

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 26, 1985

The meeting of the State Administration Committee was called to order by Chairman Sales on the above date in Room 317, State Capitol.

ROLL CALL: All eighteen members were present.

CONSIDERATION OF SENATE JOINT RESOLUTION NO. 29: Sen. Cecil Weeding, Senate District #14, said that the Department of Natural Resources had been contacted to ask that they collect data that Sen. Dave Manning had developed on the Yellowstone River regarding harnessing some of the energies of the Yellowstone for off-stream storage. He said this is possibly a little before its time, as many great ideas are, but there is a good deal of merit to his studies. The Senate will be studying HB 680, the Water Policies Act, and believed that the two bills would go together very nicely.

PROPOSERS: Steve Schmitz, Department of Natural Resources and Conservation, said he was the staff manager for the original study proposed by Sen. Manning in 1983 and he was familiar with the results of that study. He said he would be happy to answer any questions regarding that study. He said there is some merit in preserving that information that Sen. Manning and others have collected over the years regarding this project.

OPPOSERS: None.

DISCUSSION OF SENATE JOINT RESOLUTION NO. 29: Rep. Nelson asked if there were plans to dam the Yellowstone River itself. Sen. Weeding replied that there would be no dams on the Yellowstone but the water was to be taken by aqueduct to off stream reservoirs. He said that one of Sen. Manning's favorite sites was near Hysham which would have required some 20 miles of aqueduct and that if it had been an open canal it would have been more acceptable. He said that all of his concepts were off-stream storage of Yellowstone waters.

There being no further discussion, Sen. Weeding closed his presentation.

CONSIDERATION OF SENATE BILL NO. 457: Sen. George McCallum, Senate District #26, sponsor, said this had been discussed with the commissioners in Sanders County who represent this area that proposes to be annexed. The Sanders County road division has to go through this portion of Lake County to get to the rest of Sanders County. The exchange would be almost identical in terms of sections which would be approximately 59 sections. They have established joint school districts between the two counties specifically with Hot Springs and Arlee.

Sen. McCallum said that the Chairman of the County Commissioners in Lake County had signed the Resolution and Mr. Peterson has since requested that his name be withdrawn from that Resolution. One commissioner did not sign the Resolution at all. This would benefit the people in both areas. It would go to the vote of the people. Both counties would have to approve the exchange at the next general election and there would be no special election held. The Senator and Mr. Pat DeLong, County Commissioner, explained the map and the boundaries of the two counties to the Committee. Mr. DeLong said that sometimes Lake County contracts with Sanders County to maintain 27 miles of road in Lake County. Sen. McCallum submitted Exhibit #1, Petition, and Exhibit #2, a copy of the Resolution, concerning getting this on the ballot for a vote of the people. Values would change very little in Lake County. Presently, a mill in Lake County brings in \$26,433; under this change a mill would be \$26,340.

It would be more convenient for everybody in both areas if they were allowed to annex to the other county.

OPPONENTS: Rep. Ray Harbin, District #53, Lake County, said that the agreement that was signed was unclear. Two of the three commissioners did sign, one did not; one has withdrawn his signature because he felt it was not in the best interests of the county. He said that Lake County would lose more taxable land than what they would gain as part of it is non-taxable tribal land. His other objections were that these boundaries were set in 1923; the abstract offices are opposed to this change; tribal land and tribal trust land is involved and the BIA would have to be contacted; 27 miles of roads could be handled by intercounty agreement; the school districts have worked out their problems; the land use plans are currently in progress and would have to be changed and only 26 people would ultimately be affected. He also stated he had contacted Sens. Harding and Pinsoneault and they were both opposed to this exchange.

DISCUSSION OF SENATE BILL NO. 457: Rep. Nelson said he had heard of a possible industrial development in Lake County that would end up in Sanders County and wanted to know if there was any truth to that. Rep. Harbin said that the Hot Springs area was a potential site for an ethanol plant a few years ago that was not developed but they felt it would be unwise to give that area away.

Rep. Jenkins stated that the bill says it would go to a vote of the people and asked Rep. Harbin if he had a reason not to let the people vote on it. Rep. Harbin said that Lake County has approximately 20,000 residents and the area affected would have a total of 26 people. A vote like this is not necessary, according to Rep. Harbin, nor is changing the boundaries.

Rep. Smith asked Sen. McCallum how much State and Forest land is involved. Sen. McCallum said there would be some State land but no Forest ground.

Rep. Pistoria asked if Sen. McCallum had any trouble getting this through the Senate, to which the Senator said he did not.

Rep. Phillips stated that everyone in each county would vote on the change. He asked what would happen if Sanders County voted in favor and Lake County voted against it. Sen. McCallum said that one county could stop the exchange. Sanders County has approximately 5,000 registered voters to Lake County's 10-12,000.

Rep. Cody asked if this had been surveyed. Sen. McCallum said there had been no on-site survey. It had been worked out with Lee Heiman, Legislative Council, and the Department of State Lands from maps and pictures and the Resolution does contain the legal description.

Rep. Cody asked why the BIA or the tribal council had not been contacted regarding this to which Sen. McCallum said he didn't think the tribe cared so they didn't ask them. Mr. DeLong said it would still be reservation and the counties don't have anything to do with that. He said the tribes don't pay much attention to county boundaries.

Sen. McCallum said this cannot be brought about by a petition of both counties - it must come from the Legislature.

Rep. Garcia asked what the motive was for this change. Sen. McCallum said it was a matter of convenience.

Rep. Harbin stated that he had conducted a telephone survey of the 26 people involved and of those 26, nine said they were in favor of the land swap. Sen. McCallum said that of the 35 in the Garcon Gulch area all but three had signed the petition.

Rep. Cody asked if there would be any added cost to the counties for the election and Sen. McCallum said in Sanders County they use paper ballots so the only cost would be putting it on the ballot.

There being no further questions, Sen. McCallum closed, saying it would be up to the people of the two counties. He also said he was sorry to see Mr. Peterson withdraw his name from the Resolution. He said that this would not benefit either county but it would be a benefit to the people involved.

CONSIDERATION OF SENATE JOINT RESOLUTION NO. 25: Sen. Tom Towe, District #46, sponsor, read through the Resolution honoring Sen. Dave Manning who possessed the record for the longest serving state senator throughout the U.S. representing

the largest senate district in the United States which is larger than three or four of the states. He said that Sen. Manning was very insistent about the 30% coal severance tax and that most of the coal mines are in his district. He was also an advocate of off-stream storage of Yellowstone River water which is an excellent idea but which is also very expensive. Sen. Towe mentioned that highways in Montana were the Senator's first love. He served on the Committee on Highways and also served as the Chairman of that Committee. Sen. Towe said it would be very fitting if the new Department of Highways building were to be named the Dave Manning Highway Building in his honor as a memorial to a very fine senator who served this state for 52 years.

PROPOSERS: Sen. Cecil Weeding, District #14, said he was appointed to fill Sen. Dave Manning's seat in the Montana Senate when he retired this year. He said that Sen. Manning had served this district very well - since that court decision thirty years ago. He is loved and respected by all and urged the concurrence of the Committee.

OPPOSERS: There were no opposers.

There being no questions from the Committee, Sen. Towe closed saying it would be a very appropriate memorial to Sen. Dave Manning.

While waiting for Sen. Christiaens, the Committee took executive action.

DISPOSITION OF SENATE JOINT RESOLUTION NO. 25: Rep. O'Connell moved that SJR 25 BE CONCURRED IN, seconded by Rep. Pistoria. The motion CARRIED UNANIMOUSLY.

DISPOSITION OF SENATE JOINT RESOLUTION NO. 29: Rep. Phillips moved that SJR 29 BE CONCURRED IN, seconded by Rep. Moore. The motion CARRIED UNANIMOUSLY.

The Committee then went back to the hearing portion of the meeting with the appearance of Sen. Christiaens.

CONSIDERATION OF SENATE JOINT RESOLUTION NO. 30: Sen. Chris Christiaens, District #17, sponsor, said the Resolution was in honor of the 50th anniversary of the Rural Electrification Administration in the state of Montana. He said it was most fitting that we honor those men that came to Montana and through the REA developed electricity and telephone systems for the rural people of this state and urged the concurrence of the Committee.

PROPOSERS: Jay Downing, representing the Rural Electric Association, said the REA serves 300,000 people in Montana and covers 4/5 of the geographic area of the state. Most of this is a non-profit area. He showed the Committee a book,

"The Next Greatest Thing" which will be sent to all schools throughout the state. He quoted from the inside cover of the book jacket, "The greatest thing is to have love in your heart for your fellow man, the next greatest thing is to have electricity in your home."

There were no opponents present.

There being no questions from the Committee, Sen. Christians closed his presentation by asking the Committee to vote for this and join in the celebration of the REA in Montana.

DISPOSITION OF SENATE JOINT RESOLUTION NO. 30: Rep. Pistoria moved that SJR 30 BE CONCURRED IN, seconded by Rep. Phillips. The motion CARRIED UNANIMOUSLY.

CONSIDERATION OF HOUSE BILL NO. 945: Rep. Bob Pavlovich, District #70, sponsor, thanked the Committee for allowing him to draft this bill for a state lottery to put it to the vote of the electorate of the state of Montana. There are approximately 22 states that have a state lottery and three or four are considering it at the present time. He passed out his proposed amendments to the bill deleting reference to games played on electronic video game machines but left in the instant game winner. If the latter is not left in, you don't have a lottery.

PROPOSERS: Sen. Lawrence Stimatz, District #35, said he sponsored a similar bill in the Senate, SB 324, which had been pretty well watered down and which should have passed the Senate but went down by two votes. He said that the proposed amendment would tend to reduce the potential income of the lottery which would be state owned and state controlled and if it is not owned and controlled by the state it can't be maintained and protected and therefore there would be no use having it. Sen. Stimatz went through the bill and explained the governor's appointments. He said that the lottery would not have \$1 million payoff in Montana because of the size of the state and the population but compared it to several other states with comparable population and submitted written figures for the Committee to peruse. He said the outside potential with electronic games would be \$16 million per year. He stated that he would be happy to answer any questions the Committee might have. He stated that page 3, lines 8-12 refer to other forms of gambling and the purpose is to prevent the state from becoming involved in these other types of gambling forms. They have estimated 12% of the gross for operation in other states, but after talking with the Director of the Department of Revenue and others, it was recommended that for Montana the proper amount would be 20%.

Sen. Stimatz submitted Exhibit #3 to the Committee which listed several of the other states that have lotteries and said that each year both the gross and net proceeds have increased. Sen. Stimatz said it was worth submitting to the people of Montana and could possibly generate \$4-5 million per year. This is the last current hope for a lottery in Montana and would let the people of Montana speak.

OPPONENTS: Cathy Campbell, Montana Association of Churches, said that the public conception of a state lottery is different than what has been discussed here. The Constitution of 1972 says that gambling is illegal in Montana and the old Constitution said that a lottery in Montana was illegal. She said that people would not have time to read the entire bill and would not have the opportunity to make amendments. She said it was a large and complex bill and felt that was unfair to the people. She didn't think that asking the people to answer a simple yes or no was fair and said that the people could be asked if they want the state to be in the gambling business. This was asked two years ago and the people gave a direct answer. She had the fiscal note which came out with SB 324 but which was not attached to this bill. She stated that the operating expenses would be greater for Montana. There would also be a growth of 35 people in the department of commerce to run the lottery, according to the fiscal note. She disagreed with Sen. Stimatz' statement that it has to be tried to see if it will work. Three of the western states that have a lottery have all seen decreases in their state lottery. In Washington there are editorials calling for abolition of the lottery. She agreed that the people of the state have the right to run the state and make their voice heard in the legislature, but they also have a right not to be fooled. She said there is a bill coming up in the Senate to study a state lottery and felt this might be a much better way to go.

Rep. Pistoria asked the Chairman if he could be shown on the record as a proponent of the bill. Permission was given by Chairman Sales.

FURTHER PROPONENTS: Rep. Paul Pistoria, District #36, said he had attended a forum in Great Falls the first of March at which there were about 200 people present. The subject was a lottery. Everyone wondered why the Senate turned down the lottery. Montana people do go out of state or to Canada to take part in their lotteries. He said this is the logical way to do this - put it to the vote of the people.

DISCUSSION OF HOUSE BILL NO. 945: Rep. Garcia remarked to Sen. Stimatz that he had stated \$4-5 million would be coming in from the lottery and the payout would be around \$100,000 and asked if this was possible. Sen. Stimatz

said, according to Mr. Webster Bridges, who is a consultant to state lotteries, Montana should be able to handle \$100,000 payout but the director and the Commission would set the limits. He said it should be no problem to have a prize of that size. Mr. Bridges is employed by "Electronic Games".

Rep. Garcia asked Ms. Campbell if she felt the people weren't smart enough to read the bill and know what they were voting on. She said she certainly did think they were smart enough and did not question the ability of the people.

Rep. Harbin asked who derived the income projections. Sen. Stimatz said they are industry-wide projections. He said they worked with the department of commerce and their chief accountant for 4-5 hours going over the figures. Rep. Harbin asked if they had taken into account the population, geographic constraints and also the 1988 Winter Olympics to be held in Canada. Sen. Stimatz replied that they certainly did consider the population of Montana and the size of the state but didn't know about the Olympics.

Rep. Harbin asked about the \$50 license fee and asked who would be investigating these applicants and how many would be licensed in the state. Rep. Pavlovich said the department of revenue would handle the licenses and it would probably be liquor license holders such as bars and grocery stores. These people have already been cleared by the department of revenue.

Rep. Nelson said he had heard that part of the Washington lottery was being bailed out by general fund money. Sen. Stimatz said that it was no longer true. They had a fantastic first year and they grossed over \$200 million. It fell to \$164 million the next year. They cut back expenses, etc. and turned it around very quickly. Sen. Stimatz said he had talked to the director of the Washington lottery and he had explained the situation and they went back into the black and are running again.

Rep. Nelson said he heard this was going to be put to the vote of the people and the proceeds would be going to education. Rep. Pavlovich said this was true but it was then decided to put it into the general fund and the basic reason is for property tax relief for the people. He said he had no problem where they put the money, into education or the general fund.

Rep. Jenkins asked if any of the states have a record of their out-of-state ticket sales. Sen. Stimatz said that the Washington officials remarked when Oregon passed a lottery bill that they would probably lose some money.

In answer to Rep. Jenkins' question as to how the lottery study that is in the Senate would be funded, Ms. Campbell

replied that she wasn't sure but that it might be the Revenue Oversight Committee that would do that study. Rep. Jenkins said that if this bill passes it would come up for voting in 1986 and asked if this study would be completed by that time. Ms. Campbell said she didn't know what the bill contained.

Rep. Moore asked about the possibility of two or three states having a tri-state lottery. Sen. Stimatz said the bill already provides for the director to look into a regional lottery. Three states are already going to try this type of lottery.

Rep. Phillips was concerned about the operating expenses. He wondered if starting out with 20% was giving them an open check book or should we keep a tight rein on the heirarchy that is going to set this up. Sen. Stimatz said they had discussed this at length. They originally had it at 15% but the director of the department of revenue and others recommended that it be 20%.

Chairman Sales asked if punch boards and pull tabs would be legal under the instant payouts. Rep. Pavlovich said they would be illegal in the state of Montana and they are a different situation altogether but Chairman Sales asked if they wouldn't be legal under this bill. Rep. Pavlovich explained the instant payouts in Washington and said that anything payout over \$50 must be sent into the Commission for the prize. Lois read the definition of lottery in the statutes.

Rep. Cody asked if the people vote for a lottery does this bill tie us into it or could it be changed. Rep. Pavlovich said this would be up to the legislature and it could also dissolve itself if they found it was not working.

There being no further questions, Rep. Pavlovich closed and referred to Ms. Campbell's remarks that people won't have the time to read the initiatives or referendums on the ballot, he said that a book is sent out by the Secretary of State's office approximately one month before the election which contains all that will be on the ballot. He said this is just giving the people a chance to vote on the lottery.

DISPOSITION OF HOUSE BILL NO. 945: Rep. Pistoria moved that HB 945 BE CONCURRED IN, seconded by Rep. Garcia.

Rep. Peterson said that on page 12 they are talking about 20% of the gross revenue and asked how much they were talking about. Sen. Stimatz said if it follows projections it could possible be about \$1 million.

Rep. Phillips said he wanted to talk about an amendment as

he thought 20% for operating expenses was a lot of money to turn loose. He said that once you give them 20% it would be hard to cut it back. Rep. Phillips moved ADOPTION OF AMENDMENT TO CUT 20% TO 15% for operating expenses, seconded by Rep. Fritz. The motion CARRIED UNANIMOUSLY.

Rep. Pistoria moved ADOPTION OF AMENDMENTS proposed by Rep. Pavlovich removing reference to electronic video games, seconded by Rep. Phillips. The motion CARRIED with Rep. Fritz voting "no".

Rep. Pistoria then moved that HB 945 DO PASS AS AMENDED, seconded by Rep. Smith. The motion CARRIED with Reps. Nelson, Hayne and Sales voting "no".

DISPOSITION OF SENATE BILL NO. 457: Rep. Nelson moved that SB 457 BE NOT CONCURRED IN, seconded by Rep. Harbin.

Rep. Jenkins said that the Committee had just voted on a bill that would put the lottery to a vote of the people and thought that this bill should be put to the vote of the people of Lake and Sanders Counties to change the boundaries between those two counties and if either county voted against it that would be the end of it but he thought the people should have that opportunity. Rep. Moore agreed with Rep. Jenkins. Rep. Garcia remarked that this would only affect 26 people in those two counties whereas the lottery affects everyone in the state.

Rep. Cody said that there is Indian trust land that is involved in this trade and the Indian tribal leaders weren't consulted.

The Be Not Concurred in CARRIED with Reps. Phillips, Pistoria, Jenkins, Smith, Sales, Compton, Moore and Peterson voting "no". The vote was 10-8.

Chairman Sales said that Rep. Fritz would carry SJR 30. He would contact Rep. Asay or Switzer, from Sen. Manning's district, to carry SJR 25 and SJR 29, otherwise Rep. Phillips will carry the bills.

There being no further business, the meeting adjourned at 10:00 a.m.



WALTER R. SALES, Chairman

(Type in committee members' names and have 50 printed to start).

DAILY ROLL CALL

State Administration COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3/26/85

NAME	PRESENT	ABSENT	EXCUSED
<u>Chairman Walter Sales</u>	/		
<u>V-Chairman Helen O'Connell</u>	✓		
<u>Campbell, Bud</u>	/		
<u>Compton, Duane</u>	/		
<u>Cody, Dorothy</u>	/		
<u>Fritz, Harry</u>	/		
<u>Garcia, Rodney</u>	✓		
<u>Hayne, Harriet</u>	/		
<u>Harbin, Raymond</u>	/		
<u>Holliday, Gay</u>	/		
<u>Jenkins, Loren</u>	/		
<u>Kennerly, Roland</u>	✓		
<u>Moore, Janet</u>	/		
<u>Nelson, Richard</u>	/		
<u>Peterson, Mary Lou</u>	/		
<u>Phillips, John</u>	/		
<u>Pistoria, Paul</u>	/		
<u>Smith, Clyde</u>	/		

STANDING COMMITTEE REPORT

March 26

19 35

MR. SPEAKER

State Administration

We, your committee on

having had under consideration House Bill No. 945

First reading copy (White)
color

VOTER REFERENDUM ON ADOPTION OF A STATE LOTTERY

Respectfully report as follows: That House Bill No. 945

BE AMENDED AS FOLLOWS:

- 1) Title, line 7.
Strike: "SECTIONS 23-5-101,"
Insert: "SECTION"
Strike: "23-5-302, AND 23-5-402,"
- 2) Page 3, line 7.
Strike: "electronic" through "games,"
- 3) Page 12, line 5.
Strike: "299"
Insert: "154"

XXXXXXXX CONTINUED on page 2

DO PASS

State Administration
HB 945

March 26 19 35

- 4) Page 14, line 3.
Strike: "an" through "game,"
Insert: "a"
- 5) Page 14, line 9.
Following: "machine"
Strike: ", "
- 6) Page 20, line 19 through line 9, page 21.
Strike: section 21 in its entirety
Re-number: subsequent sections
- 7) Page 21, line 29 through line 7, page 23.
Strike: sections 23 and 24 in their entirety
Re-number: subsequent sections
- 8) Page 23, line 11.
Strike: "29"
Insert: "25"
- 9) Page 24, line 21.
Strike: "28"
Insert: "25"
- 10) Page 24, line 23.
Strike: "30"
Insert: "27"
- 11) Page 25, line 1.
Strike: "28"
Insert: "25"

AND AS AMENDED
BE CONCORDED IN

STANDING COMMITTEE REPORT

March 26 19 35

MR. SPEAKER

We, your committee on State Administration

having had under consideration Senate Joint Resolution Bill No. 25

Third reading copy (Blue)
color

HONORING SENATE DAVE HANNING

Respectfully report as follows: That Senate Joint Resolution Bill No. 25

BE CONCURRED IN

~~DO PASS~~

STANDING COMMITTEE REPORT

March 26 19 35

MR. SPEAKER

We, your committee on State Administration

having had under consideration Senate Joint Resolution Bill No. 30

Third reading copy (Blue)
color

HONORING RURAL ELECTRIFICATION ADMINISTRATION ON FIFTIETH ANNIVERSARY

Respectfully report as follows: That Senate Joint Resolution Bill No. 30

BE CONCURRED IN

~~DO-PASS~~

STANDING COMMITTEE REPORT

March 26

19 35

MR. SPEAKER

We, your committee on State Administration

having had under consideration Senate Joint Resolution Bill No. 29

Third reading copy (Blue)
color

**SUPPORTING SEN. DAVE MANNING'S EFFORTS FOR OFFSTREAM YELLOWSTONE
HYDRO DEVELOPMENT**

Respectfully report as follows: That Senate Joint Resolution Bill No. 29

WE CONCURRED IN

~~DO PASS~~
DO PASS

STANDING COMMITTEE REPORT

MARCH 26

19 35

MR. SPEAKER

We, your committee on State Administration

having had under consideration Senate Bill No. 457

Blue Third reading copy (Blue)
color

LAKE AND SANDERS COUNTY BOUNDARY CHANGE

Respectfully report as follows: That Senate Bill No. 457

BE NOT CONCURRED IN

~~DO PASS~~

PETITION

Ex. #1
58-757
3/26/85

We the undersigned, being residents and or landowners of that portion of Lake County that is within the boundaries of Joint School District Number 14 J, respectfully request that the County Commissioners of Lake and Sanders County, jointly pursue the necessary actions by which it would be possible for this area to become a part of Sanders County and be placed within it's exterior boundaries.

NAME	ADDRESS
Wallace L Merritt	Rt 3 Hot Springs
Brenda Lee Merritt	Rt 3 Box 437 Hot Springs, Mt.
Marion Merritt	Hot Springs, Mont. Rt. 3
Roy D. Merritt	Rt. 2 Hot Springs, Mont 5984
Beverly D. Hughes	Rt 3 - Hot Springs, Mt. Bx. 457
Raymond W Hughes	Rt 3 - Hot Springs Mont. Box 457
Daniel C Jackson	Rt 2 Hot Springs, Mont.
Cheryl M. Jackson	Rt 2 Hot Springs, Mt.
John A. Welch	Box 57 Hot Springs, Mont.
M. Elizabeth Welch	Box 57 Hot Springs, mt.
Jesse M. Jackson	Box 56 Hot Springs Mt.
Dwight E. Pruton	Box 636 Hot Springs, Mt.
Victoria Sederstrom	Box 370 Hot Springs, Mont
Virginia Massey	- Rt 3 Hot Springs Montana
Norothy A. Pruston	- Box 636 - Hot Springs, Montana
Margalo Christensen	Box 640 Hot Springs, Mt.
Paul White	Box 399 Hot Springs, Mt.
John White	Box 399 Hot Springs mt.
John Swase	Route 12 Lovell, Montana
John O. Sederstrom	Rt. 2. Hot Springs mont.
Bill P. Christensen	Box 640 Hot Springs, mt.

PETITION

We the undersigned, being residents and or landowners of that portion of Lake County that is within the boundaries of Joint School District Number 14 J, respectfully request that the County Commissioners of Lake and Sanders County, jointly pursue the necessary actions by which it would be possible for this area to become a part of Sanders County and be placed within it's exterior boundaries.

NAME	ADDRESS
Charles E Baxter	Rt. 3 Hot Springs 5984
Lula Dafter	" " " "
Robert Massey	Rt 3 Hot Springs 5984
Louise Massey	"
Leon Perrin	Rt. 3 Hot Springs "
Mary Kay Perrin	
Ronald J Jacobson	Box 56 Hot Springs
Dusty Longene	Rt 3 Hot Springs
Kathy Longene	"
Helen J. Perrin	1213 Hot Springs 5984
Wayne A. Stichel	Box 11 Nevada Montana
Betty A. Stichel	Box 11 Nevada, Montana
Conce Howser	Route 2 Hot Springs Mont
Lucky P. Howser	Route 2 Hot Springs
Margaret Ann Howser	" " "
David Russell Kemp.	Box 592, HOT SPRINGS, MT
Lando Bras	Box 56 Thompson, Mt 598
Norathy Bras	Box 56 Thompson, MT 598

AFFIDAVIT FOR PERSONS CIRCULATING PETITION

I, Roy D. Merritt, affirm, or being first duly sworn, depose and say: that I circulated or assisted in circulating the petition to which this affidavit is attached and I believe the signatures thereon are genuine, are the signatures of the persons they purport to be, are the signatures of residents and or landowners of that portion of Lake County that is within the boundaries of Joint School District Number 14 J., and that the signers knew and understood the contents of the petition before signing the same.

Roy D. Merritt
Signature of petition circulator

Rt. 2 Hot Springs
Address of petition circulator

State of Montana

County of SANDERS

On this 25 day of March, 1985 before me, the undersigned a Notary Public for the State of Montana, personally appeared _____
Roy D. Merritt, known to me to be the person whose name is subscribed to the attached instrument, and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Roy M. DeLong
Notary Public for the State of Montana

Residing at Hot Springs

My Commission expires Oct 19, 1987

SEAL

Ex. 412
22437
3/26/85

R E S O L U T I O N

Resolution of the Sanders and Lake County Commissioners
Supporting the Exchange of Lands Between the Two Counties
Providing the Voters of Lake & Sanders County Approve the Exchange

WHEREAS, Sanders County and Lake County have a common boundary;

WHEREAS, there are parcels in these two counties which are distant from their respective county road maintenance shops.

WHEREAS, in particular, there is a tract of land in Sanders County, which borders Lake County, designated herein as Valley Creek, with the following legal description:

All of Township 17 North, Range 21 West, P.M.M., Sanders County, Montana.

All of that portion of Township 16 North, Range 21 West, P.M.M., Sanders County, Montana, lying North of the Sanders-Missoula County boundary.

Sections 1, 12 and that portion of Section 13 lying North of the Sanders-Missoula County boundary in Township 16 North, Range 22 West, P.M.M., Sanders County, Montana.

WHEREAS, in particular, there is a tract of land in Lake County, which borders Sanders County, designated herein as Garcon Gulch, with the following legal description:

Township 23 North, Range 23 West, P.M.M., Lake County, Montana. Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 20, 21, 22, 28, 29, 32, 33.

Township 22 North, Range 23 West, P.M.M., Lake County, Montana. Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35 and 36.

Township 22 North, Range 22 West, P.M.M., Lake County, Montana. Sections 31 and 32.

Township 21 North, Range 23 West, P.M.M., Lake County, Montana. Sections 1, 2, 3, 4 and 5.

Township 21 North, Range 22 West, P.M.M., Lake County, Montana. Sections 5 and 6.

WHEREAS, the undersigned County Commissioners are familiar with the Valley Creek and Garcon Gulch tracts, and in their respective opinions, believe that the liabilities and assets associated with these two tracts are offsetting, and there is no need to apportion indebtedness and credits as per the provisions of §7-2-102 and Part 27 of Title 7, Chapter 2, MCA, 1983 as amended;

WHEREAS, the Valley Creek tract in Sanders County is 47 highway miles from the county road maintenance shop in Plains, which services the roads and bridges; and said Valley Creek tract is approximately 10 highway miles from the county road maintenance shop in Arlee, which would service the roads in the event the tracts were to be transferred to Lake County;

WHEREAS, the Garcon Gulch tract in Lake County is 39 road miles from the county road maintenance shop in Ronan, which services the roads and bridges, and said Garcon Gulch tract is 1 road mile from the county road maintenance shop in Hot Springs, which would service the roads and bridges in the event the tracts were to be transferred to Sanders County;

WHEREAS, the people presently residing on the Valley Creek tract send their children to school in Arlee, Lake County; and likewise, the people presently residing on the Garcon Gulch tract send their children to school in Hot Springs, Sanders County;

NOW, THEREFORE, BE IT RESOLVED, AND IT IS HEREBY RESOLVED, that the undersigned commissioners of Sanders County and Lake County support the exchange of the Valley Creek tract and Garcon Gulch tract between Sanders County and Lake County; and they acknowledge, by this Resolution, that they agree to jointly pursue the steps necessary to bring this matter before the people of the two counties for a vote as required by the Montana Constitution, Article 11, Section 2.

DATED this 20 day of February, 1985.

BOARD OF COUNTY COMMISSIONERS
SANDERS COUNTY

By: Roy M. DeLong
Roy M. DeLong - Chairman

By: Norm Resler
Norm Resler - Member

By: John Muster
John Muster - Member

ATTEST:

Lorin Jacobson
Clerk & Recorder

BOARD OF COUNTY COMMISSIONERS
LAKE COUNTY

By: Mike Hutchin
Mike Hutchin - Chairman

By: Harold Fitzner
Harold Fitzner - Member

By: Don Peterson
Don Peterson - Member

ATTEST:

LORIN JACOBSON
Clerk & Recorder
By: Alvin A. Wilson Deputy

Ex. #3
HB-995
3/26/88

PRIZES AND EXPENSES

1	STATE	PRIZE	EXPENSES
2			
3	ARIZONA	45 Percent	18 Percent
4	COLORADO	50 Percent	15 Percent
5	ILLINOIS	47	10 Percent
6	MARYLAND	48.1	3.3 percent
7	MICHIGAN	270.5 million	11 percent
8	NEW HAMPSHIRE	5.8 million	3 million
9	New York	385.1 million	87 millicn
10	OHIO	174.6 million	214 million
11	PENNSYLVANIA	274.1 million	51 million
12	Rhode Island	18.7 million	6.6 million
13	VERMONT	2.1 million	.717 million
14	Washington	45 percent	10 percent
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STATE (YR)	YEAR BEGUN	GROSS REV. (mill)	NET REV. (mill)	POPULATION (000)
ARIZONA	1981			2,860.
1984		60.	18.	
1983		75.	31.3	
1982		114	36.6	
COLORADO	1983			3045.
1984		120	40.7	
1983		208.0	72.3	
CONNECTICUT	1972			3153.
1984		254.4	40.7	
1983		188	72.3	
1982		169	71.	
1981		149.	NA	
DELAWARE	1975			602. .
1984		33	14.0	
1983		30.1	11.	
1982		25.6	9.5	
D.C	1982			631.
1984		68.2	21.7	
1983		50.5	13.2	
1982		NA	NA	
ILLINOIS	1974			11,448
1984		911.9	377.1	
1983		495.9	214.1	
1982		334.3	142.9	
MAINE	1974			1,133
1984		16.	4.5	
1983		13.	3.7	
1982		9.6	2.3	

STATE (yr)	YEAR BEGUN	GROSS REV.	NET REV.	POPULATION
MARYLAND	1973			4265
1984		485.8	209.2	
1983		462.8	198.2	
1982		457.4	199.	
1981		385.7	NA	
MASSACHUSETTS	1972			5,781
1984		506.1	169.1	
1983		312.1	104.6	
1982		279.7	92.5	
1981		208.5	NA	
MICHIGAN	1972			9,105
1984		620.	250.0	
1983		548.9	221.2	
1982		527.3	205.6	
1981		502.4		
NEW HAMPSHIRE	1964			951
1984		18.7	5.7	
1983		13.9	3.7	
1982		12.3	3.6	
1981		11.		
NEW JERSEY	1970			17,659.
1984		847.3	359.7	
1983		693.1	294.9	
1982		517.3	225.3	
1981		417.	NA .	

STATE	YEAR BEGUN	GROSS REV. (mill)	NET REV. (mill)	POPULATION (000)
NEW YORK	1967			17659
1984		888.7	389.8	
1983		645.	275.2	
1982		424.9	179.8	
1981		236.2		
OHIO	1974			10,791
1984		603.	250.	
1983		397.8	144.	
1982		363.9	144	
1981		297.		
PENNSYLVANIA	1972			11,865
1984		1236.	516.3	
1983		385.4	355.4	
1982		562.2	227.1	
1981		427.		
RHODE ISLAND	1974			958
1984		52.9	18.4	
1983		43.	14.7	
1982		37.9	13.7	
1981		34.8		
VERMONT	1978			516
1984		5.1	1.3	
1983		4.4	1.1	
1982		3.3	.9	
WASHINGTON	1982			4,245
1984		164.6	71.	
1983		200.1	66.7	
1982		NA	NA	

TOTALS GROSS SALES IN 1983=5,196,308,000 IN 1982 GROSS SALES = 3,340,451,0

The bottom line: How

State	Year begun	How administered	Top prize	FY 83 gross sales (000)	FY 83 net sales as % of general fund ²	FY 82 gross sales (000)	FY 82 net sales as % of general fund ²
Arizona	1981	I \$1 million	\$75,000	\$31,800	1.90%	\$114,000	\$36,600
Colorado	1983	R \$1,000/week for life	\$138,300 (1/24-6/30/83)	\$41,700	2.80%	N.A.	N.A.
Connecticut	1972	L Lotto: no limit	\$198,000	\$80,500	2.50%	\$169,000	\$71,000
Delaware	1975	L Lotto: no limit	\$30,100	\$11,000	1.50%	\$25,600	\$9,500
D.C.	1982	I \$1,000/week for life	\$50,482	\$13,188	.74%	N.A.	N.A.
Illinois	1974	L Lotto: no limit	\$495,400	\$214,100	3.00%	\$334,800	\$142,900
Maine	1974	R \$25,000	\$13,074	\$3,700	.55%	\$9,658	\$2,384
Maryland	1973	L,R Lotto: no limit	\$462,800	\$198,200	6.40%	\$457,400	\$199,000
Massachusetts	1972	L Lotto: no limit	\$312,136	\$104,603	2.25%	\$279,754	\$92,540
Michigan	1972	L \$2 million	\$548,900	\$221,200	2.50%	\$527,300	\$205,600
New Hampshire	1964	L \$100,000	\$13,819	\$3,688	1.20%	\$12,387	\$3,610
New Jersey	1970	R Lotto: up to \$10 million limit	\$693,100	\$294,900	6.30%	\$517,800	\$220,300
New York	1967	R Lotto: no limit	\$645,000	\$275,200	1.70%	\$424,900	\$179,800
Ohio	1974	L Lotto: no limit	\$397,800	\$145,000	2.00%	\$363,900	\$144,000
Pennsylvania	1972	L Lotto: no limit	\$86,400	\$35,400	4.80%	\$62,200	\$22,100
Rhode Island	1974	R Lotto: no limit	\$43,000	\$14,700	1.30%	\$37,952	\$13,695
Vermont	1978	R \$100,000	\$4,400	\$1,100	.37%	\$3,800	900
Washington	1982	R \$1,000/week for life	\$200,117 1/82-6/83	\$66,700	1.80%	N.A.	N.A.
TOTALS			\$5,196,808	\$2,076,679		\$3,840,451	\$1,548,929

Notes and Sources

- As reported by state lottery offices to State Legislatures.
- General fund revenues supplied by state budget offices to State Legislatures.
- U.S. Census Bureau, estimated population of the states as of July 1, 1982.

lottery states have fared

State	FY 82 net as % of general fund ²	Population (000)	FY 83 net proceeds (000)	Total lottery sales since inception (000) ³	Disposition of net proceeds (000) ⁴
Arizona	2.4%	2,860	\$11	\$189,000	\$68,400
Colorado	N.A.	3,045	\$14	\$220,000	Yearly minimum set by legislature for local transportation assistance fund, balance to general fund
Connecticut	2.4%	3,153	\$26	\$1,200,000	50% capital construction; 40% conservation trust fund; 10% parks and recreation
Delaware	1.4%	602	\$18	\$122,292	General fund
D.C.	N.A.	631	\$21	\$76,048	General fund
Illinois	2%	11,448	\$19	\$2,090,000	General fund
Maine	.4%	1,133	\$3	\$75,800	General fund
Maryland	6.8%	4,265	\$46	\$2,598,000	General fund. Effective 10/31/83 lotto profits to 24 political subdivisions. To expire 10/84. Legislation pending.
Massachusetts	2.1%	5,781	\$18	\$1,944,000	Distributed to 351 cities and towns for discretionary use; first \$3 million of Megabucks Lotto to the arts
Michigan	2.7%	9,109	\$24	\$3,600,000	Primary and secondary education
New Hampshire	1.2%	951	\$4	\$155,000	Education
New Jersey	5.3%	7,438	\$40	\$3,400,000	Education and state institutions; \$75,000/year for studies on compulsive gambling
New York	1.1%	17,659	\$16	\$2,755,000	Elementary and secondary education
Ohio	2.4%	10,791	\$13	\$1,706,300	Effective 7/1/83 - primary and secondary education. Previously to general fund.
Pennsylvania	3.19%	11,865	\$30	\$4,000,000	Senior citizens
Rhode Island	1.2%	958	\$15	\$280,000	General fund
Vermont	.33%	516	\$2	\$20,600	General fund (for debt retirement and capital construction)
Washington	N.A.	4,245	\$16	\$259,170	General fund
TOTALS		96,450	\$21.53	\$24,693,210	\$10,143,780

Notes and Sources

- Reporting dates vary.
- The New York Lottery was suspended from October 1975 to September 1976 because of irregularities.
- Initiative referendum, or legislation.
- N.A. Not applicable.

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JOSEPH P. MAZUREK
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Montana Legislative Council

State Capitol
Helena, MT. 59620

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DIRECTOR, LEGISLATIVE SERVICES
ROBERT PERSON
DIRECTOR RESEARCH
SHAROLE CONNELLY
DIRECTOR, ACCOUNTING DIVISION
ROBERT C. PYFER
DIRECTOR, LEGAL SERVICES

March 21, 1985

TO: Rep. Pavlovich
FROM: John MacMaster, Staff Attorney

In regard to our conversation last Friday about your bill (via the House State Administration Committee) to submit a state lottery law to the electorate at a referendum, I have the following points to make:

(1) The bill will not violate Joint Rule 6-8, requiring rules committee approval of introduction of a bill designed to accomplish the same purpose as a bill introduced in and rejected by that house, because the rule states that "No bill may be introduced or received in a house after that house has finally rejected a bill during that session designed to accomplish the same purpose". The House has not rejected an introduced bill to accomplish the same purpose as your bill. That the Senate has makes no difference.

(2) The deadline for introduction of a committee revenue bill is Wednesday 27 March. I believe this is a revenue bill within the meaning of Joint Rule 6-34, which states that "A revenue bill is one which would either increase or decrease tax collections."

Forty-five percent of the money paid for tickets or chances will be used to pay lottery prizes. These prizes are subject to the state income tax. Therefore, the bill will have a very direct and considerable effect of increasing tax collections.

In addition, just as the state sells liquor through its liquor stores to those who wish to purchase it, and includes in the sale price both an excise tax and a license tax, under this bill the state will sell lottery tickets and chances to those who wish to purchase them and include in the price an amount (35% plus) that goes to the state and local governments as revenue. This revenue is in effect a tax, just as the the revenue the state receives from its liquor sales is a tax.

(3) With respect to Joint Rule 6-8 and the fact that the Senate has finally rejected a bill to establish a state lottery, it can be argued that your bill to submit the issue to the voters is not designed to accomplish the same purpose because the purpose of your bill is to let the voters of the state decide the issue and the purpose of the Senate Bill was to let the Legislature decide the issue. Therefore, receipt of your bill by the Senate, should the bill pass the House, does not need the approval of the Senate Rules Committee. As you probably know, Joint Rule 6-8 is often liberally construed to allow introduction of the second bill if there is any difference or change in the purpose of the first bill.

Ex - 3

HB-945



Montana Legislative Council

State Capital
Helena, MT. 59620

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WITNESS STATEMENT

NAME Sen. Lawrence H. Summers BILL NO. 945
ADDRESS 1615 C St. NW. Bldg. DATE 3-26-85
WHOM DO YOU REPRESENT? Dist. 35 (Senate)
SUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Senator Larry Summers

Prize & Expense List attached