

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION**

**JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND
COMMERCE**

Call to Order: By **CHAIRMAN JOHN WITT**, on February 8, 1999 at
10:02 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Greg DeWitt, Legislative Branch
Shirley Moore, OBPP

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

Committee Business Summary:

Hearing: HB 2 - Dept. of Commerce Budget
Executive Action: HB 2 - Dept. of Commerce Budget

Shirley Moore and **Greg DeWitt** discussed the CI-75 fiscal note
request.

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - HOUSING DIVISION

Maureen Rude, Administrator, Housing Division, gave a brief

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division overview presentation with overheads. **Chairman Witt** asked about the office in Dutton, MT, and **Sen. Keating** questioned information under the overhead of new construction, also asking if a grant is a loan or a gift.

Rep. Haines asked **Ms. Rude** about the total funding by the State, to which she replied that approximately \$17 million has been allocated to projects. He also inquired as to what percent of that will ever come back. **Rep. Tropila** then asked about Low-Income Housing Preservation Act (LIHPRA).

Ms. Rude carried on with her presentation while handing out a copy of the Montana Housing Resource Directory: October 1998, and of Economic Benefits of MDOC Housing, Infrastructure, and Economic Development Program Activities.

EXHIBIT(jnh31a01) & **EXHIBIT(jnh31a02)**.

Present Law Adjustments:

DP 7406, DP 7409 & DP 7410

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - HOUSING
DIVISION

{Tape : 1; Side : A; Approx. Time Counter : 26.3}

Motion/Vote: **REP. TROPILA** moved that **DP 7406, DP 7409 & DP 7410** **BE ADOPTED. SECONDED** by **SEN. NELSON**. Motion carried unanimously.

New Proposal:

DP 7401

Sen. Crismore questioned **Ms. Rude** on the worst case scenario of not having spending authority. He then questioned **Sen. Keating** on "shortfalls", who commented that HUD is a huge waste of money and a burden on taxpayers. **Rep. Tropila** commented as did **Ms. Rude**, who commented that the program is already funded, the division just wants Montana to have authority over its own. **Mr. DeWitt** then commented on options.

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - HOUSING
DIVISION

{Tape : 1; Side : B; Approx. Time Counter : 3.4}

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Motion/Vote: SEN. CRISMORE moved that DP 7401 BE ADOPTED AS ONE-TIME-ONLY AND RESTRICTED. SECONDED by REP. TROPILA. Motion failed 3-3 with Crismore, Nelson, and Tropila voting aye.

Sen. Keating asked about the area where arbitrage has to be returned. He also inquired as to how much is rebated to the Fed's, and asked about bonds. Ms. Rude continued with her second presentation.

Proprietary Rates

Mr. DeWitt commented that these are enterprise rates, therefore, no action is needed.

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - BOARD OF INVESTMENTS

Carroll South, Director, Board of Investments, gave a brief overview presentation, and handed out a supplemental packet on funding.

EXHIBIT(jnh31a03)

Sen. Keating questioned Mr. South on the RIT fund and market value on page 2 of the funding packet. He also inquired about the interest income from the corpus, when do you calculate due earnings.

Sen. Keating asked about book values, which never change.

Present Law Adjustments:

Rates

Mr. DeWitt commented on the rates on page C-249 of the LBA 2001 budget book, stating that no action is needed there. He also commented on the rates on page C-251, which do have to be approved.

Sen. Keating questioned Mr. South on the portfolio, and afterwards, he continued his discussion with pages C-250 through page C-251 of the LBA 2001 budget book.

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - BOARD OF INVESTMENTS

{Tape : 2; Side : A; Approx. Time Counter : 27.2}

Motion/Vote: SEN. KEATING moved that **THE REQUESTED RATES BE ADOPTED. SECONDED** by SEN. NELSON. Motion carried unanimously.

*Sen. Crismore was not present.

MSTA FTE

Mr. DeWitt commented on FTE, and Mr. South explained that it is not a real FTE. Sen. Keating asked if the board would take the MT Science & Tech Alliance (MSTA) FTE, to which they replied yes, they have no choice.

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - BOARD OF INVESTMENTS

{Tape : 2; Side : B; Approx. Time Counter : 0.4}

Motion/Vote: SEN. KEATING moved that **THE TRANSFER OF 1 FTE AND AUTHORITY OF MT SCIENCE & TECH ALLIANCE TO THE BOARD OF INVESTMENTS BE ADOPTED. SECONDED** by SEN. NELSON. Motion carried unanimously.

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - MONTANA STATE LOTTERY

Gerry LaChere, Director, MT State Lottery, gave a brief division overview after Mr. DeWitt commented on the LFD Issue. A brochure labeled Winning with the Montana Lottery was handed out also.

EXHIBIT (jnh31a04)

Chairman Witt asked about the \$49 million that went into public school programs and complaints of not getting their fair share. Mr. LaChere commented as did Sen. Keating, who stated that the last few years, due to the legislature, funds have gone to the general fund. Sen. Nelson also commented that it is part of the general bill, not special legislation.

Sen. Nelson inquired as to the status of SB 315, and asked what is done in print, on television, etc.. Sen. Keating asked about dropping the prize percent to approximately 49%. Mr. DeWitt commented that no action is needed in this area.

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - VENTURE STAR

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Discussion ensued over the Venture Star project and testimonies were given. **Director Blouke** discussed the issues and the request of \$300,000, approved by the Governor, to assist communities with qualifications for proposals.

The Following Persons Gave Testimony:

John Lawton, City Manager of Great Falls {Tape : 2; Side : B; Approx. Time Counter : 21}

Gary Blair, Billings/Hardin {Tape : 2; Side : B; Approx. Time Counter : 28.7}

Terry Pehan, Great Falls Chamber Of Commerce {Tape : 3; Side : A; Approx. Time Counter : 4.1}

Sen. Keating asked **Director Blouke** on the income to be generated by Venture Star. Both **Terry Pehan** and **Trey Harbert** responded also. Further discussion ensued of Venture Star, including funding and a comparison with the Super Collider project.

ADJOURNMENT

Adjournment: 12:12 P.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh31aad)