

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - 1st SPECIAL SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By Chairman Francis Bardanouve, on January 8, 1992, at 8:00 a.m.

ROLL CALL

Members Present:

Francis Bardanouve, Chairman (D)
Ray Peck, Vice-Chairman (D)
Dorothy Bradley (D)
John Cobb (R)
Dorothy Cody (D)
Mary Ellen Connelly (D)
Ed Grady (R)
Larry Grinde (R)
John Johnson (D)
Mike Kadas (D)
Berv Kimberley (D)
Wm. "Red" Menahan (D)
Jerry Nisbet (D)
Mary Lou Peterson (R)
Joe Quilici (D)
Chuck Swysgood (R)
Bob Thoft (R)
Tom Zook (R)

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Sylvia Kinsey, Committee Secretary

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

Announcements/Discussion: REPRESENTATIVE BOB THOFT said he has a package of eight bills with expiration dates of 7/1. These bills are all fund transfers. He said there were serious consequences of making these fund transfers.

HEARING ON HOUSE BILL 3
TIMBER FROM SCHOOL TRUST LAND TREATED AS A CROP

Presentation and Opening Statement by Sponsor: REP. THOFT, HD 63 and Sponsor of this bill changed the distribution of the timber sales to State Lands. In 1967 the federal government changed the Enabling Act to allow states to call timber a crop. Montana has never adopted this procedure. The available revenue through the period is \$6.6 million, and with \$4.5 million available to fund

the schools and \$2.1 million available for other trusts. The estimated annual revenue from the timber sales is \$3.0 million for the schools and \$1.4 million for other trusts. He then asked the budget office and the various agencies to give explanation of the bill.

Proponents' Testimony:

Dennis Casey, Director, Department of State Lands (DSL), said he had been asked by the budget office if revenue from timber sales which presently goes into the permanent trust goes into the interest and income accounts. He said some of it on Current Procedures for Timber Sales Revenue (See Exhibit 3 given later in meeting).

John North, Legal Counsel, DSL, summarized his testimony concerning the Enabling Act. Section 1 is included to become an effective part of Montana's Enabling Act to allow timber sale revenues to be immediately distributable. He said Commissioner Casey alluded to an amendment. Mr. North said Section 11 refers to public schools and other beneficiary institutions. There is a question as to whether or not that would include the University System. The amendment would amend statutes to clarify that the only trust threatened by this bill would be the school trust, not the university or any other portion of the trust. EXHIBIT 1

Don Artley, Assistant Administrator Forestry Division, DSL, talked about the current system of timber sale revenues and how it would work under the proposed law. He used round numbers. EXHIBIT 2 **CHAIRMAN BARDANOUVE** asked how did he get 97 and one-half percent for the School Equalization Account. Mr. Artley said at the bottom of the page it stated 2.5% would be used for the Resource Development Account.

Carl Schweitzer, Office of Budget Planning Program (OBPP), said the second to the last page of his exhibit had an analysis of the proposed change of the timber revenue distribution to the common school fund. EXHIBIT 3 He said the estimates were very conservative. It does make good economic sense to make the proposed change as a long-term investment in the state's timber resources.

Don Allen, Executive Director, Montana Wood Products, said they did not have a position for or against the bill because they do not see a change in the way the State Lands manages their forestry lands and how they approach their management and sales program.

Opponents' Testimony:

Leroy Schramm, Chief Legal Counsel, Board of Regents, said if the amendment were adopted they would have no position on the bill. The amendment would pull out from the bill the university land grants. Some figures show that over the next year or two there

may be a million dollars coming into the university land grants. The average over the last ten years has been around \$300,000. They are one-tenth as much as public school lands. He said each one of their universities, except Northern, has a land grant income. **EXHIBIT 4** Proposed amendment for HB 3 was passed out. The land grant income over the last decade has declined because of the decline in interest and the gas and oil royalties.

REP. BEN COHEN, member of the Natural Resources Committee, said the Legislature, including the Committee on Natural Resources, does not recognize this and have not recognized this. All the timber that is harvested, whether the second growth or third growth timber anywhere in this state, is not on school lands. Second and third growth harvest does not yield the same amount of timber and the values are not the same.

Greg Groepper, Office of Public Instruction (OPI), said they oppose the bill for three basic reasons. The first is that this is an income source which will go to the trust and virtually eliminate this by spending the money now. In 1985, the Educational Trust had \$80 million. If the trust had not been violated, today there would be \$8-10 million in revenue per year for the Educational Trust. Secondly, the object to the loss of money to State Lands. The final objection is that this is a volatile revenue source.

Bruce Moerer, Montana School Boards Association, said they agree with the objections raised by OPI. The school money should not be subsidizing the general fund. This will not be additional money for schools.

Phil Campbell, Montana Education Association, said they oppose the bill. If the Education Trust Fund were still intact, they would not be in the crises they are in. There has been trouble in estimating their income. With the trust fund, the only thing to fluctuate was interest.

Warren Frazin, School Administrators of Montana, said they oppose the bill.

Jim Jensen, Montana Environmental Information Center, said they do not support the intention of the first and only "Whereas" in the Bill. He doesn't think the DSL has demonstrated to anybody that they are managing the forests on sustained yield basis. They think it is a bad precedent for the committee to adopt the Whereas.

Questions by the Committee:

CHAIRMAN BARDANOUE asked how much would this affect the total package. **Mr. Casey** said total income in 1991 with all sources of income was \$25-26 million. There was an additional \$25-26 million interest.

REP. JOE QUILICI asked how the 2.5% Resource Development Account was going to be spent. Mr. Casey said the law does not give them the authority to spend it. Those funds would be placed in an account and would be addressed in the 1993 Legislative Session.

CHAIRMAN BARDANOUVE asked if the logging would be accelerated to balance the budget. In the past few sessions there has been an increased emphasis on more logging. Mr. Casey said three-four years ago the DSL sold 50 million more feet. That was a result of legislative directive to do so. Since that time the sales have decreased dramatically. In 1991, 30 million more feet were sold. The goal for FY 92 was 35 million. They are doing research on the amount harvested. CHAIRMAN BARDANOUVE said he was concerned that the resource would be overused to provide a cash flow. Mr. Casey said that was not being done at the present. He thinks there is still some latitude.

REP. BERV KIMBERLEY asked to have the "Whereas" addressed. Mr. Artley said they are still in the process of making the first cut over those lands. There are professional forestry staff. They do provide for regeneration. REP. KIMBERLEY asked Don Allen to answer the question. Mr. Allen said the "Whereas" was discussed by the Legislature years ago when the Legislature determined that the 50 million more feet level was the one that could be sustained in perpetuity. Timber is a renewable resource. The Wood Products Association thinks DSL is doing a professional job.

REP. DOROTHY CODY asked why the "Whereas" had to be in there. REP. BOB THOFT said it was included to support Section 1 that changes "timber" to "crop". In the 1987 Session 50 million was established as the yield on state lands.

CHAIRMAN BARDANOUVE said he has found over the years that "whereas" was used to justify what they were doing. He asked if the income from this land subsidizes the dormitories. Mr. Schramm said all of their bonds are revenue bonds, so none of them are backed strictly by the land grant. The dormitories main source of income is the dormitory rent paid by the students. The land grant income is used as a backup.

REP. RAY PECK asked about Mr. North's statement to the committee about Washington immediately accepting the amendment and using timber sales revenue to build school buildings ever since. Mr. Moerer said they are trying to come up with ways to equalize, but in the past, they have always gone to the trust. REP. PECK asked if the trust itself had been considered as a fund for bonding on a state-wide basis. Mr. Moerer said the trust itself could not Constitutionally because it was dedicated. No one had looked at timber sales going to equalization of capital outlay.

REP. MIKE KADAS asked about the money going to the Resource Development Account. He asked how that was currently funded. Mr. Artley said currently it was funded from two and a half percent of the annual income from the various minerals on state

grazing and agriculture lands. Currently, none of the revenue from the management forestry lands go into the resource development account. REP. KADAS said he was concerned that under this proposal they would be appropriating another \$175,000 a year to the Department for this purpose. They have no expenditure authority for that this year, but by the time the next budget is in place, they will have figured out a way to spend the money. For example, is the money going to be spent on irrigation projects or is it going to be spent on timber projects? Will there be another way to get that money back into the schools? Mr. Frazin said in the past the money was placed in a fund. REP. KADAS asked if money currently went into development of timber lands. Mr. Frazin said no. He said if that was a problem for the committee, the money from the timber revenue could be excluded. REP. KADAS suggested that such an amendment could be ready.

REP. THOFT said the Legislature might be able to designate the goals of the resource development lands. REP. KADAS said he thought that sounded like another bill to him. He said they are making policy and then would be setting up another earmarked account.

REP. KADAS asked if the Budget Office could answer this. He said it appears that this is volatile source. Mr. Schweitzer said they hoped it would not be that volatile. He hoped there would be a steady stream of revenue. REP. KADAS said he thought from the testimony from everybody involved that, on an annual basis, environmental and market conditions are going to insist that this is a volatile account.

Ms. Jane Hamman, OBPP, said the foundation schedules guarantee a certain amount that is to go to the school equalization account. The statute says that any shortfall in that account is made up by the general fund. It must be made up by the general fund. During this session they are needing to put in \$46 million to meet that current shortfall. That shortfall is caused by differences in a variety of revenue estimates including income tax, property tax etc.

CHAIRMAN BARDANOUVE said he doesn't like this bill. He would support it because their backs are against the wall. He will support the bill if it is sunsets. He disliked the "whereas" clause.

REP. PECK asked if OBPP had considered changing the payments out of the foundation program to local school districts. Ms. Hamman said they do not have anything specific in mind. They have not looked at comprehensive rewrite laws. REP. PECK asked if the original 20% payment in terms of relieving the cash flow problem was not being dealt with any legislation OBPP was proposing. Ms. Hamman said that was correct.

Closing by the Sponsor:

REP. THOFT said the 2.5% would be a reasonable amount of money to manage the state lands. He thought that was good business. He said this was not a raid on the trust account.

HEARING ON HOUSE BILL 4**TRANSFER UNEMPLOYMENT ADMINISTRATIVE FUNDS TO GENERAL FUND**

REP. BOB THOFT said this would be a one-time transfer of money from the Unemployment Insurance (UI) trust fund and reserve account. It is a transfer of \$1.5 million to the general fund.

Proponents' Testimony:

Franklin Cody Fisher, Department of Labor and Industry, spoke in support of HB 4. The intent of the legislation is to correct some language on page 3, line 15 and 16, which strikes the phrase "may do by the department for administrative purposes" and then allow for the transfer of \$1.5 million from the unemployment status Insurance accounts to the general fund. They have reviewed balances in the Unemployment status account and projected through FY 95. There would be \$1.8 million balance left in the UI Trust account. The transfer this year would not hamper the rates. EXHIBIT 5

Opponents' Testimony:

REP. NORM WALLIN said it would affect employers. The money had been put in by employers for the sole purpose to take care of unemployment. He said in 1981 they had the same problems as they currently face. He said the employers' rates were raised. He thinks this is too restrictive. He would prefer the bill to be killed. If the bill was not killed, he would accept an amendment that would state that if the money were used now, at the time of the next session the money would be repaid to the Unemployment Insurance Division.

REP. BEN COHEN said he was a small businessman. He said they pay unemployment insurance and try not to lay people off. If the money is used to balance the budget, it should be considered a loan and should be repaid.

QUESTIONS FROM THE COMMITTEE:

REP. DOROTHY CODY asked if the assessment had been put in place in 1983 to protect the job service offices in rural areas in case the federal government did not supply the money to keep them open. Mario Micone said that was correct. REP. CODY asked when these funds then were used for other purposes. Mr. Micone said it was in FY 89 that the first funds were used for purposes other than job services. REP. CODY asked how much money assessed was

generated and where did the monies go during that interim time until the Legislature took money. She asked how that affected people's rates. Mr. Micone said from FY 84-FY 88 it generated \$11 million. Of that, \$8.6 was transferred to the UI trust fund which was mandated by the legislation. At the end of FY 88 there was a balance of \$2.2 million. Their annual incomes are approximately \$3 million. REP. CODY asked, if that money had not gone into the unemployment trust, would it have been necessary to increase rates during that time? Mr. Micone said it could have an effect on the rate. They looked at the rates this year and it would be necessary to transfer \$4.5 million to remain in schedule 1. Although there were sufficient funds to transfer that amount, they did not want to jeopardize some programs and, therefore, no transfers were made. Also, they can't transfer funds without the approval of the Legislature. REP. CODY asked how static are the unemployment rates in the state. Is the trust balance sufficient? Is there a cause for concern? Mr. Micone said there were sufficient funds. The legislation does allow a trigger mechanism to allow the Department to increase the rate.

REP. JOE QUILICI asked if the \$1.5 million transfer resulted in a balance of \$338,000. He asked if a recession hits will there be enough money in the fund. Mr. Micone said the \$338,000 is only the amount in the UI account. They still have \$88 million in the trust account. There should be sufficient monies. REP. QUILICI asked if the Department's current policy is to use UI administration funds to fund all pay plan in the job service division. This will cause expenditures to exceed revenues by approximately \$1 million in FY 95. Mr. Micone said that was correct. They do expect to expend \$1 million more in FY 95. That does take into consideration cost of living increases and the pay plan equivalent to what the Legislature granted during the last session. REP. QUILICI said continuation of this policy would draw down fund balances and necessitate an increased tax rate or general fund appropriations in FY 97. Mr. Micone said that priority programs could be funded out of the general fund or else an increase in the rate would be considered. They do not recommend an increase in the rate. He thinks there may be a review by the business community to repeal the tax.

CHAIRMAN BARDANOUVE said he thought the Legislative Auditor recommended that the balance should be transferred to a permanent trust, but the Department does not agree. Mr. Micone said he thought that related to past years. He thinks the Department's rationale was that they could not anticipate future expenditures and, therefore, were reluctant to transfer balances in the trust fund. In January of 1991, they were in the process of transferring \$3 million to the UI trust and, at the request of the Legislature, that transfer did not take place.

Closing by Sponsor:

REP. THOFT closed on HB 4.

HEARING ON HOUSE BILL 5
TRANSFER PRISON GOODS SALES RECEIPTS TO GENERAL FUND

Presentation and Opening Statement by Sponsor: REP. BOB THOFT, HD 63 said HB 5 transfers \$605,000 from the Prison Industries account to the general fund. It is a simple bill. The only qualification is that, if a disaster occurs at the prison, the money could be needed.

Proponents' Testimony:

Curt Chisholm, Director, Department of Corrections, said that if everything goes according to plan, there should be \$605,000 surplus cash in the account. There is still a \$350,000 cash reserve for the ranch. EXHIBIT 6 There is the understanding that this is a one-time transfer.

CHAIRMAN BARDANOUVE said he supported the legislation with some reservation. There is a surplus and there should be a review of how there is a surplus available. The prison in the past ran at a loss.

Questions from the Committee:

REP. DOROTHY BRADLEY said the last time she visited the prison there were waiting lists for job programs at the prison. She asked if that was still the case. She asked if there was the flexibility now to use the funds to develop better job programs. CHAIRMAN BARDANOUVE said they are proposing to loan some money to build an industry shop. They may renovate senior citizen buses. REP. BRADLEY asked if this was a proposal for the next session. REP. THOFT said it was in place. REP. BRADLEY asked if there were waiting lists on any level of security for people who want jobs who can't get them because of a fund shortage or a lack of expansion. Can those transfers be made? REP. THOFT said they are not called waiting lists. They do it by security classification. The turnover is too fast. There may be a backlog, but it should turn over quickly. CHAIRMAN BARDANOUVE said there is a fine repair shop. All ranch equipment is repaired there.

REP. CODY asked if the \$350,000 cash reserve would have been enough to cover any incident. CHAIRMAN BARDANOUVE said they had run short at times, but they did not use all the reserves, nor did they need to request additional money.

REP. GRADY said there is a fluctuation in business. He thinks there are people working over there who are underpaid and under tremendous stress. He thinks the money should go back into the operation instead of asking people to work hard and then take the money away. He said he didn't think he could support this.

CHAIRMAN BARDANOUVE said they had hired the best ranch man in

Montana and he was responsible. He said the dairy man was fine.

REP. BRADLEY said she understands they are leaving a cash balance. She said if it were to go the industry's program, what would it be used for in the next year and half. Mr. Chisholm said this money would just sit in the account. It was just service cash reserve. This should not be confused with the industry programs because that is a separate account. They do not have any spending authority for this surplus cash. It would not impact any upgrade or downgrade.

Closing by the Sponsor:

REP. THOFT said they have never denied the manager any expenditure of funds at the ranch. He felt confident that this money could go to the general fund.

HEARING ON HOUSE BILL 6

TRANSFER CERTAIN FEES ADMINISTERED BY JUSTICE TO GENERAL FUND

Presentation and Opening Statement by Sponsor: REP. THOFT, HD 63 said they would take money from any place they could find it. He asked the Department of Justice to explain the bill.

Proponents' Testimony:

Mick Robinson, Department of Justice, said his comments would be directed to Section 2-5 of HB 6. These are small revenue accounts. The Motor Vehicle Division is currently funded by general fund. These two special revenue accounts result in appropriations of about \$75,000 per fiscal year for the operation of that division. The division has an operating budget approaching \$6 million per fiscal year. EXHIBIT 7 They support the transfer of the account balance.

Gordon Morris, Executive Director, Montana Association of Counties said the Counties wanted to be on record as a proponent of the transfer of funds from the state's special revenue account to the state's general fund. The 1991 Legislature increased the reinstatement fee from \$50 to \$100. That fifty dollar increase would go towards substance abuse by minors and chemical dependency efforts. This would not entail a loss of revenue by the counties.

Questions from the Committee:

REP. JOHN COBB asked if the earmarked funds would be put in the general fund or if they wanted to study it more. REP. THOFT said Sections 4 and 5 would be earmarked. There is a termination section in Section 6 that only refers to Sections 1-3.

Closing by Sponsor:

REP. THOFT said there is an amendment. Mr. John Patrick, Office of Budget and Program Planning (OBPP) said the amendment would clarify that the proposed reduction in HB 2, HB 4 and HB 5 pass-through funds from county DUI task forces, would be limited to the amount in the appropriation. The current statute is not absolutely clear on that point, but the amendment would clarify it.

REP. MENAHAN said he thought the whole thing should be looked into. There is \$1,200,000 in counties in fines, but the problems are still not being addressed for schools and MTI. The idea was for the monies to go back to the counties and the programs.

REP. PECK suggested he bring up this issue in Executive Session.

HEARING ON HOUSE BILL 7
RETAIN CERTAIN COURT REIMBURSEMENT FUNDS

Presentation and Opening Statement by Sponsor: REP. THOFT, HD 63 said HB 7 would be discussed by agency staff. EXHIBIT 8.

Proponents' Testimony:

John Patrick, OBPP, said HB 7 states that excess revenue that is raised from district court fees over the amount that is appropriated for District Court reimbursement, over the amount that is appropriated for grants for other district court expenses, will remain in the general fund, rather than being returned to the counties. EXHIBIT 9.

Opponents' Testimony:

SEN. STEVE DOHERTY said he opposed the bill because he doesn't think it will happen. The second reason is that funds may not be available for quality of justice for Montana citizens.

Jim Oppedahl, Administrator, Montana Supreme Court, said they think this bill will increase local revenues for courts. These funds under the District Court Reimbursement Program are essentially local revenues that are held in trust as an insurance account for the district courts and the counties in criminal cases. The district courts are underfunded. In the District Court Reimbursement Grant Program there are eligible grants slightly more than \$1 million for this year. They will have nearly \$100,000 for the grants. Eight percent has already been cut by legislative action. This bill would take out \$224,000 in district court reimbursement funds. Last night the committee approved \$513,000 in cuts in the Department of Corrections which will directly affect this program. They do not recommend this type of public policy because in district court criminal cases they are not just talking about simple delay. In the Supreme Court they may be able to delay processing the case for even a month. In district court they are dealing with criminal cases

with defendants with Constitutional rights to a speedy trial. Delays in the district court have the potential of having cases dismissed because a speedy trial was not available.

Gordon Morris, Executive Director, Montana Association of Counties, said the district court program was revised by the Legislature during a Special Session in 1986. Up until that time the State General Fund had been directly contributing toward the old District Grant-In-Aid Program. In 1986, a 2% vehicle tax was imposed to fund district courts and then no money was given from the State General Fund. The money was provided to provide an insurance for the local governments against catastrophic court costs associated with criminal litigation. Since 1986, the program has worked effectively. There is no money left over. The counties oppose the bill.

Larry Fasbender, Representative for Cascade County, said that if the costs are sent back to the county there will be a restriction on the county to be able to come up with funds to pay for the costs. This would create chaos as far as state court funding is concerned. Cascade County has had extreme difficulty in the past in trying to cover the district court costs.

Tape 2, Side B

Questions from the Committee:

REP. SWYSGOOD asked if the counties would be short by \$513,000 in regards to the action that had been taken the night before. He asked if the money could be recovered by the counties, if the counties go back to the court. **Mr. Morris** said that the counties have been spending down, so there was not \$500,000 there. County district funds would take a hit.

REP. CODY asked if the statement concerning the district court reimbursement program had been able to fully reimburse the eligible district costs. In addition, each year the district court reimbursement program has been able to provide grants to counties with court expenses in excess of maximum mill levies. She asked how that statement could be justified in view of the problems in Cascade County. **Mr. Patrick, OBPP,** said the statute was clear in regard to district court reimbursement. The counties are reimbursed. Then, if there is money left over, the grant program will pay out expenses in the form of grants. **REP. CODY** said his statement seems to suggest that the state is reimbursing the eligible costs to the court with money left over and that the money left over is being distributed back to those counties. She asked if there was enough money in that account, shouldn't they have been able to collect their reimbursement costs. **Mr. Patrick** said there has been an amount appropriated for the reimbursement. Historically, reimbursable expenses have been recovered. **REP. CODY** asked how the situation in Cascade County could have taken place. Is there enough money appropriated to cover the costs? **Mr. Oppedahl** said the District Court Reimbursement Program only reimburses criminal costs and, of those, only reimburses certain criminal costs. There are many

county expenses that are not picked up by either the Supreme Court operations or for criminal reimbursements. **REP. CODY** asked if the Legislature was appropriating money to cover the eligible district costs as they relate to criminal cases. **Mr. Oppedahl** answered eligible criminal reimbursement costs. They are allowed to pay for other costs in terms of the grant program. The grant program has little money left after reimbursements have been paid. In FY 89 there was \$25,000 for eligible grants of nearly \$1 million. In FY 90 there was \$111,000 left to do grants and eligibility and the money that was actually spent was over \$1 million. He said there were two years where money did go back to the county that was not in the form of reimbursements or grants because the revenues that came in exceeded the appropriation. That was \$61,000 in FY 90 and \$97,000 in FY 89. That will vary with statistics. **REP. CODY** asked if the Legislature is appropriating the proper amount of money for the purpose. **Mr. Oppedahl** said if the Legislature appropriated an additional \$900,000 or \$1 million last year, then it would go for the eligible grants. The shortfall is generally \$1 million per year.

REP. TOM ZOOK asked what the local court levies are levied on. **Mr. Morris** said they are levied on property in every county. They are tied to the number of mills, varying from four mills to six mills. **REP. ZOOK** asked if Cascade County levies the maximum mills. **Mr. Morris** answered, yes. **REP. ZOOK** asked if their court funding problems are related to the low property appraisals that have existed there. **Mr. Morris** said that low property values everywhere in Montana have contributed to a static revenue system associated with county government. There has been a tremendous expansion of litigation of a civil nature that is driving up the cost.

REP. SWYSGOOD asked if the counties had not been allowed during the last session to assess an extra half percent on license and registration for district court costs. **Mr. Morris** said that was correct. **REP. SWYSGOOD** said that had not been implemented since July and could those costs not be sufficient to alleviate problems. **Mr. Morris** said that money could relieve that pressure on the district court levy and not on the District Court Reimbursement Program. **REP. SWYSGOOD** asked if it would be a fair assumption that if the counties were unable to be reimbursed through the court reimbursement fund because of a shortage of revenue, that those counties that elected to assess the extra half percent would not be any worse off than they are presently.

Mr. Morris said the analysis was basically correct. They would have to address it, using a half of a percent option by way of a fiscal crisis.

REP. MIKE KADAS asked if the bill doesn't pass then how much would go back to the counties. **Mr. Morris** said his figures did not agree with **Mr. Oppedahl's**. He said the Governor's budget showed in FY 90 the appropriation was \$2,729,405. After adjusting the figure for administrative costs associated with

Supreme Court administration of the program, there would be \$2.5 million left over. **REP. KADAS** asked what amount was over the amount appropriated. **Mr. Morris** said, yes, he was right. There would be \$300,000 collected and sent to the state and would stay in the account. He said they would have to get a supplemental. **REP. KADAS** said he thought the \$300,000 over the appropriation would be distributed back to the counties. He asked if that was the case or not. **Mr. Oppedahl** said he didn't know what the revenue estimate is. The appropriation is approximately \$2.7 million. If revenue came in above \$2.7 million, that would go back to the county pro-rate a share of the county share. **REP. KADAS** asked if it would take a budget amendment. **Mr. Oppedahl** said no. **REP. KADAS** said there is \$300,000 over the appropriated amount. That money would stay at the state level and they would be able to appropriate it. **Mr. Oppedahl** said if the bill is passed as it stands, and they make a technical amendment, that it stays in the general fund for the district court purposes. **REP. KADAS** said what they are arguing about is the counties getting \$300,000 that they didn't expect to get, but that is rightfully theirs under the way is set up. **Mr. Oppedahl** said they expect to get it because they always received it in the past. **REP. KADAS** asked if the revenue estimate didn't expect that much money would be there. He suspects that is not written into their budgets; they would wait and see. **Mr. Oppedahl** said he didn't know what they were doing at the local level in terms of projections. He said he would assume that in FY 90 when there was a \$2.8 million appropriation, they used that in their revenue estimates at the county level and expected to have all of that. In FY 90 the appropriation was \$2.826 million and the actual collection was \$2.737. This program has only been in the Supreme Court for five months but he thought the Legislature had tried to set up an appropriation level, historically, that the higher amount of money would be collected. **REP. KADAS** asked the budget office to respond. He said in previous fiscal notes, if the fiscal impacts of the bill impact the counties then it is excluded in the fiscal note. He said clearly there is an impact to the counties. **Mr. Patrick** said the estimate was \$2.9 million in FY 92 and \$3.3 million in FY 93.

REP. COBB asked about the extra PDUE. **Mr. Morris** said the law specified that half of one percent was available to be split. The formula built into the laws was for counties and cities and towns. The counties have taken the position that the first priority was to fund district courts. After that, other general governmental purposes would be available to fund district courts. **REP. COBB** asked what would happen if there were a shortfall. Could you look at whether you could cut back on other programs and then reimburse the district court. **Mr. Morris** said that was correct. **REP. COBB** asked what the cities and towns could do. He asked if the counties had any say in what the cities and towns. **Mr. Morris** said the cities could do what they wanted.

REP. KADAS asked if the amount of revenue that is beyond the appropriated amount was distributed strictly to the county or is

it distributed to the taxing jurisdiction that is in the county. Mr. Morris said it is distributed strictly to the counties. He added that Rep. Kadas had been instrumental in SB 200 and SB 25 bills.

Closing by the Sponsor:

REP. THOFT said this bill was part of the Governor's program.

HEARING ON HOUSE BILL 9
TRANSFER FUNDS FROM SECRETARY OF STATE TO GENERAL FUND

Presentation and Opening Statement by Sponsor: REP. THOFT said HB 9 transfers \$40,000 from two accounts, \$20,000 from each. The proposal allows a one-time deposit from this account. The transfer of \$20,000 was proposed by the Secretary of State's Office.

CHAIRMAN BARDANOUVE asked if they were opposing this bill. REP. THOFT said no.

Proponents' Testimony:

Mike Cooney, Secretary of State, said they have one proprietary account that deals with city government. They are offering \$20,000 from each of two accounts. EXHIBIT 10

Questions from the Committee:

REP. JOE QUILICI asked if this bill would affect records management. He was concerned because that was just transferred this last session. Mr. Cooney said that in addition to the transfer, they had received \$40,000 as start-up. They should recoup some of that.

Closing by the Sponsor: REP. THOFT closed.

HEARING ON HOUSE BILL 8
TRANSFER CERTAIN ENVIRONMENTAL FUNDS

Presentation and Opening Statement by Sponsor: REP. THOFT said HB 8 was not a controversial bill. This would transfer \$1 million from hazardous waste. EXHIBIT 11

Mr. Hoffman, Environmental Quality Council, EIC, said HB 8 transfers \$1 million to the general fund from the hazardous waste circulating account and the environmental quality protection fund account. The fund was approved in 1984. The purpose of the hazardous waste circulating account was to allow the Department of Health to have funds to use to match federal funds that were available through such EPA programs as hazardous waste, underground storage, etc. The other part of the account is the circulating account which allows the Department to have funds

available to match Superfund cleanup if the state is going to participate in 90-10 proposition. The Environmental Quality Protection clinic fund receives four percent of the Resource Indemnity Trust Fund entries per year. That four percent started in FY 90. It amounts to \$330,000 per year. Also, within the Environmental Quality Protection fund, the Legislature gave to the Department the ability to collect funds from the polluter. Now the state can collect up-to-the maximum of twice the normal damages. The lack of ability to predict environmental emergencies or the rate of how mediation of sites will progress makes it difficult to predict the demands on the two accounts. If the flexibility to transfer from one account to the other is maintained and access to the Environmental Contingency Account that is maintained by the Governor, or the ability to request supplemental appropriations, the impact on Montana's ability to respond to environmental problems should be minimal if the million dollars is transferred.

Opponents' Testimony:

REP. RANEY said the Constitution says Montanans have the unalienable rights that include the right to a clean and healthful environment. Under Article 9, "Environment and Natural Resources" it says "Each person shall maintain and improve the clean and healthful environment in Montana for present and future generations." Under Section 2 it says, "All lands disturbed by the taking of natural resources shall be reclaimed." The Legislature shall provide requirements and standards for the reclamation of lands disturbed. The Legislature shall provide for the fund to be known as the Resource Indemnity Trust for the State of Montana. To be funded by the extraction of natural resources, as the Legislature, we should go along with it being taxed at .5% because it was being used to reclaim the environment which their industries have served over all the years. He said the statute states, "Appropriations of the funds from the interest from the trust that any formal budget document prepared by the legislature, the executive branch that proposes to appropriate funds from the Resource Indemnity Trust interest account, other than those already provided in the statutes, must specify the amount of money for each allocation that is proposed to be diverted and the proposed use of it by diverted funds." This bill does not do that. It takes the money and dumps it into the general fund. The bill does not comply with other statutes. Montana Codes Title 15: Chapter 38: Section #203 says Purposes of Fund Usage-Limitation on Future Uses "Any funds made available from this Chapter shall be used and extended to improve the total environment and rectify damage thereto." That is exactly what the taxes collected for, exactly what the trust fund is for, exactly what the interest is to be used for. Further, it says, "It is the intent of the legislature that future appropriations from the RIT interest account not be made to fund general operating expenses of state agencies". He said they have lived by this. He said there could only be a surplus in the accounts if all the cleanups had taken place, and they haven't. They have only begun

to do the cleanups. That is why there is a buildup of money in the accounts. There are 250 sites already identified in Montana. To take the money means they do not want to do the job.

Jim Jensen, Executive Director, Montana Environmental Information Center, said Rep. Raney raised many points that he intended to raise. He did want to reinforce the statute that promises RIT interest money would not be placed in the general fund. Temporary laws tend to become permanent more often than not. The next legislature, as everyone has already acknowledged, will have even larger problems than in past legislative sessions, and apparently, an unbalanced budget. There is some concern that work that is now in progress will not be able to proceed if the money transfer occurs. There is concern that the work will at least slow down. He mentioned the cleanup in Livingston and was concerned with continued work in that area. The Environmental Quality protection fund has a million dollar statutory appropriation to deal with an unanticipated, but statistically predictable, catastrophe. The second important use of the money is that when the state identifies a responsible party for one of the sites, the state is required by the legislature to make that responsible party clean up the site if they are financially capable of doing so. In order to make that threat meaningful, there must be money in the bank.

George Ochenski said he had been involved with the bill for many years. For many years the money was never available to begin the cleanup. In FY 89 the money finally began to build up in the account. Now, two years later, seven years since the bill was past, finally, we are getting the money. Now there is a revenue shortfall.

Stan Bradshaw, Director, Trout Unlimited said they oppose the bill.

Questions by the Committee:

REP. COBB asked how did they estimate the revenue was going to be lower for FY 92 and FY 93. Mr. Ray Hoffman said the estimates are likely the lower estimates.

REP. QUILICI asked what effect would the million dollars have on the other Superfund sites. Mr. Hoffman said they anticipate no effect on the current-level services that they are providing. The Governor's Environment Contingency Account has \$612,000. That account usage is up to the Governor to determine. If that account does not have the balance needed, then they will go for a supplemental appropriation to the legislature. They think the general fund revenue is a true and identified shortfall in the state. REP. QUILICI said there is litigation to determine the responsible party. That litigation could go on for years. The only ones to suffer are those who are in the Superfund area or those who are downstream users. If the state does not have enough funds to get in there, what happens then. Mr. Hoffman

said the Department of Health is able to issue bonds and those bonds would allow them to gain revenue to match federal funds. **REP. QUILICI** asked why would they ask for a supplemental if the money is already there. **Mr. Hoffman** said one million dollars is not enough to clean it up. **REP. QUILICI** said there is talk that it will take fifty to one hundred years to clean up the sites and unless it is started, it will not be done.

Mr. Hoffman said currently the Department of Health, the State Superfund Program, has currently identified 35 on-going sites where some kind of action is being taken. He said they needed to keep in mind that, if the state were to proceed haphazardly, they would have to accept some liability for financial repair of that site. **REP. PECK** said he did not want to put him on the spot, but asked if he had personal reservations about this, would he feel free to express them. **Mr. Hoffman** said that he does know what the problems are. He said that this is an important program, but there are options to take if environmental catastrophes should take place.

REP. PECK said the payers of the funds paid them based on the substance of the law. Is there a moral obligation? **Mr. Hoffman** said none of the funds mentioned are currently being used for cleanups that are going on. The use of the money is up to the state of Montana. **Mr. Hoffman** said there are five mentioned that are the result of GBNB action in Havre. **Mr. Jensen** said there are program people who would sit down and say the action would still continue. **REP. PECK** asked for an example. **Mr. Hoffman** said the example would be east of Great Falls. The Montana Department of Health, in conjunction with the U.S. Air Force, identified a gully that had a sizable amount of barrels that contained hazardous waste. In conjunction with the Air Force, they said they would be responsible for that cleanup. The Department of Health worked with the U.S. Air Force and cleaned up the barrels.

REP. MENAHAN said the problem with the water degradation is that policies that are going to be affected, might include mining, and even agriculture. That appears to be hindsight. **Mr. Hoffman** said the state has not specified where the dollars will go.

REP. COBB said the amendment reads "on or before June 30, 1993". The money could be counted as part of the general fund. During the next session, if they haven't transferred the money, if it is still there, they could take that money. **Mr. Hoffman** said he would defer to the OBPP. **REP. COBB** asked the way it is set up, could it be transferred until a later period of time. **Ms. Jane Hamman, OBPP,** said that is correct.

REP. GRADY asked about the work being stopped in Livingston. He asked how were the funds being used for the cleanup and where did the funds come from. **REP. RANEY** said the state puts money up front. The money in Livingston came from the state. State attorneys, and a state hydrologist were used. They did also hire

outside attorneys to go to work on the Livingston project. Now, the principle party has now agreed to consent decrees and now they are beginning to pay for the cleanup. The staff was used up front. They have paid \$350,000 to John Larson, an outside attorney. They recover that amount from Burlington Northern. The same thing holds true for the other 250 sites in Montana. The principle party will not come forward to clean up the site. The state must go out, find the site, and identify everything that is on it. The cost is significant to the state. Then they must go through all of the things that are involved to bring this principle party into either volunteering to clean up the site and pay back all the funds or let the state clean it up and try to collect from any assets. REP. GRADY asked if the money was coming now from that project. He asked how that will affect the Livingston cleanup. He said there seemed to be some concern that it will be stopped if the money transfer occurs. If there is other money coming in, how will that happen. REP. RANEY said it will not stop. If the budget is reduced in the department, then the department cannot go to Livingston and do the things that it needs to do in Livingston. The PRP will proceed as the PRP chooses to proceed. He replied to Mr. Hoffman's statement that if the money was taken, there will be no effect on current level. He said assuming demands follow historic level. The current levels and historic levels are right now. This is new. It took a generation to get to this point to begin cleanup. If there is extra money in the fund why not work on all 250 sites, instead of just 35. That is what this money was intended for, that is why the taxpayer paid the money, it is why there is a Constitutional Initiative and it was put in place.

REP. QUILICI asked if it is true that there were 175 sites where the PRP could not be identified. Without the PRP identification, who pays for the cleanup. REP. RANEY said the million dollars they are trying to take away.

Closing by the Sponsor: REP. THOFT said legal counsel has said expenditures do not have to be designated. The legal work that has been done was to determine the PRP.

Tape 3, Side B

HEARING ON HOUSE BILL 10

DIVERT HIGHWAY RECONSTRUCTION MONEY TO GENERAL FUND

Presentation and Opening Statement by Sponsor: REP. THOFT said HB 10 will divert \$4,572,000 highway reconstruction money to the general fund. It should not jeopardize the construction program through FY 93.

Mr. Bill Mandeville, OBPP, said Mr. Rothwell would be there to speak on the bill.

REP. PECK said that they could go ahead with HB 11.

HEARING ON HOUSE BILL 11
CLARIFY AUTHORITY OF GOVERNOR TO DIRECT SPENDING REDUCTION

Presentation and Opening Statement by Sponsor: CHAIRMAN

BARDANOUVE said HB 11 attempts to allow the Governor to meet the Constitutional requirement that the Legislature has the right to make the appropriation and the Governor cannot cut the appropriation. Basically, they are not cutting the budgets but are requesting the agencies not to spend the money. The attorney say that this does not cut the appropriation.

Proponent's Testimony: **Mr. Jack Copps, Executive Superintendent, Office of Public Instruction** said they do support HB 11 with the condition that it be amended. **EXHIBIT 12**

Questions from the Committee:

REP. DOROTHY CODY asked why it was not illegal when Governor Schwinden cut the budget in 1986. **CHAIRMAN BARDANOUVE** said he thought it was because nobody had tried the case in court. **REP. CODY** asked if at the time the authority was given to Governor Schwinden, was that done through language in the House Appropriations Bill? This past session at Governor Stephen's request legislation was passed that put it into statute. **CHAIRMAN BARDANOUVE** said he could not remember the exact language that was used when Governor Schwinden was there. He did not think the Governor had any language request during the past session. **REP. PECK** said it was not Governor Stephen's request. The legislative auditor, the legislative council and the LFA got together and on the advice of lawyers said there was language that should be in statute. There was HB 454 that cleaned up the Appropriation Bill. It was the same language that went into the statute.

REP. CODY asked if the Governor would be concerned if the legislation passed. If the Legislature accepts the Governor's revenue projections and those are skewed, he could find himself in the position of needing to cut the budgets again. She asked if the Governor was concerned with that. **REP. PECK** suggested that Rep. Cody go down to the second floor and ask the Governor that question.

REP. COBB asked if the amendment about the sizes of staff members and different sizes of budgets. **Mr. Copps, OPI**, said percentages were used. They are operating under the assumption that all offices are at their base level. They do not have access to COLA. **REP. COBB** asked if offices had a larger agency along with a larger budget would there be a responsibility to then cut more.

CHAIRMAN BARDANOUVE said **REP. MERCER** had given him some amendments to the bill. **REP. PECK** said if **REP. MERCER** wanted to make the proposals, he should be there to appear before the committee or have someone on the committee carry them.

REP. KADAS asked what a revenue category was. He asked if that

would be income tax collections, or oil severance tax collections. Mr. Jim Haubein said it would have to be a fund in order to interpret that. General fund appropriations are looked at as in total as compared to the general fund. The shortfall is then looked at. He said the broader interpretation was taken that a revenue shortfall was something that happened in revenue category and revenue category was a fund. The language on page 1, line 19, that says, "The Governor shall direct executive branch agencies to reduce spending in an amount equal to the shortfall of the revenue." There are two possible problems there. The first is "shall" which means the Governor must reduce expenditures by a like amount. Whether the budget is out-of-balance or not it requires the fund to be below what is anticipated. It requires a reduction in expenditures. This negates a need for an ending fund balance, but also forces an expenditure reduction when there may be other revenues available to fill that hole. The second problem is the language that says, "in an amount equal to the shortfall". Again, that ties the hands of the executive; they can't reduce more or less. There is no flexibility in the language. REP. KADAS said he thought this would tie the administration's hands. This could force them to react on a monthly basis to revenues. A technical concern is that on page 2, line 5, it says, "program funded by an itemized appropriation to determine if the program is mandatory or permissive and analyze the impact." They are asking the administration to determine if the program is mandatory or permissive and analyze. He said he had a problem with the 15% level. He thought 5% was sufficient.

REP. PECK said he thought there should be some consultation by the Governor. He asked Leroy Schramm to comment on Rep. Kadas' comments. Mr. Schramm said he did agree.

REP. BROWN said he did not believe they should give away the authority to the executive branch, no matter which party. He proposed amendments to the bill. On page 19, he would change "shall" to "may". On page 1, line 23, "15%", should be 5%; the Governor should have some flexibility. After that sentence on line 23, he would add language that, "this subsection does not affect the power of the government or the legislature to call a special session to deal with revenue shortfalls. This bill does not take away the ability but it also doesn't say it is still there. He thinks the insertions need to be made to make it absolutely clear that if the Governor decides to make cuts, that would preclude the special session of the legislature. On page 2, line 8, after the word, "program", "the proposed reductions in agency analysis and any subsequent changes to them must be mailed to the members and staff of the Legislative Finance Committee at the time they are given to the Governor and must be considered in a meeting of that committee before the Governor directs spending reductions." In the next sentence "The Governor shall use each agency's analysis..." add " and consider Legislative Finance Committee's comments and recommendations." Then go back to the sentence, "in determining the agency's reduction in spending".

The legislative finance committee should have some input in that review process. He said, prior to this activity, the Revenue Oversight Committee should offer comments and considerations for the Governor. The Senate Finance and Claims Committee should oversee and comment on any reductions that may be needed.

REP. MERCER said he appreciated the work done by the committee. He thought action on this could be given to a subcommittee. CHAIRMAN BARDANOUE asked how long there was to get the bill to the floor. REP. MERCER said it would be good to have it out of the House by Friday. CHAIRMAN BARDANOUE said he would be happy to have a bipartisan committee look at it, but he is concerned about the time. REP. MERCER said many people who needed to be involved in it had been busy.

REP. MENAHAN said they could make a motion to allow appointment of a committee. They could then report back by Friday. REP. PECK said if Rep. Mercer had an ad hoc committee, they could send Representatives from this committee to those meetings. He said Reps. Kadas and Zook could participate in this committee. REP. BARDANOUE said in an informal committee, the leadership of the House and Senate should be included. An agreeable compromise could be worked out. REP. MERCER said those who know what they are talking about on these issues are not the leadership. Those involved should meet and then go to the leadership with recommendations.

CHAIR PECK said they would withhold action on the bill until there has been a meeting by the committee. They set a meeting for 5:15 on January 8, 1992 in Room 104.

REP. ZOOK asked if line 8, "the Governor shall use each agency's analysis in determining the agency's reduction in spending" indicated the language was mandatory language. REP. BROWN said the bill was not drafted by anyone in the room. He did not know the intent of it. He said that whole section attempts to address the Court's objection to priorities. He said on page 6 of the opinion it attempts to be more specific.

REP. JOHNSON asked how the itemized appropriations statement fit with the information they were given the night before at midnight. CHAIR PECK said they would take a recess for both parties to talk. REP. THOFT said they needed to finish HB 10.

HOUSE BILL 10
DIVERT HIGHWAY RECONSTRUCTION MONEY TO GENERAL FUND

Proponent's Testimony:

Mr. Salisbury said the effect of the bill would not affect the Department of Transportation FY 92 or FY 93. They would still be able to match federal funds. They would be able to have reconstruction cross funds.

Opponent's Testimony:

Roger Scott said he did not think all the facts were readily available to the committee with respect to 14-4-vote on the university cut. The comment was made that the Regents could use endowments without the information the amount. He said they just came up with a program with Washington to provide Montana with \$150 billion in federal funds for the year FY 92-93. That is a tremendous increase. Fortunately in FY 92-93, has sufficient funds to match the federal funds. He is concerned about FY 94 and FY 95. There will need to be a gas tax increase next year. They were able to get the federal funds this year, because of what Montana was doing on its own.

Questions from the Committee:

REP. BRADLEY asked Mr. Scott to explain in greater detail about the possibility about waiving payments up front and repaying them later and what the implications are of that. Mr. Scott said the new highway legislation provides for a waiver. If a 100% double-match is used there is a possibility that obligation authority is lost. Federal funding is subtle. As he understands it, the State is not going to waive that match. They feel, at this time, they have sufficient funds to match. In two years, there will be difficulty matching because the surplus will not be available. REP. BRADLEY asked if it could be serious. Mr. Scott said he thought they were working themselves into a hole because they would not have any choice except a gas tax increase. In 1992 there will be no choice but to present to the state a strong initiative for gas tax increase.

REP. BRADLEY asked Mr. Salisbury if this was not the centerpiece of the Build Montana program. Mr. Salisbury said the coal tax had generated more money. REP. BRADLEY said these dollars, in essence, then will be lost forever for highway construction. Mr. Salisbury said this was only for one year, FY 93.

Closing by the Sponsor:

REP. THOFT said there was \$4.572 million in the bill. Every bit of the revenue generated by the bill is \$12,878,000 fund balance. He didn't take any pride in carrying these bills. He knows there was opposition to every one to them.

CHAIR PECK said they would take a recess until 3:00 p.m. and then take Executive Action on all of the bills.

EXECUTIVE ACTION HOUSE BILL 3

Tape 4, Side A,
013

MOTION/VOTE: REP. BARDANOUVE moved the adoption of the amendment. EXHIBIT 13 The motion passed unanimously.

MOTION: REP. BARDANOUVE moved the amendment of a sunset for this biennium. The bill will be in effect until July 1, 1993. This is inserted on Page 4, line 17.

Discussion: REP. THOFT opposed the amendment because he said the federal law would be changed. If the bill is terminated, then they have changed the whole concept. REP. BARDANOUVE said this is a costly solution to a temporary situation. In years to come, there will be less income to offer to education.

VOTE: Motion carried 11-7, roll call vote # 1.

MOTION: REP. KADAS moved the adoption of the amendment to keep the \$175,000 for the foundation program. It addresses the direction of the interest and income account as opposed to the state lands. It will take up the whole issue.

Discussion: REP. THOFT said he proposed the amendment, but he does think it is poor business not to put some of the revenue back into the management of the forest lands. REP. BARDANOUVE said he thinks they should continue that policy. REP. KADAS said they are only stealing the money for one year, there is no sense in putting \$175,000 in for state lands. REP. KADAS said since it only went for one year would they want to increase the money for one year. REP. BARDANOUVE said they have an on-going program. They don't change the amount. REP. KADAS said this bill would increase the amount they receive by \$175,000. REP. BARDANOUVE said he wasn't aware of that. He asked why. REP. KADAS said if the revenue stream was treated as a crop, it automatically would take out two and a half percent to go to the Resource Development Account. They were going to treat it as a crop for only one year, so two and a half percent of the \$4.5 million would have to go to the Department of State Lands unless there is this amendment. REP. BARDANOUVE asked if they could have an amendment that simply says, "The money shall continue as it is now." REP. KADAS said that does not mean there will be no money. REP. KADAS said this only said the money generated by the two and a half percent of the \$4.5 million won't go. This would not affect any of the other revenues that go into that account.

REP. QUILICI asked is the two and a half percent was going to the Resource Development Account used for administrative purposes or was it used to reforest the state. Mr. Artley said the forestry program gets no money from Resource Development. None of the revenue that is collected from forest lands is collected in the Resource Development Account. The Resource Development Account applies only to the distributable, annual incomes from the grazing of agricultural lands. That money goes into a fund that the Lands Division uses for resource development projects on the grazing/agricultural lands. No money goes to forestry from resource development. He said REP. KADAS was correct in his analysis.

REP. GRADY said he couldn't believe there wasn't money put back into the resource.

REP. KADAS said he would probably agree with REPS. GRADY, BARDANOUVE and THOFT over the long term, but he didn't think it was wise to put money in a department for just one year and not have any guarantee it would be there in the coming biennium.

VOTE: Motion failed 8-10, roll call vote # 2.

MOTION/VOTE: REP. KADAS moved the amendment that following A, line 13, "Whereas" should be inserted "finite", following "resource" insert "to be". Motion carried unanimously.

MOTION/VOTE: REP. THOFT moved HB 3 do pass as amended. Motion passed 10-8, roll call vote # 3.

EXECUTIVE ACTION HOUSE BILL 4

TRANSFER UNEMPLOYMENT ADMINISTRATIVE FUNDS TO GENERAL FUND

Tape 4, Side 1

MOTION: REP. THOFT moved HN 4 do pass.

MOTION: REP. GRINDE moved the amendment. EXHIBIT 14

Discussion: REP. KADAS asked if taking a loan out that has to be paid in the biennium is an obligation in that fiscal year. He thought that was balancing a budget with a loan which meant it was a deficit. He asked if it could be done and still count it as revenue. REP. THOFT said there was a question in his mind, about if they have obligated the legislature to prospects for the next legislature. REP. BARDANOUVE said this does not solve any problems. It is a loan and a loan does not change the bottom line on the shortfall revenue. The bill might just as well not be passed. Mr. Haubein said if \$1.5 million is being borrowed from this fund, they are obligated to pay it back. It is shifting the burden from this biennium to the next biennium. REP. PECK said as he understood the discussion with Rep. Wallin, money collected from one purpose and used it for another. Mr. Haubein said there can be a loan from the general fund, according to the current law, it can be for one year, unless there are circumstances that could extend it. REP. SWYSGOOD asked if this was a transfer from the unilateral demonstration account to the general fund. They say the general fund is going to have to pay it back because the businesses that paid that could not pay it for the purpose. Mr. Haubein said a loan to the general fund or a loan from the general fund are either/both are covered under interagency loan. They can be extended. It is permissible to borrow from one to the other. REP. SWYSGOOD said it still would show as a minus. Mr. Haubein said this would be reflected on the general fund as being due to the other account. REP. SWYSGOOD said that still did not do anything to correct the situation they are in. REP. PECK asked if it cancelled the affect of the bill. REP. SWYSGOOD said yes. REP. PECK said if

this amendment is put on, there is no sense in considering it.
REP. SWYSGOOD said that was correct.

VOTE: Motion failed 16-2 with Reps. Connelly and Quilici voting yes.

SUBSTITUTE MOTION: REP. BRADLEY moved HB 4 do not pass.

Discussion: REP. BRADLEY said REP. WALLIN made all the appropriate points. Her committee dealt with the issue in detail during the last session, finally taking some of the dollars to put into administration. This went beyond the original intent to help rural job service offices. This time it was to help the job training program which was destined to lose some federal dollars. There was a mass mailing from the Department saying that a premium increase might be avoided. The same argument holds today. REP. THOFT said her subcommittee had spent a good deal of money and they had not come forward with an option of making up the money.

REP. COBB said he opposes the motion. There is only so much money in UI tax.

REP. BARDANOUVE said he opposed the motion.

REP. BRADLEY said that when the subcommittee used the dollars, they did bear a direct relationship in helping employers. They dealt with job training or career programs. The expenditure will hopefully keep the rates down. This is an entirely different use of the dollars.

TAPE 4, SIDE 1, 37

Vote: Motion failed 8-10, roll call # 4.

REP. PECK said they were back to the bill and asked if they could reverse the vote of the do pass motion. He said they would reverse the motion.

Motion: Original motion by Rep. Thoft passed 10-8, reverse roll call vote.

EXECUTIVE ACTION HB 5

TRANSFER PRISON GOODS SALES RECEIPTS TO GENERAL FUND

MOTION/VOTE: REP. THOFT moved to adopt H B 5. Motion passed 17-1, with Rep. Grady voting no.

EXECUTIVE ACTION HB 6

TRANSFER CERTAIN FEES ADMINISTERED BY JUSTICE TO GENERAL FUND

MOTION: REP. THOFT moved House Bill 6 do pass.

MOTION/VOTE: REP. THOFT moved to adopt the amendment to HB 6. Motion passed unanimously. EXHIBIT 15

MOTION/VOTE: Rep. Thoft moved HB 6 be adopted as amended. Motion passes 15-3 with reps. Quilici, Connelly, and Bradley voting no.

EXECUTIVE ACTION HB 7
RETAIN CERTAIN COURT REIMBURSEMENT FUNDS

MOTION: REP. THOFT moved HB 7 do pass.

Discussion: REP. CODY said the \$523,000 figure was soft according to the testimony. She said Mr. Oppedahl said \$2.8 million was appropriated and only \$2.7 million was collected. She said even if the collected projections are at \$3 million, that does not leave \$523,000.

VOTE: Motion Failed, 8-10, roll call # 5.

MOTION: REP. ZOOK moved to reconsider HB 7.

Discussion: REP. ZOOK referred to a newspaper article quoting a former city commission member concerning a sum of money as a windfall from the Junk Vehicle Fee. There were fees that are not designated specifically by the legislature.

REP. PECK said he understood the article referred to a windfall that was designated for district court but the city received the unanticipated revenue. REP. ZOOK said his opinion was that the legislature passed it for the court system.

REP. QUILICI said he had read the article. The money was to go to the county district court but there was a windfall that did go to the city.

REP. THOFT said unappropriated funds should be designated.

REP. BARDANOUVE said the Democrats who are voting no, need to an alternative to this money, and REP. SWYSGOOD said he seldom got involved in rhetoric.

VOTE: Motion to reconsider failed 10-8 , roll call # 6.

REP. GRINDE said he would like to vote against this bill. There are hard votes. He hoped everyone could vote for it. REP. PECK said there are problems because of I-105.

REP. ZOOK said his commissioners are concerned.

MOTION/VOTE: REP. THOFT moved that after reconsideration that HB 7 do pass 10-8, roll call # 7.

EXECUTIVE ACTION HB 8
TRANSFER CERTAIN ENVIRONMENTAL FUNDS

MOTION: REP. THOFT moved House Bill 8 do pass.

SUBSTITUTE MOTION: REP. BRADLEY made a substitute motion that HB 8 do not pass.

Discussion: REP. BRADLEY said they would have to pay later for the money that would be taken out during this session.

REP. QUILICI said he could not vote for this legislation. With all of the sites in the state, \$1 million could keep lead and heavy metals from contaminating the streams.

REP. GRINDE asked if this affects on-going projects. Mr. Hoffman said the million dollars did not affect any on-going sites. REP. GRINDE said as long as it doesn't affect on-going projects, he would vote for the bill.

REP. BARDANOUE asked why there aren't any projects on-going. Mr. Haubein said there are currently thirty-five sites, and there are current funds to continue those.

REP. KADAS said the fact that some of the funds weren't obligated yet and the fact that there are still other sites that haven't been dealt with, is really the problem. The fact that it isn't obligated isn't an excuse not to use it for general fund. It should be used for the purpose for which it was intended.

REP. THOFT said he thought thirty five projects was a great effort.

REP. BARDANOUE said he feared that from a legal stand point, it was not RIT.

REP. QUILICI said he said he thought it was funny that the Administrator and division chiefs from the hazardous waste division were not there before the committee.

REP. THOFT said the Highway Department did not send their chief and he had not seen a chief except for State Lands.

Motion: REP. COBB moved amendments 4 and 6, page 4, line 8, "on or before June 30, 1993". He wanted to strike "or before".

Discussion: REP. COBB said in the last session, the general fund came up with \$5 million, to sue ARCO which he thought was illegal. Since there wasn't any other money, the \$5 million was used. He said Mr. Jensen did not mind using general fund money, but that was a loan to go out and sue ARCO.

REP. KADAS said he was speaking against the motion on two points. He said there was a significant difference between a loan that would be required by law to be paid back and a loan that takes an act by both houses and the Governor to pay back. There is a significant distinction between borrowing money from a fund that is established specifically to deal with a particular type of a problem and borrowing money from the general fund.

REP. THOFT asked if this would be considered a revenue projection. Ms. Jane Hammond, OBPP, said she doesn't see any problem with the bill. REP. THOFT said he would be in favor of the amendment.

REP. BARDANOUVE asked for clarification. REP. PECK said there would be two words deleted from the amendment. It would be limited to June 30 date for the transfer. He thinks that would provide time to correct what may not be appropriate legally. REP. BARDANOUVE asked if that would provide money for the budget. He asked how would they know if the money would be there on June 30. REP. COBB said they assumed the money would be there.

VOTE: Motion on Cobb amendment passed 10-8, roll call # 8.

REP. BRADLEY spoke about the motion. She thought it would set a bad precedent. If it is robbed once, she didn't know how it would ever stop.

TAPE 5, SIDE 1

VOTE: Motion that House Bill 8 do not pass passed 10-8, roll call # 9.

EXECUTIVE ACTION HB 9
TRANSFER FEES FROM SECRETARY OF STATE TO GENERAL FUND

MOTION/VOTE: REP. THOFT moved to adopt hb 9. Motion passed unanimously.

MOTION: REP. THOFT moved House Bill 10 do pass.

Discussion: REP. QUILICI said he was going to vote for the motion. Mr. Squat had been the state administrator for the Federal Highway Administration. He had met him in Washington D.C. to testify before Congress on the federal money, \$158 million. He doesn't want to see 4.57 going out of the committee.

REP. BRADLEY said the Reconstruction Trust could be used for the Highway System for the recreational corridors.

REP. GRINDE said he thought the Highway Department and the legislative body had done a tremendous job. When highways in Montana there are miles to consider and weather conditions are difficult.

REP. CODY asked if money had been borrowed from the Highway Reconstruction Trust. REP. QUILICI said yes. He said \$56 million was borrowed from there. In October they sold the transfer notes for \$85 million to pay for that. REP. CODY said that has been repaid. REP. QUILICI said yes.

VOTE: Motion passed 14-4, roll call vote # 10.

ADJOURNMENT

Adjournment: 5:00 P.M.



CHAIRMAN BARDANOUE, Chair



Sylvia Kinsey, Secretary

FB/sk

HOUSE STANDING COMMITTEE REPORT

January 10, 1992

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that HB 3 (first reading copy -- white) do pass as amended .

Signed: Francis Bardanouve, Chairman

And, that such amendments read:

1. Title, line 9.

Following: ","

Insert: "RETAINING TIMBER SALE REVENUE FROM TIMBER HARVESTED FROM OTHER TRUST LANDS IN THE TRUST FUND SUPPORTING THE INSTITUTION TO WHICH THE LAND IS GRANTED;"

Following: "SECTION"

Insert: "17-3-1003,"

Following: "20-9-431"

Insert: ","

2. Title, line 10.

Following: "DATE"

Insert: "AND A TERMINATION DATE"

3. Page 1, line 13..

Following: "a"

Insert: "finite"

Following: "resource"

Insert: "to be"

4. Page 2, line 17.

Insert: "Section 2. Section 17-3-1003, MCA, is amended to read:

"17-3-1003. Support of state institutions. (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments therefor and from all land grants as provided by law. All moneys received or collected in connection with such endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except revenues pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment or

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
HB 4 (first reading copy -- white) do pass .

Signed: *Francis Bardanouve*
Francis Bardanouve, Chairman

RT

improvement of facilities at units of the Montana university system and for the refunding of such obligations or moneys which may constitute temporary deposits, all or part of which may be subject to withdrawal or repayment, shall be paid over to the state treasurer who shall deposit the same to the credit of the proper fund.

(2) Except as provided in subsection (3), all money received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the state special revenue fund.

(3) All money received from the sale of timber from lands granted to a state institution must be deposited to the credit of the permanent trust fund for the support of the institution."

Renumber: subsequent sections

5. Page 4, line 17.

Following: "date"

Insert: "-- termination"

6. Page 4, line 18.

Following: "approval"

Insert: ", and [sections 2 and 3] terminate June 30, 1993"

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 5 (first reading copy -- white) do pass .

Signed: *Francis Bardanoue*
Francis Bardanoue, Chairman

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 6 (first reading copy -- white) do pass as amended .

Signed: Bardanouve
Francis Bardanouve, Chairman

And, that such amendments read:

1. Title, line 8.

Following: "61-2-107,"

Insert: "61-2-108,"

2. Page 3, following line 1.

Insert: "Section 2. Section 61-2-106, MCA, is amended to read:
"61-2-108. Funding allocation for programs to prevent or reduce drinking and driving. If the county in which the violation or violations occurred has initiated and maintained a drinking and driving prevention program as provided in 61-2-106, the department shall, to the extent of the appropriation authorized for the purpose specified in this part, transmit the county portion of the proceeds of the license reinstatement fees collected in that county to the county treasurer, as provided in 61-2-107 (2) (a), at the end of each quarter."

Renumber: subsequent sections

3. Page 10,, lines 1 and 3.

Strike: "3"

Insert: "4"

4. Page 10,, line 4.

Strike: "4 and 5"

Insert: "5 and 6"

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 7 (first reading copy -- white) do pass .

Signed: *Francis Bardanouve*
Francis Bardanouve, Chairman

AT

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 8 (first reading copy -- white) do not pass as amended .

Signed: 
Francis Bardanouve, Chairman

And, that such amendments read:

1. Page 4, line 8.
Following: "(6) On"
Strike: "or before"

2. Page 6, line 10.
Following: "(8) On"
Strike: "or before"

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
HB 9 (first reading copy -- white) do pass .

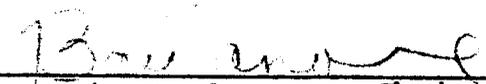
Signed: Bardanoue
Francis Bardanoue, Chairman

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 10 (first reading copy -- white) do pass .

Signed: 
Francis Bardanouve, Chairman

TESTIMONY OF JOHN F. NORTH ON H.B. 3
Department of State Lands
House Appropriations Committee
January 8, 1992

In 1889, Congress authorized Washington, Montana, North Dakota, and South Dakota to become states by passing the Enabling Act. In the Enabling Act, Congress made certain commitments to the prospective states and required the states to make certain commitments in return. Because of these mutual commitments, the courts view the Enabling Act as a compact or contract. A contract cannot be altered by one party. Both must agree. Therefore, no amendment to the Enabling Act is effective until the state agrees to it.

In the Enabling Act, Congress granted the Montana lands to be held in trust for the public schools and other beneficiary institutions¹. It provided, however, as follows:

With the exception of the lands granted for public buildings, the proceeds from the sale and other permanent disposition of any of the said lands and from any part thereof, shall constitute permanent funds for the support and maintenance of the public schools and the various state institutions for which the lands have been granted.

This means that revenues from the sale of timber, which by law is part of the land, must be deposited in the permanent trust funds to earn interest rather than be distributed to the schools and other institutions for their use.

In 1967, Congress amended the Enabling Act to allow the four states to distribute timber sale revenues to the beneficiary institutions. Washington immediately accepted the amendment and has been using timber sale revenues to build school buildings ever since. Montana never accepted the amendment.

Section 1 of H.B. 3 would accept the amendment to the Enabling Act and authorize, but not require, the Legislature to distribute timber sale revenues to the schools and other institutions. Two state statutes, 20-9-341 and 20-9-601, require that timber sale revenues from school trust lands be deposited in the school trust permanent fund. Sections 2 and 3 of the bill amend these statutes to divert those revenues to the foundation program

¹These other beneficiaries are public buildings, school of mines (Montana Tech), agricultural college (MSU), university (U of M), state normal school (Western), state reform school (Pine Hills), deaf and dumb asylum (School of Deaf and Blind), veteran's home, and agricultural experiment station.

Artley 2

EXHIBIT 2
DATE Jan 8, 92
HB 3

TESTIMONY -- HB3
DON ARTLEY
DEPARTMENT OF STATE LANDS
January 8, 1992

HB3 will make a major change in the way the Department distributes revenues from the sale of timber from trust lands. This proposed change will allow the State to deposit timber sale proceeds from trust lands into the various interest and income accounts, instead of the permanent trust accounts. The immediate effect of this change will be to significantly increase the annual revenue available for distribution to the beneficiaries of the trusts, including the public school system.

BACKGROUND:

The Department of State Lands currently manages about 500,000 acres of forested, state-owned trust lands. As on other state trust lands, the Department is mandated by the provisions of the Enabling Act of 1889 to earn income from the management of those lands. Income is currently derived from the sale of forest products and the leasing or licensing of state forest lands for various uses, such as grazing, mining, homesite and commercial uses. Management must ensure that trust lands are not diverted from producing income and the trusts are compensated for any use. Management practices must also guarantee that income is sustainable over the long run.

Pertinent facts include:

- The Department manages the timber resource in order to provide sustainable income over the long run. This means that we plan to harvest a continuing series of timber crops in perpetuity.
- It takes from 80 to 120 years to grow a new stand of trees to merchantable size.
- The income generated from each tract or section of state land is designated to a specific trust account by the Enabling Act. However, we manage our forest lands as a whole, not by specific tract or trust account.
- It is difficult to estimate annual timber sale revenues because there are many variables over which the Department has little control. For example:
 - (1) Our timber sale contracts often allow the purchaser up to 3 years in which to complete the harvest, and we do not receive any income until the timber is actually cut.

- (2) Timber prices can be very volatile in the short run.
- (3) Planned timber sales may be delayed because of unusual public interest or concern, or as a result of law suits.

PROCEDURE UNDER CURRENT LAW:

Income from timber sales is deposited into non-expendable, permanent trust accounts based on the specific tract from which the timber was cut¹. Only the annual interest is available for distribution to the beneficiaries of the trusts. However, there are two cases.

1. Common Schools Account:
 - 95% of the annual interest is distributed to the School Equalization Account.
 - 5% of the annual interest is returned to the permanent trust.
2. Eight other trust accounts: 100% of the annual interest is distributed to the beneficiaries.

PROCEDURE UNDER PROPOSED LAW:

Under the proposed law, timber sale proceeds would be treated the same as they would for a crop. In other words, income from timber sales would be deposited directly into the Interest and Income Account for the appropriate trust (less 2.5% which goes to the resource development fund for future improvements to the land). How the remaining 97.5% of the income is distributed depends on the individual trust account. There are two cases.

1. Common Schools Account:
 - 95% of the remaining income (95% of the 97.5%) is distributed to the School Equalization Account.
 - the remaining 5% is deposited in the permanent trust.
2. Eight other trust accounts: 100% of the remaining income (97.5%) is distributed to the beneficiaries.

The annual interest from the permanent trusts would be handled the same as it is under the current law.

¹The one exception is the Public Building Trust which has no permanent fund.

EXAMPLE:

We have analyzed the timber sale volume that we currently have under contract, as well as the sales we plan to sell the rest of this year. Given a number of assumptions, we estimate that over the remainder of the current biennium we will earn about \$7 million dollars from timber sales. That revenue would be distributed as follows:

Under current law:

Common Schools Permanent Trust	5.0 million
Other trusts	1.4 million
Public Buildings (distributed)	<u>0.6 million</u>
Total	7.0 million

Under the proposed law:

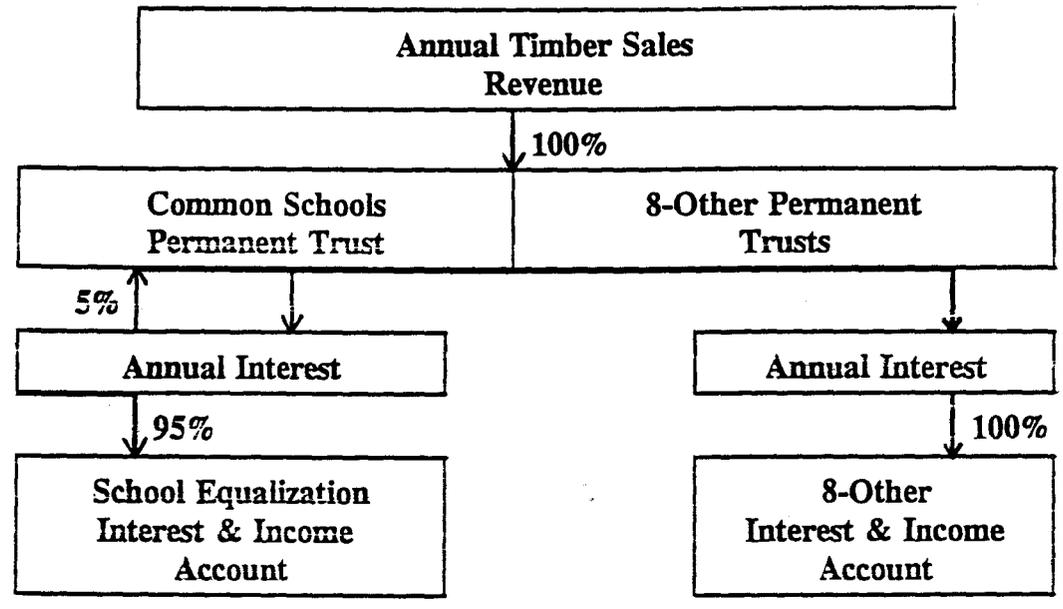
Resource Development Account	175,000
Public buildings (distributed)	0.6 million
Common Schools	
Permanent Trust	240,000
Distributed	4.5 million
Other Trusts	
Permanent	0
Distributed	<u>1.4 million</u>
Total	7.0 million

SUMMARY:

As a result of this proposed law change the following would likely occur.

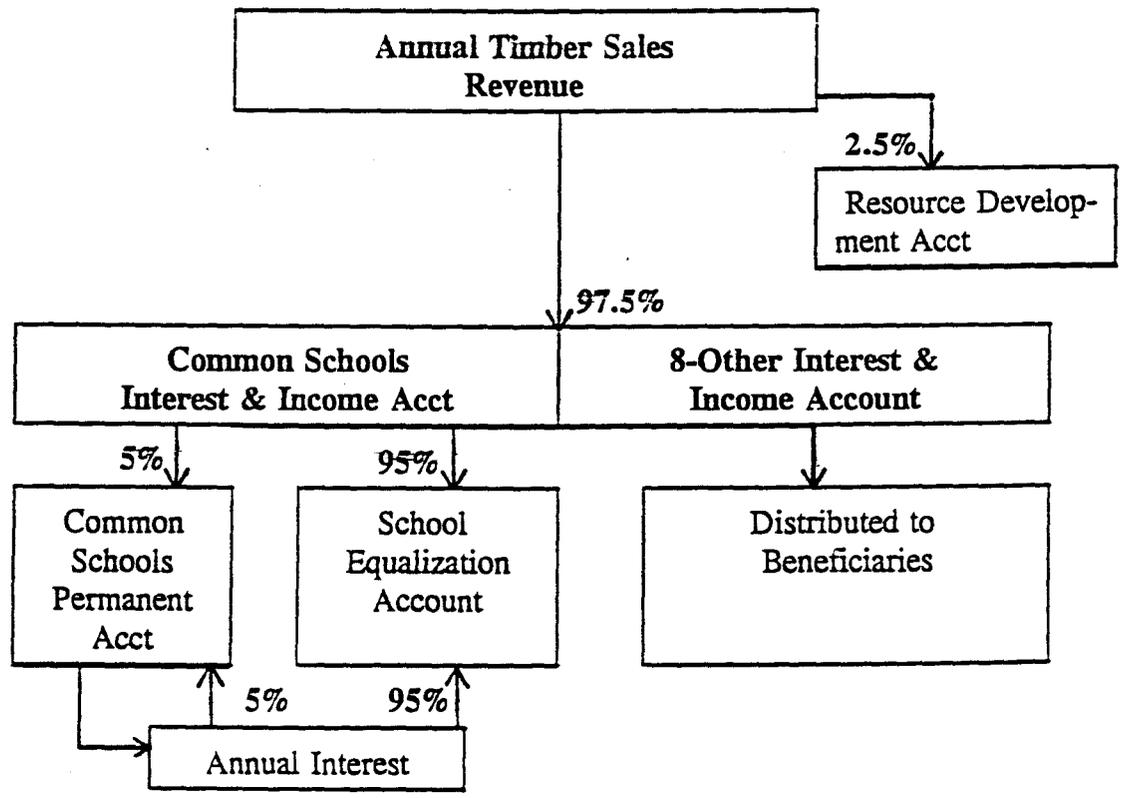
1. There would be an immediate and significant increase in annual distributable income to the trust beneficiaries.
2. The Common Schools permanent trust would grow at a much slower rate, and the other permanent trusts would not grow at all, as a result of timber sale revenues.
3. In the long term, the annual income available to the common schools and other beneficiaries would likely be greater under the current law than under the proposed law. This is because the interest earned from an increasing principal would in time, exceed the annual income from timber sales from a finite forest land base. How soon this would occur is speculative, and highly dependent on future timber prices and interest rates.

CURRENT PROCEDURE FOR TIMBER SALES REVENUE¹



¹The chart is not applicable to the public building trust because the public building trust has no permanent fund.

PROPOSED PROCEDURE FOR TIMBER SALES REVENUE



DATE Jan 8, 92
HB 3

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0003, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act accepting an amendment to the enabling act in order to allow certain timber to be treated as a crop, treating timber harvested from school trust lands as a crop. This bill will redistribute timber revenues from the permanent trust accounts to the interest and income accounts.

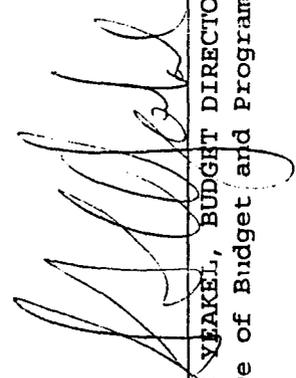
ASSUMPTIONS:

1. Timber sales will sell and be harvested in a regular and timely fashion, consistent with previous bienniums.
2. Purchasers have up to 3 years to complete the harvest of timber on state sales.
3. Since gross sale area may include tracts or sections from more than one trust, assume the final cutting will be in proportion to gross area by tract.
4. Purchasers who currently hold contracts for timber will harvest the uncut volume as follows: 1/3 in FY92; 1/3 in FY93; and 1/3 in FY94.
5. Purchasers of FY92 timber sales will harvest 2/3 of the volume in FY93 and the remainder in FY94 or later.
6. No volume sold in FY93 will be harvested in FY93.
7. The department will receive the same average price for timber in FY93-93 that it received in FY91.
8. 2 1/2% of total revenue will be distributed to the Resource Development Account.
9. For the Common Schools Account, 95% of the remainder will be distributed to the School Equalization Account and 5% to the Permanent Account.
10. For the other trust accounts, 100% of the remainder will be distributed to the various state special revenue accounts.
11. Because of the small amount of planned volume from all trust grants except common schools, Public Buildings and Montana State University, it is not possible to accurately estimate revenue by trust account. Therefore, the other 6 trust accounts have been included together.

FISCAL IMPACT:

(see next page)

**NOT FOR
DISCUSSION**


 STEVE YEAKEL, BUDGET DIRECTOR / DATE 1/8/92
 Office of Budget and Program Planning

BOB THOFT, PRIMARY SPONSOR / DATE

Fiscal Note for HB0003, as introduced

EXHIBIT 2
 DATE Jan 8, 92
 HB 3

FISCAL IMPACT:
REVENUE:

	FY 92		
	Current Law	Proposed Law	Difference
Resource Development	0	59,375	59,375
Common Schools Trust	1,657,051	80,781	(1,576,270)
School Equalization	0	1,534,844	1,534,844
Public Buildings	205,129	200,000	(5,129)
MSU Permanent Trust	341,538	0	(341,538)
MSU Interest & Income	0	333,000	333,000
7 Other Permanent Trusts	171,282	0	(171,282)
7 Other Int. & Inc. Accts.	0	167,000	167,000
Total Revenue	2,375,000	2,375,000	0

	FY 93		
	Current Law	Proposed Law	Difference
	0	118,750	118,750
	3,314,123	161,562	(3,152,561)
	0	3,069,688	3,069,688
	410,250	400,000	(10,250)
	684,093	0	(684,093)
	0	667,000	667,000
	341,534	0	(341,534)
	0	333,000	333,000
	4,750,000	4,750,000	0

Fund Information:

	FY 92		
	Current Law	Proposed Law	Difference
Earmarked Special Revenue	205,129	2,294,219	2,089,090
Permanent Trust Accounts	2,169,871	80,781	(2,089,090)

	FY 93		
	Current Law	Proposed Law	Difference
	410,250	4,588,438	4,178,188
	4,339,750	161,562	(4,178,188)

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The long term implications of this bill are best illustrated on the attached table entitled "Analysis of Proposed Change in Timber Revenue Distribution to the Common School Fund". Based upon the conservative assumption, as stated on the table, the proposed distribution change would result in a net increase in funding for the common school fund for the first 25 years. Between the 25th and 30th year the current distribution method would provide more funding for the fund. However, the table does not include an estimate of the secondary benefits of the proposed distribution change such as: 1. increased Resource Development funds available to increase timber management; and 2. the releasing of \$4.5 million of general fund which would have had to be made available in a supplemental to the school equalization account in the 1992-93 biennium.

Analysis of Proposed Change in Timber Revenue Distribution to the Common School Fund

Year	Timber Sales Revenues	CURRENT		PROPOSED	
		Funds Available	Funds Available	Additional Resource Development Funds	
1	\$3,300,000	\$219,450	\$3,056,625	\$82,500	
2	3,498,000	452,835	3,250,721	87,450	
3	3,707,880	700,994	3,456,462	92,697	
4	3,930,353	964,816	3,674,548	98,259	
5	4,166,174	1,245,243	3,905,719	104,154	
6	4,416,144	1,543,275	4,150,760	110,404	
7	4,681,113	1,859,971	4,410,504	117,028	
8	4,961,980	2,196,452	4,685,833	124,049	
9	5,259,699	2,553,910	4,977,681	131,492	
10	5,575,281	2,933,605	5,287,040	139,382	
15	7,460,983	5,215,345	7,135,559	186,525	
20	9,984,478	8,291,553	9,609,294	249,612	
25	13,361,484	12,431,338	12,919,709	334,037	
30	17,880,680	17,994,838	17,349,792	447,017	
35	23,928,383	25,464,005	23,278,242	598,210	
40	32,021,575	35,483,804	31,211,846	800,539	
45	42,852,090	48,917,354	41,828,798	1,071,302	
50	57,345,763	66,919,712	56,036,673	1,433,644	
75	246,120,602	302,015,014	241,089,109	6,153,015	
100	1,056,317,807	1,312,364,922	1,035,310,237	26,407,945	

ASSUMPTIONS

1. The timber on state trust lands will be managed on an 80 year sustainable harvest program.
2. Stumpage value increases 1% per year
3. Inflation is 4% per year.
4. An annual interest rate of 7%.

SECONDARY BENEFITS OF TIMBER SALE PROPOSAL

1. Release of the other state funds for investment or operations.
2. Increase Resource Development funds for state trust land improvements

EXHIBIT 2
DATE Jan 8, 98
HB 3

EXHIBIT 3
DATE Jan 8, 92
HB 3

1/6/92

TRANSFER OF TIMBER PROCEEDS

PROPOSAL:

This proposal is to accept the June 30, 1967 federal amendment to the Enabling Act, in order to allow the State of Montana to treat timber harvested from state trust lands as a crop. This will allow the State to deposit timber sale proceeds from trust lands into the interest and income accounts, instead of the permanent trust accounts. The immediate effect of this change will be to significantly increase the annual revenue available for distribution to the beneficiaries of the trusts, including the public school system.

BACKGROUND:

The Department of State Lands currently manages about 500,000 acres of forested, state-owned trust lands. As on other state trust lands, the Department is mandated by the provisions of the Enabling Act of 1889 to earn income from the management of those lands. Income is currently derived from the sale of forest products and the leasing or licensing of state forest lands for various uses, such as grazing, mining, homesite and commercial uses. Management must ensure that trust lands are not diverted from producing income and the trusts are compensated for any use. Management practices must also guarantee that income is sustainable over the long run.

Pertinent facts include:

- The Department manages the timber resource in order to provide sustainable income over the long run. This means that it plans to harvest a series of crops of timber in perpetuity.
- It takes from 80 to 120 years to grow a new stand of trees to merchantable size.
- The income generated from each tract or section of state land is designated to a specific trust account by the Enabling Act.
- Forest lands are managed as a whole, not by specific tract or trust account.
- There are 10 different trust accounts, including common schools.

CURRENT PROCEDURE FOR TIMBER SALE PROCEEDS:

All rental income received from state forest lands is deposited in the Interest and Income Account for the appropriate trust, and then distributed to the beneficiaries.

Income from timber sales, on the other hand, is deposited into non-expendable, permanent trust accounts, again based on the specific tract from which the timber was cut¹. In this case, only the annual interest is available for distribution to the beneficiaries of the trusts. However, there are two cases.

1. Common Schools Account:
 - 95% of the annual interest is distributed to the School Equalization Account.
 - 5% of the annual interest is returned to the permanent trust.
2. Eight other trust accounts: 100% of the annual interest is distributed to the beneficiaries.

PROPOSED PROCEDURE FOR TIMBER SALE PROCEEDS:

Under this proposal, timber sale proceeds would be treated the same as they would for a crop. In other words, income from timber sales would be deposited directly into the Interest and Income Account for the appropriate trust (less 2.5% which goes to the resource development fund for future improvements to the land). How the remaining 97.5% of the income is distributed depends on the individual trust account. There are two cases.

1. Common Schools Account:
 - 95% of the remaining income (95% of the 97.5%) is distributed to the School Equalization Account.
 - the remaining 5% is deposited in the permanent trust.
2. Eight other trust accounts: 100% of the remaining income (97.5%) is distributed to the beneficiaries.

The annual interest from the permanent trusts would be handled the same as it is today, under the current procedures. Again, there are two cases.

1. Common Schools Account:
 - 95% of the annual interest is distributed to the School Equalization Account.
 - 5% of the annual interest is returned to the permanent trust.

¹The one exception is the Public Building Trust which has no permanent fund.

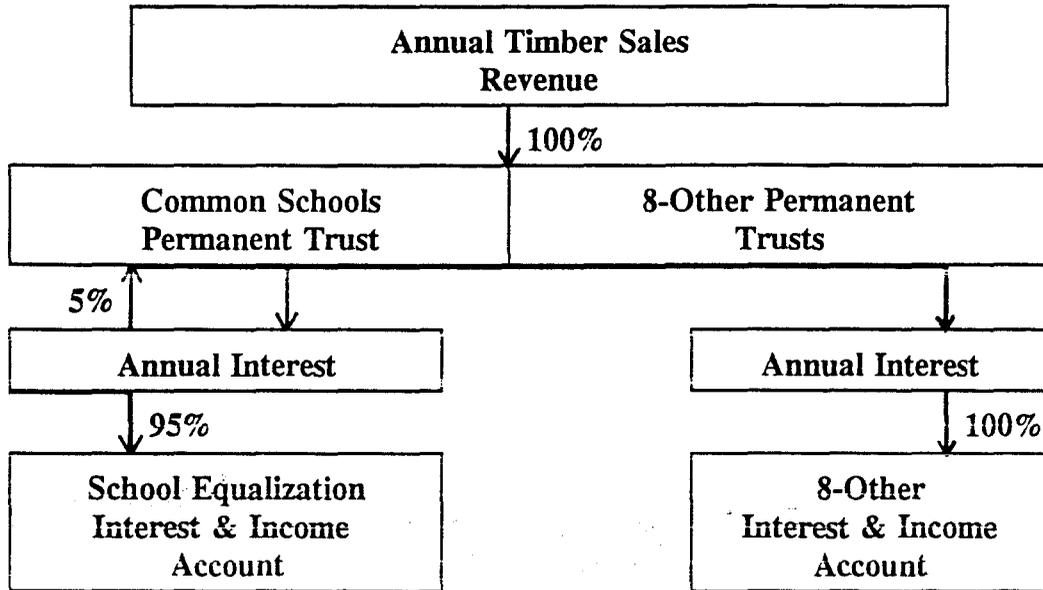
2. Eight other trust accounts: 100% of the annual interest is distributed to the beneficiaries.

RESULT:

As a result of this transfer of timber sale income from the permanent trusts to the interest and income accounts, the following would occur.

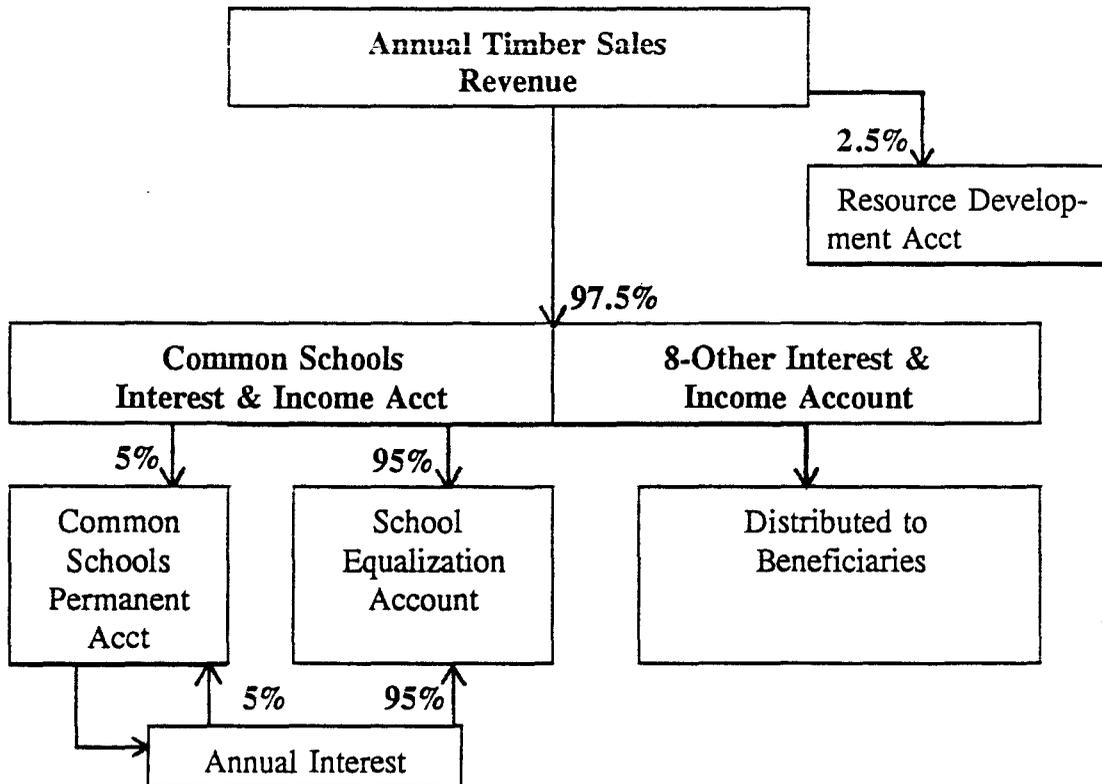
1. There would be an immediate and significant increase in annual distributable income to the trust beneficiaries. For example, the Department currently generates about \$3.25 million annually from timber sales on common school tracts. Under this proposal about \$3.0 million of that would be immediately available to the school system each year.
2. The permanent trust would grow at a slower rate. Under the current procedure, timber sales add about \$3.25 million annually to the common school permanent trust. Under the proposed procedure a little less than 5% of that would be added each year (about \$160,000).
3. In the long term, however, it is likely that the annual income available to the common schools would be greater under the current procedures, than under the proposed procedure. This is because the interest earned from an ever increasing principal would in time, exceed the annual income from timber sales from a finite forest land base. How soon this would occur is speculative, and highly dependent on future timber prices and interest rates.

CURRENT PROCEDURE FOR TIMBER SALES REVENUE¹



¹The chart is not applicable to the public building trust because the public building trust has no permanent fund.

PROPOSED PROCEDURE FOR TIMBER SALES REVENUE



**Analysis of Proposed Change
 in Timber Revenue Distribution
 to the Common School Fund**

Year	Timber Sales Revenues	CURRENT	PROPOSED	
		Funds Available	Funds Available	Additional Resource Development Funds
1	\$3,300,000	\$219,450	\$3,056,625	\$82,500
2	3,499,000	452,835	3,250,721	87,450
3	3,707,880	700,994	3,456,462	92,697
4	3,930,353	964,816	3,674,548	98,259
5	4,166,174	1,245,243	3,905,719	104,154
6	4,415,144	1,543,275	4,150,760	110,404
7	4,681,113	1,859,971	4,410,504	117,028
8	4,961,980	2,196,452	4,685,833	124,049
9	5,259,699	2,553,910	4,977,681	131,492
10	5,575,281	2,933,605	5,287,040	139,382
15	7,460,983	5,215,345	7,135,559	186,525
20	9,984,478	8,291,553	9,609,294	249,612
25	13,361,401	12,431,338	12,919,709	334,037
30	17,650,650	17,994,838	17,349,792	447,017
35	23,928,383	25,464,005	23,278,242	598,210
40	32,021,575	35,483,804	31,211,846	800,539
45	42,852,090	48,917,354	41,828,798	1,071,302
50	57,345,763	66,919,712	56,036,673	1,433,644
75	246,120,602	302,015,014	241,089,109	6,153,015
100	1,056,317,807	1,312,364,922	1,035,310,237	26,407,945

ASSUMPTIONS

1. The timber on state trust lands will be managed on an 80 year sustainable harvest program.
2. Stumpage value increases 1% per year
3. Inflation is 4% per year.
4. An annual interest rate of 7%.

SECONDARY BENEFITS OF TIMBER SALE PROPOSAL

1. Release of the other state funds for investment or operations.
2. Increase Resource Development funds for state trust land improvements

Analysis of Proposed Change in Timber Revenue Distribution to the Montana State University

Year	Timber Sales Revenues	CURRENT	PROPOSED	
		Funds Available	Funds Available	Additional Resource Development Funds
1	\$800,000	\$56,000	\$780,000	\$20,000
2	848,000	115,360	826,800	21,200
3	898,880	178,282	876,408	22,472
4	952,813	244,978	928,992	23,820
5	1,009,982	315,677	984,732	25,250
6	1,070,580	390,618	1,043,816	26,765
7	1,134,815	470,055	1,106,445	28,370
8	1,202,904	554,258	1,172,832	30,073
9	1,275,078	643,514	1,243,201	31,877
10	1,351,583	738,125	1,317,794	33,790
15	1,808,723	1,317,582	1,763,505	45,218
20	2,420,480	2,097,669	2,359,968	60,512
25	3,259,148	3,146,308	3,158,169	80,979
30	4,354,710	4,554,396	4,226,343	108,368
35	5,800,820	6,443,576	5,655,800	145,021
40	7,762,866	8,976,634	7,568,736	194,070
45	10,388,386	12,371,414	10,128,676	259,710
50	13,802,803	16,919,443	13,554,453	347,550
75	58,665,691	76,833,104	58,173,961	1,491,640
100	256,077,044	334,343,652	249,675,118	6,401,926

ASSUMPTIONS

1. The timber on state trust lands will be managed on an 80 year sustainable harvest program.
2. Stumpage value increases 1% per year
3. Inflation is 4% per year.
4. An annual interest rate of 7%.

House BILL NO. 3

INTRODUCED BY Staley
BY REQUEST OF THE OFFICE OF BUDGET
AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT ACCEPTING AN AMENDMENT TO THE ENABLING ACT IN ORDER TO ALLOW CERTAIN TIMBER TO BE TREATED AS A CROP; TREATING TIMBER HARVESTED FROM SCHOOL TRUST LANDS AS A CROP; AMENDING SECTIONS 20-9-341 AND 20-9-601, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, the Legislature recognizes that timber on school trust lands is a ^{non}renewable resource ^{to be} managed on a sustainable yield basis by the department of state lands.

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

NEW SECTION. Section 1. Acceptance of amendment. The State of Montana hereby accepts the amendment to section 11 of the Act approved February 22, 1889 (25 Stat. 676), relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, approved by the President of the United States, June 30, 1967, (Public Law 90-41), which amendment reads as follows:

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That

1 the second sentence of the fourth paragraph of section 11 of
2 the Act entitled "An Act to provide for the division of
3 Dakota into two States and to enable the people of North
4 Dakota, South Dakota, Montana, and Washington to form
5 constitutions and State governments and to be admitted into
6 the Union on an equal footing with the original States, and
7 to make donations of public lands to such States", approved
8 February 22, 1889 (25 Stat. 676), as amended, is amended to
9 read as follows: "Rentals on leased land, proceeds from the
10 sale of timber and other crops, interest on deferred
11 payments on land sold, interest on funds arising from these
12 lands, and all other actual income, shall be available for
13 the acquisition and construction of facilities, including
14 the retirement of bonds authorized by law for such purposes,
15 and for the maintenance and support of such schools and
16 institutions." Approved June 30, 1967.

Section 2. Section 20-9-341, MCA, is amended to read:
"20-9-341. Definition of interest and income moneys.
(1) As used in this title, the term "interest and income
moneys" means the total of the following revenues, as
provided for by Article X, section 5, of the 1972 Montana
constitution:

- (a) 95% of the interest received from the investment of the public school fund;
- (b) 95% of the interest received from the investment of

EXHIBIT 4
DATE Jan 8, 1992
HB 3



1 any other school funds held in trust by the state board of
2 land commissioners;

3 (c) 95% of the income received from the leasing of or
4 sale of timber from state school lands after any deductions
5 that may be made under the provisions of Title 77, chapter
6 1, part 6; and

7 (d) 95% of any other income derived from any other
8 covenant affecting the use of state school lands.

9 (2) The remaining 5% of such revenues shall be annually
10 credited to the public school fund."

11 **Section 3.** Section 20-9-601, MCA, is amended to read:

12 "20-9-601. Public school fund. The public school fund
13 shall be maintained by the state treasurer as a fund in the
14 nonexpendable trust fund type, and the principal amount of
15 such fund shall be irreducible and permanent. The following
16 moneys shall be credited to such fund as an addition to the
17 irreducible and permanent principal amount:

18 (1) appropriations and donations by the state;

19 (2) donations and bequests by individuals to the state
20 or schools;

21 (3) the proceeds of land and other property which
22 revert to the state by escheat and forfeiture;

23 (4) the proceeds of all property granted to the state,
24 when the purpose of the grant is not specified or is
25 uncertain;

1 (5) funds accumulated in the treasury of the state for
2 the disbursement of which provision has not been made by
3 law;

4 (6) the proceeds of the sale of timber stone,
5 materials, or other property from school lands other than
6 those granted for specific purposes and all moneys other
7 than rental recovered from persons trespassing on such
8 lands;

9 (7) the principal of all moneys arising from the sale
10 of lands and other property which have been and may be
11 hereafter granted to the state for the support of common
12 schools;

13 (8) the amount earmarked for deposit in this fund under
14 the provisions of 20-9-341; and

15 (9) such other moneys as may be provided by the
16 legislature."

17 NEW SECTION. **Section 4.** Effective date. [This act] is
18 effective on passage and approval.

-End-

EXHIBIT 4

DATE Jan 8 92

HB 3

AMENDMENT TO HOUSE BILL 3
(Introduced Bill)

1. Title, line 9
Following: "CROP;"
Insert: "PLACING TIMBER SALE REVENUES FROM CERTAIN TRUSTS
IN THE PERMANENT FUNDS;"
Following: "SECTIONS"
Insert: "17-3-1003,"
2. Page 3.
Following: section 3
Insert: "Section 4. Section 17-1-1003, MCA, is amended to
read:

"17-3-1003. Support of state institutions. (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments therefor and from all land grants as provided by law. All moneys received or collected in connection with such endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except revenues pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment, or improvement of facilities at units of the Montana university system and for the refunding of such obligations or moneys which may constitute temporary deposits, all or part of which may be subject to withdrawal or repayment, shall be paid over to the state treasurer who shall deposit the same to the credit of the proper fund.

(2) All moneys received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the state special revenue fund. Moneys received from the sale of timber shall be deposited to the credit of the proper non-expendable trust fund."

Renumber: subsequent section

-End-

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House Bill 4

Office of Budget and Program Planning
January 2, 1992

Issue: Should \$1.5 million be transferred to the general fund from the unemployment insurance administration tax account?

Background

The UI administration account receives an assessment of 0.1% of payroll subject to the UI tax, or about \$3 million per year. The assessment was enacted in 1983 in response to proposed closures of rural Job Service offices due to a projected shortfall in federal grants. The statutory provision creating the assessment indicates that revenues may be used "as appropriated by the legislature" while the statutory provision creating the UI administration account restricts use of the funds for administration of programs delegated to the department of labor. Unappropriated funds must be transferred to the UI trust, though the law does not specify the timing of such transfers.

Since 1983, the department has transferred a total of \$8.7 million to the UI trust. By the end of FY91, the UI administration account had accumulated a fund balance of approximately \$6.9 million because shortfalls in federal grants did not materialize as expected. The department has held these amounts in reserve. The Legislative Auditor recommends that the department transfer all unappropriated funds at the end of each fiscal year. The department does not concur in this recommendation, responding that the statute is not clear on this matter and that by subsequently appropriating the balance in the 1993 biennium, the legislature has indicated an interpretation which differs from that of the Legislative Auditor.

Prior to the 1991 legislative session, the department intended to transfer \$3 million to the UI trust. The "spread" between trust balances which would trigger a change in rates is approximately \$6 million. Therefore, a transfer of \$3 million would be likely to cause, in the short run, lower UI rates than would otherwise occur. At the request of the legislative leadership, the Governor postponed the planned transfer. In lieu of the department's proposed transfer to the UI trust, the legislature made a one-time appropriation of \$3 million to supplement federal Job Training Partnership Act (JTPA) funds. Montana's allocation of JTPA grants is projected to decline by \$1.3 million in FY92 from FY91 levels due to the JTPA allocation formula which distributes funds to states relative to unemployment rates. The department is unable to project at this time what amount, if any, the FY93 federal JTPA grant will be less than the 1991 grant and therefore, what amount of the remaining \$1.7 million appropriated for FY93 will be required. All other remaining funds were appropriated to a nonexpendable reserve account, thereby preventing the department from making transfers to the UI trust in the 1993 biennium, but for amounts sufficient to reduce the UI tax schedules.

There is a projected FY93 ending fund balance of \$3.7 million. Assuming the 1993

current level, reauthorization of a comparable pay plan, and similar pay plan allocations in the 1995 biennium, there is a projected FY95 ending fund balance of \$2.1 million.

Implications of a \$1.5 Million Transfer to the General Fund

A transfer of \$1.5 million at the end of FY92 would result in a projected FY95 ending fund balance of approximately \$336,000¹. The FY95 ending fund balance could be higher due to reversions in the 1993 biennium, particularly if the FY93 shortfall in JTPA is less than the \$1.7 million FY93 supplemental appropriation.

But for the JTPA supplement, revenues and expenditures for department administrative functions are roughly in balance for the 1993 biennium. However, the department's current policy of using UI administration funds to fund all pay plan costs in the Job Service Division will cause expenditures to exceed revenues by about \$1 million per year in the 1995 biennium. Continuation of this policy will rapidly draw down any available fund balances and necessitate either an increased tax rate or general fund appropriations in the 1997 biennium. Therefore, the legislature will probably have to address this issue in the 1997 biennium, regardless of whether the proposed \$1.5 million transfer is made to the general fund.

The department recognizes the circumstances existing for the state's general fund but has expressed concern that this tax on employers be preserved for funding administrative functions or be transferred to the UI trust, consistent with the original legislative intent for these funds.

As previously noted, the Legislative Auditor recommends that the department transfer all unappropriated balances at the end of each fiscal year. However, if the department were required to implement the Legislative Auditor's recommendations, the UI administration account would experience a negative FY93 ending fund balance of \$3.8 million (without any amount being transferred to the general fund), requiring reductions in 1993 biennium appropriations of approximately 40%.

¹ \$2.1 million (projected FY95 ending fund balance) - \$1.5 million (transfer to general fund) - \$0.3 million (foregone interest earnings) = \$0.3 million (projected FY95 ending fund balance after transfer)

UI ADMINISTRATIVE TAX

\$1.5 Million Transfer

DATE Jan 8, 1992

	FY83-88 actual	FY89 actual	FY90 actual	FY91 actual	FY92 estimate	FY93 estimate	FY94 estimate	FY95 estimate	
BEGINNING BALANCE		2,219,366	4,604,233	5,644,759	6,900,281	4,174,521	2,951,455	2,071,022	1,362,768
UI Admin Tax	10,477,856	2,569,020	2,634,056	2,816,610	2,873,500	2,951,455	3,011,524	3,113,766	
Interest	417,876	165,847	283,672	418,113	328,736	174,864	103,297	49,644	
TOTAL REVENUE	10,895,732	2,734,867	2,917,728	3,234,723	3,202,236	3,126,319	3,114,821	3,163,410	
Job Service		350,000	551,172	602,902	724,795	721,485	1,875,574	2,187,889	
Unemployment Insurance				96,941	126,517	124,485	124,485	124,485	
Employment Relations				73,039	0	100,000	100,000	100,000	
Legal Services			543,163	584,760	34,341	643,553	698,513	719,132	
Research/Safety/Train			186,843	161,364	9,708	15,868	231,300	243,620	
Displaced Homemakers			247,301	260,923	11,070	260,401	277,875	290,603	
New Horizons Day Care			216,000	199,272	216,000	216,000	216,000	216,000	
Project Work			106,725	0	0	0	0	0	
New Horizons			26,008	0	0	0	286,145	286,145	
JTPA Shortfall				1,267,759	594,578	830,076	1,732,241	3,843,075	
TOTAL EXPENDITURES		350,000	1,877,212	1,979,201	3,843,418	4,427,996	5,229,818	4,188,573	
To UI Trust Fund	(8,676,366)								
To General Fund					(1,500,000)				
TOTAL TRANSFERS	(8,676,366)				(1,500,000)				
ENDING FUND BALANCE	2,219,366	4,604,233	5,644,759	6,900,281	4,174,521	2,071,022	1,362,768	337,605	

No Transfer

	FY83-88 actual	FY89 actual	FY90 actual	FY91 actual	FY92 estimate	FY93 estimate	FY94 estimate	FY95 estimate
BEGINNING BALANCE		2,219,366	4,604,233	5,644,759	6,900,281	5,674,521	3,659,898	3,051,994
UI Admin Tax	10,477,856	2,569,020	2,634,056	2,816,610	2,873,500	2,951,455	3,031,524	3,113,766
Interest	417,876	165,847	283,672	418,113	328,736	263,740	203,647	156,331
TOTAL REVENUE	10,895,732	2,734,867	2,917,728	3,234,723	3,202,236	3,215,195	3,235,171	3,270,097
Jobs Service		350,000	551,172	602,902	724,795	721,485	1,875,574	2,187,889
Unemployment Insurance				96,941	126,517	124,485	124,485	124,485
Employment Relations				73,039	0	100,000	100,000	100,000
Legal Services			543,163	584,760	34,341	643,553	698,513	719,132
Research/Safety/Train			186,843	161,364	9,708	15,868	231,300	237,460
Displaced Homemakers			247,301	260,923	11,070	260,401	277,875	290,603
New Horizons Day Care			216,000	199,272	216,000	216,000	216,000	216,000
Project Work			106,725	0	0	0	0	0
New Horizons			26,008	0	0	0	286,145	286,145
JTPA Shortfall				1,267,759	594,578	830,076	1,732,241	3,843,075
TOTAL EXPENDITURES		350,000	1,877,212	1,979,201	3,843,418	4,427,996	5,229,818	4,188,573
To UI Trust Fund	(8,676,366)							
To General Fund								
TOTAL TRANSFERS	(8,676,366)							
ENDING FUND BALANCE	2,219,366	4,604,233	5,644,759	6,900,281	5,674,521	3,659,898	3,051,994	2,133,516

EXHIBIT 6

DATE Jan 8, 92

HB 4

1 INTRODUCED BY Staff House BILL NO. 4
2 BY REQUEST OF THE OFFICE OF BUDGET

3 AND PROGRAM PLANNING

4 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING TO THE
5 GENERAL FUND \$1.5 MILLION FROM UNEMPLOYMENT INSURANCE
6 ADMINISTRATIVE FUNDS COLLECTED THROUGH STATE ASSESSMENTS;
7 AMENDING SECTIONS 39-51-404 AND 39-51-406, MCA; AND
8 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION
9 DATE."

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

11 Section 1. Section 39-51-404, MCA, is amended to read:

12 "39-51-404. Administrative expenses. (1) Money credited
13 to the account of this state in the unemployment trust fund
14 by the secretary of the treasury of the United States
15 pursuant to section 903 of the Social Security Act, as
16 amended, may be requisitioned and used for the payment of
17 expenses incurred for the administration of this chapter
18 pursuant to a specific appropriation by the legislature,
19 provided that the expenses are incurred and the money is
20 requisitioned after the enactment of an appropriation law
21 which:

22 (a) specifies the purposes for which such money is

23 appropriated and the amounts appropriated therefor;
24 (b) limits the period within which such money may be
25 expended to a period ending not more than 2 years after the
26 date of the enactment of the appropriation law; and
27 (c) limits the amount which may be used during any
28 12-month period beginning on July 1 and ending on the next
29 June 30 to an amount which does not exceed the amount by
30 which the aggregate of the amounts credited to the account
31 of this state pursuant to section 903 of the Social Security
32 Act, as amended, during the same 12-month period and the 34
33 preceding 12-month periods exceeds the aggregate of the
34 amounts used pursuant to this section and charged against
35 the amounts credited to the account of this state during any
36 of such 35 12-month periods.

37 (2) For the purposes of this section, amounts used
38 during any such 12-month period shall be charged against
39 equivalent amounts which were first credited and which are
40 not already so charged, except that no amount used for
41 administration during any such 12-month period may be
42 charged against any amount credited during such a 12-month
43 period earlier than the 34th preceding such period. Money
44 requisitioned for the payment of expenses of administration
45 pursuant to this section shall be deposited in the
46 unemployment insurance administration account but, until
47 expended, shall remain a part of the unemployment insurance

1 fund.
 2 (3) The department shall maintain a separate record of
 3 the deposit, obligation, expenditure, and return of funds so
 4 deposited. If any money so deposited is for any reason not
 5 to be expended for the purpose for which it was appropriated
 6 or if it remains unexpended at the end of the period
 7 specified by the law appropriating such money, it shall be
 8 withdrawn and returned to the secretary of the treasury of
 9 the United States for credit to this state's account in the
 10 unemployment trust fund.

11 (4) Beginning with the third quarter of 1983, an
 12 assessment equal to .1% of all taxable wages provided for in
 13 39-51-1108 and .05% of total wages paid by employers not
 14 covered by an experience rating must be levied against and
 15 paid by all employers and may be used by the department for
 16 administrative purposes. All such assessments must be
 17 deposited in the unemployment insurance administration
 18 account provided for in 39-51-406 and used as appropriated
 19 by the legislature. Any assessments deposited to the
 20 unemployment insurance administration account, including
 21 investment income, that are not appropriated by the
 22 legislature must be transferred to the unemployment trust
 23 fund account provided for in 39-51-407."

24 **Section 2.** Section 39-51-406, MCA, is amended to read:
 25 "39-51-406. Unemployment insurance administration

1 account. (1) There is hereby created an account in the
 2 federal special revenue fund to be known as the unemployment
 3 insurance administration account. All Except as provided in
 4 subsection (8), moneys which are deposited, appropriated, or
 5 paid into this account are hereby appropriated and made
 6 available to the department. All Except as provided in
 7 subsection (8), moneys in the account shall be expended
 8 solely for the purpose of defraying the costs of
 9 administration of this chapter and costs of administration
 10 of such other legislation as shall be specifically delegated
 11 to the department for administration by the legislature.

12 (2) All moneys received and deposited in said account
 13 for administration expense from the United States or any
 14 agency thereof pursuant to section 302, Title III, of the
 15 Social Security Act shall be expended solely for the purpose
 16 and in the amounts found necessary by the secretary of labor
 17 for the proper and efficient administration of this chapter.

18 (3) The account shall consist of:

19 (a) all moneys received from the United States or any
 20 agency thereof pursuant to section 302, Title III, of the
 21 Social Security Act, as amended;

22 (b) all moneys appropriated by the state from the
 23 general fund for the purpose of administering this chapter;
 24 and

25 (c) all moneys, trust funds, supplies, facilities, or

1 the attorney general. The premiums for such bond and the
2 premiums for the bond given by the treasurer for the
3 unemployment insurance fund under 39-51-402 shall be paid
4 from the money in the unemployment insurance administration
5 account.
6 (7) Any reference to the unemployment insurance
7 administration fund in this code shall be taken to mean the
8 unemployment insurance administration account in the federal
9 special revenue fund.
10 (8) On or before June 30, 1992, the department shall
11 transfer an amount not to exceed \$1.5 million from the
12 unemployment insurance administration account to the general
13 fund."

14 **NEW SECTION. Section 3. Effective date -- termination.**
15 [This act] is effective on passage and approval and
16 terminates July 1, 1992.

-End-

1 services furnished, deposited, paid, and received from:
2 (i) the United States or any agency thereof;
3 (ii) this state or any agency thereof;
4 (iii) any other state or any of its agencies;
5 (iv) political subdivisions of the state; or
6 (v) any other source for administrative expense and
7 purpose.
8 (4) Notwithstanding any provisions of this section
9 Except as provided in subsection (8), all money
10 requisitioned and deposited in this account pursuant to
11 39-51-403 through 39-51-405 shall remain part of the
12 unemployment insurance fund and shall be used only in
13 accordance with the conditions specified in 39-51-403
14 through 39-51-405.

15 (5) All moneys in this account shall be deposited,
16 administered, and disbursed in the same manner and under the
17 same conditions and requirements as is provided by law for
18 other accounts. Any balance in this account shall not lapse
19 at any time but shall be continuously available to the
20 department for the expenditure consistent with this chapter.
21 (6) The state treasurer shall give a separate and
22 additional bond conditioned upon the faithful performance of
23 his duties in connection with the unemployment insurance
24 administration account in an amount to be fixed by the
25 department and in a form prescribed by law or approved by

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0004, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act transferring to the general fund \$1.5 million from the unemployment insurance administrative (UI) account collected through state assessments.

FISCAL IMPACT:

HB0004 would increase funds available to the general fund by \$1.5 million and reduce the FY93 ending fund balance for the UI administrative account by \$1.59 million. Under current law, the projected FY93 ending fund balance for the UI administrative account is approximately \$3.66 million. The proposed transfer would reduce the projected FY93 ending fund balance to \$2.07 million. The timing of the proposed transfer (by June 30, 1992) would reduce interest earnings by the UI administrative account by approximately \$90,000 in the 1993 biennium.

LONG-RANGE IMPACT:

The proposed transfer would preserve sufficient amounts in the UI administrative account to fund the current level and a comparable pay plan in the 1995 biennium, with a projected FY95 ending fund balance of approximately \$338,000.

NOT FOR
DISTRIBUTION

Steve Yeakel 1/7/92
STEVE YEAKEL, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

BOB THOFT, PRIMARY SPONSOR DATE

Fiscal Note for HB0004, as introduced

HOUSE BILL 5: TRANSFER OF PRISON INDUSTRIES REVOLVING FUNDS

MONTANA STATE PRISON RANCH ACCOUNT

Summary of Proposal

Section 53-1-302, MCA, authorizes the receipts from the sale of goods produced or manufactured by an institution to be deposited in the internal service fund for the use of the industries program of the institution. House Bill 5 transfers \$605,212 from the industries program at the Montana State Prison to the general fund in FY93 only. The Department of Corrections and Human Services and the Executive Budget recommend the transfer. The fund will maintain a \$350,000 cash reserve at the end of the biennium, after the needed prison ranch equipment authorized by the 1991 Legislature is purchased, and after the deposit to the general fund.

Office of Budget and Program Planning
January 4, 1992
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EXHIBIT
DATE Jan 8, 1992
HB 5
with 6

House BILL NO. 5

INTRODUCED BY [Signature]
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING TO THE
GENERAL FUND A CERTAIN AMOUNT OF MONEY DEPOSITED IN THE
INTERNAL SERVICE FUND FROM RECEIPTS FROM THE SALE OF GOODS
PRODUCED OR MANUFACTURED BY A STATE INSTITUTION; AMENDING
SECTION 53-1-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 53-1-302, MCA, is amended to read;
"53-1-302. Disposition of receipts from sale of goods.
Receipts from the sale of goods produced or manufactured by
an institution in the amount of \$605,212 for fiscal year
1993 shall be deposited in the general fund on or before
June 30, 1993, and all other receipts shall be deposited in
the internal service fund for the use of the industries
program of the institution."

NEW SECTION. Section 2. Effective date -- termination.
[This act] is effective on passage and approval and
terminates July 1, 1993.

-End-



HB 5
INTRODUCED BILL

EXHIBIT 6
DATE Jan 8, 1992
HB 5

DATE January 1992
HB 5

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0005, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act transferring to the general fund a certain amount of money deposited in the internal service fund from receipts from the sale of goods produced or manufactured by a state institution.

FISCAL IMPACT:

The proposal transfers \$605,212 from the industries program at the Montana State Prison to the general fund in FY93 only. The fund will maintain a minimum \$350,000 cash reserve at the end of the biennium.

NOT FOR
DISTRIBUTION


STEVE YEAKEL, BUDGET DIRECTOR
Office of Budget and Program Planning
DATE 1/7/92

BOB THOFT, PRIMARY SPONSOR
DATE
Fiscal Note for HB0005, as introduced

HOUSE BILL 6: TRANSFERRING TO THE GENERAL FUND CERTAIN FEES
ADMINISTERED BY THE DEPARTMENT OF JUSTICE

DRIVER'S LICENSE REINSTATEMENT FEES

Summary of Proposal

HB 494 enacted by the 1991 Legislature amended 61-2-107, MCA, to double the driver's license reinstatement fee from \$50 to \$100 and to deposit the additional fees into a state special revenue account to be distributed through county treasurers to cities and towns for various purposes including programs for minors and adult chemical dependency. The bill contained no appropriation language to authorize the distribution of these fees. The Department of Justice and the Executive Budget recommend the deposit of the projected \$400,000 balance in this account to the general fund to avoid excessive administrative overhead and confusion at both the state and local government levels.

Based on action by the Joint Appropriations General Government and Transportation Subcommittee, an amendment to House Bill 6 also is recommended. It is necessary to amend 61-2-108, MCA, to clearly authorize the 8% reduction each year to general fund distributions to county DUI task forces administered by the Highway Traffic Safety Division. The general fund for these distributions comes from one-half of the \$100 driver license reinstatement fees. 61-2-108 states that "the department shall transmit the county portion of the proceeds of the license reinstatement fees collected in that county to the county treasurer, as provided in 61-2-107(2)(a), at the end of each quarter." The proposed amendment would add language such that distributions are limited to the amount appropriated for the year for the distributions, with excess proceeds over the total amount appropriated to remain in the general fund.

Background and History

The Executive Budget for the 1993 biennium contained a proposal for the Highway Traffic Safety Division to replace discontinued federal DUI task force funds with general fund generated by an increase in the driver's license reinstatement fee from \$50 to \$100. The increased fees were to be distributed in the same manner as the basic fee to counties with approved DUI task forces. Fees attributable to counties without approved plans were to remain in the general fund.

HB 494 as introduced was intended to accomplish this goal, but use of the increased fees was radically changed in the bill as passed and approved. With no appropriation authority and no distinct correlation between use of the fees and source of the fees, as well as a complex distribution process necessary to channel the fees to nonspecific local programs, the final bill became virtually meaningless and unworkable.

EXHIBIT 7
DATE Jan 8, 92
HB 6

HIGHWAY PATROL IDENTIFICATION CARDS

Summary of Proposal

Fees up to \$1 collected from identification cards are deposited in the state special revenue fund and restricted to use in defraying the cost of issuing the cards. The proposal would allow the account balance, estimated to be \$11,400, to be deposited to the general fund at the end of 1993. The account is used as a minor funding source for the Motor Vehicle Division which is primarily supported by the general fund. The Department of Justice and the OBPP are considering a recommendation for the 1993 Legislature to eliminate this account and deposit the fees directly to the general fund because it is not cost effective to administer.

DRIVER'S LICENSE COLLECTIONS

Summary of Proposal

Section 61-5-121, MCA, allocates 8.75% of driver license fees collected by the Department of Justice to the state special revenue fund to be used to defray costs of issuing licenses, duplicate licenses, and motorcycle endorsements. The proposal would allow the account balance, estimated to be \$25,000, to be deposited to the general fund at the end of fiscal 1993. The account is used as a minor funding source for the Motor Vehicle Division which is primarily supported by the general fund. The department and the OBPP are considering a recommendation for the 1993 Legislature to eliminate this account and deposit the fees directly to the general fund because it is not cost effective to administer.

EXHIBIT 7
DATE Jan 8 92
HB 6

LC 0013/01

LC 0013/01

1 and duplicate driver's licenses are collected by a county
2 treasurer or other agent of the department, he shall deposit
3 the amounts provided for in subsections (1)(b)(i) and
4 (1)(c)(i) into the county general fund. He shall then remit
5 to the state treasurer all remaining fees, together with a
6 statement indicating what portion of each fee is to be
7 deposited into the account in the state special revenue fund
8 as provided in subsection (1)(a), the state traffic
9 education account, and the state general fund. The state
10 treasurer, upon receipt of the fees and statement, shall
11 deposit the fees as provided in subsections (1)(a) and
12 (1)(d) through (1)(g).

13 (b) If fees from driver's licenses, commercial vehicle
14 operator's endorsements, motorcycle endorsements, and
15 duplicate driver's licenses are collected by the department,
16 it shall remit all fees to the state treasurer, together
17 with a statement indicating what portion of each fee is to
18 be deposited into the account in the state special revenue
19 fund as provided in subsection (1)(a), the state special
20 revenue fund, the state traffic education account, and the
21 state general fund. The state treasurer, upon receipt of the
22 fees and statement, shall deposit the fees as provided in
23 subsections (1)(a), (1)(b)(ii), (1)(c)(ii), and (1)(d)
24 through (1)(g).

25 (3) On or before June 30, 1993, the balance in the

1 driver's license collections account in the state special
2 revenue fund collected pursuant to subsections (1)(b)(ii)
3 and (1)(c)(ii) must be transferred to the general fund."

4 Section 3. Section 61-12-504, MCA, is amended to read:
5 "61-12-504. Fees for identification cards --
6 disposition of fees. (1) Fees not in excess of \$1 for such
7 identification cards shall issued pursuant to this part must
8 be collected and credited to a state special revenue fund
9 which shall to be known as the Montana highway patrol
10 identification card fund. Such Except as provided in
11 subsection (2), the fund shall must be used by the
12 department to defray the cost of issuing identification
13 cards.

14 (2) On or before June 30, 1993, the balance in the
15 Montana highway patrol identification card fund must be
16 transferred to the general fund."

17 Section 4. Section 61-5-121, MCA, is amended to read:
18 "61-5-121. Disposition of fees. (1) The disposition of
19 the fees from driver's licenses provided for in
20 61-5-111(7)(a), motorcycle endorsements provided for in
21 61-5-111(7)(b), commercial vehicle operator's endorsements
22 provided for in 61-5-111(7)(c), and duplicate driver's
23 licenses provided for in 61-5-114 is as follows:

24 (a) The amount of 25% of each driver's license fee and
25 of each duplicate driver's license fee must be deposited

1 into an account in the state special revenue fund. The
 2 department shall transfer the funds from this account to the
 3 Montana highway patrol officers' retirement pension trust
 4 fund as provided in 19-6-404. Funds transferred from the
 5 account are statutorily appropriated, as provided in
 6 17-7-502, to the pension trust fund.

7 (b) (i) If the fees are collected by a county treasurer
 8 or other agent of the department, the amount of 3.75% of
 9 each driver's license fee and of each duplicate driver's
 10 license fee must be deposited into the county general fund.
 11 (ii) If the fees are collected by the department, the
 12 amount provided for in subsection (1)(b)(i) must be
 13 deposited into the state-special-revenue general fund for
 14 use-by-the-department--to--defray--the--costs--of--issuing
 15 licenses-or-duplicate-licenses.

16 (c) (i) If the fee is collected by a county treasurer
 17 or other agent of the department, the amount of 5% of each
 18 motorcycle endorsement must be deposited into the county
 19 general fund.

20 (ii) If the fee is collected by the department, the
 21 amount provided for in subsection (1)(c)(i) must be
 22 deposited into the state-special-revenue general fund for
 23 use--by--the--department--to--defray--the--costs--of--issuing
 24 motorcycle-endorsements.

25 (d) The amount of 17.5% of each driver's license fee

1 and of each duplicate driver's license fee must be deposited
 2 into the state traffic education account,

3 (e) The In addition to the amounts deposited pursuant
 4 to subsections (1)(b)(ii) and (1)(c)(ii), the amount of
 5 53.75% of each driver's license fee and of each duplicate
 6 driver's license fee must be deposited into the state
 7 general fund.

8 (f) If the fee is collected by the county treasurer or
 9 other agent of the department, the amount of 3.75% of each
 10 commercial vehicle operator's endorsement fee must be
 11 deposited into the county general fund, otherwise all of the
 12 fee must be deposited in the state general fund.

13 (g) The amount of 95% of each motorcycle endorsement
 14 fee must be deposited into the state traffic education
 15 account in the state special revenue fund.

16 (2) (a) If fees from driver's licenses, commercial
 17 vehicle operator's endorsements, motorcycle endorsements,
 18 and duplicate driver's licenses are collected by a county
 19 treasurer or other agent of the department, he shall deposit
 20 the amounts provided for in subsections (1)(b)(i) and
 21 (1)(c)(i) into the county general fund. He shall then remit
 22 to the state treasurer all remaining fees, together with a
 23 statement indicating what portion of each fee is to be
 24 deposited into the account in the state special revenue fund
 25 as provided in subsection (1)(a), the state traffic

EXHIBIT

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1 termination. (1) [Sections 1 through 3] and this section are
 2 effective on passage and approval, and [sections 1 through
 3 3] terminate July 1, 1993.
 4 (2) [Sections 4 and 5] are effective July 1, 1993.

-End-

1 education account, and the state general fund. The state
 2 treasurer, upon receipt of the fees and statement, shall
 3 deposit the fees as provided in subsections (1)(a) and
 4 (1)(d) through (1)(g).

5 (b) If fees from driver's licenses, commercial vehicle
 6 operator's endorsements, motorcycle endorsements, and
 7 duplicate driver's licenses are collected by the department,
 8 it shall remit all fees to the state treasurer, together
 9 with a statement indicating what portion of each fee is to
 10 be deposited into the account in the state special revenue
 11 fund as provided in subsection (1)(a), the state special
 12 revenue fund, the state traffic education account, and the
 13 state general fund. The state treasurer, upon receipt of the
 14 fees and statement, shall deposit the fees as provided in
 15 subsections (1)(a), (1)(b)(ii), (1)(c)(ii), and (1)(d)
 16 through (1)(g)."

17 **Section 5.** Section 61-12-504, MCA, is amended to read:

18 "61-12-504. Fees for identification cards. Fees not in
 19 excess of \$1 for such identification cards shall issued
 20 pursuant to this part must be collected and credited--to--a
 21 state--special--revenue deposited in the general fund which
 22 shall-be-known-as-the-Montana-highway-patrol--identification
 23 card--fund. Such--fund--shall--be-used-by-the-department-to
 24 defray-the-cost-of-issuing-identification-cards"

25 **NEW SECTION. Section 6.** Effective dates --

DATE Jan 8, 1992
HB 6

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0006, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act transferring to the general fund certain fees administered by the Department of Justice.

FISCAL IMPACT:

The proposal will transfer approximately \$430,000 to the general fund on or before June 30, 1993 (assume FY93) from certain fees administered by the Department of Justice.

<u>Fees</u>	<u>Amount</u>
DUI Reinstatement	\$400,000
Driver's Licenses	18,000
Identification Cards	<u>12,000</u>
Total	\$430,000

Local governments would not have shared \$400,000 to distribute to programs that address problems of minors or adult chemical dependency and law enforcement training and equipment during the 1993 biennium because the 1991 Legislature did not appropriate the funds.

LONG-RANGE IMPACT:

Due to continuation of sections 4 and 5, the general fund will gain a small amount of revenue in future years, but the amount is impossible to compute.

**NOT FOR
DISCUSSION**

Steve Yeakel 1/7/92

STEVE YEAKEL, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

BOB THOFT, PRIMARY SPONSOR DATE
Fiscal Note for HB0006, as introduced

House BILL NO. 6

INTRODUCED BY Staff
BY REQUEST OF THE OFFICE OF BUDGET
AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING TO THE
GENERAL FUND CERTAIN FEES ADMINISTERED BY THE DEPARTMENT OF
JUSTICE; AMENDING SECTIONS 61-2-107, 61-5-121, AND
61-12-504, MCA; AND PROVIDING EFFECTIVE DATES AND A
TERMINATION DATE."

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

Section 1. Section 61-2-107, MCA, is amended to read:
"61-2-107. License reinstatement fee to fund county
drinking and driving prevention programs -- balance
transferred. (1) Notwithstanding the provisions of any other
law of the state, a driver's license that has been suspended
or revoked under 61-5-205 or 61-8-402 must remain suspended
until the driver has paid to the department a fee
of \$100 in addition to any other fines, forfeitures, and
penalties assessed as a result of conviction for a violation
of the traffic laws of the state.

(2) (a) The department shall deposit one-half of the
fees collected under subsection (1) in the general fund to
be used for funding county drinking and driving prevention

7
DATE Jan 8, 92
HB 6

1 programs as provided in 61-2-108.
2 (b) The remaining fees collected under subsection (1)
3 that are not allocated under subsection (2)(a) must be
4 deposited in an account in the state special revenue fund to
5 be distributed to county treasurers the general fund. The On
6 or before June 30, 1993, the department shall distribute to
7 each county treasurer transfer to the general fund the
8 balance of money in the state special revenue account
9 collected as license reinstatement fees in that county. The
10 county treasurer shall distribute the money to each
11 incorporated city or town in the county in the ratio that
12 the population of the incorporated city or town bears to the
13 total population of incorporated cities or towns in the
14 county based on figures provided by the most recent
15 official census. An incorporated city or town shall
16 distribute the money to state and local government entities
17 and private entities working with state and local government
18 entities that operate programs within the county that
19 address the problems and concerns of minors including but
20 not limited to substance abuse and delinquency and
21 chemical-free youth facilities and programs. Up to one-half
22 of the money distributed under this subsection (b) may be
23 used for adult chemical dependency programs and law
24 enforcement training programs and for equipment for local
25 government law enforcement agencies within the respective



1 jurisdiction."

2 **Section 2.** Section 61-5-121, MCA, is amended to read:

3 "61-5-121. Disposition of fees. (1) The disposition of
4 the fees from driver's licenses provided for in
5 61-5-111(7)(a), motorcycle endorsements provided for in
6 61-5-111(7)(b), commercial vehicle operator's endorsements
7 provided for in 61-5-111(7)(c), and duplicate driver's
8 licenses provided for in 61-5-114 is as follows:

9 (a) The amount of 25% of each driver's license fee and
10 of each duplicate driver's license fee must be deposited
11 into an account in the state special revenue fund. The
12 department shall transfer the funds from this account to the
13 Montana highway patrol officers' retirement pension trust
14 fund as provided in 19-6-404. Funds transferred from the
15 account are statutorily appropriated, as provided in
16 17-7-502, to the pension trust fund.

17 (b) (i) If the fees are collected by a county treasurer
18 or other agent of the department, the amount of 3.75% of
19 each driver's license fee and of each duplicate driver's
20 license fee must be deposited into the county general fund.

21 (ii) Except as provided in subsection (3), if the
22 fees are collected by the department, the amount provided
23 for in subsection (1)(b)(i) must be deposited into the state
24 special revenue fund for use by the department to defray the
25 costs of issuing licenses or duplicate licenses.

1 (c) (i) If the fee is collected by a county treasurer
2 or other agent of the department, the amount of 5% of each
3 motorcycle endorsement must be deposited into the county
4 general fund.

5 (ii) Except as provided in subsection (3), if the fee
6 is collected by the department, the amount provided for in
7 subsection (1)(c)(i) must be deposited into the state
8 special revenue fund for use by the department to defray the
9 costs of issuing motorcycle endorsements.

10 (d) The amount of 17.5% of each driver's license fee
11 and of each duplicate driver's license fee must be deposited
12 into the state traffic education account.

13 (e) The amount of 53.75% of each driver's license fee
14 and of each duplicate driver's license fee must be deposited
15 into the state general fund.

16 (f) If the fee is collected by the county treasurer or
17 other agent of the department, the amount of 3.75% of each
18 commercial vehicle operator's endorsement fee must be
19 deposited into the county general fund, otherwise all of the
20 fee must be deposited in the state general fund.

21 (g) The amount of 95% of each motorcycle endorsement
22 fee must be deposited into the state traffic education
23 account in the state special revenue fund.

24 (2) (a) If fees from driver's licenses, commercial
25 vehicle operator's endorsements, motorcycle endorsements,

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0007, as introduced.

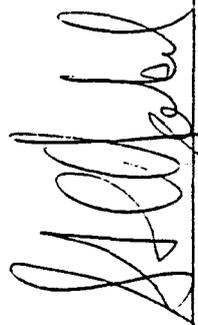
DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for the retention of certain funds that are not needed for district court expense reimbursements and that would otherwise be refunded to counties.

FISCAL IMPACT:

Assuming the HJR 1 (as introduced) estimate for vehicle license fees, the proposal has no fiscal impact. If revenues exceed the estimate in FY93, the additional revenue would be retained in the general fund.

NOT FOR
DISSEMINATION

	<u>1/7/92</u>
STEVE YEAKEL, BUDGET DIRECTOR	DATE
Office of Budget and Program Planning	

BOB THOFT, PRIMARY SPONSOR	DATE
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Fiscal Note for HB0007, as introduced

1 INTRODUCTION BY House BILL NO. 7

2 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

3

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE

6 RETENTION OF CERTAIN FUNDS THAT ARE NOT NEEDED FOR DISTRICT

7 COURT EXPENSE REIMBURSEMENTS AND THAT WOULD OTHERWISE BE

8 REFUNDED TO COUNTIES; AMENDING SECTION 61-3-509, MCA; AND

9 PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

11 **Section 1.** Section 61-3-509, MCA, is amended to read:

12 "61-3-509. Disposition of taxes. (1) Except as provided

13 in subsection (2), the county treasurer shall, after

14 deducting the district court fee, credit all taxes on motor

15 vehicles and fees in lieu of tax on motor homes, travel

16 trailers, and campers collected under 61-3-504, 61-3-521,

17 and 61-3-537 to a motor vehicle suspense fund, and at some

18 time between March 1 and March 10 of each year and every 60

19 days thereafter, the county treasurer shall distribute the

20 money in the motor vehicle suspense fund in the relative

21 proportions required by the levies for state, county, school

22 district, and municipal purposes in the same manner as

23 personal property taxes are distributed.

24 (2) The county treasurer shall deduct as a district

1 court fee 7% of the amount of the 2% tax collected on an

2 automobile or truck having a rated capacity of 1 ton or

3 less. The county treasurer shall credit the fee for district

4 courts to a separate suspense account and shall forward the

5 amount in the account to the state treasurer at the time the

6 county treasurer distributes the motor vehicle suspense

7 fund. The state treasurer shall credit amounts received

8 under this subsection to the general fund to be used for

9 purposes of state funding of the district court expenses as

10 provided in 3-5-901. Any amount forwarded to the state

11 treasurer under this subsection that is not used for

12 district court expenses must be refunded to the counties in

13 the proportion that the amount collected from each county

14 bears to the total amount collected."

15 **NEW SECTION. Section 2.** Effective date -- termination.

16 [This act] is effective July 1, 1992, and terminates July 1,

17 1993.

-End-

25



EXHIBIT 8

DATE Jan 8, 92

HB 7

DATE Jan 8, 92
HB 7

House Bill 7: PROVIDING FOR THE RETENTION OF CERTAIN FUNDS NOT NEEDED FOR DISTRICT COURT EXPENSE REIMBURSEMENTS

PROPOSAL

HB 7 amends 61-3-509(2), MCA, to delete language which currently requires the state to forward any vehicle license fees which are in excess of the appropriation for district court reimbursements to county governments.

IMPACT OF HB 7

HJR24 projects vehicle license fees to be \$5,005 less than the appropriation for district court reimbursements.

However, revised general fund revenue estimates in the executive proposal indicate \$523,000 of additional revenue from vehicle license fees during the 1993 biennium. 61-3-509(2), MCA, would need to be amended in order for the state to keep these additional vehicle license fees.

Furthermore, the Executive Budget includes an 8% reduction of \$224,767 in the FY93 district court reimbursement program. In order for the state to retain the subsequent excess vehicle license fees, 61-3-509(2) would need to be amended. Otherwise, under current law, any additional revenues or any reductions in the district court reimbursement program would be forwarded to county governments.

Since the current program began in FY86, all eligible district court costs have been reimbursed and excess funds have been used to provide grants to counties with expenses in excess of maximum mill levies.

BACKGROUND

Approximately 28 states fund less than half of the total costs of trial court expenses including facilities. Montana joins ranks with the majority of states which fund less than half of total court costs. Approximately six states fund the total costs, and 14 states fund more than half of the total costs of court operations.

The relationship between state and local governments regarding judicial costs has historically been that local governments prosecute alleged criminals and state governments incarcerate the convicted felons.

Within the last twenty years, at least two attempts were made to persuade the Montana legislature to fund the total costs of court operations. In 1974 the State Commission on Local Government was directed to conduct a thorough study of local government operations. In 1977 the Commission recommended and submitted proposed legislation (HB532) for the state to assume financial responsibility for district court operations. The bill was amended several times, resulting in a resolution for the Supreme Court to further study state assumption.

In 1980 the Judiciary submitted its study which again recommended the state assume financial responsibility for district court operations. The result of this recommendation was a state grant program for excess district costs. Only \$375,000 per year was appropriated.

In 1985 the legislature enacted 3-5-901, MCA, which authorizes the current district court reimbursement program. The legislature determined that the state would assume certain, tangible costs for prosecuting criminals which include: salaries of court reporters, transcripts of proceedings, witness and jury expenses, indigent defense, and psychiatric examinations.

The laws enacted by the 1985 Legislature were carefully constructed so that the counties remained responsible for the payment of court costs. Section 3-5-901(3)(b) states that if appropriations are insufficient to fully fund these expenses, the county is responsible for the payment of the balance.

Since its initial operation in FY86, the district court reimbursement program has been able to fully reimburse the above, eligible district costs. In addition, each year the district court reimbursement program has been able to provide grants to counties with court expenses in excess of maximum mill levies. In FY89 the grants totalled \$97,602; in FY90, \$61,686; and the FY91 report is unavailable.

EXHIBIT
DATE Jan 08, 1992

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0009, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act transferring to the general fund a portion of certain fees collected by the Secretary of State.

FISCAL IMPACT:

The proposal transfers \$20,000 from the state special revenue fund (administrative rules) and \$20,000 from the proprietary account (records management) to the general fund in FY93.

Steve Yeakel
STEVE YEAKEL, BUDGET DIRECTOR
Office of Budget and Program Planning
DATE 1/7/92

Bob Thoft
BOB THOFT, PRIMARY SPONSOR
Fiscal Note for HB0009, as introduced
DATE 1/8/92

LEGISLATIVE FISCAL ANALYST

EXHIBIT 10
DATE Jan 28, 92
HB 9

HOUSE APPROPRIATIONS COMMITTEE ACTION Over/(Under) EXECUTIVE BUDGET

Section/Agency	Fiscal 1992 General Fund	Fiscal 1993 General Fund	Biennium General Fund
SECTION A			
Legislative Auditor	(\$18,512)	\$57,550	\$39,038
Legislative Fiscal Analyst	(1,000)	26,002	25,002
Legislative Council	0	65,164	65,164
Environmental Quality Council	0	0	0
Consumer Counsel	0	0	0
Judiciary	42,008	176,254	218,262
Governor's Office	(59,292)	(41,751)	(101,043)
Secretary of State	0	(175,000)	(175,000)
Commissioner of Political Practices	0	0	0
State Auditor	(51,257)	(61,023)	(112,280)
Crime Control Division	0	0	0
Highway Traffic Safety	0	0	0
Justice	0	0	0
Transportation	0	0	0
Revenue	0	0	0
Administration	(123,299)	(76,238)	(199,537)
State Fund	0	0	0
Public Employee's Retire. Board	(9,583)	4,000	(5,583)
Teacher's Retirement Board	0	0	0
Military Affairs	(5,100)	5,100	0
TOTAL	(\$226,035)	(\$19,942)	(\$245,977)

SECTION B			
Health & Environmental Sciences	\$17,985	(\$88,515)	(\$70,530)
Labor & Industry	0	0	0
Social & Rehabilitation Services	419,150	\$12,471	1,291,621
Family Services	491,359	601,045	1,092,404
TOTAL	\$928,494	\$1,385,001	\$2,313,495

SECTION C			
Public Service Regulation	\$0	\$0	\$0
Fish, Wildlife, and Parks	0	0	0
State Lands	(800,000)	0	(800,000)
Livestock	0	0	0
Natural Resources & Conservation	10,891	40,908	51,799
Agriculture	0	0	0
Commerce	(128,894)	(176,266)	(305,160)
TOTAL	(\$918,003)	(\$135,358)	(\$1,053,361)

SECTION D			
Montana Arts Council	\$0	(\$103,865)	(\$103,865)
Library Commission	0	31,281	31,281
Historical Society	0	0	0
Corrections & Human Services	(697,511)	956,390	258,879
TOTAL	(697,511)	\$883,806	\$186,295

SECTION E			
Board of Public Education	\$0	\$0	\$0
School for the Deaf & Blind	0	0	0
Office of Public Instruction	394,364	195,373	589,737
Commissioner of Higher Education	0	607,504	607,504
Vocational-Technical System	0	17,238	17,238
Six University Units	0	297,719	297,719
Agricultural Experiment Station	0	15,783	15,783
Cooperative Extension Service	0	6,081	6,081
Forestry & Conser. Exp. Station	0	1,475	1,475
Bureau of Mines	0	2,678	2,678
Montana Council of Vocational Ed.	0	0	0
Fire Services Training School	0	478	478
TOTAL	\$394,364	\$1,144,329	\$1,538,693

SECTION F			
	(\$695,514)	\$0	(\$695,514)

TOTAL COMMITTEE ACTION	(\$1,214,205)	\$5,757,836	\$2,053,653
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EXHIBIT 10

DATE Jan 08-92

HB 9

House BILL NO. 9

1 INTRODUCED BY [Signature]
2 BY REQUEST OF THE OFFICE OF BUDGET
3 AND PROGRAM PLANNING
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING TO THE
6 GENERAL FUND A PORTION OF CERTAIN FEES COLLECTED BY THE
7 SECRETARY OF STATE; AMENDING SECTIONS 2-4-313 AND 2-6-211,
8 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
9 TERMINATION DATE."
10

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

12 **Section 1.** Section 2-4-313, MCA, is amended to read:
13 "2-4-313. Distribution, costs, and maintenance. (1) The
14 secretary of state shall distribute copies of ARM and
15 supplements or revisions thereto to the following:

- 16 (a) attorney general, one copy;
- 17 (b) clerk of United States district court for the
- 18 district of Montana, one copy;
- 19 (c) clerk of United States court of appeals for the
- 20 ninth circuit, one copy;
- 21 (d) county commissioners or governing body of each
- 22 county of this state, for use of county officials and the
- 23 public, at least one but not more than two copies, which may
- 24 be maintained in a public library in the county seat or in
- 25

- 1 the county offices as the county commissioners or governing
- 2 body of the county may determine;
- 3 (e) state law library, one copy;
- 4 (f) state historical society, one copy;
- 5 (g) each unit of the Montana University system, one
- 6 copy;
- 7 (h) law library of the university of Montana, one copy;
- 8 (i) legislative council, two copies;
- 9 (j) library of congress, one copy;
- 10 (k) state library, one copy.
- 11 (2) The secretary of state, each county in the state,
- 12 and the librarians for the state law library and the
- 13 university of Montana law library shall maintain a complete,
- 14 current set of ARM, including supplements or revisions
- 15 thereto. Such persons shall also maintain the register
- 16 issues published during the preceding 2 years. The secretary
- 17 of state shall also maintain a permanent set of the
- 18 registers.
- 19 (3) The secretary of state shall make copies of and
- 20 subscriptions to ARM and supplements or revisions thereto
- 21 and the register available to any person at prices fixed in
- 22 accordance with subsection (4).
- 23 (4) The secretary of state, in consultation with the
- 24 administrative code committee, shall determine the cost of
- 25 supplying copies of ARM and supplements or revisions thereto



1 and the register to persons not listed in subsection (1).
 2 The cost shall be the approximate cost of publication of
 3 such copies, including indexing, printing or duplicating,
 4 and mailing. However, a uniform price per page or group of
 5 pages may be established without regard to differences in
 6 cost of printing different parts of ARM and supplements or
 7 revisions thereto and the register.

8 (5) The secretary of state shall deposit all fees he
 9 collects in the amount of \$20,000 for fiscal year 1993 in
 10 the general fund on or before June 30, 1993, and shall
 11 deposit all other fees in an account within the state
 12 special revenue fund created for paying the expenses of
 13 publication of ARM and the register.

14 (6) The secretary of state may charge agencies a filing
 15 fee for all material to be published in ARM or the register.
 16 He shall fix, in consultation with the administrative code
 17 committee, the fee to cover the costs of supplying copies of
 18 ARM and supplements or revisions thereto and the register to
 19 the persons listed in subsection (1). The cost shall be the
 20 approximate cost of publication of such copies, including
 21 indexing, printing or duplicating, and mailing. However, a
 22 uniform price per page or group of pages may be established
 23 without regard to differences in cost of printing different
 24 parts of ARM and supplements or revisions thereto and the
 25 register."

1 **Section 2.** Section 2-6-211, MCA, is amended to read:
 2 "2-6-211. **Transfer of public records.** (1) All public
 3 records not required in the current operation of the office
 4 where they are made or kept and all records of each agency,
 5 commission, committee, or any other activity of the
 6 executive branch of state government which may be abolished
 7 or discontinued shall be, in accordance with approved
 8 records retention schedules, either transferred to the state
 9 records center or transferred to the custody of the state
 10 archives if such records are considered to have permanent
 11 administrative or historical value.

12 (2) When records are transferred to the state records
 13 center, the agency so doing loses none of its rights of
 14 control and access. The state records center is only a
 15 custodian of the agency records, and access will only be by
 16 agency approval. Agency records for which the state records
 17 center acts as custodian may not be subpoenaed from the
 18 state records center but must be subpoenaed from the agency
 19 to which the records belong. Fees may be charged to cover
 20 the cost of records storage and servicing. On or before June
 21 30, 1993, the secretary of state shall transfer \$20,000 to
 22 the general fund from the proprietary account funded by this
 23 section.

24 (3) If an agency does not wish to transfer records as
 25 provided in an approved retention schedule, the agency

EXHIBIT 10

DATE Jan 08, 92

HB 9

LC 0016/01

- 1 shall, within 30 days, notify the secretary of state and
- 2 request a change in the schedule."
- 3 NEW SECTION. **Section 3.** Effective date -- termination.
- 4 [This act] is effective on passage and approval and
- 5 terminates July 1, 1993.

-End-

HOUSE BILL 9: TRANSFERRING FEES COLLECTED BY
THE SECRETARY OF STATE

EXHIBIT 19
DATE Jan 08, 92
HB 9

ADMINISTRATIVE RULES ACCOUNT

Summary of Proposal

Section 2-4-313, MCA, provides that the Secretary of State shall deposit all fees collected from publication of the Administrative Rules of Montana (ARM) and the Montana Administrative Register in an account in the state special revenue fund to be used for expenses of the ARM and the register. The proposal would allow a one-time deposit from this account to the general fund of \$20,000 at the end of fiscal 1993. The Secretary of State's Office proposed making the deposit and the restrictive language in the statute necessitates an amendment to authorize the transfer.

RECORDS MANAGEMENT

Summary of Proposal

Section 2-6-211, MCA, authorizes the charging of fees to cover the cost of records storage and servicing. These fees flow into a proprietary account used to fund the operations of the Records Management Program. House Bill 9 would add language to the statute for the one-time deposit of \$20,000 to the general fund from this proprietary account. The transfer was proposed by the Secretary of State's Office and the amendment is necessary to authorize the action.

House Bill 8

Issue: Should \$1 million (total) be transferred to the general fund from the Hazardous Waste/CERCLA and/or Environmental Quality Protection Fund accounts?

Background

Hazardous Waste/CERCLA Account

The Hazardous Waste/CERCLA account receives 12% of the RIT interest, or about \$1 million per year. Use of funds in the account are statutorily restricted for administration of the Montana Hazardous Waste Act, participation in remedial actions under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and payment on CERCLA bonds. Based on 100% expenditure of current appropriations, there is a projected FY93 ending fund balance of approximately \$1.1 million.

Environmental Quality Protection Fund (EQPF)

The EQPF receives 4% of the RIT interest, or about \$330,000 per year, plus penalties and cost recoveries from parties responsible for environmental damages (DHES anticipates receiving a scheduled \$250,000 payment from BN in FY92). Use of funds in this account are statutorily restricted for administration of the state superfund program and for remedial actions pursuant to the state superfund law. In addition to the administrative appropriation, there is a contingency appropriation of \$1 million from the EQPF in the event DHES must respond to an environmental disaster. Assuming that none of the contingency appropriation is expended in the 1993 biennium, there is a projected FY93 ending fund balance of approximately \$1.4 million.

Implications of a \$1 Million Transfer to the General Fund

Hazardous Waste/CERCLA

A transfer of \$1,000,000 to the general fund would leave a minimum FY93 ending fund balance of about \$125,000. The EPA has informed DHES of a potential grant shortfall of \$124,000 in FY92. DHES is concerned about the continuation of the federal grant of \$162,500 for the Underground Storage Tank program and the ability to provide the 10% state match required for cleanup of an increasing number of reported leaking tanks.

In FY91 DHES reverted 25% of its appropriations from the Hazardous Waste/CERCLA account. DHES received several budget modifications in FY92 which may not be fully expended due to startup delays associated with writing rules, hiring staff, developing systems, etc. FY92 expenditures to date suggest reversions of between 11-25%, or about \$110,000-\$250,000, at the end of FY92. Therefore, insofar as DHES requires additional appropriations, there may be sufficient reversions to fund these potential needs and still enable the Hazardous Waste/CERCLA account to absorb all or nearly all of the \$1 million transfer. In the event of a shortfall, the proposed legislation would allow some amount to be transferred from the EQPF.

Moosa BILL NO. 8

1 INTRODUCED BY *Moosa*

2 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

3

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING THE

6 DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES TO TRANSFER

7 TO THE GENERAL FUND FROM THE HAZARDOUS WASTE/CERCLA ACCOUNT

8 AND THE ENVIRONMENTAL QUALITY PROTECTION FUND A TOTAL NOT TO

9 EXCEED \$1 MILLION; AMENDING SECTIONS 75-10-621 AND

10 75-10-704, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE

11 AND A TERMINATION DATE."

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

13 **Section 1.** Section 75-10-621, MCA, is amended to read:

14 **"75-10-621.** Hazardous waste/CERCLA special revenue

15 account. (1) There is a hazardous waste/CERCLA special

16 revenue account within the state special revenue fund

17 established in 17-2-102.

18 (2) There must be paid into the hazardous waste/CERCLA

19 account:

20 (a) revenues obtained from the interest income of the

21 resource indemnity trust fund under the provisions of

22 15-38-202, together with interest accruing on those

23 revenues;

24 (b) all proceeds of bonds or notes issued under

25

EXHIBIT 11

DATE Jan 8, 92

HB 8

1 75-10-623 and all interest earned on proceeds thereof; and

2 (c) revenues from penalties or damages collected under

3 the federal Comprehensive Environmental Response,

4 Compensation, and Liability Act of 1980, as amended in 1986

5 (CERCLA).

6 (3) Appropriations Except as provided in subsection

7 (6), appropriations may be made from the hazardous

8 waste/CERCLA account only for the following purposes and

9 subject to the following conditions:

10 (a) funds are statutorily appropriated, as provided in

11 17-7-502(4), to the CERCLA match debt service account

12 necessary to make principal, interest, and premium payments

13 due on CERCLA bonds;

14 (b) not more than one-half of the interest income

15 received for any biennium from the resource indemnity trust

16 fund may be appropriated on a biennial basis for:

17 (i) implementation of the Montana Hazardous Waste Act,

18 including regulation of underground storage tanks and the

19 state share to obtain matching federal funds;

20 (ii) implementation of Title 75, chapter 10, part 6,

21 pertaining to state assistance to and cooperation with the

22 federal government for remedial action under CERCLA;

23 (iii) expenses of the administration of the

24 environmental sciences division of the department in

25 administering and overseeing the implementation of Title 75,

1 chapter 10, parts 4 and 6; and
 2 (iv) state expenses relating to investigation and
 3 remedial action for any hazardous substance defined in
 4 75-10-602; and
 5 (c) to the extent funds are available after the
 6 appropriations in subsections (3)(a) and (3)(b), the
 7 department may, as appropriate, seek authorization from the
 8 legislature or, when the legislature is not in session,
 9 through the budget amendment process provided for in Title
 10 17, chapter 7, part 4, to spend funds for:
 11 (i) state participation in remedial action under
 12 section 104 of CERCLA;
 13 (ii) state costs for maintenance of sites at which
 14 remedial action under CERCLA has been completed; and
 15 (iii) the state share to obtain matching federal funds
 16 for underground storage tank corrective action.
 17 (4) For the purposes of subsection (3)(c), the
 18 legislature finds that a need for state special revenue to
 19 obtain matching federal funds for underground storage tank
 20 corrective action or for remedial action under section 104
 21 of CERCLA constitutes a serious unforeseen and unanticipated
 22 circumstance for the purpose of meeting the definition of
 23 "emergency" in 17-7-102. The legislature further finds that
 24 the inability of the department to match such federal funds
 25 as may become available would seriously impair the functions

1 of the department in carrying out its responsibilities under
 2 Title 75, chapter 10, parts 4 and 6.
 3 (5) There is no dollar limit to the hazardous
 4 waste/CERCLA account. Unused Except as provided in
 5 subsection (6), unused balances remain in the account until
 6 such time as appropriated by the legislature for the
 7 purposes specified in this section.
 8 (6) On or before June 30, 1993, the department shall
 9 transfer from the hazardous waste/CERCLA account to the
 10 general fund an amount not to exceed \$1 million. In
 11 determining the amount to transfer to the general fund, the
 12 department shall deduct from the \$1 million limit any amount
 13 transferred to the general fund under 75-10-704(8)."

14 **Section 2.** Section 75-10-704, MCA, is amended to read:
 15 "75-10-704. Environmental quality protection fund. (1)
 16 There is created in the state special revenue fund an
 17 environmental quality protection fund to be administered as
 18 a revolving fund by the department. The department is
 19 authorized to expend amounts from the fund necessary to
 20 carry out the purposes of this part.
 21 (2) the Except as provided in subsection (8), the fund
 22 may be used by the department only to carry out the
 23 provisions of this part and for remedial actions taken by
 24 the department pursuant to this part in response to a
 25 release of hazardous or deleterious substances.

EXHIBIT 11
DATE Jan 8, 92
HB 8

1 (3) The department shall:
2 (a) establish and implement a system for prioritizing
3 sites for remedial action based on potential effects on
4 human health and the environment; and
5 (b) investigate, negotiate, and take legal action, as
6 appropriate, to identify liable persons, to obtain the
7 participation and financial contribution of liable persons
8 for the remedial action, to achieve remedial action, and to
9 recover costs and damages incurred by the state.
10 (4) There must be deposited in the fund:
11 (a) all penalties, forfeited financial assurance,
12 natural resource damages, and remedial action costs
13 recovered pursuant to 75-10-715;
14 (b) all administrative penalties assessed pursuant to
15 75-10-714 and all civil penalties assessed pursuant to
16 75-10-711(5);
17 (c) funds appropriated to the fund by the legislature;
18 and
19 (d) funds received from the interest income of the
20 resource indemnity trust fund pursuant to 15-38-202.
21 (5) Whenever a legislative appropriation is
22 insufficient to carry out the provisions of this part and
23 additional money remains in the fund, the department shall
24 seek additional authority to spend money from the fund
25 through the budget amendment process provided for in Title

1 17, chapter 7, part 4.
2 (6) Whenever the amount of money in the fund is
3 insufficient to carry out remedial action, the department
4 may apply to the governor for a grant from the environmental
5 contingency account established pursuant to 75-1-1101.
6 (7) The department shall, as provided in 5-11-210,
7 submit to the legislature a complete financial report on the
8 fund, including a description of all expenditures made since
9 the preceding report.
10 (8) On ~~pr~~ before June 30, 1993, the department shall
11 transfer from the environmental quality protection fund to
12 the general fund an amount not to exceed \$1 million. In
13 determining the amount to transfer to the general fund, the
14 department shall deduct from the \$1 million limit any amount
15 transferred to the general fund under 75-10-621(6)."
16 **NEW SECTION. Section 3. Effective date -- termination.**
17 [This act] is effective on passage and approval and
18 terminates July 1, 1993.

-End-

EXHIBIT 11
DATE Jan 8 92

Office of Budget and Program Planning
January 2, 1992

EQPF

A transfer of \$1,000,000 to the general fund would leave a projected FY93 ending fund balance of \$430,000, assuming no expenditures from DHES' contingency appropriation or any cost recoveries in addition to a \$250,000 payment from BN. Transfers from the EQPF reduce the funds DHES has available to respond to environmental disasters.

Insofar as the Hazardous Waste/CERCLA account could absorb most of the \$1 million transfer, the EQPF can be maintained at or near its projected fund balance of \$1.4 million.

Legislation Required

Both statutes which create the Hazardous Waste/CERCLA and EQPF accounts restrict the use of funds and would have to be amended to temporarily authorize a transfer to the general fund. 15-38-203, MCA indicates legislative intent that appropriations not be made from the resource indemnity trust interest account to fund general operating expenses of state agencies. According to the Legislative Council, this section would not preclude, per se, a transfer of funds from either the Hazardous Waste/CERCLA or EQPF accounts.

EXHIBIT 11
 DATE Jan 8 92
 HB 8

FUND BALANCE PROJECTIONS: DHES RIT ACCOUNTS

	<u>HAZ WASTE/CERCLA</u>		<u>ENV QUAL PROTCTN FUND</u>		<u>TOTAL</u>
	FY92	FY93	FY92	FY93	FY92-93
Beginning Balance	1,168,763	1,116,539	1,052,182	1,341,273	2,220,945
Revenue	925,309	997,121	558,436	332,374	2,813,239
Interest	53,169	53,455	63,870	68,026	238,520
Appropriations	(1,030,701)	(1,044,554)	(333,215)	(313,128)	(2,721,598)
Transfer		(1,000,000)		0	(1,000,000)
Ending Fund Balance	1,116,539	122,561	1,341,273	1,428,545	1,551,106

DATE Jan-08-92
HB 8

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0008, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act directing the Department of Health and Environmental Sciences to transfer to the general fund from the hazardous waste/CERCLA account and/or the Environmental Quality Protection Fund(EQPF) a total not to exceed \$1 million.

FISCAL IMPACT:

HB0008 would increase funds available to the general fund by \$1 million and reduce the ending fund balances for the hazardous waste/CERCLA and EQPF accounts by a total of \$1 million. Under current law, the projected FY93 ending fund balances for the hazardous waste/CERCLA and EQPF accounts are approximately \$1.1 million and \$1.4 million, respectively.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

HB0008 would reduce the fund balances available to the hazardous waste/CERCLA account and/or the EQPF account.

NOT FOR
DISSEMINATION

 1/7/92
STEVE YEAKEL, BUDGET DIRECTOR
Office of Budget and Program Planning

BOB THOFT, PRIMARY SPONSOR DATE

Fiscal Note for HB0008, as introduced

INTRODUCED BY House BILL NO. 11
Bauder

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT THE GOVERNOR HAS THE AUTHORITY TO DIRECT EXECUTIVE BRANCH AGENCIES TO REDUCE SPENDING IN THE EVENT OF A SHORTFALL IN REVENUE; PROVIDING GUIDELINES FOR DIRECTING AGENCIES TO REDUCE SPENDING; DEFINING THE TERM "SHORTFALL IN REVENUE"; AMENDING SECTION 17-7-140, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 17-7-140, MCA, is amended to read:

"17-7-140. Reduction of--appropriation in spending.
(1) (a) As the chief budget officer of the state, the governor shall ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in subsection (2), in the event of a shortfall in revenue, the governor may shall direct executive branch agencies to reduce appropriations spending in an amount equal to the shortfall in revenue. An appropriation agency may not be reduced required to reduce spending for any appropriation item by more than 15%.

(b) The governor shall direct agencies to manage their budgets in order to reduce expenditures from the fund in the

EXHIBIT 12
DATE Jan 8, 92

1 state treasury that is experiencing the shortfall in
2 revenue. Prior to directing agencies to reduce spending in
3 an amount equal to the shortfall in revenue, the governor
4 shall direct each agency to analyze the nature of each
5 program funded by an itemized appropriation to determine if
6 the program is mandatory or permissive and to analyze the
7 impact of the proposed reduction in spending on the purpose
8 of the program. The governor shall use each agency's
9 analysis in determining the agency's reduction in spending.

10 (2) The--appropriations Reductions in spending for the
11 following may not be reduced directed by the governor:

- 12 (a) payment of interest and principal on state debt;
- 13 (b) the legislative branch;
- 14 (c) the judicial branch;
- 15 (d) the school foundation program, including special
16 education; and
- 17 (e) salaries of elected officials during their terms of
18 office.

19 (3) As used in this section, "shortfall in revenue"
20 means an amount less than the amount projected to be
21 received in a revenue category as determined in the revenue
22 estimate established pursuant to 5-18-107."

23 NEW SECTION. Section 2. Effective date. [This act] is
24 effective on passage and approval.

-End-



H6 //
INTRODUCED BILL

13

EXHIBIT 13
DATE Jan 8, 92
HB 3

Amendments to House Bill No. 3
First Reading Copy

For the Committee on Appropriations

Prepared by Greg Petesch
January 8, 1992

1. Title, line 9.

Following: " ; "

Insert: "RETAINING TIMBER SALE REVENUE FROM TIMBER HARVESTED FROM
OTHER TRUST LANDS IN THE TRUST FUND SUPPORTING THE
INSTITUTION TO WHICH THE LAND IS GRANTED ;"

Following: "SECTIONS"

Insert: "17-3-1003,"

Following: "20-9-431"

Insert: ", "

2. Page 2, line 17.

Insert: "Section 2. Section 17-3-1003, MCA, is amended to read:

"17-3-1003. Support of state institutions. (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments therefor and from all land grants as provided by law. All moneys received or collected in connection with such endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except revenues pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment, or improvement of facilities at units of the Montana university system and for the refunding of such obligations or moneys which may constitute temporary deposits, all or part of which may be subject to withdrawal or repayment, shall be paid over to the state treasurer who shall deposit the same to the credit of the proper fund.

(2) All moneys Except as provided in subsection (3), all money received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the state special revenue fund.

(3) All money received from the sale of timber from lands granted to a state institution must be deposited to the credit of the permanent trust fund for the support of the institution."

Renumber: subsequent sections

6/2/92

Amendments to House Bill No. 3
First Reading Copy

EXHIBIT 13
DATE Jan 8, 1992
HB 3

Requested by Representative Bardanoue
For the Committee on Appropriations

Prepared by Greg Petesch
January 9, 1992

1. Title, line 9.

Following: ";"

Insert: "RETAINING TIMBER SALE REVENUE FROM TIMBER HARVESTED FROM
OTHER TRUST LANDS IN THE TRUST FUND SUPPORTING THE
INSTITUTION TO WHICH THE LAND IS GRANTED;"

Following: "SECTION"

Insert: "17-3-1003,"

Following: "20-9-431"

Insert: ",,"

2. Title, line 10.

Following: "DATE"

Insert: "AND A TERMINATION DATE"

3. Page 2, line 17.

Insert: "Section 2. Section 17-3-1003, MCA, is amended to read:

"17-3-1003. Support of state institutions. (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments therefor and from all land grants as provided by law. All moneys received or collected in connection with such endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except revenues pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment or improvement of facilities at units of the Montana university system and for the refunding of such obligations or moneys which may constitute temporary deposits, all or part of which may be subject to withdrawal or repayment, shall be paid over to the state treasurer who shall deposit the same to the credit of the proper fund.

(2) Except as provided in subsection (3), all money received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the state special revenue fund.

(3) All money received from the sale of timber from lands granted to a state institution must be deposited to the credit of the permanent trust fund for the support of the institution."

Renumber: subsequent sections

4. Page 4, line 17.

Amendments to House Bill No. 3
Introduced Copy

EXHIBIT 13
DATE Jan 8, 92
HB 3

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Jim Haubein
January 9, 1992

1. Page 1, line 13.

Following: "a"

Insert: "finite"

Following: "resource"

Insert: "to be"

EXHIBIT 13
DATE Jan 8, 92
HB 3

Following: "date"
Insert: "-- termination"

5. Page 4, line 18.
Following: "approval"
Insert: ", and [sections 2 and 3] terminate June 30, 1993"

13

EXHIBIT 13
DATE Jan 8, 92
HB 3

Amendments to House Bill No. 3
First Reading Copy

For the Committee on Appropriations

Prepared by Greg Petesch
January 8, 1992

1. Title, line 10.

Following: "DATE"

Insert: "AND A TERMINATION DATE"

2. Page 4, line 17.

Following: "date"

Insert: "-- termination"

3. Page 4, line 18.

Following: "approval"

Insert: ", and [sections 2 and 3] terminate June 30, 1993"

*6-11-7
Passed*

Amendments to House Bill No. 3
First Reading Copy

EXHIBIT 13
DATE Jan 8, 92
HB 3

For the Committee on Appropriations

Prepared by Greg Petesch
January 8, 1992

1. Title, line 9.

Following: ";"

Insert: "RETAINING TIMBER SALE REVENUE FROM TIMBER HARVESTED FROM
OTHER TRUST LANDS IN THE TRUST FUND SUPPORTING THE
INSTITUTION TO WHICH THE LAND IS GRANTED;"

Following: "SECTIONS"

Insert: "17-3-1003,"

Following: "20-9-431"

Insert: ", "

2. Page 2, line 17.

Insert: "Section 2. Section 17-3-1003, MCA, is amended to read:

"17-3-1003. Support of state institutions. (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments therefor and from all land grants as provided by law. All moneys received or collected in connection with such endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except revenues pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment, or improvement of facilities at units of the Montana university system and for the refunding of such obligations or moneys which may constitute temporary deposits, all or part of which may be subject to withdrawal or repayment, shall be paid over to the state treasurer who shall deposit the same to the credit of the proper fund.

(2) All moneys Except as provided in subsection (3), all money received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the state special revenue fund.

(3) All money received from the sale of timber from lands granted to a state institution must be deposited to the credit of the permanent trust fund for the support of the institution."

Renumber: subsequent sections

Amendments to House Bill No. 3
First Reading Copy

EXHIBIT 13
DATE Jan 8, 92
HB 3

For the Committee on Appropriations

Prepared by Greg Petesch
January 8, 1992

1. Title, line 9.

Following: " ; "

Insert: "EXCLUDING TIMBER SALE REVENUE FROM THE DEFINITION OF
INCOME TO BE DEPOSITED IN THE RESOURCE DEVELOPMENT ACCOUNT; "

Following: "20-9-341"

Strike: "AND"

Insert: " , "

2. Title, line 10.

Following: "20-9-601, "

Insert: "AND 77-1-607, "

3. Page 4, line 17.

Following: line 16

Insert: "Section 4. Section 77-1-602, MCA, is amended to read:

"77-1-602. Definition of terms. Unless the context requires
otherwise, in this part the following definitions apply:

(1) "Account" means the resource development account in the
state special revenue fund.

(2) "Income" means all proceeds received for the use of
state land except ~~revenues~~ revenue required by law to be placed
in the Montana nonexpendable trust fund type and revenue from the
sale of timber." "

Renumber: subsequent section

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Amendments to House Bill No. 4
First Reading Copy

Requested by Representative Wallin
For the Committee on Appropriations

Prepared by Greg Petesch
January 8, 1992

1. Title, line 8.
Following: "ASSESSMENTS"
Insert: "DURING THE CURRENT BIENNIUM AND TRANSFERRING TO THE
UNEMPLOYMENT INSURANCE ADMINISTRATION ACCOUNT \$1.5 MILLION
FROM THE GENERAL FUND DURING FISCAL YEAR 1994"

2. Title, lines 10 and 11.
Following: "DATE" on line 10
Strike: remainder of line 10 through "DATE" on line 11

3. Page 6, line 13.
Following: " "
Insert: "After July 1, 1993, but before June 30, 1994, the state
treasurer shall transfer \$1.5 million from the general fund
to the unemployment insurance administration account."

4. Page 6, line 14.
Following: "date"
Strike: "-- termination"

5. Page 6, lines 15 and 16.
Following: "approval" on line 15
Strike: remainder of line 15 through "1992" on line 16

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EXHIBIT 15
DATE Jan 8, 92
HB 6

HOUSE APPROPRIATIONS COMMITTEE
January 8, 1992
Representative Bob Thoft

Mr. Chairman, I move to amend HOUSE BILL 6 (introduced copy--white).

Signed: _____
Representative Bob Thoft

And, that such amendment read as follows:

1. Page 3, following line 1.

Insert: "Section 2. Section 61-2-108, MCA, is amended to read:
'61-2-108. Funding allocation for programs to prevent or reduce drinking and driving. If the county in which the violation or violations occurred has initiated and maintained a drinking and driving prevention program as provided in 61-2-106, the department shall, to the extent of the appropriation authorized for the purpose specified in this part, transmit the county portion of the proceeds of the license reinstatement fees collected in that county to the county treasurer, as provided in 61-2-107(2)(a), at the end of each quarter.'"

Renumber Subsequent Sections

Thoft am
G
new

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE

1-8-92

BILL NO.

3

NUMBER

51

MOTION:

Read and H.S.

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	7	

6

Barney

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:21

DATE

1-8-92

BILL NO.

3

NUMBER

2

MOTION:

Kadas 2 #14

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	8	10	

2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE

1-8-92

BILL NO.

3

NUMBER

3174
3

MOTION:

As Am
A B 3 AB

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	10	8	

6

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE 1-8-92 BILL NO. 4 NUMBER 4

MOTION: Substitute Do not pass
Bradley
A-6

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	8	10	

*Journal
 res. vote - 19 P.*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

3145

ROLL CALL VOTE

TIME

DATE

1-8-92

BILL NO.

7

NUMBER

5

MOTION:

16 HB7

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	8	10	

2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME 4i

DATE 1-8-92

BILL NO. 7

NUMBER 8

MOTION: Re Consider

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓	8	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	10	8	

no

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:55

DATE

1-8-92

BILL NO.

7

NUMBER

7

MOTION:

16 Thoft

(after recombination)

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	10	8	

6

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:17

DATE

1-8-92

BILL NO.

8

NUMBER

9

MOTION:

Do not Pass

Bradley

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	10	8	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME 4:

DATE 1-8-92

BILL NO. 10

NUMBER 10

MOTION: Ag th

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	14	4	

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

1063

COMMITTEE _____

BILL NO. _____

DATE 1-8-92 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Gordon Morris	MACo	6/7	6/7	6/7
Bruce W. Moerer	MSBA	HB3	X	
Phil Campbell	MEA	HB3	X	
Jim Jensen	MEIC	HB 8,3	X	
Bob [unclear]	FD 3	HB 4 8,3	X	
Mike [unclear]	DLI	HB 4		X
GEORGE OCHENSKI		HB 8	X	
Dave Brown	State Reg. Butto	HB 11	X	
Don [unclear]	Medical Products	HB 3		
Low [unclear]	SAM	HB 3	X	
Don [unclear]	Lot 78	HB 4	X	
Larry [unclear]	Cascade City	HB 7	X	
Ray [unclear]	DHEC	HB 8		X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

203

COMMITTEE _____

BILL NO. _____

DATE 1-8-92 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Mick Robinson	D of J	HB6		X
Dan Bailey	MACO	HB7	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

