

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on April 14, 1997, at 10:00 a.m., in Room 331.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. Delwyn Gage (R)
Sen. Fred Thomas (R)
Sen. Bill Wilson (D)

Members Excused:

Sen. Kenneth "Ken" Mesaros, Vice Chairman (R)
Sen. Vivian M. Brooke (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: SJR 18 4/11/97
Executive Action: HB 177; SJR 18

HEARING ON SJR 18

Sponsor: SEN. DOROTHY ECK, SD 15, BOZEMAN

Proponents: None

Opponents: Mr. Mike Voeller
Mr. Bob Marks

Opening Statement by Sponsor:

SEN. DOROTHY ECK, SD 15, Bozeman, stated she thought it was a good time in the Session to present this bill because recently and often it has been heard that never had the committee-and decision-making process seemed so hurried and pushed with little time to consider how to meet the needs of the people and to make sure that what is done is accomplished with good research, legal advice and time to do things in a proper way and in a way that

will work. What SJR 18 does is ask the Legislative Council to look at the committee and standing committee processes. She stated she thought the conference committee system was working well and the interim committee process was functioning with some degree of success, but the question seems to be how to deal with major issues while getting the public involved and preparing members of the public to assume leadership in future sessions. In North Dakota they have a Consensus Council which undertakes many major issues. They did an extensive study of looking to the future with an accessible, productive citizen legislature. They face many of the same issues as Montana. She requested that the Committee offer input and look at SJR 18 favorably.

{Tape: 1; Side: A; Approx. Time: 10:22 a.m.; Comments: None.}

Proponents' Testimony: None

Opponents' Testimony:

Mr. Mike Voeller, appearing on behalf of himself, stated he was speaking as a retired newspaper editor and lobbyist who has been involved in the legislative process for 33 years. He has seen at least three or four studies of the type suggested in SJR 18 which were completed and are now in the Legislative Council libraries gathering dust. He was on an unfunded committee in 1987 which raised over \$30,000 to study the Legislative Branch. A report they prepared and presented to the legislature, and which he thought the included some good ideas, was ignored. He thought there was much that needed to be done and could be done with the Legislature and that he was reluctant to oppose SJR 18. However, he felt before any additional time or money was spent, previous studies should be given serious consideration.

Mr. Bob Marks, who previously served in the legislature for 21 years and served on two prior study committees, spoke on his own behalf. He stated his earlier involvement in such studies demonstrated that he is in favor of legislative improvement. He presented copies of two former studies for the Committee's review (**EXHIBITS 1 and 2**) but did not feel SJR 18 could accomplish what needed to be done.

{Tape: 1; Side: A; Approx. Time: 10:34 a.m.; Comments: None.}

Informational Testimony:

SEN. DELWYN GAGE pointed out that during the 1995 Session, he introduced SJR 23. It was very similar to SJR 18, the idea being to look at the whole organization of the legislature, both interim and during session, and then recommend changes. It was ultimately one of the most popular bills of the session, receiving support from both legislators and state departments; but as it moved along it grew tremendously. Some good things for the operation of state government and the legislature did result. As for SJR 18, **SEN. GAGE** felt much of it would never be

implemented. He stated that he ran for leadership because he believed he had ideas which could make a difference if implemented. He now realizes these ideas will never be accomplished unless the leadership takes the initiative to make certain the Senate and House work together. He agreed with Sen. Eck and Mr. Voeller that there have been major issues almost every session, but the Senate seems to do very little to look at those issues with special committees, and so forth. The House has led the Legislature in this respect. Committees should be appointed during the session to work on major issues and should be bi-partisan with representation from both houses. It is also critical that something be done with the entire appropriation process so that more people are involved. To get a control on spending in Montana, an appropriation process must be developed whereby a decision will be made to cut state managers. Block grant funds should then be entrusted to managers and some kind of mechanism put in place whereby there is an incentive to cut spending in the departments. This might be a policy of sharing the cost savings with department people so they can use the savings for equipment purchases, bonuses or whatever is needed. The City of Pamona did this after Proposition 13 went through. Their previous budget had been \$20,000,000. Within four years of implementation, their block grant committees had saved \$20,000,000. It will take leadership in the Legislature to do this, not reliance on studies, because studies seldom seem to get put into use.

Questions From Committee Members and Responses:

SEN. FRED THOMAS noted that the process of pre-filing of bills was suggested in the 1978 study and finally implemented in the '97 Session. He asked **Mr. Marks** whether he thought something could be implemented within two decades again as a result of another study done now.

MR. MARKS said that was unpredictable because quite a few of the same legislators would not be involved by then due to term limits. Also, it wasn't quite true that it took almost 20 years to implement pre-filing of bills as that has been done for a number of sessions. He felt that pre-filing was a very positive step for the Legislature because it served as a preview of the session. For the legislative staff, it evened out the work loads and at the same time provided deadlines for the Executive Branch.

SEN. THOMAS asked **SEN. ECK** about sending copies of the two previous studies to the legislators for review versus doing another study. **SEN. ECK** pointed out that SJR 18 was not asking for an interim study, but a Legislative Council study. Legislators receive a great deal of material to read so may not have much time to read more documents. Perhaps the material could be included in one of the questionnaires sent out by the Legislative Council, or at the very least, legislators should be reminded that the studies have been done and are available.

SEN. BILL WILSON asked **SEN. GAGE** if he was on the Legislative Council and if the resolution was passed, how binding and how practical the study would be. **SEN. GAGE** answered that he was not on the LC now and he thought the resolution would be one that would go out for a full vote of the legislature. **SEN. ECK** disagreed and said it would be a recommendation to the Legislative Council. **SEN. GAGE** felt the Council, with the workload they have, would not want to take it on as a study in total. **SEN. WILSON** asked if the Committee would be compelled to do what was recommended if the resolution was passed, and **SEN. GAGE** said that would be his understanding.

CHAIRMAN DON HARGROVE stated that with term limits things would be entirely different and asked **SEN. GAGE** how he saw the role of leadership changing with term limits in effect. **SEN. GAGE** answered that in his opinion, leadership in the future would be based more on leadership ability as opposed to seniority or popularity. Further, leadership has nothing to do with seniority, although experience is a big factor.

CHAIRMAN HARGROVE stated that because of term limits and the fact that legislators may be thrust into leadership positions without a lot of experience, there might be a time in history where a study might do something more than gather dust. He then asked **Mr. Marks** to comment on term limits and possible changes.

{Tape: 1; Side: A; Approx. Time: 10:51 a.m.; Comments: End of Tape 1, Side A.}

Mr. Marks said he agreed with **SEN. GAGE** that leadership and seniority are separate. However, he felt there are people who are already leaders before they come to the legislature; and then there are others who can become leaders. Knowledge of the process is definitely a part of that, though. He thought one thing that would be very important and helpful would be to groom possible leaders in the legislative caucuses by appointing them to chair committees, and so forth. Those who move from the House of Representatives to the Senate, would also have an advantage. Some believe there will be more reliance on lobbyists and legislative staff.

CHAIRMAN HARGROVE requested that **SEN. ECK** clarify line 27 which states, "BE IT FURTHER RESOLVED, that the committee involve past leaders, including former legislative leaders..." **SEN. ECK** stated that it was supposed to read, "the Legislative Council or an appropriate committee". She stated further, that if anything was going to happen, it would have to come from the Council, anyway. Every committee will need to have someone with institutional memory on each side of the aisle. The Legislative Council has that at the present time, and they are already thinking about how to deal with term limits. SJR 18 would give them a good outline, however. Something else that should be looked at is what is happening in other states. In Utah, a portion of their standing committees are also on interim

committees. The legislative staff is interested and aware that a time of significant changes is in the future and they will want to help the Legislative Council move forward.

Closing by Sponsor:

The hearing on SJR 18 was closed.

{Tape: 1; Side: B; Approx. Time: 11:03 a.m.; Comments: The Committee recessed for 5 minutes.}

EXECUTIVE ACTION ON HB 177

Amendments: HB017701.adn

Discussion:

CHAIRMAN HARGROVE said HB 177 appears to have turned the clock back on Constitutional Initiative 118 (CI 118) which reformed limitations on political campaign contributions. He requested that **David Niss** review how HB 177 would change CI 118.

Mr. Niss explained that CI 118 enacted Section 13-37-240, MCA, which is being amended on page 10 of the bill. The only other language which CI 118 enacted is in Section 13-37-216, MCA, (**EXHIBIT 3**). Language of the text of CI 118 to be taken out is inter-lined, and language to be added is underlined. This new language will be compared with certain page, and line number appearing on pages 4 and 5 of HB 177. Comparing the dollar numbers, will show that most of what is in current law, in terms of the dollar amount of the limitation, was the result of CI 118.

SEN. THOMAS stated he had no problem with rewriting legislation proposed and passed by the public or previous legislatures and believes that is part of his job even though he strongly supports the initiative process. Further, he doesn't oppose HB 177 in a general sense. However, some of the figures that reduce the donations to candidates such as \$400 to gubernatorial candidates, it borders on ridiculous. For instance, a person may donate lumber for campaign signs and say that it is worth \$200 whereas it might really be worth \$2,000. What this does is shifts the disclosure outside of the public eye and puts the person with the wallet in the driver seat. Only the wealthy are encouraged to run because they already have funds. Those who want to raise the money can accept only small amounts making it much more difficult to come up with equal amounts of dollars. I believe it is foolish to think money can be legislated out of political practice. What is worthy is disclosure and rigorous enforcement of disclosure.

SEN. DELWYN GAGE pointed out that what people are really saying is that they are sick and tired of elections by the time they arrive. What should be looked at is a time limit for certain campaign aspects such as posting of signs, running of political

adds -- perhaps 80 to 85 days. Another concern is the tremendous advantage of the incumbent. One way that could be eliminated is to limit the spending as well as the amount of contributions per individual. Being able to enforce that is an enormous problem, but the ground does need to be leveled for those who are not incumbents to the greatest extent possible. If it means limitations on spending and contributions, then so be it.

SEN. WILSON commented that in one country's election process he had heard about, candidates have only a couple of weeks to make their case and then that is it. Although he doesn't necessarily "love" this bill, one part of the bill he does love is that you can compete with someone who opens up their own wallet. Until you have to compete with someone who is a "big buck" competitor, it is very disheartening. In smaller campaigns, even \$2,500 is often a very large amount to compete with.

SEN. THOMAS proposed an amendment to HB 177 (**EXHIBIT 4**) which would require that a candidate give advance notice of the expenditure of more than \$5,000 of a candidate's personal funds for the purpose of a campaign. He explained that it is an attempt to require disclosure.

Motion: **SEN. THOMAS** moved to **ADOPT HB017701.adn**

Motion/Vote: **SEN. WILSON** offered a substitute motion to revise the threshold amount requiring advance notice of expenditure of personal funds of \$5,000 be changed to \$2,500. The motion **CARRIED UNANIMOUSLY**.

{Tape: 1; Side: B; Approx. Time: 11:27 a.m.; Comments: None.}

Discussion:

SEN. GAGE stated that the candidate should be required to state what the personal funds would be spent for.

SEN. WILSON opposed being required to tell what the funds would be used for as that would infringe too much on a candidates ability to plan campaign tactics. **SEN. THOMAS** said he didn't include that because he felt it would be going too far.

SEN. GAGE pointed out that a candidate could get around the rule by waiting to pay bills until after the election and then notifying the political practices commissioner that it was necessary to put another \$2,500 into the campaign to pay the expenses already incurred. **SEN. THOMAS** said he had not thought of that but it was a good point. **SEN. WILSON** asked about the workability of changing it to read, "...or incurs a debt".

SEN. THOMAS asked if they could conceivably get authorized to close the loophole.

CHAIRMAN HARGROVE commented that he has been on the State Administration Committee for two years and has not seen a good campaign bill yet. The "what if's" come up so often. He also stated that he has a little problem with going around citizens' initiatives. Although, he felt it was different in the case of CI 575. He thought **SEN. RIC HOLDEN'S** bill, which came through earlier in the session, was a fine bill. However, so many "what if's" and ways around it were discovered, they unanimously tabled it. Full disclosure still might be the best way to go.

Motion: **SEN. THOMAS** moved that HB 177 BE CONCURRED IN AS AMENDED.

{Tape: 1; Side: B; Approx. Time: 11:36 a.m.; Comments: End of Tape 1, Side B}

SEN. GAGE stated that there are so many situations regarding campaigns where no one has any control over whatsoever. He cited an instance which occurred during his campaign whereby the Blackfoot Tribe was given a grant in the amount of approximately \$80,000 for the purpose of educating members regarding elections, encouraging members to vote, and so forth. Some of the money was used to buy a dinner for everyone who voted. Nothing was done about it because it involved a reservation, and that is a very touchy issue.

Vote: The motion FAILED with **SEN. THOMAS** and **SEN. MESAROS** in FAVOR and **SEN. GAGE**, **SEN. WILSON**, **SEN. BROOKE**, and **CHAIRMAN HARGROVE** OPPOSED.

EXECUTIVE ACTION ON SJR 18

Motion: **SEN. BILL WILSON** moved to ADOPT SJR 18.

Discussion:

Discussion followed regarding whether the sponsor intended the study to be conducted by an interim committee or the Legislative Council (Page 1, Line 26; Page 2, Lines 27 through 29; Page 3, Line 2) and whether the resolution should be amended. **SEN. GAGE** stated he would prefer to see it as an area assigned to an interim committee and voted on by the Legislature to determine whether it was one of the studies which should be a priority. He suggested that the Council do the study, but that it be a part of those resolutions that are voted on by the Legislature as to priority and as to which gets funding and which one does not. In order for the Council to do the study, they surely would need additional funding.

Vote: The motion FAILED with **SEN. WILSON**, **CHAIRMAN HARGROVE** and **SEN. BROOKE** in FAVOR, and **SEN. THOMAS**, **SEN. GAGE** and **SEN. MESAROS** OPPOSED.

ADJOURNMENT

Adjournment: 11:46 a.m.


SEN. DON HARGROVE, Chairman


MARY MORRIS, Secretary


CAROLYN A. LINDEN, Transcriber

by Shirley Herrin

DH/mm