

**MINUTES**

**MONTANA SENATE  
56th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON FINANCE AND CLAIMS**

**Call to Order:** By **CHAIRMAN CHUCK SWYSGOOD**, on March 3, 1999 at 8:01 A.M., in Room 108 Capitol.

**ROLL CALL**

**Members Present:**

Sen. Chuck Swysgood, Chairman (R)  
Sen. Tom Keating, Vice Chairman (R)  
Sen. Tom A. Beck (R)  
Sen. Chris Christiaens (D)  
Sen. William Crismore (R)  
Sen. Eve Franklin (D)  
Sen. Greg Jergeson (D)  
Sen. J.D. Lynch (D)  
Sen. Dale Mahlum (R)  
Sen. Ken Mesaros (R)  
Sen. Ken Miller (R)  
Sen. Arnie Mohl (R)  
Sen. Debbie Shea (D)  
Sen. Mike Taylor (R)  
Sen. Daryl Toews (R)  
Sen. Mignon Waterman (D)

**Members Excused:** Sen. Bob Keenan (R)  
Sen. Linda Nelson (D)

**Members Absent:** None.

**Staff Present:** Shannon Gleason, Committee Secretary  
Pam Joehler, Legislative Fiscal Division

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

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 10, HB 12, HB 75, HB 480,  
2/28/1999  
Executive Action: HB 10, HB 12, HB 480, HB 75

HEARING ON HB 10

Sponsor: REP. JOE QUILICI, HD 36, BUTTE

Proponents: Tom Livers, Department of Environmental Quality  
(DEQ)  
Joan Taylor, Area IV Agency on Aging  
Ellen Engstedt, Human Resource Development Council  
(HRDC)

Opponents: None

Opening Statement by Sponsor:

REP. QUILICI advised the committee this bill appropriated the funds for the overcharge rebate as required by the Federal Courts. REP. QUILICI advised these monies can only be used for energy or energy related items, and noted the transportation items are within the court set guidelines. REP. QUILICI advised the entities make application to the Governor's Budget Office who prioritizes and recommends them.

Proponents' Testimony:

Tom Livers, DEQ, read EXHIBIT (fcs48a01).

Joan Taylor, Director of the Area IV Agency on Aging, read EXHIBIT (fcs48a02).

Ellen Engstedt, HRDC, advised the committee there are 10 HRDCs across the state, and one key component of their program is the weatherization program for low income families that HB 10 provides funding for.

Questions from Committee Members and Responses:

SEN. TOEWS wanted explanations on the new sections, REP. QUILICI advised the same items are covered as before but the sections change prioritization of the projects change.

SEN. KEATING wanted a list of where the money was being spent, he was specifically interested in the two stroke engine money, REP. QUILICI advised the \$50,000.00 was for research, particularly dealing with the pollution problem caused by snowmobiles in West Yellowstone, and noted this is seed money to try and get government grants. SEN. KEATING wondered if this was for ethanol development, REP. QUILICI advised it was not for a plant but rather research, SEN. MAHLUM advised ethanol can not be used in two stroke engines if the mix is over 10%.



**SEN. KEATING** stated this money is not actually oil overcharge money, but rather the result of a settlement between oil companies and the Internal Revenue Service because of the formula used by the companies to figure their windfall profit tax. **SEN. KEATING** stated no one was really overcharged.

**SEN. CHRISTIAENS** commented the funds were designed for retrofitting but were being used to build new buildings, he questioned if this was an appropriate use of these funds.

**CHAIRMAN SWYSGOOD** advised the Long Range Building Committee does take into consideration these funds when they review funding for bonds so he felt it was an appropriate use of the funds.

**Closing by Sponsor:**

**REP. QUILICI** closed.

*{Tape : 1; Side : A; Approx. Time Counter : 8:20}*

**EXECUTIVE ACTION ON HB 10**

**Motion/Vote:** **SEN. BECK** moved that **HB 10 BE CONCURRED IN.** Motion carried unanimously.

**EXECUTIVE ACTION ON HB 12**

**Motion/Vote:** **SEN. MAHLUM** moved that **HB 12 BE CONCURRED IN.** Motion carried unanimously.

It was decided **SEN. SWYSGOOD** would carry **HB 10** and **SEN. BECK** would carry **HB 12** and the committee stood at ease until 8:25.

**HEARING ON HB 480**

**Sponsor:** **REP. ROYAL JOHNSON, HD10, BILLINGS**

**Proponents:** **Carroll South,** Department of Commerce  
Board of Investments

**Opponents:** None

**Opening Statement by Sponsor:**

*{Tape : 1; Side : A; Approx. Time Counter : 8:25}*

**REP. JOHNSON** advised the committee this bill closed out the Science and Technology grants and required all the money received from research, development, and investments be placed back into the Coal Tax Fund. **REP. JOHNSON** advised there was about \$12,000,000.00 taken from the fund for science and technology. **REP. JOHNSON** noted there would be a change to the amount

requested for the Science and Technology overseer, the cost to staff was being reduced from \$90,000.00 to \$30,000.00 and the difference would be reverted into the State Special Revenue Fund.

**Proponents' Testimony:**

**Carroll South** advised both the Board of Investments and the Department of Commerce supported this bill.

**Questions from Committee Members and Responses:**

None

**Closing by Sponsor:**

**REP. JOHNSON** advised this bill will close out the Science and Technology Fund, and attempt to make the Coal Tax Fund whole.

**EXECUTIVE ACTION ON HB 480**

**Motion/Vote:** **SEN. KEATING** moved that **HB 480 BE CONCURRED IN.**  
**Motion carried unanimously.**

**SEN. KEATING** was appointed to carry the bill.

**HEARING ON HB 75**

**Sponsor:** **REP. CHRIS AHNER, HD 51, HELENA**

**Proponents:** **Jim Greene**, Disaster and Emergency Services, (DES)  
Department of Military Affairs  
**Pat McKelvey**, Jefferson County Disaster and  
Emergency Services (DES)  
**Bill Fliener**, Montana Sheriffs and Peace Officers  
Association

**Opponents:** None

**Opening Statement by Sponsor:**

***{Tape : 1; Side : A; Approx. Time Counter : 8:31}***

**REP. AHNER** advised the committee this bill combined the \$2,000,000.00 for the All Hazard Fund and the \$10,000,000.00 for the Wildfire Fund into one disaster fund. **REP. AHNER** noted there was no fiscal impact as these funds are already established.

**Proponents' Testimony:**

**Jim Greene**, DES, read **EXHIBIT (fcs48a04)**.

**Pat McKelvey**, Jefferson County DES, advised the committee all the states DES supported this bill.

**Bill Fliener**, Montana Sheriffs and Peace Officers Association advised the committee they were in support of this bill.

**Questions from Committee Members and Responses:**

**SEN. KEATING** wanted to know how this money was accounted for in the budget, **REP. AHNER** referred the question to **Doug Booker**, Department of Military Affairs, who advised the money would be a statutory appropriation from the Governors' office if there was a declaration of emergency.

**SEN. KEATING** wondered what impact this had on the ending balance, **Mr. Booker** advised Terry Johnson, Legal Fiscal Department, used an average of the emergency statutory appropriation over the last few years to determine the approximate amount needed for the ending fund balance.

**SEN. CHRISTIAENS** wanted to know why the increase of \$10,000,000.00, **Mr. Greene** advised both of the funds exists now, and the increase was done as a response to the floods in 1997. **Mr. Greene** advised it was decided there needed to be a permanent solution so special sessions did not have to be called, and he noted that money would not be required unless there was a significant disaster.

**SEN. CHRISTIAENS** wondered if the figure could be reduced, **Mr. Greene** advised it could, however it would only decrease the Governors flexibility to respond, not the budget.

**Closing by Sponsor:**

**REP. AHNER** reiterated these accounts already exists, they are simply being combined.

**EXECUTIVE ACTION ON HB 75**

**Motion/Vote:** **SEN. WATERMAN** moved that **HB 75 BE CONCURRED IN.**  
**Motion carried unanimously.**

**SEN. FRANKLIN** was appointed to carry **HB 75**



**ADJOURNMENT**

Adjournment: 8:39 A.M.

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SEN. CHUCK SWYSGOOD, Chairman

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SHANNON GLEASON, Secretary

CS/SG

**EXHIBIT (fcs48aad)**