

MINUTES

**MONTANA SENATE
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON FINANCE**

Call to Order: By **VICE CHAIRMAN KEN MILLER**, on April 9, 2001 at 10:00 A.M., in Room 31710 Capitol.

ROLL CALL

Members Present:

Sen. Ken Miller, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. John Cobb (R)
Sen. William Crismore (R)
Sen. Greg Jergeson (D)
Sen. Royal Johnson (R)
Sen. Bea McCarthy (D)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Bill Tash (R)
Sen. Jon Tester (D)
Sen. Jack Wells (R)
Sen. Tom Zook (R)

Members Excused: Sen. Bob Keenan, Chairman (R)
Sen. Tom A. Beck (R)
Sen. Corey Stapleton (R)
Sen. Mignon Waterman (D)

Members Absent: None.

Staff Present: Prudence Gildroy, Committee Secretary
Jon Moe, Legislative Fiscal Division

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

Committee Business Summary:

Executive Action: HB 226

EXECUTIVE ACTION ON HB 226

Motion: **SEN. GREG JERGESON** moved that **HB 226 BE CONCURRED IN.**

Amendments were passed out. **EXHIBIT(fcs80a01)**.

Discussion:

Motion: SEN. JERGESON moved HB022601.ajm.

SEN. GREG JERGESON explained the amendments were in need of final editing. He explained the amendments eliminated the impact board and the grants scenario, create a mineral impact account and then distribute money to counties, cities and school districts.

SEN. ROYAL JOHNSON asked about the impact to other areas of the budget. **SEN. JERGESON** said there was no impact during this biennium. The numbers \$26,756,000 and \$20,474,000 would not be impacted at all and were a base amount for the current biennium. Anything over the 75 percent would go to the impact account and be distributed; 25 percent would stay with the state treasury. In succeeding years, the floor for the state would be at \$20 million below which the state would not go depending upon the activity and commodity prices. To the extent that the \$20 million was a floor, a structural deficit could be avoided in the future.

SEN. JOHNSON asked why the House would not accept the amendments. **SEN. JERGESON** said the sponsor would like 100% of the amount over the base to go to the counties. The counties would like all of the difference. The amendment would distribute the difference to taxing jurisdictions where it came from including the school districts and that may or may not be acceptable to the House.

SEN. JOHNSON wondered if this would be back from the House again. **SEN. JERGESON** felt the Governor would amend it and then it would be sent to a conference committee.

SEN. JOHN COBB asked what was acceptable to the Governor. **SEN. JERGESON** said the Governor offered that counties get 25% over the \$26,766,000 or \$20,474,000. In succeeding years, the counties would receive 10 percent of whatever the number was, whether it drops or rises.

SEN. TOM ZOOK asked what if the bill was to fail. **SEN. JERGESON** said the counties would then receive nothing. He offered the amendments to get the bill moving so the process would not be delayed.

SEN. KEN MILLER felt concerned about voting for the amendments.

SEN. COBB said he would vote for the amendments but felt there should be 18% of everything to the counties.

SEN. MILLER stated there were two other sets of amendments. **SEN. JERGESON** said **SEN. WATERMAN's** amendments would take out the impact board. He said his amendments took out the impact board and the grants scenario and replaced the impact board with an impact account. He explained research was needed from the staff to avoid counties losing PILT payments. He explained how the money that goes to the counties creates a reduction in the bill payments. He stressed the importance of the \$20 million base.

SEN. MILLER stated if the bill was amended and voted upon it would wipe out the other amendments. **SEN. JERGESON** felt his amendments based on 75% would be better for the counties.

SEN. MILLER asked the sponsor to respond.

REP. KEITH BALES, HD 1, OTTER, reviewed his amendment for 100% of everything over \$20 million, which would ensure holding the state whole. The counties were the only ones taking a risk and he thought it should be 100 percent. He felt ten percent was not sufficient. He didn't think the administration would even be in favor of **SEN. JERGESON's** amendment. He wondered about the time frame involved to pass the legislation.

VICE-CHAIRMAN MILLER agreed that a conference committee could assist with the amendments, but thought there was not enough time for the legislation to go through.

Vote: Motion that HB022601.ajm be adopted carried unanimously.

Motion/Vote: SEN. JERGESON moved HB 226 BE CONCURRED IN AS AMENDED. Motion carried 12-2 with SEN. COBB and SEN. MILLER voting no.

SEN. SHEA asked about timing on the procedure of the bill and was informed by **VICE-CHAIRMAN MILLER**. He said the bill would be carried by **SEN. HOLDEN**. **SEN. JOHNSON** asked about the other two amendments. **VICE-CHAIRMAN MILLER** indicated they were in conflict with the amendments just passed.

Jon Moe, Legislative Fiscal Division, indicated the other 4 amendments were options in conflict with each other.

ADJOURNMENT

Adjournment: 10:30 A.M.

SEN. BOB KEENAN, Chairman

PRUDENCE GILDROY, Secretary

BK/PG

EXHIBIT (fcs80aad)