

HOUSE BILL NO. 766

INTRODUCED BY DRISCOLL, HARP, GIACOMETTO, O'KEEFE,
REHBERG, PATTERSON, HOFFMAN, STANG, ELLISON, HANSON,
HARRINGTON, GOOD, RANEY, SCHYE

IN THE HOUSE

MARCH 9, 1989 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

MARCH 16, 1989 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

MARCH 17, 1989 PRINTING REPORT.

MARCH 29, 1989 SECOND READING, DO PASS AS AMENDED.

MARCH 30, 1989 ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 91; NOES, 8.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 31, 1989 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

APRIL 11, 1989 COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 12, 1989 ON MOTION, RULES SUSPENDED TO ALLOW BILL
PLACED ON THIRD READING ON THE 83RD DAY.

ON MOTION, PASS CONSIDERATION OF BILL
ON SECOND READING UNTIL THE 83RD DAY.

APRIL 13, 1989 SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN.
AYES, 47; NOES, 1.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS NOT
CONCURRED IN.

APRIL 17, 1989

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 19, 1989

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

CONFERENCE COMMITTEE
REPORT ADOPTED.

IN THE HOUSE

APRIL 19, 1989

CONFERENCE COMMITTEE REPORTED.

APRIL 20, 1989

SECOND READING, CONFERENCE COMMITTEE
REPORT ADOPTED.

THIRD READING, CONFERENCE COMMITTEE
REPORT ADOPTED.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *HOUSE* BILL NO. *766*
 2 INTRODUCED BY *Rehberg Hoffman Ellison Huntington Carey Selby*
 3 *Parsons Strong M. Hansen*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLASSIFY AS CLASS
 5 FIVE PROPERTY ALL MACHINERY AND EQUIPMENT USED IN A MALTING
 6 BARLEY FACILITY; AMENDING SECTION 15-6-135, MCA; AND
 7 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE
 8 APPLICABILITY DATE."
 9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 **Section 1.** Section 15-6-135, MCA, is amended to read:
 12 "15-6-135. Class five property -- description --
 13 taxable percentage. (1) Class five property includes:
 14 (a) all property used and owned by cooperative rural
 15 electrical and cooperative rural telephone associations
 16 organized under the laws of Montana, except property owned
 17 by cooperative organizations described in subsection (1)(b)
 18 of 15-6-137;
 19 (b) air and water pollution control equipment as
 20 defined in this section;
 21 (c) new industrial property as defined in this
 22 section;
 23 (d) any personal or real property used primarily in
 24 the production of gasohol during construction and for the
 25 first 3 years of its operation;

1 (e) all land and improvements and all personal
 2 property owned by a research and development firm, provided
 3 that the property is actively devoted to research and
 4 development;
 5 (f) machinery and equipment used in electrolytic
 6 reduction facilities;
 7 (g) machinery and equipment used in a malting barley
 8 facility.
 9 (2) (a) "Air and water pollution equipment" means
 10 facilities, machinery, or equipment used to reduce or
 11 control water or atmospheric pollution or contamination by
 12 removing, reducing, altering, disposing, or storing
 13 pollutants, contaminants, wastes, or heat. The department of
 14 health and environmental sciences shall determine if such
 15 utilization is being made.
 16 (b) The department of health and environmental
 17 sciences' determination as to air and water pollution
 18 equipment may be appealed to the board of health and
 19 environmental sciences and may not be appealed to either a
 20 county tax appeal board or the state tax appeal board.
 21 However, the appraised value of the equipment as determined
 22 by the department of revenue may be appealed to the county
 23 tax appeal board and the state tax appeal board.
 24 (3) "New industrial property" means any new industrial
 25 plant, including land, buildings, machinery, and fixtures,

used by new industries during the first 3 years of their operation. The property may not have been assessed within the state of Montana prior to July 1, 1961.

(4) (a) "New industry" means any person, corporation, firm, partnership, association, or other group that establishes a new plant in Montana for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry.

(b) New industry includes only those industries that:

(i) manufacture, mill, mine, produce, process, or fabricate materials;

(ii) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials; or

(iii) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States office of management and budget.

(5) New industrial property does not include:

(a) property used by retail or wholesale merchants, commercial services of any type, agriculture, trades, or

professions;

(b) a plant that will create adverse impact on existing state, county, or municipal services; or

(c) property used or employed in any industrial plant that has been in operation in this state for 3 years or longer.

(6) "Malting barley facility" means a facility the principal purpose of which is to malt malting barley. The term does not apply to a facility the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise do anything with malting barley, except malt malting barley. However, any machinery or equipment the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise handle malting barley or other machinery or equipment that is used in or is otherwise an integral part of a facility that malts malting barley is machinery or equipment of a malting barley facility for the purposes of this section.

(6)(7) Class five property is taxed at 3% of its market value."

NEW SECTION. Section 2. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. Section 3. Effective date -- retroactive

LC 1780/01

1 applicability. [This act] is effective on passage and
2 approval and applies retroactively, within the meaning of
3 1-2-109, to taxable years beginning after December 31, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB766, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act to classify as class five property all machinery and equipment used in a malting barley facility; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. The taxable value of the state will be \$1,899,969,000 in FY90 and \$1,869,831,000 in FY91 (REAC).
2. For the purposes of this note, it is assumed from the language in the proposal that the reduced tax rate will impact machinery and equipment, principally used to handle malting barley, that is currently in the state. This note does not attempt to estimate the potential revenue impact of the proposal on malting barley facilities that may locate in the state.
3. The total taxable value of machinery and equipment, the principal business of which is to handle malting barley, is estimated to be \$200,000 in the state in CY89 and is assumed to remain constant for future years. This total taxable value is shared between two locations, Yellowstone County and Teton County.
4. The proposal will impact FY90 and each subsequent fiscal year.
5. Levies are 6 mills for universities and 45 for school equalization. The average county and local school levies are 78 mills and 138 mills, respectively.

FISCAL IMPACT:Revenue Impact:

	FY90			FY91		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
University Levy	\$11,400,000	\$11,399,127	\$ (873)	\$11,219,000	\$ 11,218,127	\$ (873)
School Equalization	85,499,000	85,492,455	(6,545)	84,142,000	84,135,455	(6,545)
Total	\$96,899,000	\$96,891,582	\$ (7,418)	\$95,361,000	\$ 95,353,582	\$ (7,418)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

In FY90 and each subsequent fiscal year, the proposal is estimated to reduce revenues for Yellowstone County and Teton County a grand total of \$11,345. Revenues for the affected local school districts in Yellowstone County and Teton County are expected to be reduced by a grand total \$20,072 in each fiscal year. The proposal will not impact cities and towns.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

While the proposal immediately impacts the taxable value of malting barley machinery and equipment currently in the state, it would not impact a new malting barley facility in the state for the first three years of operation if the new facility, land, and equipment qualifies as new industrial property (new industrial property is in class five property).

 DATE 3/15/89
DAVE LEWIS, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE 3/16/89
JERRY L. DRISCOLL, PRIMARY SPONSOR

Fiscal Note for HB766, as introduced

HB 766

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB766, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

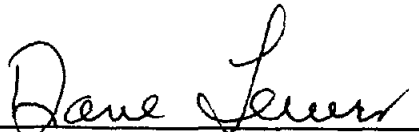
An act to classify as class five property all machinery and equipment used in a malting barley facility; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

The proposal should have no fiscal impact on malting barley facilities currently in the state.

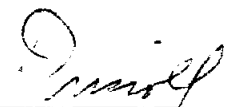
LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The proposal would not impact a new malting barley facility in the state for the first three years of operation if the new facility, land, and equipment qualifies as new industrial property (new industrial property is in class five property).



DAVE LEWIS, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE



JERRY L. DRISCOLL, PRIMARY SPONSOR

DATE

3-21-89

Fiscal Note for HB766, as introduced

HB 766- Revised

APPROVED BY COMMITTEE
ON TAXATION

1 HOUSE BILL NO. 766
 2 INTRODUCED BY Rehberg Johnson Edison Hagengraber Raney Belge
 3 Parsons Altmyer M. Hansen
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLASSIFY AS CLASS
 5 FIVE PROPERTY ALL MACHINERY AND EQUIPMENT USED IN A MALTING
 6 BARLEY FACILITY; AMENDING SECTION 15-6-135, MCA; AND
 7 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE
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14 (a) all property used and owned by cooperative rural
 15 electrical and cooperative rural telephone associations
 16 organized under the laws of Montana, except property owned
 17 by cooperative organizations described in subsection (1)(b)
 18 of 15-6-137;

19 (b) air and water pollution control equipment as
 20 defined in this section;

21 (c) new industrial property as defined in this
 22 section;

23 (d) any personal or real property used primarily in
 24 the production of gasohol during construction and for the
 25 first 3 years of its operation;

1 (e) all land and improvements and all personal
 2 property owned by a research and development firm, provided
 3 that the property is actively devoted to research and
 4 development;

5 (f) machinery and equipment used in electrolytic
 6 reduction facilities;

7 (g) machinery and equipment used in a malting barley
 8 facility.

9 (2) (a) "Air and water pollution equipment" means
 10 facilities, machinery, or equipment used to reduce or
 11 control water or atmospheric pollution or contamination by
 12 removing, reducing, altering, disposing, or storing
 13 pollutants, contaminants, wastes, or heat. The department of
 14 health and environmental sciences shall determine if such
 15 utilization is being made.

16 (b) The department of health and environmental
 17 sciences' determination as to air and water pollution
 18 equipment may be appealed to the board of health and
 19 environmental sciences and may not be appealed to either a
 20 county tax appeal board or the state tax appeal board.
 21 However, the appraised value of the equipment as determined
 22 by the department of revenue may be appealed to the county
 23 tax appeal board and the state tax appeal board.

24 (3) "New industrial property" means any new industrial
 25 plant, including land, buildings, machinery, and fixtures,

used by new industries during the first 3 years of their operation. The property may not have been assessed within the state of Montana prior to July 1, 1961.

(4) (a) "New industry" means any person, corporation, firm, partnership, association, or other group that establishes a new plant in Montana for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry.

(b) New industry includes only those industries that:

(i) manufacture, mill, mine, produce, process, or fabricate materials;

(ii) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials; or

(iii) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States office of management and budget.

(5) New industrial property does not include:

(a) property used by retail or wholesale merchants, commercial services of any type, agriculture, trades, or

professions;

(b) a plant that will create adverse impact on existing state, county, or municipal services; or

(c) property used or employed in any industrial plant that has been in operation in this state for 3 years or longer.

(6) "Malting barley facility" means a facility the principal purpose of which is to malt malting barley. The term does not apply to a facility the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise do anything with malting barley, except malt malting barley. However, any machinery or equipment the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise handle malting barley or other machinery or equipment that is used in or is otherwise an integral part of a facility that malts malting barley is machinery or equipment of a malting barley facility for the purposes of this section.

(6)(7) Class five property is taxed at 3% of its market value."

NEW SECTION. Section 2. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. Section 3. Effective date -- retroactive

LC 1780/01

1 applicability. [This act] is effective on passage and
2 approval and applies retroactively, within the meaning of
3 1-2-109, to taxable years beginning after December 31, 1988.

-End-

HOUSE BILL NO. 766

INTRODUCED BY DRISCOLL, HARP, GIACOMETTO, O'KEEFE,
 REHBERG, PATTERSON, HOFFMAN, STANG, ELLISON, HANSON,
 HARRINGTON, GOOD, RANEY, SCHYE

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLASSIFY AS CLASS
 FIVE SIX PROPERTY ALL MACHINERY AND EQUIPMENT USED IN A
 MALTING BARLEY FACILITY; AMENDING SECTION ~~15-6-135~~ 15-6-136,
 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
 RETROACTIVE APPLICABILITY DATE."

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

Section 1. ~~Section 15-6-135, MCA, is amended to read:~~

~~"15-6-135. Class five property description taxable percentage. (1) Class five property includes:~~

~~(a) all property used and owned by cooperative rural electrical and cooperative rural telephone associations organized under the laws of Montana, except property owned by cooperative organizations described in subsection (1)(b) of 15-6-137;~~

~~(b) air and water pollution control equipment as defined in this section;~~

~~(c) new industrial property as defined in this section;~~

~~(d) any personal or real property used primarily in~~

~~the production of gasoline during construction and for the first 3 years of its operation;~~

~~(e) all land and improvements and all personal property owned by a research and development firm, provided that the property is actively devoted to research and development;~~

~~(f) machinery and equipment used in electrolytic reduction facilities;~~

~~(g) machinery and equipment used in a malting barley facility;~~

~~(2) (a) "Air and water pollution equipment" means facilities, machinery, or equipment used to reduce or control water or atmospheric pollution or contamination by removing, reducing, altering, disposing, or storing pollutants, contaminants, wastes, or heat. The department of health and environmental sciences shall determine if such utilization is being made.~~

~~(b) The department of health and environmental sciences' determination as to air and water pollution equipment may be appealed to the board of health and environmental sciences and may not be appealed to either a county tax appeal board or the state tax appeal board. However, the appraised value of the equipment as determined by the department of revenue may be appealed to the county tax appeal board and the state tax appeal board.~~

1 (3)--"New industrial property" means any new industrial
 2 plant, including land, buildings, machinery, and fixtures,
 3 used by new industries during the first 3 years of their
 4 operation. The property may not have been assessed within
 5 the state of Montana prior to July 1, 1961.
 6 (4)--(a)--"New industry" means any person, corporation,
 7 firm, partnership, association, or other group that
 8 establishes a new plant in Montana for the operation of a
 9 new industrial endeavor, as distinguished from a mere
 10 expansion, reorganization, or merger of an existing
 11 industry.
 12 (b)--New industry includes only those industries that:
 13 (i)--manufacture, mill, mine, produce, process, or
 14 fabricate materials;
 15 (ii)--do similar work, employing capital and labor, in
 16 which materials unserviceable in their natural state are
 17 extracted, processed, or made fit for use or are
 18 substantially altered or treated so as to create commercial
 19 products or materials; or
 20 (iii)--engage in the mechanical or chemical
 21 transformation of materials or substances into new products
 22 in the manner defined as manufacturing in the 1972 Standard
 23 Industrial Classification Manual prepared by the United
 24 States Office of Management and Budget.
 25 (5)--New industrial property does not include:

1 (a)--property used by retail or wholesale merchants,
 2 commercial services of any type, agriculture, trades, or
 3 professions;
 4 (b)--a plant that will create adverse impact on
 5 existing state, county, or municipal services; or
 6 (c)--property used or employed in any industrial plant
 7 that has been in operation in this state for 3 years or
 8 longer.
 9 (6)--"Malting barley facility" means a facility the
 10 principal purpose of which is to malt malting barley. The
 11 term does not apply to a facility the principal purpose of
 12 which is to store, mix, blend, transport, transfer, or
 13 otherwise do anything with malting barley, except malt
 14 malting barley. However, any machinery or equipment the
 15 principal purpose of which is to store, mix, blend,
 16 transport, transfer, or otherwise handle malting barley or
 17 other machinery or equipment that is used in or is otherwise
 18 an integral part of a facility that malts malting barley is
 19 machinery or equipment of a malting barley facility for the
 20 purposes of this section.
 21 (6)(7)--Class five property is taxed at 3% of its
 22 market value.
 23 SECTION 1. SECTION 15-6-136, MCA, IS AMENDED TO READ:
 24 "15-6-136. Class six property -- description --
 25 taxable percentage. (1) Class six property includes:

(a) livestock and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit, and the unprocessed products of such animals and wildlife;

(b) all unprocessed agricultural products on the farm or in storage except:

(i) all perishable fruits and vegetables in farm storage and owned by the producer; and

(ii) all producer-held grain in storage;

(c) items of personal property intended for lease in the ordinary course of business, provided each item of personal property satisfies all of the following:

(i) the full and true value of the personal property is less than \$5,000;

(ii) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and

(iii) the lease of the personal property is generally on an hourly, daily, or weekly basis;

(d) machinery and equipment used in a malting barley facility.

(2) "Malting barley facility" means a facility the

principal purpose of which is to malt malting barley. The term does not apply to a facility the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise do anything with malting barley, except malt malting barley. However, any machinery or equipment the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise handle malting barley or other machinery or equipment that is used in or is otherwise an integral part of a facility that malts malting barley is machinery or equipment of a malting barley facility for the purposes of this section.

(2)(3) Class six property is taxed at 4% of its market value."

NEW SECTION. Section 2. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. Section 3. Effective date -- retroactive applicability. [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988.

-End-

Conference Committee
on HOUSE BILL 766
Report No. 1, April 18, 1989

Page 1 of 1

Mr. Speaker/Mr. President:

We, your Conference Committee on House Bill 766 met and considered:

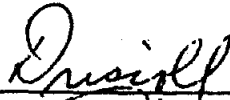
The Senate Committee on Taxation's report of April 11, 1989 (pink sheet) that amended House Bill 766 (third reading -- blue copy).

We recommend that House Bill 766 (reference copy -- salmon) be amended as follows:

Strike the amendments contained in the Senate Committee on Taxation's report of April 11, 1989 in their entirety.

And that this Conference Committee Report be adopted.

For the House:

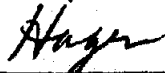

Rep. Jerry Driscoll, Chairman


Rep. Jim Elliott


Rep. John Patterson

For the Senate:


Sen. Bruce Crippen, Chairman


Sen. Tom Hager


Sen. Bill Norman

ADOPT

REJECT

HB 766

SENATE STANDING COMMITTEE REPORT

April 11, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 766 (third reading copy -- blue), respectfully report that HB 766 be amended and as so amended be concurred in:

Sponsor: Driscoll (Hager)

1. Title, line 9.

Following: "DATE"

Strike: "AND"

Insert: ", "

2. Title, line 10.

Following: "DATE"

Insert: ", AND A TERMINATION DATE"

3. Page 6.

Following: line 21

Insert: " NEW SECTION. Section 4. Termination. [This act]
terminates December 31, 1990."

AND AS AMENDED BE CONCURRED IN

Signed: _____



Bob Brown, Chairman

SENATE
HB 766

HOUSE BILL NO. 766

INTRODUCED BY DRISCOLL, HARP, GIACOMETTO, O'KEEFE,
 REHBERG, PATTERSON, HOFFMAN, STANG, ELLISON, HANSON,
 HARRINGTON, GOOD, RANEY, SCHYE

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLASSIFY AS CLASS
 FIVE SIX PROPERTY ALL MACHINERY AND EQUIPMENT USED IN A
 MALTING BARLEY FACILITY; AMENDING SECTION 15-6-135 15-6-136,
 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AND A
 RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

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

Section 1. ~~Section 15-6-135, MCA, is amended to read:~~

~~"15-6-135. Class five property-----description-----
 taxable percentage:--(1) Class five property includes:~~

~~(a)--all--property--used--and--owned--by--cooperative--rural
 electrical--and--cooperative--rural--telephone--associations
 organized--under--the--laws--of--Montana--except--property--owned
 by--cooperative--organizations--described--in--subsection--(1)(b)
 of--15-6-137;~~

~~(b)--air--and--water--pollution--control--equipment--as
 defined--in--this--section;~~

~~(c)--new--industrial--property--as--defined--in--this
 section;~~

~~(d)--any--personal--or--real--property--used--primarily--in~~

~~the--production--of--gasohol--during--construction--and--for--the
 first--3--years--of--its--operation;~~

~~(e)--all--land--and--improvements--and--all--personal
 property--owned--by--a--research--and--development--firm,--provided
 that--the--property--is--actively--devoted--to--research--and
 development;~~

~~(f)--machinery--and--equipment--used--in--electrolytic
 reduction--facilities;~~

~~(g)--machinery--and--equipment--used--in--a--malting--barley
 facility;~~

~~(2)--(a)--"Air--and--water--pollution--equipment"--means
 facilities,--machinery,--or--equipment--used--to--reduce--or
 control--water--or--atmospheric--pollution--or--contamination--by
 removing,--reducing,--altering,--disposing,--or--storing
 pollutants,--contaminants,--wastes,--or--heat. The department of
 health and environmental sciences shall determine if such
 utilization is being made.~~

~~(b)--The--department--of--health--and--environmental
 sciences--determination--as--to--air--and--water--pollution
 equipment--may--be--appealed--to--the--board--of--health--and
 environmental sciences and may not be appealed to either a
 county tax appeal board or the state tax appeal board.
 However, the appraised value of the equipment as determined
 by the department of revenue may be appealed to the county
 tax appeal board and the state tax appeal board.~~

1 {3}--"New-industrial-property"--means-any-new-industrial
 2 plant,--including-land,--buildings,--machinery,--and--fixtures,
 3 used--by--new--industries--during-the-first-3-years-of-their
 4 operation. The-property-may-not-have--been--assessed--within
 5 the-state-of-Montana-prior-to-July-1,--1961;
 6 {4}--(a)--"New--industry"--means-any-person,--corporation,
 7 firm,--partnership,--association,--or--other--group--that
 8 establishes--a--new--plant-in-Montana-for-the-operation-of-a
 9 new--industrial--endeavor,--as--distinguished--from--a--mere
 10 expansion,--reorganization,--or--merger--of--an--existing
 11 industry;
 12 (b)--New-industry--includes-only-those-industries--that:
 13 (i)--manufacture,--mill,--mine,--produce,--process,--or
 14 fabricate-materials;
 15 (ii)--do-similar-work,--employing-capital-and--labor,--in
 16 which--materials--unserviceable--in--their-natural-state-are
 17 extracted,--processed,--or--made--fit--for--use--or--are
 18 substantially--altered-or-treated-so-as-to-create-commercial
 19 products-or-materials;or
 20 (iii)--engage--in--the--mechanical--or--chemical
 21 transformation--of-materials-or-substances-into-new-products
 22 in-the-manner-defined-as-manufacturing-in-the-1972--Standard
 23 Industrial--Classification--Manual--prepared-by--the-United
 24 States-office-of-management-and-budget;
 25 {5}--New-industrial-property--does-not-include:

1 (a)--property-used-by-retail--or--wholesale--merchants,
 2 commercial--services--of--any--type,--agriculture,--trades,--or
 3 professions;
 4 (b)--a--plant--that--will--create--adverse--impact--on
 5 existing-state,--county,--or-municipal-services;or
 6 (c)--property--used-or-employed-in-any-industrial-plant
 7 that-has-been-in-operation-in-this--state--for--3--years--or
 8 longer.
 9 {6}--"Malting--barley--facility"--means--a--facility--the
 10 principal--purpose--of--which--is--to--malt--malting--barley. The
 11 term--does--not--apply--to--a--facility--the--principal--purpose--of
 12 which--is--to--store,--mix,--blend,--transport,--transfer,--or
 13 otherwise--do--anything--with--malting--barley,--except--malt
 14 malting-barley. However,--any--machinery--or--equipment--the
 15 principal--purpose--of--which--is--to--store,--mix,--blend,
 16 transport,--transfer,--or--otherwise-handle-malting--barley--or
 17 other-machinery--or-equipment--that-is-used-in-or-is-otherwise
 18 an--integral-part-of-a-facility--that-malts-malting-barley-is
 19 machinery--or-equipment--of-a-malting-barley-facility--for--the
 20 purposes--of--this-section;
 21 {6}{7}--Class-five-property--is--taxed--at--3%--of--its
 22 market-value."
 23 SECTION 1. SECTION 15-6-136, MCA, IS AMENDED TO READ:
 24 "15-6-136. Class six property -- description --
 25 taxable percentage. (1) Class six property includes:

1 (a) livestock and other species of domestic animals
2 and wildlife raised in domestication or a captive
3 environment, except for cats, dogs, and other household pets
4 not raised for profit, and the unprocessed products of such
5 animals and wildlife;

6 (b) all unprocessed agricultural products on the farm
7 or in storage except:

8 (i) all perishable fruits and vegetables in farm
9 storage and owned by the producer; and

10 (ii) all producer-held grain in storage;

11 (c) items of personal property intended for lease in
12 the ordinary course of business, provided each item of
13 personal property satisfies all of the following:

14 (i) the full and true value of the personal property
15 is less than \$5,000;

16 (ii) the personal property is owned by a business whose
17 primary business income is from rental or lease of personal
18 property to individuals wherein no one customer of the
19 business accounts for more than 10% of the total rentals or
20 leases during a calendar year; and

21 (iii) the lease of the personal property is generally
22 on an hourly, daily, or weekly basis;

23 (d) machinery and equipment used in a malting barley
24 facility.

25 (2) "Malting barley facility" means a facility the

1 principal purpose of which is to malt malting barley. The
2 term does not apply to a facility the principal purpose of
3 which is to store, mix, blend, transport, transfer, or
4 otherwise do anything with malting barley, except malt
5 malting barley. However, any machinery or equipment the
6 principal purpose of which is to store, mix, blend,
7 transport, transfer, or otherwise handle malting barley or
8 other machinery or equipment that is used in or is otherwise
9 an integral part of a facility that malts malting barley is
10 machinery or equipment of a malting barley facility for the
11 purposes of this section.

12 (2)(3) Class six property is taxed at 4% of its market
13 value."

14 NEW SECTION. Section 2. Extension of authority. Any
15 existing authority to make rules on the subject of the
16 provisions of [this act] is extended to the provisions of
17 [this act].

18 NEW SECTION. Section 3. Effective date -- retroactive
19 applicability. [This act] is effective on passage and
20 approval and applies retroactively, within the meaning of
21 1-2-109, to taxable years beginning after December 31, 1988.

22 NEW SECTION. SECTION 4. TERMINATION. [THIS ACT]
23 TERMINATES DECEMBER 31, 1990.

-End-

HOUSE BILL NO. 766

INTRODUCED BY DRISCOLL, HARP, GIACOMETTO, O'KEEFE,
 REHBERG, PATTERSON, HOFFMAN, STANG, ELLISON, HANSON,
 HARRINGTON, GOOD, RANEY, SCHYE

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLASSIFY AS CLASS
 FIVE SIX PROPERTY ALL MACHINERY AND EQUIPMENT USED IN A
 MALTING BARLEY FACILITY; AMENDING SECTION 15-6-135 15-6-136,
 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
 RETROACTIVE APPLICABILITY DATE AND A TERMINATION DATE."

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

Section 1. Section 15-6-135, MCA, is amended to read:

"15-6-135. Class five property description
 taxable percentage. (1) Class five property includes:

(a) all property used and owned by cooperative rural
 electrical and cooperative rural telephone associations
 organized under the laws of Montana, except property owned
 by cooperative organizations described in subsection (1)(b)
 of 15-6-137;

(b) air and water pollution control equipment as
 defined in this section;

(c) new industrial property as defined in this
 section;

(d) any personal or real property used primarily in

the production of gasoline during construction and for the
 first 3 years of its operation;

(e) all land and improvements and all personal
 property owned by a research and development firm, provided
 that the property is actively devoted to research and
 development;

(f) machinery and equipment used in electrolytic
 reduction facilities;

(g) machinery and equipment used in a malting barley
 facility;

(2) (a) "Air and water pollution equipment" means
 facilities, machinery, or equipment used to reduce or
 control water or atmospheric pollution or contamination by
 removing, reducing, altering, disposing, or storing
 pollutants, contaminants, wastes, or heat. The department of
 health and environmental sciences shall determine if such
 utilization is being made;

(b) The department of health and environmental
 sciences' determination as to air and water pollution
 equipment may be appealed to the board of health and
 environmental sciences and may not be appealed to either a
 county tax appeal board or the state tax appeal board.
 However, the appraised value of the equipment as determined
 by the department of revenue may be appealed to the county
 tax appeal board and the state tax appeal board.

1 {3}--"New industrial property"--means any new industrial
2 plant, including land, buildings, machinery, and fixtures,
3 used by new industries during the first 3 years of their
4 operation. The property may not have been assessed within
5 the state of Montana prior to July 1, 1961.

6 {4}--(a) "New industry" means any person, corporation,
7 firm, partnership, association, or other group that
8 establishes a new plant in Montana for the operation of a
9 new industrial endeavor, as distinguished from a mere
10 expansion, reorganization, or merger of an existing
11 industry.

12 (b) New industry includes only those industries that:
13 (i) manufacture, mill, mine, produce, process, or
14 fabricate materials;

15 (ii) do similar work, employing capital and labor, in
16 which materials unserviceable in their natural state are
17 extracted, processed, or made fit for use or are
18 substantially altered or treated so as to create commercial
19 products or materials; or

20 (iii) engage in the mechanical or chemical
21 transformation of materials or substances into new products
22 in the manner defined as manufacturing in the 1972 Standard
23 Industrial Classification Manual prepared by the United
24 States office of management and budget.

25 {5}--New industrial property does not include:

1 (a) property used by retail or wholesale merchants,
2 commercial services of any type, agriculture, trades, or
3 professions;

4 (b) a plant that will create adverse impact on
5 existing state, county, or municipal services; or

6 (c) property used or employed in any industrial plant
7 that has been in operation in this state for 3 years or
8 longer.

9 {6}--"Malting barley facility" means a facility the
10 principal purpose of which is to malt malting barley. The
11 term does not apply to a facility the principal purpose of
12 which is to store, mix, blend, transport, transfer, or
13 otherwise do anything with malting barley, except malt
14 malting barley. However, any machinery or equipment the
15 principal purpose of which is to store, mix, blend,
16 transport, transfer, or otherwise handle malting barley or
17 other machinery or equipment that is used in or is otherwise
18 an integral part of a facility that malts malting barley is
19 machinery or equipment of a malting barley facility for the
20 purposes of this section.

21 {6}{7}--Class five property is taxed at 3% of its
22 market value."

23 **SECTION 1.** SECTION 15-6-136, MCA, IS AMENDED TO READ:

24 "15-6-136. Class six property -- description --
25 taxable percentage. (1) Class six property includes:

(a) livestock and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit, and the unprocessed products of such animals and wildlife;

(b) all unprocessed agricultural products on the farm or in storage except:

(i) all perishable fruits and vegetables in farm storage and owned by the producer; and

(ii) all producer-held grain in storage;

(c) items of personal property intended for lease in the ordinary course of business, provided each item of personal property satisfies all of the following:

(i) the full and true value of the personal property is less than \$5,000;

(ii) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and

(iii) the lease of the personal property is generally on an hourly, daily, or weekly basis;

(d) machinery and equipment used in a malting barley facility.

(2) "Malting barley facility" means a facility the

principal purpose of which is to malt malting barley. The term does not apply to a facility the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise do anything with malting barley, except malt malting barley. However, any machinery or equipment the principal purpose of which is to store, mix, blend, transport, transfer, or otherwise handle malting barley or other machinery or equipment that is used in or is otherwise an integral part of a facility that malts malting barley is machinery or equipment of a malting barley facility for the purposes of this section.

~~(2)(3)~~ Class six property is taxed at 4% of its market value."

NEW SECTION. **Section 2.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 3.** Effective date -- retroactive applicability. [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988.

~~NEW SECTION. SECTION 4. TERMINATION. ---[THIS---ACT] TERMINATES DECEMBER 31, 1990.~~

-End-

HOUSE BILL NO. 786

INTRODUCED BY ADDY

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING PROVISIONS CONCERNING PERSONNEL CLASSIFICATION AND COMPENSATION FOR STATE EMPLOYEES; INCREASING COMPENSATION FOR CERTAIN ELECTED OFFICIALS AND STATE EMPLOYEES; CLARIFYING THAT TEACHERS EMPLOYED BY THE DEPARTMENT OF FAMILY SERVICES ARE EXEMPT FROM THE STATE PERSONNEL CLASSIFICATION PLAN; REMOVING THE PROVISION FREEZING THE COMPENSATION OF EMPLOYEES WHO ARE EXEMPT FROM THE CLASSIFICATION PLAN; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1990 AND 1991 FOR CERTAIN STATE EMPLOYEES; ~~PROVIDING-SHIFT-DIFFERENTIAL-PAY-FOR-CERTAIN-EMPLOYEES~~; REQUIRING THE BOARD OF REGENTS TO MAINTAIN ITS GROUP BENEFITS PLAN ON AN ACTUARIALLY SOUND BASIS; ESTABLISHING EMPLOYER CONTRIBUTION LEVELS FOR GROUP BENEFITS FOR FISCAL YEARS 1990 AND THEREAFTER; CREATING A COMMITTEE ON STATE EMPLOYEE COMPENSATION; APPROPRIATING FUNDS FOR PAYMENT OF COMPENSATION AND GROUP BENEFITS AND FOR USE BY THE COMMITTEE ON STATE EMPLOYEE COMPENSATION; AMENDING SECTIONS 2-16-405, 2-18-103, 2-18-104, 2-18-301, 2-18-303, 2-18-312 THROUGH 2-18-315, 2-18-702, AND 2-18-703, 13-37-106, AND 15-2-102, MCA; AND PROVIDING EFFECTIVE DATES."

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

SECTION 1. SECTION 2-16-405, MCA, IS AMENDED TO READ:

"2-16-405. Salaries of certain elected state officials. The salaries paid to certain elected officials of the state of Montana for fiscal year 1986 1990 and following years are:

	<u>Fiscal Year</u>		<u>Following</u>
		<u>1990</u>	<u>June 30, 1990</u>
Governor	\$50,452	<u>\$51,713</u>	<u>\$53,006</u>
Lieutenant governor	\$36,144	<u>\$37,044</u>	<u>\$37,970</u>
Chief-justice-of-the-supreme-court	\$51,722		
Justices-of-the-supreme-court;-each	\$50,452		
Attorney general	\$46,016	<u>\$47,166</u>	<u>\$48,345</u>



Montana Legislative Council

REFERENCE BILL: Includes Free
Conference Committee Report
Dated 4-13-89 HB 786

1	State auditor	\$83,342	<u>\$34,176</u>	<u>\$35,030</u>
2	Superintendent of public instruction	\$99,672	<u>\$40,664</u>	<u>\$41,681</u>
3	Public service commission chairman	\$37,363	<u>\$38,297</u>	<u>\$39,254</u>
4	Public service commissioners, other than			
5	chairman	\$36,141	<u>\$37,044</u>	<u>\$37,970</u>
6	Secretary of state	\$33,342	<u>\$34,176</u>	<u>\$35,030</u>
7	Clerk of the supreme court	\$32,481	<u>\$33,211</u>	<u>\$34,041"</u>

8 Section 2. Section 2-18-103, MCA, is amended to read:

9 "2-18-103. Officers and employees excepted. Parts 1 and 2 do not apply to the following positions in state
10 government:

11 (1) elected officials;

12 (2) county assessors and their chief deputy;

13 (3) officers and employees of the legislative branch;

14 (4) judges and employees of the judicial branch;

15 (5) members of boards and commissions appointed by the governor, ~~appointed by~~ the legislature, or ~~appointed--by~~
16 other elected state officials;

17 (6) officers or members of the militia;

18 (7) agency heads appointed by the governor;

19 (8) academic and professional administrative personnel with individual contracts under the authority of the board
20 of regents of higher education;

21 (9) academic and professional administrative personnel and live-in houseparents who have entered into individual
22 contracts with the state school for the deaf and blind under the authority of the state board of public education;

23 (10) teachers under the authority of the department of institutions or family services;

24 (11) investment officer, assistant investment officer, executive director, and three professional staff positions
25 of the board of investments;

1 (12) four professional staff positions under the board of oil and gas conservation; and

2 (13) assistant director for security of the Montana state lottery."

3 Section 3. Section 2-18-104, MCA, is amended to read:

4 "2-18-104. Exemption for personal staff -- limit. (1) Subject to the limitations in subsections (2) and (3),
5 members of a personal staff are exempt from the application of 2-18-204, 2-18-205, 2-18-207, and 2-18-1011 through
6 2-18-1013.

7 (2) The personal staff who are exempted by subsection (1) may not exceed 10 unless otherwise approved by the
8 department according to criteria developed by the department. Under no circumstances may the total exemptions of each
9 elected official exceed 15.

10 (3) The number of members of the personal staff of the public service commission who are exempted by subsection
11 (1) may not exceed 10.

12 ~~(4) -- A person occupying an exempt position under 2-18-103 or this section may not receive an increase in~~
13 ~~compensation unless the person changes positions or successfully completes a probationary period in fiscal year 1988 or~~
14 ~~1989."~~

15 Section 4. Section 2-18-301, MCA, is amended to read:

16 "2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation
17 necessary to attract and retain competent and qualified employees in order to perform the services the state is required
18 to provide to its citizens.

19 (2) It is the intent of the legislature that, for the biennium ending June 30, ~~1989~~ 1991, the:

20 (a) pay schedules provided for in 2-18-312 through 2-18-315 supersede any other plan or systems established
21 through collective bargaining after the adjournment of the 58th 51st legislature;

22 (b) pay levels provided for in 2-18-312 through 2-18-315 may not be increased through collective bargaining after
23 adjournment of the 58th 51st legislature; and

24 (c) total funds required to implement the pay schedules provided for in 2-18-312 through 2-18-315 for any employee
25 group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the 58th

1 51st legislature.

2 (3) The department shall administer the pay program established by the legislature on the basis of merit, internal
3 equity, and competitiveness to external labor markets when fiscally able.

4 (4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining
5 statutes, or negotiated contracts to carry out the purposes of this part."

6 Section 5. Section 2-18-303, MCA, is amended to read:

7 "2-18-303. Procedures for utilizing pay schedule schedules. (1) The pay schedule schedules provided in 2-18-312
8 ~~shall must~~ be implemented as follows:

9 (a) The pay schedule schedules provided in 2-18-312 ~~indicates~~ indicate the annual compensation; ~~EXCEPTING-SHIFT~~
10 ~~DIFFERENTIAL-PAY;~~ for the fiscal years ending June 30, ~~1988~~ 1990, and June 30, ~~1989~~ 1991, for each grade and step for
11 positions classified under the provisions of part 2 of this chapter.

12 (b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of
13 probationary service. The anniversary date of an employee ~~shall must~~ be established at the end of the probationary
14 period in accordance with rules promulgated by the department.

15 (c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1988-shall-be~~
16 1990 ~~is that amount which-corresponds~~ corresponding to the grade and step occupied on the last day of the ~~the--preceding~~
17 fiscal year of ~~1987~~ 1989.

18 (ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1989-shall-be~~ 1991
19 ~~is that amount which-corresponds~~ corresponding to the grade and step occupied on the last day of the fiscal year ~~1988~~
20 1990.

21 ~~(2)--(A)--IN--ADDITION--TO--THE--COMPENSATION--PROVIDED--FOR--IN--2-18-312,--AN--EMPLOYEE--OF--ANY--OF--THE--FOLLOWING--STATE~~
22 ~~INSTITUTIONS--IS--ELIGIBLE--TO--RECEIVE--SHIFT--DIFFERENTIAL--PAY--AS--PROVIDED--IN--SUBSECTION--(2)(B):~~

23 ~~(i)--MONTANA--STATE--PRISON;~~

24 ~~(ii)--WOMEN'S--CORRECTIONAL--CENTER;~~

25 ~~(iii)--SWAN-RIVER-Forest-CAMP;~~

~~(IV)--MONTANA-VETERANS'-HOME;~~

~~(V)--MONTANA-CENTER-FOR-THE-AGED;~~

~~(VI)--MONTANA-STATE-HOSPITAL;~~

~~(VII)--MONTANA-DEVELOPMENTAL-CENTER;~~

~~(VIII)--EASTMONT-HUMAN-SERVICES-CENTER;~~

~~(IX)--MOUNTAIN-VIEW-SCHOOL;--AND~~

~~(X)--PINE-HILLS-SCHOOL;~~

~~(B)--AN-EMPLOYEE-ELIGIBLE-UNDER-SUBSECTION-(2)(A)-WHO-WORKS;~~

~~(I)--AN-AFTERNOON-SHIFT-IS-ENTITLED-TO-RECEIVE-SHIFT-DIFFERENTIAL-PAY-AMOUNTING-TO-50-CENTS-AN-HOUR;--AND~~

~~(II)--A-NIGHT-SHIFT-IS-ENTITLED-TO-RECEIVE-SHIFT-DIFFERENTIAL-PAY-AMOUNTING-TO-\$1-AN-HOUR;~~

~~(2)(3)(2)~~ The pay ~~schedate~~ schedules provided in 2-18-312 and the provisions of subsection (1) of this section do not apply to those institutional teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313; 2-18-314; or through 2-18-315.

~~(3)(4)(3)~~ The pay schedules provided in 2-18-313; 2-18-314; or through 2-18-315 ~~shall~~ must be implemented as follows:

(a) (i) The pay schedules provided for in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed by institutions under the authority of the department of institutions or the department of family services for fiscal years 1988 1990 and 1989 1991.

(ii) ~~The compensation of each teacher on~~ ON the first day of the first pay period in July ~~1987--shall--be~~ 1989 is that ~~--amount which corresponds~~ corresponding to his level of academic achievement and, EACH TEACHER SHALL ADVANCE THREE STEPS ON THE APPROPRIATE PAY SCHEDULE FOR FISCAL YEAR 1990 FROM the step THAT HE occupied on June 30, 1987 1989.

(iii) The compensation of each teacher on the first day of the first pay period in July ~~1988--shall--be~~ 1990 is that ~~amount which corresponds~~ corresponding to his level of academic achievement and the step occupied on June 30, 1987 1990.

(b) (i) The pay ~~schedate~~ schedules provided in 2-18-314 ~~indicates~~ indicate the maximum hourly compensation for fiscal years ending June 30, 1988 1990, and June 30, 1989 1991, for those employees in liquor store occupations who have

collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1988~~ 1990 or ~~1989~~; ~~as--the-case-may-be;--shall-be~~ 1991 is that amount ~~which-corresponds~~ corresponding to that the grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay ~~schedote~~ schedules provided in 2-18-315 ~~indicates~~ indicate the maximum hourly compensation for fiscal years ending June 30, ~~1988~~ 1990, and June 30, ~~1989~~ 1991, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1988~~ 1990 or ~~1989~~; ~~as-the-case-may-be;--shall-be~~ 1991 is that amount ~~which-corresponds~~ corresponding to that the grade occupied on the last day of the preceding fiscal year.

~~(4)(5)(4)~~ (a) (i) No A member of a bargaining unit may not receive the amounts indicated in the respective pay schedules provided in 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, ~~1989~~ 1991.

(ii) ~~in--the--event-that~~ If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection ~~(4)(a)(i)~~ (5)(A)(i) ~~(4)(A)(I)~~ of ~~this--section~~ are not completed by July 1, ~~1987~~ 1989, retroactivity to that date may be negotiated.

(iii) ~~in--the--event-that~~ If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection ~~(4)(a)(i)~~ (5)(A)(i) ~~(4)(A)(I)~~ of ~~this-section~~ are not completed by July 1, ~~1987~~ 1989, members of the bargaining unit involved ~~will~~ must continue to receive the compensation they were receiving as of June 30, ~~1987~~ 1989.

(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.

~~(5)(6)(5)~~ The current wage or salary of an employee ~~shall~~ may not be reduced by the implementation of the pay schedules provided for in 2-18-312 through 2-18-315.

(6)(7)(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7)(8)(7) The department may develop programs which--with that enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. Insofar as the program may apply to employees within a collective bargaining unit, it shall be is a negotiable subject under 39-31-305.

(8) THE DEPARTMENT SHALL REVIEW THE COMPETITIVENESS OF THE COMPENSATION PROVIDED TO REGISTERED NURSES AND OTHER OCCUPATIONS UNDER THIS PART. IF THE DEPARTMENT FINDS THAT SUBSTANTIAL PROBLEMS EXIST WITH RECRUITMENT AND RETENTION BECAUSE OF INADEQUATE SALARIES WHEN COMPARED TO COMPETING EMPLOYERS, THE DEPARTMENT MAY ESTABLISH CRITERIA ALLOWING AN ADJUSTMENT IN PAY OR CLASSIFICATION TO MITIGATE THE PROBLEMS. INsofar AS THESE ADJUSTMENTS MAY APPLY TO EMPLOYEES WITHIN A COLLECTIVE BARGAINING UNIT, THE IMPLEMENTATION OF THESE ADJUSTMENTS IS A NEGOTIABLE SUBJECT UNDER 39-31-305."

Section 6. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedule schedules for fiscal years ~~1988~~ 1990 and ~~1989~~ 1991. (1) The statewide classification pay schedule for fiscal years ~~1988 and 1989~~ year 1990 is as follows:

Annual Hours -- 2080

Note: Includes Insurance

Pay Matrix -- State

Matrix Type -- Annual

		STEP											
GRADE	--1	--2	--3	--4	--5	--6	--7	--8	--9	--10	--11	--12	--13
1	9,392	10,099	10,381	10,587	10,717	10,931	11,150	11,379	11,600	11,832	12,069	12,310	12,802
2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,468
3	10,398	11,101	11,485	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
5	11,608	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,810
6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933

1	9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
2	10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
3	11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
4	12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
5	13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
6	14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
7	15	22,885	24,600	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
8	16	24,846	26,716	27,256	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,878
9	17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,768
10	18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
11	19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	43,496
12	20	34,781	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	45,481	47,391
13	21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	48,569	49,539	51,691
14	22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	51,896	52,934	53,991	56,391
15	23	44,986	48,286	49,252	50,237	51,242	52,267	53,312	54,378	55,465	56,573	57,702	58,851	61,491
16	24	48,988	52,675	53,729	54,804	55,900	57,018	58,158	59,320	60,504	61,710	62,938	64,187	67,091
17	25	53,471	57,496	58,646	59,819	61,015	62,235	63,480	64,750	66,045	67,365	68,710	70,080	73,291

STEP

19	GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
20	1	10,132	10,839	11,041	11,247	11,457	11,671	11,890	12,113	12,340	12,572	12,809	13,050	13,542
21	2	10,614	11,357	11,569	11,786	12,007	12,232	12,462	12,696	12,935	13,179	13,428	13,682	14,200
22	3	11,138	11,921	12,145	12,373	12,606	12,843	13,085	13,332	13,584	13,841	14,103	14,370	14,915
23	4	11,711	12,537	12,773	13,014	13,259	13,509	13,764	14,024	14,290	14,561	14,837	15,119	15,694
24	5	12,343	13,216	13,466	13,721	13,981	14,246	14,516	14,792	15,073	15,360	15,652	15,950	16,558
25	6	13,035	13,960	14,224	14,494	14,769	15,050	15,336	15,628	15,926	16,230	16,540	16,856	17,501

1	<u>7</u>	<u>13,802</u>	<u>14,785</u>	<u>15,066</u>	<u>15,353</u>	<u>15,645</u>	<u>15,943</u>	<u>16,247</u>	<u>16,557</u>	<u>16,873</u>	<u>17,196</u>	<u>17,525</u>	<u>17,861</u>	<u>18,546</u>
2	<u>8</u>	<u>14,629</u>	<u>15,674</u>	<u>15,973</u>	<u>16,278</u>	<u>16,589</u>	<u>16,906</u>	<u>17,229</u>	<u>17,559</u>	<u>17,895</u>	<u>18,238</u>	<u>18,588</u>	<u>18,945</u>	<u>19,673</u>
3	<u>9</u>	<u>15,547</u>	<u>16,662</u>	<u>16,980</u>	<u>17,305</u>	<u>17,636</u>	<u>17,974</u>	<u>18,319</u>	<u>18,671</u>	<u>19,030</u>	<u>19,396</u>	<u>19,769</u>	<u>20,150</u>	<u>20,926</u>
4	<u>10</u>	<u>16,553</u>	<u>17,743</u>	<u>18,083</u>	<u>18,430</u>	<u>18,784</u>	<u>19,145</u>	<u>19,513</u>	<u>19,888</u>	<u>20,271</u>	<u>20,662</u>	<u>21,060</u>	<u>21,466</u>	<u>22,295</u>
5	<u>11</u>	<u>17,652</u>	<u>18,925</u>	<u>19,289</u>	<u>19,660</u>	<u>20,038</u>	<u>20,424</u>	<u>20,818</u>	<u>21,220</u>	<u>21,630</u>	<u>22,048</u>	<u>22,474</u>	<u>22,909</u>	<u>23,796</u>
6	<u>12</u>	<u>18,868</u>	<u>20,233</u>	<u>20,623</u>	<u>21,021</u>	<u>21,427</u>	<u>21,841</u>	<u>22,263</u>	<u>22,693</u>	<u>23,132</u>	<u>23,580</u>	<u>24,037</u>	<u>24,503</u>	<u>25,477</u>
7	<u>13</u>	<u>20,204</u>	<u>21,669</u>	<u>22,088</u>	<u>22,515</u>	<u>22,951</u>	<u>23,395</u>	<u>23,848</u>	<u>24,310</u>	<u>24,788</u>	<u>25,281</u>	<u>25,783</u>	<u>26,295</u>	<u>27,341</u>
8	<u>14</u>	<u>21,880</u>	<u>23,471</u>	<u>23,926</u>	<u>24,390</u>	<u>24,872</u>	<u>25,366</u>	<u>25,870</u>	<u>26,384</u>	<u>26,909</u>	<u>27,444</u>	<u>27,991</u>	<u>28,547</u>	<u>29,683</u>
9	<u>15</u>	<u>23,625</u>	<u>25,369</u>	<u>25,873</u>	<u>26,388</u>	<u>26,912</u>	<u>27,447</u>	<u>27,994</u>	<u>28,550</u>	<u>29,118</u>	<u>29,697</u>	<u>30,289</u>	<u>30,891</u>	<u>32,121</u>
10	<u>16</u>	<u>25,613</u>	<u>27,529</u>	<u>28,077</u>	<u>28,635</u>	<u>29,205</u>	<u>29,786</u>	<u>30,379</u>	<u>30,984</u>	<u>31,601</u>	<u>32,230</u>	<u>32,872</u>	<u>33,527</u>	<u>34,862</u>
11	<u>17</u>	<u>27,787</u>	<u>29,867</u>	<u>30,462</u>	<u>31,069</u>	<u>31,687</u>	<u>32,317</u>	<u>32,961</u>	<u>33,617</u>	<u>34,286</u>	<u>34,969</u>	<u>35,665</u>	<u>36,375</u>	<u>37,825</u>
12	<u>18</u>	<u>30,190</u>	<u>32,451</u>	<u>33,097</u>	<u>33,756</u>	<u>34,429</u>	<u>35,114</u>	<u>35,813</u>	<u>36,527</u>	<u>37,255</u>	<u>37,997</u>	<u>38,754</u>	<u>39,526</u>	<u>41,101</u>
13	<u>19</u>	<u>32,831</u>	<u>35,291</u>	<u>35,994</u>	<u>36,710</u>	<u>37,441</u>	<u>38,187</u>	<u>38,948</u>	<u>39,724</u>	<u>40,515</u>	<u>41,323</u>	<u>42,146</u>	<u>42,986</u>	<u>42,986</u>
14	<u>20</u>	<u>35,714</u>	<u>38,391</u>	<u>39,156</u>	<u>39,936</u>	<u>40,731</u>	<u>41,543</u>	<u>42,371</u>	<u>43,216</u>	<u>44,077</u>	<u>44,955</u>	<u>45,851</u>	<u>45,851</u>	<u>45,851</u>
15	<u>21</u>	<u>38,885</u>	<u>41,802</u>	<u>42,635</u>	<u>43,485</u>	<u>44,352</u>	<u>45,236</u>	<u>46,138</u>	<u>47,058</u>	<u>47,996</u>	<u>48,953</u>	<u>48,953</u>	<u>48,953</u>	<u>48,953</u>
16	<u>22</u>	<u>42,366</u>	<u>45,544</u>	<u>46,452</u>	<u>47,379</u>	<u>48,324</u>	<u>49,287</u>	<u>50,270</u>	<u>51,273</u>	<u>52,295</u>	<u>52,295</u>	<u>52,295</u>	<u>52,295</u>	<u>52,295</u>
17	<u>23</u>	<u>46,174</u>	<u>49,639</u>	<u>50,629</u>	<u>51,638</u>	<u>52,669</u>	<u>53,719</u>	<u>54,790</u>	<u>55,883</u>	<u>55,883</u>	<u>55,883</u>	<u>55,883</u>	<u>55,883</u>	<u>55,883</u>
18	<u>24</u>	<u>50,358</u>	<u>54,137</u>	<u>55,218</u>	<u>56,320</u>	<u>57,443</u>	<u>58,589</u>	<u>59,757</u>	<u>59,757</u>	<u>59,757</u>	<u>59,757</u>	<u>59,757</u>	<u>59,757</u>	<u>59,757</u>
19	<u>25</u>	<u>54,953</u>	<u>59,079</u>	<u>60,258</u>	<u>61,460</u>	<u>62,686</u>	<u>63,936</u>	<u>63,936</u>	<u>63,936</u>	<u>63,936</u>	<u>63,936</u>	<u>63,936</u>	<u>63,936</u>	<u>63,936</u>

(2) The statewide classification pay schedule for fiscal year 1991 is as follows:

21	<u>Annual Hours -- 2080</u>										<u>Note: Includes Insurance</u>			
22	<u>Pay Matrix -- State</u>										<u>Matrix Type -- Annual</u>			
23														
24	<u>GRADE</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>
25	<u>1</u>	<u>10,932</u>	<u>11,639</u>	<u>11,841</u>	<u>12,047</u>	<u>12,257</u>	<u>12,471</u>	<u>12,690</u>	<u>12,913</u>	<u>13,140</u>	<u>13,372</u>	<u>13,609</u>	<u>13,850</u>	<u>14,342</u>

1	<u>2</u>	<u>11,414</u>	<u>12,157</u>	<u>12,369</u>	<u>12,586</u>	<u>12,807</u>	<u>13,032</u>	<u>13,262</u>	<u>13,496</u>	<u>13,735</u>	<u>13,979</u>	<u>14,228</u>	<u>14,482</u>	<u>15,000</u>
2	<u>3</u>	<u>11,938</u>	<u>12,721</u>	<u>12,945</u>	<u>13,173</u>	<u>13,406</u>	<u>13,643</u>	<u>13,885</u>	<u>14,132</u>	<u>14,384</u>	<u>14,641</u>	<u>14,903</u>	<u>15,170</u>	<u>15,715</u>
3	<u>4</u>	<u>12,511</u>	<u>13,337</u>	<u>13,573</u>	<u>13,814</u>	<u>14,059</u>	<u>14,309</u>	<u>14,564</u>	<u>14,824</u>	<u>15,090</u>	<u>15,361</u>	<u>15,637</u>	<u>15,919</u>	<u>16,494</u>
4	<u>5</u>	<u>13,143</u>	<u>14,016</u>	<u>14,266</u>	<u>14,521</u>	<u>14,781</u>	<u>15,046</u>	<u>15,316</u>	<u>15,592</u>	<u>15,873</u>	<u>16,160</u>	<u>16,452</u>	<u>16,750</u>	<u>17,358</u>
5	<u>6</u>	<u>13,835</u>	<u>14,760</u>	<u>15,024</u>	<u>15,294</u>	<u>15,569</u>	<u>15,850</u>	<u>16,136</u>	<u>16,428</u>	<u>16,726</u>	<u>17,030</u>	<u>17,340</u>	<u>17,656</u>	<u>18,301</u>
6	<u>7</u>	<u>14,602</u>	<u>15,585</u>	<u>15,866</u>	<u>16,153</u>	<u>16,445</u>	<u>16,743</u>	<u>17,047</u>	<u>17,357</u>	<u>17,673</u>	<u>17,996</u>	<u>18,325</u>	<u>18,661</u>	<u>19,346</u>
7	<u>8</u>	<u>15,429</u>	<u>16,474</u>	<u>16,773</u>	<u>17,078</u>	<u>17,389</u>	<u>17,706</u>	<u>18,029</u>	<u>18,359</u>	<u>18,695</u>	<u>19,038</u>	<u>19,388</u>	<u>19,745</u>	<u>20,473</u>
8	<u>9</u>	<u>16,347</u>	<u>17,462</u>	<u>17,780</u>	<u>18,105</u>	<u>18,436</u>	<u>18,774</u>	<u>19,119</u>	<u>19,471</u>	<u>19,830</u>	<u>20,196</u>	<u>20,569</u>	<u>20,950</u>	<u>21,726</u>
9	<u>10</u>	<u>17,353</u>	<u>18,543</u>	<u>18,883</u>	<u>19,230</u>	<u>19,584</u>	<u>19,945</u>	<u>20,313</u>	<u>20,688</u>	<u>21,071</u>	<u>21,462</u>	<u>21,860</u>	<u>22,266</u>	<u>23,095</u>
10	<u>11</u>	<u>18,452</u>	<u>19,725</u>	<u>20,089</u>	<u>20,460</u>	<u>20,838</u>	<u>21,224</u>	<u>21,618</u>	<u>22,020</u>	<u>22,430</u>	<u>22,848</u>	<u>23,274</u>	<u>23,709</u>	<u>24,596</u>
11	<u>12</u>	<u>19,668</u>	<u>21,033</u>	<u>21,423</u>	<u>21,821</u>	<u>22,227</u>	<u>22,641</u>	<u>23,063</u>	<u>23,493</u>	<u>23,932</u>	<u>24,380</u>	<u>24,839</u>	<u>25,317</u>	<u>26,315</u>
12	<u>13</u>	<u>21,004</u>	<u>22,469</u>	<u>22,888</u>	<u>23,315</u>	<u>23,751</u>	<u>24,195</u>	<u>24,648</u>	<u>25,119</u>	<u>25,609</u>	<u>26,114</u>	<u>26,629</u>	<u>27,153</u>	<u>28,226</u>
13	<u>14</u>	<u>22,680</u>	<u>24,271</u>	<u>24,726</u>	<u>25,201</u>	<u>25,695</u>	<u>26,201</u>	<u>26,718</u>	<u>27,245</u>	<u>27,783</u>	<u>28,331</u>	<u>28,892</u>	<u>29,462</u>	<u>30,626</u>
14	<u>15</u>	<u>24,425</u>	<u>26,204</u>	<u>26,721</u>	<u>27,249</u>	<u>27,786</u>	<u>28,334</u>	<u>28,895</u>	<u>29,465</u>	<u>30,047</u>	<u>30,640</u>	<u>31,247</u>	<u>31,864</u>	<u>33,125</u>
15	<u>16</u>	<u>26,454</u>	<u>28,418</u>	<u>28,980</u>	<u>29,552</u>	<u>30,136</u>	<u>30,732</u>	<u>31,339</u>	<u>31,960</u>	<u>32,592</u>	<u>33,237</u>	<u>33,895</u>	<u>34,566</u>	<u>35,935</u>
16	<u>17</u>	<u>28,683</u>	<u>30,815</u>	<u>31,425</u>	<u>32,047</u>	<u>32,680</u>	<u>33,326</u>	<u>33,986</u>	<u>34,658</u>	<u>35,344</u>	<u>36,044</u>	<u>36,758</u>	<u>37,485</u>	<u>38,972</u>
17	<u>18</u>	<u>31,146</u>	<u>33,463</u>	<u>34,125</u>	<u>34,801</u>	<u>35,491</u>	<u>36,193</u>	<u>36,909</u>	<u>37,641</u>	<u>38,387</u>	<u>39,148</u>	<u>39,924</u>	<u>40,715</u>	<u>42,330</u>
18	<u>19</u>	<u>33,853</u>	<u>36,374</u>	<u>37,095</u>	<u>37,829</u>	<u>38,578</u>	<u>39,343</u>	<u>40,123</u>	<u>40,918</u>	<u>41,729</u>	<u>42,557</u>	<u>43,401</u>	<u>44,262</u>	<u>44,262</u>
19	<u>20</u>	<u>36,808</u>	<u>39,552</u>	<u>40,336</u>	<u>41,135</u>	<u>41,950</u>	<u>42,783</u>	<u>43,631</u>	<u>44,497</u>	<u>45,380</u>	<u>46,280</u>	<u>47,198</u>	<u>47,198</u>	<u>47,198</u>
20	<u>21</u>	<u>40,058</u>	<u>43,048</u>	<u>43,902</u>	<u>44,773</u>	<u>45,662</u>	<u>46,568</u>	<u>47,492</u>	<u>48,435</u>	<u>49,397</u>	<u>50,378</u>	<u>50,378</u>	<u>50,378</u>	<u>50,378</u>
21	<u>22</u>	<u>43,626</u>	<u>46,884</u>	<u>47,814</u>	<u>48,764</u>	<u>49,733</u>	<u>50,720</u>	<u>51,728</u>	<u>52,756</u>	<u>53,803</u>	<u>53,803</u>	<u>53,803</u>	<u>53,803</u>	<u>53,803</u>
22	<u>23</u>	<u>47,529</u>	<u>51,081</u>	<u>52,096</u>	<u>53,130</u>	<u>54,187</u>	<u>55,263</u>	<u>56,361</u>	<u>57,481</u>	<u>57,481</u>	<u>57,481</u>	<u>57,481</u>	<u>57,481</u>	<u>57,481</u>
23	<u>24</u>	<u>51,818</u>	<u>55,691</u>	<u>56,799</u>	<u>57,929</u>	<u>59,080</u>	<u>60,255</u>	<u>61,452</u>	<u>61,452</u>	<u>61,452</u>	<u>61,452</u>	<u>61,452</u>	<u>61,452</u>	<u>61,452</u>
24	<u>25</u>	<u>56,528</u>	<u>60,757</u>	<u>61,965</u>	<u>63,198</u>	<u>64,454</u>	<u>65,735</u>	<u>65,735</u>	<u>65,735</u>	<u>65,735</u>	<u>65,735</u>	<u>65,735</u>	<u>65,735</u>	<u>65,735</u>

25 Section 7. Section 2-18-313, MCA, is amended to read:

1 "2-18-313. Institutional--teachers' Teachers' pay schedules. The department of institutions shall adjust the 1987
 2 pay schedules for institutional teachers so that the cost of implementing the adjusted schedules is equal to the
 3 appropriation provided for in section 8, Chapter 62, Laws of 1987. The adjusted schedules must be applied as provided
 4 in 2-18-383. (1) (a) The 12-month pay schedule for teachers for fiscal year 1990 is as follows:

5 Annual Hours -- 2080

Note: Includes Insurance

6 Term -- Twelve Months

Matrix Type -- Annual

7 Education Level

8	<u>STEP</u>	<u>BA</u>	<u>BA+1</u>	<u>BA+2</u>	<u>BA+3</u>	<u>MA</u>	<u>MA+1</u>
9	<u>1</u>	<u>21,228</u>	<u>21,870</u>	<u>22,529</u>	<u>22,850</u>	<u>23,173</u>	<u>23,832</u>
10	<u>2</u>	<u>21,983</u>	<u>22,699</u>	<u>23,416</u>	<u>23,775</u>	<u>24,134</u>	<u>24,859</u>
11	<u>3</u>	<u>22,738</u>	<u>23,529</u>	<u>24,302</u>	<u>24,706</u>	<u>25,110</u>	<u>25,905</u>
12	<u>4</u>	<u>23,494</u>	<u>24,362</u>	<u>25,206</u>	<u>25,652</u>	<u>26,097</u>	<u>26,949</u>
13	<u>5</u>	<u>24,247</u>	<u>25,206</u>	<u>26,115</u>	<u>26,598</u>	<u>27,084</u>	<u>27,995</u>
14	<u>6</u>	<u>25,016</u>	<u>26,060</u>	<u>27,027</u>	<u>27,548</u>	<u>28,071</u>	<u>29,041</u>
15	<u>7</u>	<u>25,786</u>	<u>26,908</u>	<u>27,934</u>	<u>28,496</u>	<u>29,056</u>	<u>30,083</u>
16	<u>8</u>	<u>26,561</u>	<u>27,760</u>	<u>28,847</u>	<u>29,446</u>	<u>30,045</u>	<u>31,127</u>
17	<u>9</u>	<u>27,335</u>	<u>28,610</u>	<u>29,756</u>	<u>30,392</u>	<u>31,033</u>	<u>32,172</u>
18	<u>10</u>	<u>28,108</u>	<u>29,464</u>	<u>30,664</u>	<u>31,340</u>	<u>32,018</u>	<u>33,218</u>
19	<u>11</u>	<u>28,884</u>	<u>30,286</u>	<u>31,571</u>	<u>32,288</u>	<u>33,005</u>	<u>34,260</u>
20	<u>12</u>	<u>28,884</u>	<u>30,286</u>	<u>31,571</u>	<u>32,288</u>	<u>33,005</u>	<u>34,260</u>
21	<u>13</u>	<u>28,884</u>	<u>30,286</u>	<u>31,571</u>	<u>32,288</u>	<u>33,005</u>	<u>34,260</u>

22 (b) The 9-month pay schedule for teachers for fiscal year 1990 is as follows:

23 Annual Hours -- 1480

Note: Includes Insurance

24 Term -- Nine Months

Matrix Type -- Annual

		<u>Education Level</u>					
	<u>STEP</u>	<u>BA</u>	<u>BA+1</u>	<u>BA+2</u>	<u>BA+3</u>	<u>MA</u>	<u>MA+1</u>
3	<u>1</u>	<u>16,451</u>	<u>16,933</u>	<u>17,427</u>	<u>17,668</u>	<u>17,910</u>	<u>18,404</u>
4	<u>2</u>	<u>17,017</u>	<u>17,554</u>	<u>18,092</u>	<u>18,361</u>	<u>18,631</u>	<u>19,168</u>
5	<u>3</u>	<u>17,583</u>	<u>18,176</u>	<u>18,757</u>	<u>19,056</u>	<u>19,352</u>	<u>19,933</u>
6	<u>4</u>	<u>18,151</u>	<u>18,801</u>	<u>19,422</u>	<u>19,749</u>	<u>20,074</u>	<u>20,697</u>
7	<u>5</u>	<u>18,715</u>	<u>19,422</u>	<u>20,087</u>	<u>20,441</u>	<u>20,796</u>	<u>21,463</u>
8	<u>6</u>	<u>19,283</u>	<u>20,047</u>	<u>20,755</u>	<u>21,136</u>	<u>21,518</u>	<u>22,228</u>
9	<u>7</u>	<u>19,846</u>	<u>20,667</u>	<u>21,418</u>	<u>21,829</u>	<u>22,239</u>	<u>22,990</u>
10	<u>8</u>	<u>20,414</u>	<u>21,291</u>	<u>22,086</u>	<u>22,524</u>	<u>22,963</u>	<u>23,754</u>
11	<u>9</u>	<u>20,980</u>	<u>21,913</u>	<u>22,751</u>	<u>23,217</u>	<u>23,685</u>	<u>24,519</u>
12	<u>10</u>	<u>21,546</u>	<u>22,537</u>	<u>23,416</u>	<u>23,910</u>	<u>24,406</u>	<u>25,304</u>
13	<u>11</u>	<u>22,113</u>	<u>23,139</u>	<u>24,079</u>	<u>24,606</u>	<u>25,144</u>	<u>26,085</u>
14	<u>12</u>	<u>22,113</u>	<u>23,139</u>	<u>24,079</u>	<u>24,606</u>	<u>25,144</u>	<u>26,085</u>
15	<u>13</u>	<u>22,113</u>	<u>23,139</u>	<u>24,079</u>	<u>24,606</u>	<u>25,144</u>	<u>26,085</u>

(2) (a) The 12-month pay schedule for teachers for fiscal year 1991 is as follows:

17		<u>Annual Hours -- 2080</u>			<u>Note: Includes Insurance</u>		
18		<u>Term -- Twelve Months</u>			<u>Matrix Type -- Annual</u>		
19				<u>Education Level</u>			
20	<u>STEP</u>	<u>BA</u>	<u>BA+1</u>	<u>BA+2</u>	<u>BA+3</u>	<u>MA</u>	<u>MA+1</u>
21	<u>1</u>	<u>22,028</u>	<u>22,670</u>	<u>23,329</u>	<u>23,650</u>	<u>23,973</u>	<u>24,632</u>
22	<u>2</u>	<u>22,783</u>	<u>23,499</u>	<u>24,216</u>	<u>24,575</u>	<u>24,938</u>	<u>25,681</u>
23	<u>3</u>	<u>23,538</u>	<u>24,329</u>	<u>25,111</u>	<u>25,525</u>	<u>25,939</u>	<u>26,754</u>
24	<u>4</u>	<u>24,294</u>	<u>25,172</u>	<u>26,037</u>	<u>26,494</u>	<u>26,950</u>	<u>27,824</u>
25	<u>5</u>	<u>25,054</u>	<u>26,037</u>	<u>26,969</u>	<u>27,464</u>	<u>27,962</u>	<u>28,896</u>

1	<u>6</u>	<u>25,842</u>	<u>26,913</u>	<u>27,904</u>	<u>28,438</u>	<u>28,974</u>	<u>29,968</u>
2	<u>7</u>	<u>26,632</u>	<u>27,782</u>	<u>28,833</u>	<u>29,409</u>	<u>29,983</u>	<u>31,036</u>
3	<u>8</u>	<u>27,426</u>	<u>28,655</u>	<u>29,769</u>	<u>30,383</u>	<u>30,997</u>	<u>32,106</u>
4	<u>9</u>	<u>28,219</u>	<u>29,526</u>	<u>30,701</u>	<u>31,353</u>	<u>32,010</u>	<u>33,177</u>
5	<u>10</u>	<u>29,012</u>	<u>30,402</u>	<u>31,632</u>	<u>32,325</u>	<u>33,019</u>	<u>34,249</u>
6	<u>11</u>	<u>29,807</u>	<u>31,244</u>	<u>32,561</u>	<u>33,296</u>	<u>34,031</u>	<u>35,318</u>
7	<u>12</u>	<u>29,807</u>	<u>31,244</u>	<u>32,561</u>	<u>33,296</u>	<u>34,031</u>	<u>35,318</u>
8	<u>13</u>	<u>29,807</u>	<u>31,244</u>	<u>32,561</u>	<u>33,296</u>	<u>34,031</u>	<u>35,318</u>

(b) The 9-month pay schedule for teachers for fiscal year 1991 is as follows:

Annual Hours -- 1480

Note: Includes Insurance

Term -- Nine Months

Matrix Type -- Annual

		<u>Education Level</u>					
	<u>STEP</u>	<u>BA</u>	<u>BA+1</u>	<u>BA+2</u>	<u>BA+3</u>	<u>MA</u>	<u>MA+1</u>
13	<u>1</u>	<u>17,251</u>	<u>17,733</u>	<u>18,227</u>	<u>18,468</u>	<u>18,710</u>	<u>19,204</u>
14	<u>2</u>	<u>17,817</u>	<u>18,354</u>	<u>18,892</u>	<u>19,161</u>	<u>19,431</u>	<u>19,968</u>
15	<u>3</u>	<u>18,383</u>	<u>18,976</u>	<u>19,557</u>	<u>19,856</u>	<u>20,152</u>	<u>20,733</u>
16	<u>4</u>	<u>18,951</u>	<u>19,601</u>	<u>20,222</u>	<u>20,549</u>	<u>20,874</u>	<u>21,497</u>
17	<u>5</u>	<u>19,515</u>	<u>20,222</u>	<u>20,887</u>	<u>21,241</u>	<u>21,596</u>	<u>22,263</u>
18	<u>6</u>	<u>20,083</u>	<u>20,847</u>	<u>21,555</u>	<u>21,936</u>	<u>22,318</u>	<u>23,028</u>
19	<u>7</u>	<u>20,646</u>	<u>21,467</u>	<u>22,218</u>	<u>22,629</u>	<u>23,039</u>	<u>23,790</u>
20	<u>8</u>	<u>21,214</u>	<u>22,091</u>	<u>22,886</u>	<u>23,324</u>	<u>23,763</u>	<u>24,554</u>
21	<u>9</u>	<u>21,780</u>	<u>22,713</u>	<u>23,551</u>	<u>24,017</u>	<u>24,485</u>	<u>25,333</u>
22	<u>10</u>	<u>22,346</u>	<u>23,337</u>	<u>24,216</u>	<u>24,710</u>	<u>25,217</u>	<u>26,138</u>
23	<u>11</u>	<u>22,913</u>	<u>23,939</u>	<u>24,882</u>	<u>25,422</u>	<u>25,974</u>	<u>26,938</u>
24	<u>12</u>	<u>22,913</u>	<u>23,939</u>	<u>24,882</u>	<u>25,422</u>	<u>25,974</u>	<u>26,938</u>

1 13 22,913 23,939 24,882 25,422 25,974 26,938"

2 Section 8. Section 2-18-314, MCA, is amended to read:

3 "2-18-314. Liquor store occupations pay schedule schedules. (1) The pay schedule for liquor store occupations for
4 fiscal years ~~1988 and 1989~~ year 1990 is as follows:

5 Annual Hours -- 2080

Note: With Insurance

6 Pay Matrix -- Retail Clerk

Matrix Type -- Hourly

7 Grade

\$/Hour

W/Ins.

8 L1

~~8-800~~ 0.000

10 L2

~~7-600~~ 8.040

11 L3

~~8-100~~ 8.540

12 L4

~~8-460~~ 8.820

13 L5

~~8-750~~ 9.110

14 L6

~~9-960~~ 9.720

15 L7

~~10-020~~ 10.380

16 L8

~~10-770~~ 11.130

17 (2) The pay schedule for liquor store occupations for fiscal year 1991 is as follows:

18 Annual Hours -- 2080

Note: With Insurance

19 Pay Matrix -- Retail Clerk

Matrix Type -- Hourly

20 Grade

\$/Hour

W/Ins.

21 L1

0.000

22 L2

8.425

23 L3

8.925

24 L4

9.205

1	<u>L5</u>	<u>9.495</u>
2	<u>L6</u>	<u>10.105</u>
3	<u>L7</u>	<u>10.765</u>
4	<u>L8</u>	<u>11.515"</u>

5 Section 9. Section 2-18-315, MCA, is amended to read:

6 "2-18-315. Blue-collar pay schedule schedules. (1) The pay schedule for blue-collar workers for fiscal ~~years-1988~~
7 ~~and-1989~~ year 1990 is as follows:

8	Annual Hours -- 2080	Note: With Insurance
9	Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
10	Grade	\$/Hour
11		W/Ins.
12	B1	8-153 <u>8.51</u>
13	B2	8-553 <u>8.91</u>
14	B3	8-953 <u>9.31</u>
15	B4	9-953 <u>9.71</u>
16	B5	9-753 <u>10.11</u>
17	B6	10-153 <u>10.51</u>
18	B7	10-553 <u>10.91</u>
19	B8	10-953 <u>11.31</u>
20	B9	11-353 <u>11.71</u>
21	B10	11-753 <u>12.11</u>
22	B11	12-153 <u>12.51</u>
23	B12	12-553 <u>12.91</u>
24	B00	12-953 <u>13.31</u>

25 (2) The pay schedule for blue-collar workers for fiscal year 1991 is as follows:

Annual Hours -- 2080
Pay Matrix -- Blue-Collar

Note: With Insurance
Matrix Type -- Hourly

Grade\$/HourW/Ins.B18.90B29.25 9.30B39.65 9.70B410.05 10.10B510.45 10.50B610.85 10.90B711.25 11.30B811.65 11.70B912.05 12.10B1012.45 12.50B1112.85 12.90B1213.25 13.30B0013.65 13.70"

Section 10. Section 2-18-702, MCA, is amended to read:

***2-18-702. Group insurance for public employees and officers.** (1) All counties, cities, towns, school districts, and the board of regents shall upon approval by two-thirds vote of their respective officers and employees enter into group hospitalization, medical, health, including long-term disability, accident, and/or group life insurance contracts or plans for the benefit of their officers and employees and their dependents.

(2) State employees and elected officials, as defined in 2-18-701, may participate in such state employee group benefit plans as are provided for under part 8 of this chapter.

(3) For state officers and employees, the premiums required from time to time to maintain the insurance in force

1 shall be paid by the insured officers and employees, and the auditor shall deduct the premiums from the salary or wages
 2 of each officer or employee who elects to become insured, on the officer's or employee's written order, and issue his
 3 warrant therefor to the insurer.

4 (4) For the purpose of this section, the plans of health service corporations for defraying or assuming the cost
 5 of professional services of licentiates in the field of health or the services of hospitals, clinics, or sanitariums or
 6 both professional and hospital services shall be construed as group insurance and the dues payable under such plans
 7 shall be construed as premiums therefor.

8 (5) If the board of regents implements an alternative to conventional insurance to provide group benefits to its
 9 employees, the board shall maintain the alternative plan on an actuarially sound basis."

10 Section 11. Section 2-18-703, MCA, is amended to read:

11 "2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this
 12 section towards the group benefits cost.

13 (2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the
 14 legislature, the employer contribution for group benefits shall be ~~\$15~~ \$130 per month for the fiscal years year ending
 15 June 30, ~~1988~~ 1990, and \$150 per month for the fiscal year ending June 30, 1989 1991, and ~~\$15-per-month~~ for each fiscal
 16 year thereafter. Permanent part-time employees who are regularly scheduled to work less than 20 hours a week are not
 17 eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit
 18 plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be
 19 applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of
 20 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

21 (3) For employees of elementary and high school districts and of local government units, the employer's premium
 22 contributions may exceed but may not be less than \$10 per month.

23 (4) Unused employer contributions for any state employee ~~shall~~ must be transferred to an account established for
 24 this purpose by the department of administration and upon such transfer may be used to offset losses occurring to the
 25 group of which the employee is eligible to be a member."

1 SECTION 12. SECTION 13-37-106, MCA, IS AMENDED TO READ:

2 "13-37-106. Salary. The commissioner of political practices is entitled to receive a salary of ~~\$27,655-a~~ \$28,346
3 in fiscal year 1990 and \$29,055 in fiscal year 1991 and thereafter."

4 SECTION 13. SECTION 15-2-102, MCA, IS AMENDED TO READ:

5 "15-2-102. Qualification and compensation. (1) To be appointed a member of the state tax appeal board, a person
6 must possess knowledge of the subject of taxation and skill in matters pertaining thereto. No person so appointed may
7 hold any other office under the laws of this state or any other state or any office under the government of the United
8 States or under the government of any other state. He shall devote his entire time to the duties of the office and shall
9 not hold any other position of trust or profit or engage in any occupation or business interfering or inconsistent with
10 his duties. The state tax appeal board is transferred to the department of administration for administrative purposes
11 only as is specified in 2-15-121. However, the board may hire its own personnel, and 2-15-121(2)(d) does not apply.

12 (2) The member designated chairman as provided for in 15-2-103 shall receive a salary of ~~\$28,379--a~~ \$29,082 in
13 fiscal year 1990 and \$29,809 in fiscal year 1991 and thereafter. The remaining state tax appeal board members shall be
14 paid a salary of ~~\$27,685-a~~ \$28,326 in fiscal year 1990 and \$29,034 in fiscal year 1991 and thereafter. All members of
15 the board shall receive travel expenses as provided for in 2-18-501 through 2-18-503, as amended, when away from the
16 capital on official business."

17 ~~NEW-SECTION--SECTION-14--SALARY-OF-STATE-EMPLOYED-REGISTERED-NURSES--EMPLOYEES-CLASSIFIED--AS--REGISTERED--NURSES~~
18 ~~AND--EMPLOYED-WITH-THE-DEPARTMENTS-OF-INSTITUTIONS-AND-FAMILY-SERVICES-MUST-BE-PLACED-IN-THE-GRADE-AND-STEP-SET-FORTH-IN~~
19 ~~2-18-312-THAT-MOST-REFLECTS-THE-SALARY-PAID-BY-THE-LARGEST-NONSTATE-RUN-HOSPITAL--IN--THE--COUNTY--IN--WHICH--THE--STATE~~
20 ~~FACILITY--IS--LOCATED--THE--PLACEMENT--MUST-BE-NEGOTIATED-WITH-THE-LABOR-ORGANIZATION-REPRESENTING-THE-EMPLOYEES-OF-THE~~
21 ~~STATE-FACILITY--~~

22 NEW SECTION. Section 14. Committee on state employee compensation. (1) (a) There is a committee on state employee
23 compensation.

24 (b) The governor shall appoint seven members to the committee. Two of the members must be representatives of
25 employee organizations and have knowledge of or experience in negotiating the pay schedules provided in 2-18-312 through

1 2-18-315.

2 (c) The president of the senate shall appoint one senator and the speaker of the house of representatives shall
3 appoint one representative to the committee.

4 (2) A committee member shall serve until the committee terminates on July 1, 1991. A vacancy on the committee
5 must be filled in the same manner as the original appointment.

6 (3) The governor shall appoint the chairman and vice chairman of the committee. The committee shall meet upon the
7 call of the chairman or at the request of five members. Five members constitute a quorum to transact business.

8 (4) A member is entitled to compensation as provided in 2-15-122(5).

9 (5) The committee shall:

10 (a) examine policies governing state employee compensation in Montana;

11 (b) study compensation policies of other comparable governmental and private sector entities;

12 (c) review professional literature and research on compensation issues;

13 (d) analyze and assess various components of the Montana state employee compensation system;

14 (e) identify problems with the state employee compensation system and options for resolving these problems. State
15 employees and managers may be surveyed to assist in identifying these problems and options.

16 (f) develop recommendations to maximize employee productivity and promote quality governmental services within
17 available funding; and

18 (g) report its findings, recommendations, and any proposed legislation to the governor and the 52nd legislature.

19 (6) The state personnel division, department of administration, AND THE LEGISLATIVE COUNCIL shall provide staff
20 assistance to the committee.

21 NEW SECTION. Section 15. **Appropriation.** (1) (a) In addition to the appropriation in House Bill No. 100, there is
22 appropriated ~~\$+6,988,888~~ ~~\$+7,227,6+6~~ \$13,546,000 to the office of budget and program planning AND \$3,681,616 TO THE
23 OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION from the general fund for the biennium ending June 30, 1991, to implement
24 [this act] as it pertains to judicial and executive branch agencies.

25 (b) To implement [this act], the office of budget and program planning shall increase the expenditure authority of

judicial and executive branch agencies by \$16,450,000 for the biennium ending June 30, 1991, from funds other than from the general fund that accrue under the provisions of law to the respective agencies.

(2) The following money is appropriated to the listed agencies:

	Fiscal 1990		Fiscal 1991	
	General	State Special	General	State Special
	Fund	Revenue	Fund	Revenue
Legislative Auditor	\$ 52,426		\$109,735	
Legislative Council	38,221		89,293	
Legislative Fiscal Analyst	18,550		38,055	
Environmental Quality Council	5,329	\$ 81	11,119	\$ 164
Consumer Counsel		5,154		10,851
Total	\$114,526	\$5,235	\$248,202	\$11,015

(3) The appropriations in this section are subject to the provisions of House Bill No. 100.

(4) No money is appropriated in this section for salary increases for Montana university system contract faculty.

~~IT--IS--THE--INTENT--OF--THE--LEGISLATURE--THAT--A--PORTION--OF--THE--MONEY--APPROPRIATED--TO--THE--MONTANA--UNIVERSITY--SYSTEM--IN--HOUSE BILL--NO--100--BE--USED--TO--FUND--INCREASES--IN--SALARIES--FOR--CONTRACT--FACULTY--AND--INCREASES--IN--SALARIES--AND--GROUP--BENEFITS--FOR--SUPPORT--STAFF--AND--INSTRUCTIONAL--SUPPORT--STAFF--COMPARABLE--TO--THE--INCREASES--PROVIDED--IN--THIS--ACT--FOR--OTHER--STATE EMPLOYEES--~~

(5) THERE IS APPROPRIATED \$90,000 FROM THE GENERAL FUND TO THE DEPARTMENT OF ADMINISTRATION FOR THE BIENNIUM ENDING JUNE 30, 1991, FOR USE BY THE COMMITTEE ON STATE EMPLOYEE COMPENSATION PROVIDED FOR IN [SECTION 11 15 14]. THESE FUNDS MAY BE USED FOR CONTRACTED SERVICES, SALARY AND BENEFITS FOR TEMPORARY STAFF, COMPENSATION FOR COMMITTEE MEMBERS, AND OTHER NECESSARY EXPENSES INCURRED BY THE COMMITTEE IN PERFORMING ITS DUTIES AS PROVIDED IN [SECTION 11 15 14].

NEW SECTION. Section 16. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

1 NEW SECTION. Section 17. **Effective dates.** (1) Except as provided in subsection (2), [this act] is effective on
2 passage and approval.

3 (2) [Section 2 3] is effective July 1, 1989.

-End-