

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON APPROPRIATIONS**

Call to Order: By **CHAIRMAN STEVE VICK**, on January 8, 2001 at
2:00 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 34 HB41, 1/8/2001
Executive Action: HB 34

HEARING ON HB 34

Sponsor: Rep. Dave Gallik

Proponents: Cathy Muri, Department of Administration

Opponents: None

OPENING STATEMENT BY SPONSOR:

Rep. Dave Gallik, HD 52, Helena, introduced HB 34. He remarked that the sole change in this bill would be the date.

Proponents Testimony:

Cathy Muri, Department of Administration, commented that HB 34 is a housekeeping bill brought to the Legislature to obtain Legislative confirmation on the validity of bonds. It validates the bonds issued by the state and any other public body, since Feb. 12, 1999, which is the date it was passed in the last Legislative session. Many bonds have been sold to individual investors who have complied with all statutory requirements in the issuance of bonds. If there is an irregularity, this bill cures the irregularity to ensure the validity of the bonds.

Opponents: None

Questions from the Committee Members and Responses:

Rep. Lewis asked **Cathy Muri** if all bonds being issued require the same kind of update, every two years, so that all the bonds that go through this committee are affected by this piece of legislation as well as local government bonds.

Cathy Muri answered by telling **Rep. Lewis** that he is correct.

Rep. McCann asked why this needs to be extended.

Cathy Muri explained that they cannot validate these bonds ahead of time and that the procedure is that they have to be validated after the fact, and that they can only go backwards.

Closing by Sponsor:

Rep. Dave Gallik closed on HB 34.

{Tape : 1; Side : A; Approx. Time Counter : 5.2}

HEARING ON HB 41

Sponsor: Rep. John Witt

Proponents: Sen. Chris Christians, SD 23, Great Falls, Kathy Fabiano, Office of Public Instruction, Carol Ferguson, Administrative Office for the Hard Rock Mining Board, Bob Vogel, Director of Government Relations with the Montana School Boards Association

Opponents: Jack Weisman, Administrator of Brand Enforcement, Department of Livestock

Opening by Sponsor:

Rep. John Witt, HD 89, Carter, commented that HB 41 is a bill brought by the revenue committee in an effort to clean up some of the house work and that also it has an amendment.

Proponents Testimony:

Sen. Chris Christians, SD 23, Great Falls, commented that in previous sessions they had de-earmarked most of the statutory appropriations and during the interim one of the charges of the Legislative Finance Committee was to review those. During deliberations they came up with some problems that didn't make it very easy for OPI, as an example, to disburse money. He stated that this bill is critical to the department in how they will disperse those funds back to the counties. He also explained that they eliminated some of the funds in the Livestock Department area.

Kathy Fabiano, Office of Public Instruction, commented on sections 2 and 3 of the bill dealing with funds distributed by the Office of Public Instruction to school districts. She stated that this revenue source in particular varies so much and can vary with the schedule of harvests and with the prices of timber and also summer wildfires, as was seen this last year. An example was given from fiscal year 2000, and it was stated that it varies considerably and is a difficult amount to estimate and that a statutory appropriation is needed so they can adjust the appropriation when they get the report from the Department of Natural Resources. She also noted that they have requested a minor **amendment** to the bill that makes clear that the amount distributed to schools in September is the amount collected by the state from the previous fiscal year.

Carol Ferguson, from the Administrative Office for the Hard Rock Mining Board, commented that the statutory appropriation is necessary for the board to be able to carry out the transfer of revenue from the trust account to the counties in the time frame that is required.

Bob Vogel, Director of Government Relations with the Montana School Boards Association, commented that he is particularly interested in the timber harvest revenues that would be used in statutory appropriation for technology for schools.

Rep. Tropila, HD 47, Great Falls, commented that he also supported HB 41.

{Tape : 1; Side : A; Approx. Time Counter : 14.2}

Opponents:

Jack Weisman, Administrator of Brand Enforcement, Department of Livestock, commented that they would like to oppose sections 4 and 5 in particular, which earmark what the Department of Livestock uses for training. He stated that it is a minimal amount but it is extremely important to his organization and the training is critical to brand enforcement for the Department of Livestock.

Questions from the Committee Members and Responses:

Rep. McCann asked: when they took out Section 4 with the Livestock Department because they didn't show up to defend their statutory appropriations, how did the committee go about placing it in the bill?

Sen. Christiaens remarked that it was stated that they didn't want the agency which was levying fines adding to their own particular fund. He also stated that \$1000. In fiscal year 1998, and only \$500 in fiscal year 1999 would be more appropriate action for general fund money and that the committee which reviews it could look at it and make that determination in the Subcommittee.

Rep. McCann then asked what tax revenues were coming into that account other than 1998 and 1999.

Sen. Christiaens remarked that he didn't think that they did and a sheet he had that was prepared by the LFA showed nothing in 1996, 1997 and none in the year 2000. He stated that it appears that this is something that could be handled by the subcommittee

handling the budget, and is an appropriate place to be putting money if needed for training by the Department of Livestock.

Rep. McCann then made the comment that the revenues in the account are very important and that he is not that familiar with the Livestock Department's Budget, but that there is a distinct difference, say, between the Department of Transportation fines and the Department of Livestock as far as activity. He then stated that he doesn't see the state special account as the same as the remainder of the state specials that were chosen to be removed and he gave a heads up for an amendment.

Rep. Tropila asked **Rep. Haines** a question about meeting with the Board of Livestock and they agreed that they could meet with the committee the following day.

Taryn Purdy then explained to the committee that the bill will have a fiscal note attached to it if it takes money and no longer puts it into the state special revenue, but puts it into the general fund.

Rep. Peterson asked for some information on section 7 and if in fact there was a dollar amount included in the transfer fund amount to counties.

Carol Ferguson remarked that it varies from year to year and that many years there is none.

Rep. Vick asked if there is a formula that determines how the money goes with the Timber Harvest.

Kathy Fabiano replied by saying there is a formula set in statute.

Rep. Vick then asked how is it determined what amount each school gets.

Kathy Fabiano stated that it is also formula driven from a calculation from their base budget that is covered statewide and that every district gets a share.

Rep. Vick then asked if any of this changes that formula.

Kathy Fabiano answered no.

Discussion:

Rep. Witt asked to have discussion on the amendment.

{Tape : 1; Side : B; Approx. Time Counter : 1.4}

Taryn Purdy then explained the amendment to the committee.

Rep. Vick asked if the amendment would have any impact on the general fund.

Taryn Purdy answered by saying that no, it would not.

Closing on HB 41:

Rep. Witt then closed on HB 41.

Motion:

Rep. Lewis moved do pass on HB 34.

Discussion: none.

Vote: The motion carried 18-0.

ADJOURNMENT

Adjournment: 2:36 P.M.

REP. STEVE VICK, Chairman

PAULA BROADHURST, Secretary

SV/PB

EXHIBIT (aph05aad)