislative sessions, noting that they met for sixty legislative days, instead of sixty calendar days, and that the Legislature could decide whether to meet for five or six days a week. He pointed out that one of the problems they encountered was that legislation which was not enacted at the end of the first sixty-day session was held over until the next session, creating a situation where people had to fight a bill in the first session, and then fight the same bill all over again in the next session, adding that people expected that, when a bill was killed, it should stay dead until the next election. He indicated that he believes this is one of the main reasons that annual sessions was unpopular and, as a result, citizens organizations successfully placed a Constitutional Amendment on the ballot in 1974 which repealed the annual sessions provision, replacing it with a provision for ninety-day sessions every other year, noting that it passed with a narrow margin.

Mr. Brown then reported that, in the 1981 session, the Legislature decided to give the people the opportunity to again amend the Constitution to provide for annual sessions of sixty-days in the odd-numbered years, and forty-five days in the even-

numbered years, but this proposal was voted down. He indicated that this would have been fifteen more days than the ninety day sessions every other year, and he believes this was part of the reason it was unsuccessful, adding that it was defeated by 50,000 votes, state-wide.

Mr. Brown indicated that he agrees with the argument that it is difficult for people to disrupt their business or career for ninety days. He then reiterated that the Federal Government will be shifting more responsibility to the states. He indicated that most people agree states should exercise more responsibility, that states are going to be more important in the Federal system, and that the Legislature should meet more often, and be more business-like in its approach to those responsibilities. He noted that Montana has a multi-billion dollar budget, and the elected "Board of Directors" should meet at least on an annual basis.

He pointed out that this bill does not increase the amount of time the Legislature would meet, that it divides the biannual ninety-day sessions into annual forty-five day sessions, adding that, if possible, each session should end by the end of February so that the Legislature would only meet in January and February every year, which would be less disruptive to personal lives, and the Legislature could do a better, more coherent job of handling the business of the people. He stated that government does not discontinue when the Legislature is not in session, that government still operates, making decisions which have to be ratified when the Legislature reconvenes. He added that the Legislature is elected by the people, and should be in session at least on an annual basis to shoulder the responsibility they were elected to assume.

Mr. Brown indicated that he thinks this is something Legislators talk about and think is a good concept, but they also think the people do not like the idea. He added that he thinks it is time, that it has been fifteen years since the people had an opportunity to vote on this issue, and the last time it was proposed for an increased amount of time, but this proposal would divide the amount of time the Legislature currently meets into two annual sessions.

{Tape: 1; Side: A; Approx. Time: 10:38 a.m.; Comments: End of Tape 1, Side A.}

SEN. TOM BECK, SD 28, DEER LODGE, stated he supports this bill.

Opponents' Testimony: None

Questions From Committee Members and Responses:

SEN. FRED THOMAS asked **Mr. Brown** if he does not recall that this issue was voted on in 1988, that it was called "split sessions" at that time.

Mr. Brown acknowledged that it was, noting that it was a bill sponsored by **SEN. THOMAS**.

SEN. THOMAS pointed out that **Mr. Brown**, as a former Senator, also signed on the bill, and that the vote was 49% in favor and 51% against the measure, which was for one-hundred days.

Mr. Brown noted that it would still be ten years since this issue had been put to the voters.

SEN. THOMAS asked **Mr. Brown** if he felt the measure failed because of the length of the sessions.

Mr. Brown responded that this was the problem in the 1982 proposal, but that the 1988 proposal only added five days.

SEN. THOMAS corrected that to ten days.

Mr. Brown pointed out that they need to be careful that, if a bill dies in the first session, it can not be resuscitated in the second session, noting that this is a valid criticism of annual legislative sessions. He added that **SEN. SPRAGUE's** proposal provides for a biennial budget, but that the budget could be fine-tuned in either session, and there may be some advantage to that. He reported that other states which have changed to an annual budget now wish they had stayed with a biennial budget system.

SEN. VIVIAN BROOKE asked **SEN. SPRAGUE** if he envisioned these sessions as one ninety-day legislative session divided into two parts, or two separate forty-five day sessions.

SEN. SPRAGUE responded that he is proposing one ninety-day legislative session divided into two parts, adding that he would envision each part having a specific, but different purpose. With regard to the carry-over of bills, he reported that he worked with **Greg Petesch, Legislative Services Division** on the bill, who assured him that, because this proposal is designed with the intent of focusing on budget items in one part of the session, and other matters in the other part, this would limit the issues to be dealt with in each session.

SEN. BROOKE pointed out that the bill states "The session in each odd-numbered year shall adopt a balanced budget for the ensuing biennium", and asked **SEN. SPRAGUE** how it can be limited to just that with this language.

SEN. SPRAGUE reported that he spent a year and a half working on this bill, talking with everyone he could, and that **Mr. Petesch** assured him that this language would limit the sessions to those issues, adding that if **SEN. BROOKE** could suggest a way to clarify that, he would be glad to consider it. He added that **SEN. J. D. LYNCH** asked to be included as a proponent on this bill.

SEN. BROOKE indicated that she has several concerns about that language, pointing out that, if, for instance, the Federal Government sent down another welfare reform proposal, and the Legislature was in the middle of their budget deliberations, that welfare issue would most likely be given to the Legislative Finance Committee, much in the same manner as is currently being done in the interim, in order to decide how to incorporate that Federal proposal into our system.

SEN. SPRAGUE responded that he would think it would be a time-sensitive issue that the Legislature would have the dexterity to respond to.

SEN. BROOKE indicated that it would seem that would, then, open it up for the majority party to determine what is time sensitive, or what would be allowed in any case. She added that she understands what he is trying to do, but does not see that there is a restriction in the language, that, as she sees it, there is a lot of flexibility on the part of the majority party to manipulate the rules to their advantage.

SEN. SPRAGUE asked **Mr. Brown** to respond to this, adding that he sees this as a tapestry process, and would welcome input to make this proposal more appealing. He indicated that there is a problem, they all admit there is a problem, and the solution may be that it needs to have more threads added to it.

Mr. Brown stated that he agrees with **SEN. BROOKE**, adding that he thinks it takes away some of the arguments for annual legislative sessions to be too restrictive as to what can be done in each session. He indicated that he thinks there should be a provision to allow for general legislation to be considered in each session. He stated that they do not need to "plow the whole ground" every year, that they may want to do some fine-tuning of the budget in the other session, and it should be flexible, although the emphasis in one of the sessions probably should be the budget, that the other session would focus on general legislation, but might also involve some budget items.

SEN. BROOKE pointed out that another point she made was that she felt there could be some manipulation of rules.

Mr. Brown stated that, if there is to be a biennial budget, it would seem to him that the first session would have to be the budget session, but there might be some general legislation they may want to consider at that time, although the budget would monopolize that first session. He indicated that, in the second session, hopefully, they would not have to do much more with the budget, and could concentrate on the general legislation, but that they would not exclude consideration of anything in either session.

He indicated that he did not think the Rules Committee would decide that any particular legislation could not be considered in

any one session, that he does not believe that would be an inherent problem. He added that they need to be careful about being so specific as to put things in the Constitution that might be better left in the Legislative Rules.

SEN. BROOKE pointed out that she is not saying the Rules Committee would do that, that she is just saying it opens the door for the them to be able to set the criteria for what the general bills have to contain, or who is sponsoring them, and other kinds of manipulation. She reiterated that it opens that door, but she is not saying that it would happen, although it is a possibility in any given situation, if the majority party isn't in favor of the other party's agenda.

Mr. Brown pointed out that Montana is one of a handful of states that does not meet annually, noting that Texas still meets biannually but routinely have a special session every other year. He indicated that it would seem that most of the other states have figured out how to make annual sessions work, without the tyranny of the majority party, so he would imagine that it is possible to do, although there will always be a majority and a minority. He stated that, Montana, historically, has been closely divided, that there have been instances when one party was the majority in the House, and the other was the majority in the Senate, and the Joint Rules Committee is not dominated by one political party. He added that there could be problems in almost any system, and suggested contacting some of the other states to find out what process they use to determine what can be considered from one legislative session to the next.

SEN. THOMAS indicated that the proposal they dealt with in 1988 addressed this issue, noting that a lot of work was done by the Legislative Council at that time, and it stated that "the session in odd numbered years must be devoted to consideration of revenue" and "the session in the even numbered years must be limited to consideration of general legislation, and not related to revenue". He added that it also provided that no bill introduced in one session may be carried over to the other session of that Legislature. He further indicated that the bill stated "the Legislature may adopt rules permitting consideration of legislation unrelated to the subject limitations of that session". He reported that they considered requiring a two-thirds majority vote in order to allow consideration of an issue outside the call, or to put it in the rules, but pointed out that he thinks there should be a mechanism, either by rule or by a vote, in the Constitution, to effect this.

SEN. GAGE reported that he and former Senator **Pete Story** have discussed this issue in the past, that they discussed it with Leadership at various times, and one of the concerns they heard, particularly from new Legislators, is that more Legislators do not have the opportunity to be more involved in the budgeting process. He indicated that one of his proposals was that everyone would be on a subcommittee, and would hear the budget

proposals, that those bills would go to the House Appropriations Committee, and back to the Senate, to the Conference Committees, and through the regular process. He added that, in the meantime, other bills would be introduced and assigned to a committee, but those committees would not meet, that, when the budget issues had been completed, the session would be adjourned until the end of the year. He explained that, during that time, if a committee felt the need to hold a hearing on a particular issue, those hearings could be held anywhere in the State, and the Committee could complete their deliberations at the end of the year during the reconvened session. He pointed out that it could be handled this way under current law and current Constitutional provisions, adding that he thinks it would work.

SEN. SPRAGUE indicated that he agreed with that proposal, but pointed out that he thinks the public would view that end of the year session as a special session, and he did not think any administration wanted to be perceived as the one spending all that money and not being able to handle everything during the regular session. He added that he thinks they need to be up-front with the public and that, in order for them to do their job, they need to make sure they meet on a rhythmic basis, not in a crisis-management mode. He pointed out that one of the reasons he got involved in the Legislature was because, as a business person, he felt threatened, that he did not know what was going on and wanted to be part of the solution, not part of the problem.

SEN. GAGE indicated that his point was that they should give it a try and, if it works better that way, and serves the people of Montana and the Legislators better, then they should go to the people with a Constitutional Amendment for annual sessions.

SEN. SPRAGUE responded that he appreciates the wisdom of **SEN. GAGE's** experience, then reiterated that he sees this as a tapestry, that he does not have all the answers but thinks that someone should step forward and put it up for debate, and put it to the voters. He indicated that, if the voters choose not to go with forty-five day annual sessions, they could implement **SEN. GAGE's** concept, or perhaps even before. He added that he would feel better, and he thinks a lot of Legislators would feel better having tried, that they would not be abdicating their responsibility, but not to expect them to have all the wisdom of time if they don't have the time.

SEN. GAGE suggested that they consider implementing this with bills introduced in the odd-numbered years to be heard in the even-numbered years, so they will have the opportunity to look at those bills between the two sessions.

Mr. Brown indicated that the current ninety-day session could be divided into two forty-five day sessions, if they were held in the same year, that it is within the rules to do that. He pointed out, however, that, with Thanksgiving and Christmas, the

months of November and December would be a difficult time for a legislative session, and earlier periods would interfere with agricultural and other activities, noting that the people who wrote the original Constitution, providing for sixty calendar-day sessions, believed that January and February were the best times to hold legislative sessions.

CHAIRMAN HARGROVE asked **SEN. SPRAGUE** if he has talked with any of the other western states that have annual sessions, with the functions of those sessions split, similar to this proposal.

SEN. SPRAGUE reported that he attended the National Legislative Council, and visited with several Legislators from other states with this type of annual session, and that those people could not imagine how Montana functions with our current system of legislative sessions. He added that everyone they talked to was comfortable with their system, that the Montana delegates were the only ones expressing dissatisfaction.

Closing by Sponsor:

SEN. SPRAGUE thanked the Committee for a good hearing, and stated that this is just the beginning of a dialogue that he hopes will lead to some constructive change, adding that he is open to any suggestions.

EXECUTIVE ACTION ON SB 154

Amendments: None

Motion/Vote: **SEN. THOMAS's** motion that **SB 154 BE TABLED CARRIED UNANIMOUSLY**

EXECUTIVE ACTION ON SB 110

Amendments: SB011001.adn

Motion: **VICE CHAIRMAN MESAROS** moved that **SB 110 DO PASS AS AMENDED**

Discussion:

Mr. David Niss pointed out that executive action on SB 110 was suspended on January 17, 1997, that a motion had been made that SB 110 do pass as amended, but a vote was not taken.

CHAIRMAN HARGROVE indicated that he recalled there was discussion, and asked if the Committee would like to continue that discussion.

SEN. GAGE noted that he spoke with some of the people who worked on the bill, and they answered his questions.

SEN. BROOKE asked if SEN. GAGE was satisfied with the language on page 6, line 21, subsection (i), "for both current and accrued support".

SEN. GAGE responded that he is satisfied, that the intention was to state, in statute, that those assignments would be effective for both current and any accrued child support.

{Tape: 1; Side: B; Approx. Time: 11:08 a.m.; Comments: End of Tape 1, Side B.}

Vote: The motion that SB 110 DO PASS AS AMENDED
CARRIED UNANIMOUSLY

COMMITTEE DISCUSSION

Mr. Niss reported that he has received amendments to SB 104, but was under the impression additional amendments were forthcoming. He indicated that he has now been informed that there will be no further amendments, but would prefer the opportunity to review those which have been presented, and requested that the Committee delay executive action.

CHAIRMAN HARGROVE indicated the Committee would consider executive action on SB 104 tomorrow.

EXECUTIVE ACTION ON SB 114

Amendments: SB011401.adn

Discussion:

Mr. Niss reminded the Committee that SB 114 was presented by SEN. MIGNON WATERMAN, and would allow State institutions to charge residents for cost of care by either of two methods. He explained that Amendment SB011401.adn, number 2, (EXHIBIT 2) would clarify that the provisions of the bill would apply to the Eastern Montana Veterans' Home, and that number 3, 4 and 5 would change the references to "financially responsible person" in the bill to indicate a resident's spouse or family, 'or the spouse's family.

CHAIRMAN HARGROVE indicated that testimony from the Department indicated this is current procedure, but the bill would clarify it in statute.

Mr. Niss indicated that is correct, and then explained that amendments 6 and 7 would clarify that confidential taxpayer information has to be requested from the Department of Revenue by

the resident, and that the remainder of the amendments would establish an immediate effective date.

Motion: **SEN. MESAROS** moved that **AMENDMENT**
SB011401.adn **BE ADOPTED**

Discussion:

SEN. GAGE indicated that he is not comfortable with the second amendment, that he understands it to be removing the language which says this part does not apply to the Eastern Montana Veterans' Home

Mr. Niss explained that paragraph 2 of the amendments inserts the language "may assess charges on either a per diem and ancillary charge basis or an all-inclusive rate basis", after the word "Home" on line 25 of the bill, and strikes all of the exception language at the beginning of that phrase so that it reverses the effect of the current language, and is consistent with the remainder of the provisions and the amendments.

There was extensive discussion among the Committee members regarding the intent and effect of this portion of the amendment.

Mr. Niss explained that the sense of the current law is that a private vendor could not charge the rates otherwise allowed in subsection (1), and the effect of the amendment is to remove that exclusion so that the Eastern Montana Veterans' Home may assess charges in either manner, if the Department contracts with a private vendor.

SEN. THOMAS asked if this amendment would limit it so that the Department would have to contract it out in order to assess those charges and the Eastern Montana Veterans' Home.

Mr. Niss responded that appears to be the effect, that the entire remainder of the limitation is couched in terms of the contract to operate the facility.

SEN. THOMAS asked if that is the intent of the amendment, or if the intent was that they could charge by either method, whether or not it is contracted out.

SEN. BROOKE responded that it would apply whether or not it was contracted out to a private vendor.

There was further discussion regarding this amendment, and the Committee came to the conclusion that the amendment would provide that the Eastern Montana Veterans' Home could assess charges using either method, whether or not it was contracted out to a private vendor.

{Tape: 2; Side: A; Approx. Time: 11:24 a.m.; Comments: None.}

Vote: The motion that **AMENDMENT SB011401.adn** BE
ADOPTED PASSED UNANIMOUSLY

Motion/Vote: SEN. BROOKE's motion that SB 114 DO PASS AS
AMENDED CARRIED UNANIMOUSLY

EXECUTIVE ACTION ON SB 124

Amendments: None

Discussion:

SEN. THOMAS referred to line 12 of the title, "allowing for mailings for certain nonprofit organizations", and asked Mr. Niss where that is covered in the bill.

Mr. Niss responded that it is on page 5, line 7, and refers to the 501(c)(4) issue.'

SEN. BROOKE pointed out that their intent, when they revised this last session, was those organizations they form within their retirement boards that would be 501(c)(4), that they wanted to restrict the mailing list only to those.

Motion/Vote: SEN. GAGE's motion that SB 124 DO PASS
CARRIED UNANIMOUSLY

COMMITTEE DISCUSSION

CHAIRMAN HARGROVE opened the discussion on SB 153.

Mr. Niss reported that he received a small amendment, (EXHIBIT 3) following the hearing on SB 153, which would change the wording on lines 14 and 15 to read "Whereas the Tenth Amendment reflects the fact that the people created the Federal Government for strictly limited purposes, and the states for general government purposes,".

SEN. THOMAS offered a motion to adopt Amendment SB015301.adn.

SEN. GAGE indicated that he discussed with the sponsor whether to include the initiative or referendum process in the statement on page 2, line 6, "the state's rejection may be in the form of a bill, joint resolution or executive order", and asked if the Committee would like to delay executive action until Mr. Niss could draft this amendment.

CHAIRMAN HARGROVE indicated that executive action would be postponed.

SEN. THOMAS withdrew his motion to adopt Amendment SB015301.adn.

CHAIRMAN HARGROVE asked if the Committee wished to discuss executive action on SB 170.

SEN. BROOKE indicated that she would like to present an amendment suggested by MtPIRG in testimony, but she did not have it with her and was not prepared to offer it at this time.

CHAIRMAN HARGROVE indicated that discussion regarding SB 170 would be postponed. He reported that **SEN. AKLESTAD** has indicated that, if the Committee is uncomfortable with the 10% requirement, he would agree to an amendment lowering that figure to 8%.

There was discussion regarding possible amendments to SB 88.

SEN. THOMAS indicated that it seems like the bill would change the Treasure State Endowment Program into a housing program, not one just for infrastructure, and also that "projects of urgent and serious public health and safety problems" could include anything, that nowhere beyond that does he understand it to indicate infrastructure. He stated that he would like to see an amendment drafted which would clarify that the intent is for infrastructure.

There was further discussion, and **CHAIRMAN HARGROVE** announced that executive action on SB 88 would be postponed until the amendments could be prepared for the Committee's review.

ADJOURNMENT

Adjournment: 11:47 a.m.


SEN. DON HARGROVE, Chairman


MARY MORRIS, Secretary

DH/MM