

1 *House* BILL NO. *676*  
 2 INTRODUCED BY *Palmer Board House Lullini*  
 3 *Nutcase Rie Ellis - arrange Waldron Buntz*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TRANSFER ALL  
 5 ADMINISTRATIVE AND FINANCIAL RESPONSIBILITY FOR PUBLIC  
 6 ASSISTANCE FROM COUNTIES TO THE DEPARTMENT OF SOCIAL AND  
 7 REHABILITATION SERVICES; APPROPRIATING \$50,000 FOR EXPENSES  
 8 RELATED TO THE IMPLEMENTATION OF THIS ACT; AMENDING SECTIONS  
 9 16-1043, 71-106, AND 84-4213, R.C.M. 1947; REPEALING  
 10 SECTIONS 71-222 AND 71-311, R.C.M. 1947; AND PROVIDING FOR  
 11 AN IMMEDIATE EFFECTIVE DATE."

12  
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Definitions. In this [act], unless  
 15 otherwise provided or the context requires a technical or  
 16 other interpretation, the following definitions apply:

17 (1) "County" means the county governing body, county  
 18 department of public welfare, or county board of public  
 19 welfare of each county within the state.

20 (2) "Department" means the department of social and  
 21 rehabilitation services provided for in Title 82A, chapter  
 22 19.

23 (3) "Public assistance" means any type of monetary or  
 24 other assistance furnished under Title 71, chapters 1, 2, 3,  
 25 5, 7, and 15 but does not include the establishment or

1 maintenance of a nursing home, hospital, or poor farm by a  
 2 county under 71-106 or 71-107.

3 Section 2. Transfer of administrative and financial  
 4 responsibility. (1) Effective July 1, 1978, all  
 5 administrative and financial responsibility for public  
 6 assistance is transferred from each county to the  
 7 department.

8 (2) The department shall provide for the smooth  
 9 transition of administrative and financial responsibility  
 10 through:

11 (a) the development of a transition plan providing for  
 12 the transfer of administrative and financial responsibility  
 13 for public assistance from each county to the department;

14 (b) the adoption of rules necessary for the transfer;

15 (c) in cooperation with the code commissioner, the  
 16 review and revision of Title 71 in accordance with this  
 17 [act] for consideration by the legislature at its next  
 18 regular session; and

19 (d) the appointment of an advisory council as provided  
 20 in 82A-110 to advise the department and its director on the  
 21 implementation of this [act]. The advisory council shall be  
 22 representatives of county governing body members, directors  
 23 and employees of county public welfare departments, and  
 24 consumers.

25 Section 3. Rights of personnel. (1) Each employee of a

1 county department of public welfare affected by the transfer  
2 of administrative and financial responsibility of public  
3 assistance under this [act] is entitled to all rights which  
4 he possessed as an employee before the effective date of the  
5 transfer.

6 (2) These rights include the right to tenure in office  
7 and right of rank or grade, rights to vacation and sick pay  
8 and leave, rights under any retirement or personnel plan or  
9 labor union contract, rights to compensatory time earned,  
10 and any other rights under any law or administrative policy.

11 (3) This section does not create any new employee  
12 rights but continues only those rights in effect before the  
13 effective date of the transfer.

14 Section 4. Rights to property. (1) Upon the effective  
15 date of the transfer of administrative and financial  
16 responsibility of public assistance from each county to the  
17 department, the department succeeds to the rights to all  
18 personal property of each county relating to the functions  
19 or parts of functions transferred.

20 (2) The county may charge the state fair market value  
21 for any personal property bought by the county with county  
22 funds.

23 (3) The property includes records, office equipment,  
24 supplies, contracts, books, papers, documents, maps,  
25 appropriations, accounts within and without the state

1 treasury or the county treasury, funds, vehicles, and all  
2 other similar property. However, the department may not use  
3 or divert moneys in a fund or account for a purpose other  
4 than provided by law.

5 Section 5. Rules, procedures, and orders. (1) Upon the  
6 effective date of the transfer of administrative and  
7 financial responsibility of public assistance from each  
8 county to the department, the department succeeds to the  
9 rules, procedures, and orders of each county relating to  
10 public assistance.

11 (2) The rules, procedures, and orders of any county in  
12 effect before the effective date of the transfer of  
13 administrative and financial responsibility of public  
14 assistance from each county to the state remain in effect  
15 until amended, repealed, superseded, or nullified by the  
16 department or by law.

17 Section 6. Legal proceedings. (1) This [act] does not  
18 affect the validity of any judicial or administrative  
19 proceeding pending or which could have been commenced before  
20 the effective date of the transfer of the administrative and  
21 financial responsibility of public assistance from each  
22 county to the department.

23 (2) In any proceeding under this section the  
24 department shall be substituted as the party of interest for  
25 the county.

1 Section 7. Rights and duties under existing  
 2 transactions. (1) The rights, privileges, and duties of the  
 3 holders of obligations or the parties to contracts, leases,  
 4 indentures, and other transactions by any county officer or  
 5 employee, and covenants and agreements as set forth therein,  
 6 entered into before the effective date of the transfer of  
 7 administrative and financial responsibility of public  
 8 assistance from each county to the department remain in  
 9 effect, and none of those rights, privileges, duties,  
 10 covenants, or agreements are impaired or diminished by  
 11 reason of the transfer.

12 (2) The department is substituted for the county and  
 13 succeeds to its rights and duties under the provisions of  
 14 those contracts, leases, indentures, and other transactions.

15 Section 8. References. Unless inconsistent with this  
 16 [act], after July 1, 1978, whenever a county is referred to  
 17 by any law, administrative rule, contract, or other document  
 18 relating to public assistance, that reference is applied to  
 19 the department.

20 Section 9. Section 16-1043, R.C.M. 1947, is amended to  
 21 read as follows:

22 "16-1043. Moneys for depletion allowance reserve fund.

23 (1) Moneys for the depletion allowance reserve fund may be  
 24 derived from:

25 (a) public and private grants;

1 (b) moneys collected by the hospital or nursing home  
 2 for which the fund is created, from or for indigent  
 3 patients, that are in excess of the expenses incurred for  
 4 the care of such patients;

5 ~~(c) before a grant in aid for any fiscal year may be~~  
 6 ~~made to a county under this provision of section 71-111,~~  
 7 ~~R.C.M. 1947, any moneys credited during that fiscal year to~~  
 8 ~~the depletion allowance reserve fund from the sources~~  
 9 ~~provided by section 16-1043 (1) (b) of this act shall be~~  
 10 ~~transferred to the county peer fund to be used for lawful~~  
 11 ~~peer fund expenditures. The amount of the grant in aid~~  
 12 ~~shall be determined after all sources of income available to~~  
 13 ~~the peer fund, including the depletion allowance reserve~~  
 14 ~~fund transfers, have been exhausted.~~

15 (2) The depletion allowance reserve fund may  
 16 accumulate at the discretion of the governing body."

17 Section 10. Section 71-106, R.C.M. 1947, is amended to  
 18 read as follows:

19 "71-106. Support of poor and indigent persons — tax  
 20 levy. The board of county commissioners has jurisdiction and  
 21 power county may under such limitations and restrictions as  
 22 are prescribed by law

23 To provide for the care and maintenance of the indigent  
 24 sick and aged, except as otherwise provided in other parts  
 25 of this act, ~~or the otherwise dependent poor of the county;~~

1 ~~and may~~ erect and maintain hospitals therefor or otherwise  
 2 provide for the same, ~~and for said purposes to levy and~~  
 3 ~~collect annually a tax on property not exceeding thirteen~~  
 4 ~~and one-half (13 1/2) mills, which levy shall be made at the~~  
 5 ~~time other tax levies are made on property, as provided by~~  
 6 ~~law."~~

7 Section 11. Section 84-4213, R.C.M. 1947, is amended  
 8 to read as follows:

9 "84-4213. Treasurer's duty to collect road ~~and poor~~  
 10 taxes -- seizure and sale of property -- when ~~road and poor~~  
 11 tax to be paid. (1) The county treasurer must demand payment  
 12 of ~~poor taxes, as authorized by section 71-186, and road~~  
 13 taxes authorized by section 32-201 or section 84-4732, of  
 14 every person liable therefor whose name does not appear on  
 15 the assessment lists and on the neglect or refusal of such  
 16 person to pay the same, he must collect by seizure and sale  
 17 of any property owned by such person.

18 (2) These taxes shall be added upon the assessment  
 19 lists to other taxes of persons liable therefor, paying  
 20 taxes upon real and personal property and paid to the county  
 21 treasurer at the time of payment of other taxes. And all  
 22 personal property assessed against a person shall be liable  
 23 for the payment of such taxes."

24 Section 12. Appropriation. There is appropriated  
 25 \$50,000 from the general fund to the department of social

1 and rehabilitation services for fiscal year 1978 for  
 2 expenses related to the implementation of this act.

3 Section 13. Liberal construction. To effect the  
 4 purposes of this [act], it shall be liberally construed.

5 Section 14. Repealer. Sections 71-222 and 71-311,  
 6 R.C.M. 1947, are repealed.

7 Section 15. Effective date. This act is effective on  
 8 its passage and approval.

-End-

## STATE OF MONTANA

REQUEST NO. 380-77

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 19 77, there is hereby submitted a Fiscal Note for House Bill 676 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act to transfer all administrative and financial responsibility for public assistance from the counties to the Department of Social and Rehabilitation Services, effective July 1, 1978.

## ASSUMPTIONS:

1. Public assistance caseloads will continue to grow at historical rates in all programs.
2. Current county office locations and number of employees will remain unchanged.
3. County offices will begin rental payments using 600 FTE, 100 sq. ft. per FTE @ \$5.00 per sq. ft.
4. Administrative costs will increase annually at an inflation rate of 6%.

## FISCAL IMPACT:

|                                     | <u>FY 78</u>    | <u>FY 79</u>        |
|-------------------------------------|-----------------|---------------------|
| Additional cost due to proposed law | <u>\$50,000</u> | <u>\$10,744,000</u> |

(See attached schedule )

## LOCAL IMPACT:

The cost to counties would be reduced \$10,744,000 in FY 79.

## LONG-RANGE FISCAL IMPACT:

| Estimated costs for subsequent years are as follows: | <u>FY 80</u>        | <u>FY 81</u>        |
|--|---------------------|---------------------|
|  | <u>\$11,091,000</u> | <u>\$11,636,000</u> |

*Richard L. Dreyfus*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-1-77

| COST COMPONENTS                          | % COUNTY PARTICIPATION     | ACTUAL CO. SHARE - FY76 | FY78 IMPLEMENTATION | EST. FOR FY79     | METHOD OF ESTIMATION    |
|--|----------------------------|-------------------------|---------------------|-------------------|-------------------------|
| Economic Assistance Program <sup>1</sup> | 12.25% FY78<br>12.79% FY79 | \$3,414,000             |                     | \$ 4,763,000      | Historic Trend          |
| County General Assistance                | 100%                       | \$ 478,000              |                     | \$ 381,000        | Historic Trend          |
| County Medical Assistance                | 100%                       | \$3,938,000             |                     | \$ 3,989,000      | Historic Trend          |
| Transient Relief                         | 100%                       | \$ 38,000               |                     | \$ 44,000         | Historic Trend          |
| County Burial                            | 100%                       | \$ 66,000               |                     | \$ 86,000         | Average of Recent Years |
| Food Stamp Administration                | 100%*                      | \$ 84,000               |                     | \$ 100,000        | 6% inflation since FY76 |
| County Administration <sup>2</sup>       | 40%                        | \$ 435,000              |                     | \$ 518,000        | 6% inflation since FY76 |
| Contingencies <sup>2</sup>               | NA                         | <u>750,000</u>          | <u>          </u>   | <u>\$ 893,000</u> | 6% inflation since FY76 |
| TOTAL                                    |                            | \$9,203,000             | \$50,000            | \$10,774,000      |                         |
| No. of Required Mills (statewide)        |                            | 6.813                   | NA                  | 6.587             |                         |

\* of non-federal share

<sup>1</sup> Income Maintenance:  
 AFDC  
 AFDC Foster Care  
 CWS Foster Care  
 Travel and Salaries:  
 Social Services  
 Eligibility Determination  
 Staff Development

<sup>2</sup> Rental increase, (pay county for courthouse or for new space); replace county owned equipment, data processing charges. (to replace county warrants, etc.)

Public Health, Welfare & Safety

Objection Raised to Adverse Committee Report

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25 of this act, ~~or the otherwise dependent poor of the county;~~

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 15 the assessment lists and on the neglect or refusal of such  
 16 person to pay the same, he must collect by seizure and sale  
 17 of any property owned by such person.

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 19 lists to other taxes of persons liable therefor, paying  
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 22 personal property assessed against a person shall be liable  
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