

**SENATE JOURNAL
58TH LEGISLATURE
SEVENTY-FIFTH LEGISLATIVE DAY**

Helena, Montana
April 8, 2003

Senate Chambers
State Capitol

Senate convened at 8:00 a.m. President Keenan presiding. Invocation by Pastor Keith Johnson. Pledge of Allegiance to the Flag.

Roll Call. All members present. Quorum present.

The presiding officer has authenticated the daily journal for the seventy-fourth legislative day.

MESSAGES FROM THE GOVERNOR

April 7, 2003

The Honorable Bob Keenan
President of the Senate
State Capitol
Helena, Montana 59620

Dear Senator Keenan:

Please be informed that I have signed **Senate Bill 206** sponsored by Senator Anderson et al. on April 7, 2003.

Sincerely,

JUDY MARTZ
Governor

April 8, 2003

The Honorable Bob Keenan
President of the Senate
State Capitol
Helena, Montana 59620

Dear Senator Keenan:

Please be informed that I have signed **Senate Bill 114** sponsored by Senator Johnson, **Senate Bill 141** sponsored by Senator Wheat, **Senate Bill 149** sponsored by Senator Barkus, **Senate Bill 183** sponsored by Senator Bohlinger, and **Senate Bill 413** sponsored by Senator Kitzenberg et al. on April 8, 2003.

Sincerely,

JUDY MARTZ
Governor

April 7, 2003

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The Honorable Bob Keenan
President of the Senate
State Capitol
Helena, Montana 59620

Dear Senator Keenan:

Please be advised that I am withdrawing the following names previously submitted for Senate confirmation:

Board of Crime Control:

Chief Justice Karla Gray
Senator Bob Keenan
Rep. Sylvia Bookout-Reinicke
Judge Dorothy McCarter

If you have any further questions, please feel free to contact my Boards and Commissions Advisor, Susan Ames, at 444-0575.

Thank you.
Sincerely,

JUDY MARTZ
Governor

April 7, 2003

The Honorable Bob Keenan
President of the Senate
State Capitol
Helena, Montana 59620

Dear Senator Keenan:

Please be advised that I am withdrawing the following name previously submitted for Senate confirmation:

Board of Social Work Examiners and Professional Counselors:

Judge Richard Simonton

If you have any further questions, please feel free to contact my Boards and Commissions Advisor, Susan Ames at 444-0575.

Thank you.

Sincerely,

JUDY MARTZ
Governor

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April 7, 2003

The Honorable Doug Mood
Speaker of the House
State Capitol
Helena, Montana 59620

The Honorable Bob Keenan
President of the Senate
State Capitol
Helena, Montana 59620

Dear Speaker Mood and President Keenan:

In accordance with the power vested in me as Governor by the Constitution and laws of the State of Montana, I hereby return with amendments House Bill 441, "**AN ACT PROVIDING FOR THE PRORATION OF PROPERTY TAXES ON CENTRALLY ASSESSED PROPERTY WHEN LAND IS SUBDIVIDED; AND AMENDING SECTIONS 15-16-102 AND 76-3-207, MCA**" for the following reasons.

House Bill No. 441 provides that before an individual parcel of land owned by a centrally assessed company may be subdivided, the Department of Revenue must determine a prorated assessed value and subsequent property tax liability attributed to the parcel of land being subdivided. And, once the tax liability for the parcel to be subdivided has been determined, the county treasurer may accept the payment of the prorated tax due (even though the payment is only a partial payment for total taxes owed by the centrally assessed company).

House Bill No. 441, in its current form, does not contain language that specifically states the prorated portion of the tax bill attributable to the portion of the land being sold must be paid prior to the division of the land. The amendatory veto language resolves that oversight. In addition, that was the clear intent of all parties affected by this bill. With the new language, after the prorated tax on the land being sold has been paid, the treasurer can then certify that all taxes and assessments have been paid on that portion, thus allowing the subdivision to proceed.

I have enclosed my amendment to that effect. Please be advised that the Department of Revenue concurs with this amendment. Further, please be advised that Representative Cyr, the sponsor of the bill, has been informed of my recommendation and has no objection.

Sincerely,

JUDY MARTZ
Governor

GOVERNOR'S AMENDMENTS
TO HOUSE BILL 441

1. Page 3, line 14.

Following: "basis."

Insert: "The owner of the centrally assessed property shall ensure that the prorated real property taxes and special assessments are paid on the land being sold, before the division of land is made."

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April 7, 2003

The Honorable Bob Keenan
President of the Senate
State Capitol
Helena, Montana 59620

Dear Senator Keenan:

Attached is our third and final list of board appointments not yet confirmed by the Montana Legislature. We have supplied the following information for each member:

Board Name
Member Name
Member Address and Phone Numbers
Brief Member Biography
Position Requirement

If I or my staff can be of any further assistance to you, please do not hesitate to contact us.

Sincerely,

JUDY MARTZ
Governor

**Senate Confirmation Report - 3
2003**

Board of Architects

MCA 2-15-1761

Tobias Stapleton
1810 Lyndale Lane
Billings, MT 59102
HPH: 652-5469
BPH: 652-5469

Appt: 03/27/03
Term: 03/27/06
Qual: Licensed Architect

“Toby” received his Bachelor of Science degree in Architecture in 1958 from Montana State University. He has 40 years of architectural experience throughout Montana and adjacent states. His background includes experience in all aspects of a project, including initial programming, design, construction documents and construction administration

Coal Board

MCA 2-15-1821

Janice Riebhoff
P.O. Box 166
Belgrade, MT 59714
HPH: 587-8628
BPH: 388-3311

Appt: 03/25/03
Term: 01/01/07
Qual: Dist. 2 education representative

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Janice has earned a Bachelors degree from Western Montana College and a Masters and Doctorate from Montana State University. She taught over twenty-eight years at Belgrade Elementary School and is currently the Principal of the Belgrade Intermediate School. Janice has been a recipient of the Montana middle school Administrator of the Year award.

Kurt Hilyard	Appt: 03/25/03
215 S. Maryland St.	Term: 01/01/07
Conrad, MT 59425	Qual: Dist. 3 education representative
HPH: 765-1258	
BPH: 278-3630	

Kurt received his Bachelors degree from Montana State University-Billings in 1981 and his Masters degree in Education in 1986 from the University of Montana. He has been a Principal and Superintendent in Montana's schools for seventeen years. Currently he is the Kindergarten through High School Superintendent in Conrad.

Board of Dentistry **MCA 2-15-1732**

Dr. George Olsen	Appt: 03/29/03
690 S.W. Higgins Ave.	Term: 03/29/08
Missoula, MT 59803	Qual: Dentist
HPH: 549-5869	
BPH: 721-2830	

Dr. Olsen received a B.S. in Business Administration from U of M in 1964 and received his D.D.S. from the Univ. of Washington in 1975. He has been licensed since 1975 in Montana, Washington and Hawaii. He completed the requirements for accreditation at the American Academy of Cosmetic Dentistry. He is one of only two dentists in Montana to achieve this level of Accreditation.

Montana Arts Council **MCA 2-15-1513**

Ann Cogswell	Appt: 03/11/03
441 Park Garden Rd.	Term: 02/01/08
Great Falls, MT 59404	Qual: Public Member
HPH: 453-0248	
BPH: 453-0248	

Ann has a Masters of Arts, Music History and Literature, along with a Bachelor of Music Education from the University of Montana. She is the co-founder of the Montana Chorale, an award winning photographer, a published author, and a certified grant writer. She was named Outstanding Woman in the Arts, Great Falls YWCA (1992).

Richard Halmes	Appt: 03/11/03
4612 Hoskin Rd.	Term: 02/01/08
Billings, MT 59106	Qual: Public Member
HPH: 373-0947	
BPH: 373-0947	

Dick received B.S. degrees in Physical Education and Business Education from MSU in 1976. He is a horse trainer, a former football coach, a former grain marketing consultant, former TV host of "From Agriculture, Good Morning, Montana" on KFBB, and former farm news editor for KMON Radio. He still provides voice narration, audio and

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HPH: 933-5405
BPH: 443-8266

Derek worked nearly three years at State Fund serving as their contract Chief Technical Officer and member of the executive leadership. He is an independent small business owner and has extensive business and project management experience, with specialties in strategic planning, software development, risk assessment and systems testing.

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

SB 34, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 46

Nays: Cobb, Curtiss.
Total 2

Absent or not voting: None.
Total 0

Excused: Butcher, DePratu.
Total 2

SB 65, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

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SB 76, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 48

Nays: Esp.
Total 1

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 80, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 86, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.

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Total 1

SB 98, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stonington, Story, Tash, Taylor, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.

Total 47

Nays: Stapleton, Tester.

Total 2

Absent or not voting: None.

Total 0

Excused: DePratu.

Total 1

SB 105, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.

Total 49

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: DePratu.

Total 1

SB 110, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.

Total 47

Nays: Esp, McGee.

Total 2

Absent or not voting: None.

Total 0

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Excused: DePratu.
Total 1

SB 113, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 137, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 143, as amended by the House, passed as follows:

Yeas: Anderson, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook.
Total 42

Nays: Bales, Barkus, Curtiss, Esp, McGee, Stapleton, Mr. President.
Total 7

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Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 146, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 152, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cromley, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stonington, Story, Tash, Taylor, Thomas, Tropila, Wheat, Zook, Mr. President.
Total 44

Nays: Cooney, Curtiss, Stapleton, Tester, Toole.
Total 5

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 159, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Zook, Mr. President.
Total 44

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Nays: Ellingson, Elliott, Mangan, Squires, Wheat.
Total 5

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SB 226, as amended by the House, passed as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

SJR 24, as amended by the House, adopted as follows:

Yeas: Anderson, Bales, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 46

Nays: Barkus, Esp, Stapleton.
Total 3

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

HB 124 concurred in as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.

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Total 47

Nays: Esp, Stapleton.

Total 2

Absent or not voting: None.

Total 0

Excused: DePratu.

Total 1

HB 569 concurred in as follows:

Yeas: Anderson, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Mahlum, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.

Total 31

Nays: Bales, Barkus, Curtiss, Esp, Gebhardt, Laible, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.

Total 18

Absent or not voting: None.

Total 0

Excused: DePratu.

Total 1

HB 602 concurred in as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.

Total 48

Nays: McGee.

Total 1

Absent or not voting: None.

Total 0

Excused: DePratu.

Total 1

HB 663 concurred in as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Gebhardt, Glaser, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum,

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Mangan, McCarthy, McGee, McNutt, Nelson, O'Neil, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Story, Tash, Taylor, Tester, Thomas, Toole, Tropila, Wheat, Zook, Mr. President.
Total 49

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: DePratu.
Total 1

**SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)**

Senator Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Senator Story in the chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

HB 2 - Senator Zook moved **HB 2** be concurred in. Senator Zook explained the procedure for presentation of HB 2.

Senator Tester addressed HB 2, explaining some of the issues pertaining to HB 2 and the funding complexities therein.

1. **HB 2** - Senator Keenan moved **HB 2**, second reading copy, be amended as follows:

1. Page BP-2, line 10.

Following: "A-5"

Strike: "APPROPRIATES"

Insert: ", item 1b on page B-1, items 3b, 4b, and 6e on page B-2, item 12e on page B-6, item 1 on page C-11, item 4d on page C-12, item 4a on page D-5, item 2r on page E-2, and items 7l and 7m on page E-11 appropriate"

2. Page BP-2, line 12.

Following: "4B"

Strike: "IS"

Insert: "on page A-5, item 1b on page B-1, items 3b, 4b, and 6e on page B-2, item 12e on page B-6, item 1 on page C-11, item 4d on page C-12, item 4a on page D-5, item 2r on page E-2, and items 7l and 7m on page E-11 are"

3. Page B-1.

Following: line 10

Insert: "b. Child Care -- Coal Tax Trust (Biennial/OTO)
10,000,000" [Other Funds FY04 & FY05]

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4. Page B-2.

Following: line 3

Insert: "b. Medicaid Caseload -- Coal Tax Trust (OTO)
10,202,646 16,169,049" [Other Funds FY04 and FY05]

5. Page B-2.

Following: line 7

Insert: "b. Maintain Funding for CSED -- Coal Tax Trust (Biennial/OTO)
1,500,000" [Other Funds FY04 & FY05]

6. Page B-2.

Following: line 24

Insert: "e. MIAMI -- Coal Tax Trust (Biennial/OTO)
1,162,758" [Other Funds FY04 & FY05]

7. Page B-6.

Following: line 8

Insert: "e. MHSP Prescription Drugs -- Coal Tax Trust (Biennial/OTO)
6,000,000" [Other Funds FY04 & FY05]

8. Page B-7.

Following: line 5

Insert: "Items 1b, 3b, 4b, 6e, and 12e are appropriated from the coal severance tax permanent fund principal. These appropriations are subject to the provisions of [section 8]."

9. Page C-11.

Following: line 23

Insert: "1. Research and Commercialization (Biennial/OTO)
2,500,000" [Other Funds FY04 & FY05]

Renumber: subsequent subsections

10. Page C-12.

Following: line 15

Insert: "d. TSEP Enhancement -- Coal Tax Trust (Biennial/OTO)
5,000,000" [Other Funds FY04 & FY05]

11. Page C-13.

Following: line 8

Insert: "Items 1 and 4d are appropriated from the coal severance tax permanent fund principal. These appropriations are subject to the provisions of [section 8]."

12. Page C-13, line 9.

Strike: "3C"

Insert: "4c"

13. Page D-5.

Following: line 2

Insert: "a. Cannery -- Coal Tax Trust (Biennial/OTO)
200,000" [Other Funds FY04 & FY05]

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14. Page D-5.

Following: line 24

Insert: "Item 4a is appropriated from the coal severance tax permanent fund principal. This appropriation is subject to the provisions of [section 8]."

15. Page E-2.

Following: line 21

Insert: "r. Flex Fund -- Coal Tax Trust (Biennial/OTO)
15,000,000" [Other Funds FY04 & FY05]

16. Page E-3.

Following: line 16

Insert: "Item 2r is appropriated from the coal severance tax permanent fund principal. This appropriation is subject to the provisions of [section 8]."

17. Page E-10.

Following: line 15

Insert: "l. EPSCOR -- Coal Tax Trust (Biennial/OTO)
7,000,000 [Other Funds FY04 & FY05]
m. Unspecified Increase in Funding (Biennial)
5,000,000" [Other Funds FY04 & FY05]

18. Page E-14.

Following: line 12

Insert: "Items 7l and 7m are appropriated from the coal severance tax permanent fund principal. These appropriations are subject to the provisions of [section 8]."

Amendment **adopted** as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, Mangan, McGee, McNutt, Pease, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 29

Nays: Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, McCarthy, Nelson, O'Neil, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 21

Absent or not voting: None.
Total 0

Excused: None.
Total 0

SECTION A -GENERAL GOVERNMENT AND TRANSPORTATION

Senator Liabile explained **Section A of HB 2.**

1. Senator Laible moved Section A of HB 2 be amended as follows:

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1. Page A-2, line 7.

Strike: "1,897,342 1,871,019" [state special revenue FY04 and FY05]

Insert: "1,979,722 1,979,722" [state special revenue FY04 and FY05]

2. Page A-3, line 14.

Strike: "18"

Insert: "261"

Strike: "\$1,747,342" [state special revenue FY04]

Insert: "\$1,800,000" [state special revenue FY04]

Strike: "\$1,721,019" [state special revenue FY05]

Insert: "\$1,800,000" [state special revenue FY05]

3. Page A-3, line 16.

Strike: "18"

Insert: "261"

Amendment **adopted** unanimously.

Senator Zook moved Section A be closed. Motion carried.

SECTION B - HEALTH AND HUMAN SERVICES

Senator Cobb explained **Section B of HB 2**.

1. Senator McGee moved Section B of HB 2 be amended as follows:

1. Page B-2, line 13.

Strike: "40,546,464 40,539,237" [federal funds FY04 and FY05]

Insert: "38,540,452 38,532,752" [federal funds FY04 and FY05]

2. Page B-2.

Following: line 24

Insert: "e. Family Planning Grant Funds (Restricted)

2,006,012 2,006,485" [federal funds FY04 and FY05]"

3. Page B-7.

Following: line 13

Insert: "Money in item 6e may not be expended under contract with entities that perform abortions unless required by federal law."

Amendment **not** adopted as follows:

Yeas: Anderson, Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Kitzenberg, Laible, Mahlum, McGee, O'Neil, Perry, Stapleton, Story, Tash, Taylor, Thomas, Tropila, Zook, Mr. President.
Total 25

Nays: Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Johnson, Mangan, McCarthy, McNutt, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stonington, Tester, Toole, Wheat.

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Total 25

Absent or not voting: None.

Total 0

Excused: None.

Total 0

2. Senator Keenan moved Section B of HB 2 be amended as follows:

1. Page B-7, line 19.

Following: "therapeutic"

Strike: "group homes"

Insert: "out-of-home care for children"

2. Page B-7, line 20.

Following: "among types of"

Strike: "group homes"

Insert: "providers"

3. Page B-7, line 20.

Following: "therapeutic"

Strike: "group homes"

Insert: "out-of-home care for children"

Amendment **adopted** unanimously.

3. Senator Tester moved Section B of HB 2 be further amended as follows:

1. Page B-2, line 24.

Strike: "3,200,000 3,200,000" [state special revenue FY02 and FY03]

Insert: "3,700,000 5,500,000" [state special revenue FY02 and FY03]

Amendment **not** adopted as follows:

Yeas: Bohlinger, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Tester, Toole, Tropila, Wheat.

Total 21

Nays: Anderson, Bales, Barkus, Black, Butcher, Cobb, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, Mangan, McGee, O'Neil, Perry, Sprague, Stapleton, Stonington, Story, Tash, Taylor, Thomas, Zook, Mr. President.

Total 28

Absent or not voting: None.

Total 0

Excused: McNutt.

Total 1

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4. Senator Elliott moved Section B of HB 2 be further amended as follows:

1. Page B-5, line 5.

Strike: "-- Prevention and Stabilization Fund"

2. Page B-5, line 6.

Strike: "0 257,000 0 257,000" [general fund and state special revenue FY04 and FY05]

Insert: "257,000 0 257,000 0" [general fund and state special revenue FY04 and FY05]

3. Page B-6, line 24.

Following: "11B"

Insert: ", "

Strike: "THROUGH"

4. Page D-7, line 21.

Strike: "1,119,876 1,119,831"

Insert: "862,876 862,831"

Amendment **not** adopted as follows:

Yeas: Bohlinger, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Johnson, Kitzenberg, Mangan, McCarthy, Nelson, O'Neil, Pease, Roush, Ryan, Schmidt, Squires, Stonington, Tester, Toole, Tropila, Wheat.

Total 24

Nays: Anderson, Bales, Barkus, Black, Butcher, Cobb, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Laible, Mahlum, McGee, Perry, Shea, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.

Total 25

Absent or not voting: None.

Total 0

Excused: McNutt.

Total 1

5. Senator Elliott moved Section B of HB 2 be further amended as follows:

1. Page B-5.

Following: line 21

Insert: "i. Home and Community-Based Waiver Services

279,969 752,365 279,958 735,486" [general fund and federal funds FY05 and FY05]

2. Page D-7, line 21.

Strike: "1,119,876 1,119,831"

Insert: "839,907 839,873"

Amendment **not** adopted as follows:

Yeas: Black, Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Johnson,

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Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Squires, Stonington, Tester, Toole, Tropila, Wheat.

Total 25

Nays: Anderson, Bales, Barkus, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Shea, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.

Total 25

Absent or not voting: None.

Total 0

Excused: None.

Total 0

6. Senator Stonington moved Section B of HB 2 be further amended as follows:

1. Page B-2, line 5.

Strike: "276,465 276,386"[General Fund FY04 and FY05]

Strike: "5,226,005 5,237,458"[Federal Funds FY04 and FY05]

Insert: "1,026,465 1,026,386" [General Fund FY04 and FY05]

Insert: "6,726,005 6,737,458" [Federal Funds FY04 and FY05]

2. Page B-2.

Strike: lines 6 and 7 in their entirety

3. Page B-6, line 24.

Following: "~~2b~~,"

Strike: "4a,"

4. Page B-7.

Following: line 10

Insert: "If House Bill No. 2 is passed and approved in a form that includes at least \$1.5 million of funding for child support enforcement from the coal severance tax permanent fund principal, then the appropriation in item 4 is reduced by \$750,000 in general fund money in fiscal year 2004 and by \$750,000 in general fund money in fiscal year 2005. Article IX, section 5, of the Montana constitution requires a three-fourths vote of the members of each house of the legislature for approval."

Amendment **not** adopted as follows:

Yeas: Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, DePratu, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.

Total 25

Nays: Anderson, Bales, Barkus, Black, Butcher, Curtiss, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.

Total 25

Absent or not voting: None.

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Excused: None.
Total 0

7. Senator Cobb moved Section B of HB 2 be further amended as follows:

1. Page B-1, line 4.

Strike: "21,990,958 21,399,664" [General Fund FY04 & FY05]

Insert: "19,744,210 19,552,916" [General Fund FY04 & FY05]

2. Page B-1, line 5.

Strike: "169,721,625 170,122,187" [Federal Funds FY04 & FY05]

Insert: "155,622,941 156,023,503" [Federal Funds FY04 & FY05]

3. Page B-1.

Following: line 10

Insert: "c. Child-Care Base Funding (Restricted) 2,246,748 14,098,684 1,846,748 14,098,684" [General Fund and Federal Funds FY04 & FY05]

4. Page B-7.

Following: line 5

Insert: "Funds in item 1c may be used only to provide child-care subsidies to low-income families, except a portion of this funding may be used to support child-care quality activities at the minimum level required to maintain Montana's eligibility for the federal child-care development fund grant."

Amendment **adopted** unanimously.

8. Senator Cobb moved Section B of HB 2 be further amended as follows:

1. Page B-1, line 6.

Following: "Care"

Strike: "-- Prevention and Stabilization Fund"

2. Page B-1, line 7.

Strike: "0 0" [General Fund FY04 & FY05]

Strike: "6,101,960 8,291,981" [State Spec. Revenue FY04 & FY05]

Insert: "6,101,960 8,291,981" [General Fund FY04 & FY05]

Insert: "0 0" [State Spec. Revenue FY04 & FY05]

3. Page B-1, line 14.

Following: "Grant"

Strike: "-- Prevention and Stabilization Fund"

Insert: "(Restricted)"

4. Page B-1, line 15.

Strike: "0 0" [General Fund FY04 & FY05]

Strike: "325,013 325,013" [State Spec. Revenue FY04 & FY05]

Insert: "325,013 325,013" [General Fund FY04 & FY05]

Insert: "0 0" [State Spec. Revenue FY04 & FY05]

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5. Page B-6, line 24.

Following: "Items"

Strike: "1a,"

Following: "1b,"

Strike: "2a,"

6. Page B-7.

Following: line 5

Insert: "If House Bill No. 2 is passed and approved in a form that includes at least \$10 million of child-care funding from the coal severance tax permanent fund principal, then the appropriation in item 1a is void. Article IX, section 5, of the Montana constitution requires a three-fourths vote of the members of each house of the legislature for approval."

7. Page B-7.

Following: line 7

Insert: "Funding in item 2a may be expended only for services that are eligible for federal child-care development fund matching funds and that allow Montana to draw federal child-care matching funds."

Amendment **adopted** as follows:

Yeas: Anderson, Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Mahlum, Mangan, McCarthy, Nelson, Pease, Perry, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.

Total 29

Nays: Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Laible, McGee, McNutt, O'Neil, Sprague, Stapleton, Story, Tash, Taylor, Zook, Mr. President.

Total 20

Absent or not voting: None.

Total 0

Excused: Thomas.

Total 1

9. Senator McCarthy moved Section B of HB 2 be further amended as follows:

1. Page B-3, line 6.

Strike: "43,425,173 41,129,209" [general fund FY04 and FY05]

Insert: "43,695,824 41,388,870" [general fund FY04 and FY05]

2. Page B-4, line 23.

Strike: "6,710,828 6,744,331" [state special revenue FY04 and FY05]

Insert: "6,785,812 6,817,796" [state special revenue FY04 and FY05]

3. Page B-5, line 23.

Strike: "38,242,924 4,723,714 38,948,846 4,813,319" [general fund and state special revenue FY04 and FY05]

Insert: "38,726,514 4,730,705 39,455,186 4,820,824" [general fund and state special revenue FY04 and FY05]

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4. Page D-4, line 22.

Strike: "53,027,943 1,408,688 52,978,625 1,408,688" [general fund and state special revenue FY04 and 05]

Insert: "53,780,202 1,434,265 53,732,168 1,434,315" [general fund and state special revenue FY04 and 05]

5. Page D-5, line 4.

Strike: "17,514,200 437,013 316,765 17,529,269 437,013 316,765" [general fund, state special, and federal revenue FY04 and FY05]

Insert: "17,698,932 449,703 327,375 17,714,153 449,713 327,383" [general fund, state special, and federal revenue FY04 and 05]

6. Page E-4, line 16.

Strike: "1,004,239 1,012,210" [general fund FY04 and FY05]

Insert: "1,029,411 1,037,468" [general fund FY04 and FY05]

Montana School for the Deaf and Blind - This amendment exempts direct care and medical staff in the Student Services Program at the Montana School for the Deaf and Blind from vacancy savings, resulting in an increase in general fund of \$50,430 (\$25,172 in fiscal 2004 and \$25,258 in fiscal 2005).

Amendment **not** adopted as follows:

Yeas: Anderson, Cocchiarella, Cooney, Cromley, Ellingson, Grimes, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 23

Nays: Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Curtiss, DePratu, Esp, Gebhardt, Glaser, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Zook, Mr. President.
Total 25

Absent or not voting: None.

Total 0

Excused: Elliott, Thomas.

Total 2

10. Senator Elliott moved Section B of HB 2 be further amended as follows:

1. Page B-5.

Following: line 21

Insert: "i. Home and Community-Based Waiver Services
223,975 601,892 223,975 588,412" [general fund and federal funds FY05 and FY05]

2. Page D-7, line 21.

Strike: "1,119,876 1,119,831"

Insert: "895,901 895,856"

Amendment **not** adopted as follows:

Yeas: Black, Cocchiarella, Cromley, Ellingson, Elliott, Hansen, Mangan, Nelson, Pease, Roush, Ryan, Schmidt,

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Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 18

Nays: Anderson, Bales, Barkus, Bohlinger, Butcher, Cobb, Cooney, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Harrington, Johnson, Kitzenberg, Laible, Mahlum, McCarthy, McGee, McNutt, O'Neil, Perry, Shea, Sprague, Stapleton, Story, Tash, Taylor, Zook, Mr. President.
Total 31

Absent or not voting: None.
Total 0

Excused: Thomas.
Total 1

11. Senator Elliott moved Section B of HB 2 be further amended as follows:

1. Page B-3, line 16.

Following: "Services"

Strike: "-- Prevention and Stabilization Fund"

2. Page B-3, line 17.

Strike: "0 228,766 0 228,766" [General Fund and State Spec. Revenue FY04 and FY05]

Insert: "228,766 0 228,766 0" [General Fund and State Spec. Revenue FY04 and FY05]

3. Page B-6, line 24.

Following: "9C,"

Strike: "9D,"

4. Page D-7, line 21.

Strike: "1,119,876 1,119,831" [General Fund FY04 and FY05]

Insert: "891,110 891,065" [General Fund FY04 and FY05]

Amendment **not** adopted as follows:

Yeas: Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, Nelson, Pease, Roush, Ryan, Schmidt, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 22

Nays: Anderson, Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McCarthy, McGee, McNutt, O'Neil, Perry, Shea, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 27

Absent or not voting: None.
Total 0

Excused: Sprague.
Total 1

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12. Senator Zook moved Section B of HB 2 be further amended as follows:

1. Page B-3, line 3.

Strike: "9,006,907 9,052,065" General Fund (FY 04 & FY 05)

Insert: "2,006,907 1,052,065" General Fund (FY 04 & FY 05)

2. Page B-7.

Following: line 13

Insert: "Item 8 includes a reduction of \$7,000,000 in general fund money in fiscal year 2004 and \$8,000,000 in general fund money in fiscal year 2005. The department may reallocate this reduction in the following manner and priority level:

- (1) part (c) services for developmentally disabled children;
- (2) changes in medically needy program eligibility;
- (3) operating costs;
- (4) changes in mental health services for adults who are not eligible for medicaid."

Amendment **adopted** as follows:

Yeas: Anderson, Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 26

Nays: Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 24

Absent or not voting: None.
Total 0

Excused: None.
Total 0

Senator Zook moved **Section B of HB 2** be closed. Motion carried as follows:

Yeas: Anderson, Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 26

Nays: Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 24

Absent or not voting: None
Total 0

Excused: None.
Total 0

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Senator Thomas moved the Committee of the Whole stand in recess until the hour of 2:00 p.m. this day. Motion carried. Committee arose. Senate resumed. President Keenan in the chair.

Committee of the Whole recessed at 12:56 p.m.
Committee of the Whole reconvened at 2:00 p.m.

Roll call. All members present. Quorum present.

SECTION C - NATURAL RESOURCES AND COMMERCE

Senator Tash explained **Section C of HB 2**.

1. Senator Butcher moved Section C of HB 2 be amended as follows:

1. Page C-3.

Strike: line 12 through line 13 in their entirety

Amendment **not** adopted as follows:

Yeas: Anderson, Bales, Black, Butcher, DePratu, Esp, Glaser, Mahlum, McGee, O'Neil, Story, Tash, Thomas, Zook, Mr. President.

Total 15

Nays: Barkus, Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Gebhardt, Grimes, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mangan, McCarthy, McNutt, Nelson, Pease, Perry, Roush, Ryan, Schmidt, Shea, Sprague, Squires, Stapleton, Stonington, Taylor, Tester, Toole, Tropila, Wheat.

Total 35

Absent or not voting: None.

Total 0

Excused: None.

Total 0

Senator Zook moved **Section C of HB 2** be closed. Motion carried.

SECTION D - CORRECTIONS AND PUBLIC SAFETY

Senator Stapleton explained **Section D of HB 2**.

1. Senator Squires moved Section D of HB 2 be amended as follows:

1. Page D-5.

Following: line 2

Insert: "a. Montana Food Bank Network Cannery
100,000 100,000" [general fund FY04 & 05]

Amendment **not** adopted as follows:

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Yeas: Anderson, Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.

Total 25

Nays: Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.

Total 25

Absent or not voting: None.

Total 0

Excused: None.

Total 0

2. Senator Bales moved Section D of HB 2 be amended as follows:

1. Page D-1, line 24.

Strike: "230,850 230,850" [general fund FY 04/05]

2. Page D-1.

Following: line 24

Insert: "a. Automated Collection System Proposal (OTO)

50,000 50,000" [state special revenue FY04/05]

3. Page D-2.

Following: line 13

Insert: "a. Fire Prevention and Investigation Bureau (OTO)

230,367 37,562 231,333 37,478" [general fund & state special revenue FY04, general fund and state special revenue FY05]

4. Page D-3.

Following: line 5

Insert: "Funds in item 2a must be used to prepare a proposal to be presented to the fifty-ninth legislature for consideration of an automated collection system."

5. Page D-3.

Following: line 22

Insert: "The department will present to the fifty-ninth legislature options for the funding and operation of the fire prevention and investigation bureau."

Amendment **not** adopted as follows:

Yeas: Anderson, Bales, Black, Butcher, Cobb, Cocchiarella, Gebhardt, Hansen, Harrington, Laible, Mahlum, Mangan, Nelson, Pease, Perry, Roush, Squires, Stonington, Tester, Tropila, Wheat.

Total 21

Nays: Barkus, Bohlinger, Cooney, Cromley, Curtiss, DePratu, Ellingson, Elliott, Esp, Glaser, Grimes, Johnson, Kitzenberg, McCarthy, McGee, McNutt, O'Neil, Ryan, Schmidt, Shea, Sprague, Stapleton, Story, Tash, Taylor,

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Thomas, Toole, Zook, Mr. President.
Total 29

Absent or not voting: None.
Total 0

Excused: None.
Total 0

3. Senator Hansen moved Section D of HB 2 be amended as follows:

1. Page D-2, line 13.

Strike: "2,200,561 2,205,697" [general fund FY04 & 05]

Insert: "2,418,529 2,348,369" [general fund FY04 & 05]

Amendment **adopted** as follows:

Yeas: Anderson, Butcher, Cobb, Cocchiarella, Cooney, Ellingson, Elliott, Gebhardt, Hansen, Harrington, Laible, Mahlum, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.

Total 26

Nays: Bales, Barkus, Black, Cromley, Curtiss, DePratu, Esp, Glaser, Grimes, Johnson, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.

Total 22

Absent or not voting: None.
Total 0

Excused: Bohlinger, Kitzenberg.
Total 2

4. Senator Shea moved Section D of HB 2 be further amended as follows:

1. Page D-2.

Following: line 6

Insert: "c. HB 711 -- Driver's License Renewal (OTO)
23,625 31,500" [state special revenue FY04/05]

2. Page D-3.

Following: line 15

Insert: "Item 3c is contingent upon passage and approval of House Bill No. 711."

Amendment **adopted** unanimously.

5. Senator Squires moved Section D of HB 2 be further amended as follows:

1. Page D-5.

Following: line 2

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Insert: "a. Montana Food Bank Network Cannery (Restricted)
100,000 100,000" [general fund FY04 & 05]

2. Page D-5.

Following: line 24

Insert: "If House Bill No. 2 is passed and approved in a form that includes at least \$200,000 of funding for the cannery from the coal severance tax permanent fund principal, then the appropriation in item 4a is void. Article IX, section 5, of the Montana constitution requires a three-fourths vote of the members of each house of the legislature for approval."

Amendment **not** adopted as follows:

Yeas: Anderson, Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 25

Nays: Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 25

Absent or not voting: None.
Total 0

Excused: None.
Total 0

Senator Zook moved **Section D of HB 2** be closed. Motion carried.

SECTION E - EDUCATION

Senator Johnson explained **Section E of HB 2**.

1. Senator Tester moved Section E of HB 2 be amended as follows:

1. Page E-5, line 7.

Strike: "284,745 304,313" [general fund FY04 and FY05]

Insert: "319,745 339,313" [general fund FY04 and FY05]

2. Page E-5, line 18.

Strike: "\$22,543" [general fund FY04]

Insert: "\$57,543" [general fund FY04]

Strike: "\$23,709" [general fund FY05]

Insert: "\$58,709" [general fund FY05]

Amendment **adopted** as follows:

Yeas: Anderson, Black, Bohlinger, Butcher, Cobb, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp, Hansen, Harrington, Johnson, Kitzenberg, Laible, Mahlum, McCarthy, Nelson, Pease, Perry, Roush, Ryan, Schmidt, Shea,

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Squires, Stapleton, Stonington, Taylor, Tester, Thomas, Toole, Tropila, Wheat.
Total 34

Nays: Bales, Barkus, Cocchiarella, DePratu, Gebhardt, Glaser, Grimes, McGee, McNutt, O'Neil, Sprague, Story, Tash, Zook, Mr. President.
Total 15

Absent or not voting: None.
Total 0

Excused: Mangan.
Total 1

2. Senator Cooney moved Section E of HB 2 be further amended as follows:

1. Page E-9, line 6.

Strike: "99,700,805 99,937,398" [general fund FY04 & FY05]

Insert: "100,182,335 100,418,928"[general fund FY04 & FY05]

Amendment **not** adopted as follows:

Yeas: Bohlinger, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Laible, Mahlum, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 25

Nays: Anderson, Bales, Barkus, Black, Butcher, Cobb, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 25

Absent or not voting: None.
Total 0

Excused: None.
Total 0

3. Senator Stapleton moved Section E of HB 2 be further amended as follows:

1. Page E-2.

Following: line 21

Insert: "s. Teacher Signing Bonuses (Restricted)
0 0" General fund FY04 & FY05

2. Page E-3.

Following: line 11

Insert: "If Senate Bill No. 267 is passed and approved in a form that provides a mechanism for funding teacher signing bonuses by requiring a reduction in general fund money for BASE aid by the amount of deposits in the guarantee account over the projected level in each previous fiscal year, general fund money in item 2s is reduced by the amount of the additional deposits, up to \$5 million in general fund money in fiscal year 2004

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and \$5 million in general fund money in fiscal year 2005, and a like amount is appropriated each year in item 2r for teacher signing bonuses."

Amendment **adopted** as follows:

Yeas: Anderson, Bales, Barkus, Black, Bohlinger, Butcher, Cobb, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Laible, Mahlum, McGee, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 26

Nays: Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Johnson, Kitzenberg, Mangan, McCarthy, McNutt, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 24

Absent or not voting: None.
Total 0

Excused: None.
Total 0

Senator Zook moved **Section E of HB 2** be closed. Motion carried.

BOILERPLATE SECTION

Senator Zook moved the Boilerplate section of HB 2 be closed.

SECTION B - HUMAN SERVICES

Senator Esp moved **Section B of HB 2** be re-opened for the purpose of amendment. After discussion, Senator Esp withdrew his motion.

HB 2 - Senator Zook moved **HB 2**, as amended, be concurred in. Motion carried as follows:

Yeas: Anderson, Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 26

Nays: Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 24

Absent or not voting: None.
Total 0

Excused: None.
Total 0

Senator Thomas moved the committee rise and report. Motion carried. Committee arose. Senate resumed.

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President Keenan in the chair. Chairman Story moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Anderson, Bales, Barkus, Black, Butcher, Curtiss, DePratu, Esp, Gebhardt, Glaser, Grimes, Johnson, Laible, Mahlum, McGee, McNutt, O'Neil, Perry, Sprague, Stapleton, Story, Tash, Taylor, Thomas, Zook, Mr. President.
Total 26

Nays: Bohlinger, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Hansen, Harrington, Kitzenberg, Mangan, McCarthy, Nelson, Pease, Roush, Ryan, Schmidt, Shea, Squires, Stonington, Tester, Toole, Tropila, Wheat.
Total 24

Absent or not voting: None.
Total 0

Excused: None.
Total 0

REPORTS OF STANDING COMMITTEES

BILL REPORT

Correctly engrossed: **SB 490, HB 701.**

Correctly enrolled: **SB 77, SB 168, SB 191, SB 217, SB 283, SB 292, SB 306, SB 307, SB 315, SB 316, SB 325, SB 329, SB 331, SB 334, SB 341, SB 380, SB 409, SB 449, SJR 11, SR 6.**

FINANCE AND CLAIMS (Zook, Chairman):
HB 5, be amended as follows:

4/8/2003

1. Page 2, line 6.
Strike: "480,000"
Insert: "515,000"

2. Page 2.
Following: line 8
Insert: "Hazardous Material Mitigation Fund, Statewide 220,000" [LRBP]

3. Page 3.
Following: line 3
Insert: "Replace/Update Health Sciences HVAC, UM-Missoula 202,000 [LRBP]
Reconstruct Canal Bridge, MSU-Billings 150,000 [LRBP] 150,000 Federal Special Revenue, Donations, Grants, State Funds, and Higher Education Funds [Other Funding Sources]
Schematic Design, UM-Helena College of Technology 175,000" [LRBP]

4. Page 3.
Following: line 21
Insert: "Upgrade Spratt Building and Campus Electrical, MSH-Warm Springs 218,000" [LRBP]

5. Page 6.
Following: line 19

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Insert: "Brush Lake Acquisition 180,000 State Special Revenue" [Other Funding Sources]
And, as amended, be concurred in. Report adopted.

HB 9, be concurred in. Report adopted.

HB 261, be amended as follows:

1. Title, line 9.

Strike: "\$5"

Insert: "\$8"

Following: " ;"

Insert: "TEMPORARILY IMPOSING A \$15 FEE ON THE ISSUANCE OF A NEW CERTIFICATE OF TITLE;
TEMPORARILY INCREASING THE FEE FOR OBTAINING A DUPLICATE CERTIFICATE OF
OWNERSHIP;"

Following: "DEPOSIT OF THE"

Insert: "NEW AND"

2. Title, line 10.

Following: "LOAN"

Insert: "AND FUND TRANSFER; MAKING THE COURT INFORMATION TECHNOLOGY ACCOUNT
PERMANENT"

3. Title, line 11.

Strike: "15-1-122,"

Insert: "3-5-904,"

Following: "23-2-811,"

Insert: "61-3-103,"

Following: "61-3-203,"

Insert: "61-3-204,"

4. Title, line 11.

Following: "MCA,"

Insert: "SECTION 4, CHAPTER 361, LAWS OF 1995, SECTION 1, CHAPTER 71, LAWS OF 1999,"

5. Title, line 12.

Following: "PROVIDING"

Insert: "AN"

Following: "EFFECTIVE"

Strike: "DATES"

Insert: "DATE"

6. Page 1, line 17 through page 3, line 20.

Strike: section 1 in its entirety

Insert: "**Section 1.** Section 3-5-904, MCA, is amended to read:

"**3-5-904. (Temporary) Account established for court information technology.** (†) There is an account
in the state special revenue fund for state funding of court information technology.

(2) ~~Money collected pursuant to 3-1-317 must be deposited in this account. (Terminates June 30, 2003--sec.
1, Ch. 71, L. 1999.)"~~

Renumber: subsequent sections

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7. Page 6, line 24.

Strike: "\$10"

Insert: "\$13"

8. Page 6, lines 24 and 25.

Following: "treasurer" on line 24

Strike: "," through "justice" on line 25

9. Page 6, line 25.

Following: "and"

Insert: ", of the \$13 fee, \$5 must be forwarded to the department of revenue and must be"

Following: "fund."

Insert: "The remaining \$8 must be forwarded to the department of justice for deposit in the motor vehicle information technology system account provided for in 61-3-550."

10. Page 10, line 1.

Strike: "\$10"

Insert: "\$13"

11. Page 10, line 1 and line 2.

Following: "treasurer" on line 1

Strike: "," through "justice" on line 2

Following: "and"

Insert: ", of the \$13 fee, \$5 must be forwarded to the department of revenue and must be"

12. Page 10, line 2.

Following: "fund."

Insert: "The remaining \$8 must be forwarded to the department of justice for deposit in the motor vehicle information technology system account provided for in 61-3-550."

13. Page 13, line 1.

Strike: "\$10"

Insert: "\$13"

14. Page 13, line 1 and line 2.

Following: "treasurer" on line 1

Strike: "," through "deposit" on line 2

Insert: "and, of the \$13 fee, \$5 must be forwarded to the department of revenue and must be deposited"

15. Page 13, line 2.

Following: "fund."

Insert: "The remaining \$8 must be forwarded to the department of justice for deposit in the motor vehicle information technology system account provided for in 61-3-550."

16. Page 14, line 30.

Insert: "**Section 7.** Section 61-3-103, MCA, is amended to read:

"61-3-103. (Temporary) Filing of security interests -- perfection -- rights -- procedure -- fees. (1)

Except as provided in 61-3-109, the department may not file any voluntary security interest or lien unless it is accompanied by or specified in the application for a certificate of ownership of the vehicle encumbered. If the

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approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, and the amount of the lien and is signed by the debtor. The department shall file voluntary security interests and liens by entering the name and address of the secured party upon the face of the certificate of ownership. Involuntary liens must be filed against the record of the vehicle encumbered. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer in the county in which the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess the motor vehicle.

(2) A security interest in a motor vehicle held as inventory by a dealer licensed under chapter 4 of this title must be perfected in accordance with Title 30, chapter 9A.

(3) Whenever a security interest or lien is filed against a motor vehicle that is subject to two security interests previously perfected under this section, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." Other information regarding the additional security interests need not be endorsed on the certificate.

(4) Satisfactions or statements of release filed with the department under this chapter must be retained by it for a period of 8 years after receipt, after which they may be destroyed.

(5) Except as provided in 61-3-109 and subsection (6) of this section, a voluntary security interest or lien is perfected on the date that the lien notice and the certificate of ownership or manufacturer's statement of origin are delivered to the county treasurer. On that date, the county treasurer shall issue to the secured party a receipt evidencing the perfection. Perfection under this section constitutes constructive notice to subsequent purchasers or encumbrancers, from the date of delivery of the lien notice to the county treasurer, of the existence of the security interest.

(6) Except as provided in 61-3-109, voluntary security interests or lien filings that do not require transfer of ownership are perfected on the date that the lien notice and the certificate of ownership or manufacturer's statement of origin are received by the department. On that date, the department shall issue to the secured party a receipt evidencing the perfection. Perfection under this subsection constitutes constructive notice to subsequent purchasers or encumbrancers, from the date that the lien notice is delivered to the department, of the existence of the security interest.

(7) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor vehicles, all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits must be made with the department.

(8) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment is required to pay the department the sum of \$1 for each day that the person fails to file the satisfaction.

(9) Upon receipt of notice of any involuntary liens or attachments against the record of any motor vehicle registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of the owner, conditional sale vendor, or mortgagees a notice showing the name and address of the lien claimant, the amount of the lien, the date of execution of the lien, and, in the case of attachment, the full title of the court and the action and the names of the attorneys for the plaintiff and attaching creditor.

(10) It is not necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time that this law takes effect.

(11) A fee of \$8 must be paid to the department to file any security interest or other lien against a motor vehicle. The \$8 fee includes the cost of filing a satisfaction or release of the security interest and also the cost of entering the satisfaction or release on the records of the department ~~and of deleting the endorsement of the security interest from the face of the certificate of ownership.~~ A fee of \$4 must be paid to the department for issuing a certified

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copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section must be paid to the county treasurer. Of the \$8 fee, \$4 must be deposited in the state general fund in accordance with 15-1-504. The remaining \$4 must be forwarded to the state treasurer for deposit in the motor vehicle information technology system account provided for in 61-3-550.

(12) A fee of \$15 must be paid to the department by a vehicle owner if, following satisfaction or release of a security interest and its removal from the department's records, the vehicle owner requests issuance of a new certificate of title without the security interest or lien shown on the face of the title. The \$15 fee must be deposited in the motor vehicle information technology system account provided for in 61-3-550. (Terminates June 30, 2008--sec. 2, Ch. 260, L. 1999.)

61-3-103. (Effective July 1, 2008) Filing of security interests -- perfection -- rights -- procedure -- fees. (1) The department may not file any voluntary security interest or lien unless it is accompanied by or specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, amount of lien, and is signed by the debtor. The department shall file voluntary security interests and liens by entering the name and address of the secured party upon the face of the certificate of ownership. Involuntary liens must be filed against the record of the vehicle encumbered. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer where the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess the motor vehicle.

(2) A security interest in a motor vehicle held as inventory by a dealer licensed under chapter 4 of this title must be perfected in accordance with Title 30, chapter 9A.

(3) Whenever a security interest or lien is filed against a motor vehicle that is subject to two security interests previously perfected under this section, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." Other information regarding the additional security interests need not be endorsed on the certificate.

(4) Satisfactions or statements of release filed with the department under this chapter must be retained by it for a period of 8 years after receipt, after which they may be destroyed.

(5) Except as provided in subsection (6), a voluntary security interest or lien is perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are delivered to the county treasurer. On that date, the county treasurer shall issue to the secured party a receipt evidencing the perfection. Perfection under this section constitutes constructive notice to subsequent purchasers or encumbrancers, from the date of delivery of the lien notice to the county treasurer, of the existence of the security interest.

(6) Voluntary security interests or lien filings that do not require transfer of ownership are perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are received by the department. On that date, the department shall issue to the secured party a receipt evidencing the perfection. Perfection under this subsection constitutes constructive notice to subsequent purchasers or encumbrancers, from the date the lien notice is delivered to the department, of the existence of the security interest.

(7) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor vehicles all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits must be made with the department.

(8) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment is required to pay the department the sum of \$1 for each day that the person fails to file such satisfaction.

(9) Upon receipt of notice of any involuntary liens or attachments against the record of any motor vehicle

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registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any owner, conditional sale vendor, or mortgagees a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and attaching creditor.

(10) It is not necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.

(11) A fee of \$8 must be paid to the department to file any security interest or other lien against a motor vehicle. The \$8 fee must include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering the satisfaction or release on the records of the department ~~and deleting the endorsement of the security interest from the face of the certificate of ownership~~. A fee of \$4 must be paid to the department for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section must be paid to the county treasurer. Of the \$8 fee, \$4 must be deposited in the state general fund in accordance with 15-1-504. The remaining \$4 must be forwarded to the state treasurer for deposit in the motor vehicle information technology system account provided for in 61-3-550.

(12) A fee of \$15 must be paid to the department by a vehicle owner if, following satisfaction or release of a security interest and its removal from the department's records, the vehicle owner requests issuance of a new certificate of title without the security interest or lien shown on the face of the title. The \$15 fee must be deposited in the motor vehicle information technology system account provided for in 61-3-550. (Terminates June 30, 2011--sec. 9, Ch. 394, L. 2001.)

61-3-103. (Effective July 1, 2011) Filing of security interests -- perfection -- rights -- procedure -- fees. (1) The department may not file any voluntary security interest or lien unless it is accompanied by or specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, amount of lien, and is signed by the debtor. The department shall file voluntary security interests and liens by entering the name and address of the secured party upon the face of the certificate of ownership. Involuntary liens must be filed against the record of the vehicle encumbered. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer where the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess the motor vehicle.

(2) A security interest in a motor vehicle held as inventory by a dealer licensed under chapter 4 of this title must be perfected in accordance with Title 30, chapter 9A.

(3) Whenever a security interest or lien is filed against a motor vehicle that is subject to two security interests previously perfected under this section, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." Other information regarding the additional security interests need not be endorsed on the certificate.

(4) Satisfactions or statements of release filed with the department under this chapter must be retained by it for a period of 8 years after receipt, after which they may be destroyed.

(5) Except as provided in subsection (6), a voluntary security interest or lien is perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are delivered to the county treasurer. On that date, the county treasurer shall issue to the secured party a receipt evidencing the perfection. Perfection under this section constitutes constructive notice to subsequent purchasers or encumbrancers, from the date of delivery of the lien notice to the county treasurer, of the existence of the security interest.

(6) Voluntary security interests or lien filings that do not require transfer of ownership are perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are received by the department. On that date, the department shall issue to the secured party a receipt evidencing the perfection.

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Perfection under this subsection constitutes constructive notice to subsequent purchasers or encumbrancers, from the date the lien notice is delivered to the department, of the existence of the security interest.

(7) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor vehicles all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits must be made with the department.

(8) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment is required to pay the department the sum of \$1 for each day that the person fails to file such satisfaction.

(9) Upon receipt of notice of any involuntary liens or attachments against the record of any motor vehicle registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any owner, conditional sale vendor, or mortgagees a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and attaching creditor.

(10) It is not necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.

(11) A fee of \$4 must be paid to the department to file any security interest or other lien against a motor vehicle. The \$4 fee must include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering the satisfaction or release on the records of the department ~~and deleting the endorsement of the security interest from the face of the certificate of ownership~~. A fee of \$4 must be paid to the department for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section must be paid to the county treasurer for deposit in the state general fund in accordance with 15-1-504.

(12) A fee of \$15 must be paid to the department by a vehicle owner if, following satisfaction or release of a security interest and its removal from the department's records, the vehicle owner requests issuance of a new certificate of title without the security interest or lien shown on the face of the title. The \$15 fee must be deposited in the motor vehicle information technology system account provided for in 61-3-550."

Renumber: subsequent sections

17. Page 15, line 3.

Strike: "\$10"

Insert: "\$13"

18. Page 15, line 5.

Following: "be"

Insert: "paid to the county treasurer and, of the \$13 fee, \$5 must be forwarded to the department of revenue and"

19. Page 15, line 6.

Following: "fund."

Insert: "The remaining \$8 must be forwarded to the department for deposit in the motor vehicle information technology system account provided for in 61-3-550."

20. Page 15, line 7.

Insert: "Section 9. Section 61-3-204, MCA, is amended to read:

"61-3-204. Lost certificates. ~~In the event any~~ If a certificate of ownership is lost, mutilated, or becomes illegible, the owner shall immediately ~~make application~~ apply for and obtain a duplicate ~~thereof~~ of the certificate of ownership, upon furnishing satisfactory evidence of ~~such~~ the facts and upon payment of a fee of ~~\$3~~ \$10. ~~Revenue from this~~ Of the \$10 fee, \$5 must be deposited in the state general fund in accordance with 15-1-504, and the

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remaining \$5 must be forwarded to the department for deposit in the motor vehicle information technology system account provided for in 61-3-550."

Renumber: subsequent sections

21. Page 15, line 11.

Strike: "and \$5"

Insert: ", \$8"

22. Page 15, line 12.

Following: "ownership"

Insert: ", and \$5 from the fee received under 61-3-204"

23. Page 15, line 14.

Following: "account"

Insert: ": (a)"

24. Page 15, line 16.

Strike: "(a)"

Insert: "(i)"

Renumber: subsequent subsection

25. Page 15, line 19.

Following: "system"

Strike: "."

Insert: ";

(b) in excess of the amount in subsection (3)(a), up to \$1.8 million per year, may be transferred to the account provided for in 3-5-904."

26. Page 15.

Following: line 19

Insert: "Section 11. Section 4, Chapter 361, Laws of 1995, is amended to read:

"Section 4. Effective date -- termination date. (1) [This act] is effective July 1, 1995.

(2) [~~This act~~] Section 1 terminates June 30, 1999."

Insert: "Section 12. Section 1, Chapter 71, Laws of 1999, is amended to read:

"Section 1. Section 4, Chapter 361, Laws of 1995, is amended to read:

"Section 4. Effective date -- termination date: (1) [This act] is effective July 1, 1995.

(2) [~~This act~~] Section 1 terminates June 30, ~~1999~~ 2003."

Renumber: subsequent sections

27. Page 15, line 25.

Following: "(2)"

Strike: "There"

Insert: "Except as provided in subsection (5), there"

28. Page 15, line 30.

Insert: "(5) The department of justice may not continue to expend funds on any loan from the board of investments authorized by the 58th legislature to finance the information technology system described in 17-5-2001(2)(a) after June 30, 2005, without obtaining spending authority from the 59th legislature."

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29. Page 16.

Following: line 4

Insert: "NEW SECTION. Section 15. Coordination instruction. If [this act] and House Bill No. 18 are both passed and approved and if [this act] is in a form that includes funding for court information technology, then House Bill No. 18 is void."

30. Page 16, line 6.

Following: "Effective"

Strike: "dates"

Insert: "date"

Strike: "(1)" through "[this act]"

Insert: "[This act]"

31. Page 16, line 8.

Strike: subsection (2) in its entirety

32. Page 16, line 10.

Following: "[Section"

Strike: "10"

Insert: "14"

33. Page 16, line 13.

Strike: "9"

Insert: "10"

And, as amended, be concurred in. Report adopted.

HB 631, be concurred in. Report adopted.

STATE ADMINISTRATION (Cobb, Chairman):

4/8/2003

HB 761, be concurred in. Report adopted.

FIRST READING AND COMMITMENT OF BILLS

The following Senate joint resolution was introduced, read first time, and referred to committee:

SJR 32, introduced by Grimes (by request of the Senate Judiciary Standing Committee), referred to Judiciary.

The following Senate resolutions were introduced, read first time, and referred to committees:

SR 7, introduced by Cobb (by request of the Senate State Administration Standing Committee), referred to State Administration.

SR 8, introduced by Cobb (by request of the Senate State Administration Standing Committee), referred to State Administration.

SR 9, introduced by Cobb (by request of the Senate State Administration Standing Committee), referred to State Administration.

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MOTIONS

HB 283 - Majority Leader Thomas moved the Senate accede to the request of the House, and that the President be authorized to appoint a **Free** Conference Committee to meet with a like committee from the House to confer on **HB 283**. Motion carried. The President appointed the following members:

Senator Sprague, chairman
Senator McGee
Senator Shea

HB 211 - Majority Leader Thomas moved the Senate accede to the request of the House, and that the President be authorized to appoint a **Free** Conference Committee to meet with a like committee from the House to confer on **HB 211**. Motion carried. The President appointed the following members:

Senator McGee, chairman
Senator Curtiss
Senator Pease

ANNOUNCEMENTS

Committee meetings were announced by committee chairs.

Majority Leader Thomas moved that the Senate adjourn until 1:00 p.m., Wednesday, April 9, 2003. Motion carried.

Senate adjourned at 5:21 p.m.

ROSANA SKELTON
Secretary of the Senate

BOB KEENAN
President of the Senate