

**SENATE JOURNAL
NINTH LEGISLATIVE DAY**

Helena, Montana
January 13, 1999

Senate Chambers
State Capitol

Senate convened at 1:00 p.m. President Crippen presiding. Invocation by Reverend Keith Johnson. Pledge of Allegiance to the Flag.

Roll Call. All members present, except Senators Christiaens, Ekegren, Ellis, Mahlum, Mohl and Shea, excused. Quorum present.

Mr. President: We, your committee on Bills and Journal, having examined the daily journal for the seventh and eighth legislative days, find the same to be correct.

Miller, Chairman

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 9 passed as follows:

Yeas: Bartlett, Beck, Berry, Bishop, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Devlin, Doherty, Eck, Ellingson, Franklin, Glaser, Grimes, Grosfield, Halligan, Hargrove, Harp, Hertel, Holden, Jabs, Jergeson, Keating, Keenan, Lynch, McCarthy, McNutt, Mesaros, Miller, Nelson, Roush, Sprague, Stang, Swysgood, Taylor, Tester, Thomas, Toews, Waterman, Wells, Wilson, Mr. President.
Total 44

Nays: None.
Total 0

Absent or not voting: None.
Total 0

Excused: Christiaens, Ekegren, Ellis, Mahlum, Mohl, Shea.
Total 6

SB 29 passed as follows:

Yeas: Bartlett, Beck, Berry, Bishop, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Devlin, Doherty, Eck, Ellingson, Franklin, Glaser, Grimes, Grosfield, Halligan, Hargrove, Harp, Hertel, Holden, Jabs, Jergeson, Keating, Keenan, Lynch, McCarthy, McNutt, Mesaros, Miller, Nelson, Roush, Sprague, Stang, Swysgood, Taylor, Tester, Thomas, Toews, Waterman, Wells, Wilson, Mr. President.
Total 44

Nays: None.
Total 0

Absent or not voting: None.

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Total 0

Excused: Christiaens, Ekegren, Ellis, Mahlum, Mohl, Shea.

Total 6

SB 120 passed as follows:

Yeas: Bartlett, Beck, Berry, Bishop, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Devlin, Doherty, Eck, Ellingson, Franklin, Glaser, Grimes, Grosfield, Halligan, Hargrove, Harp, Hertel, Holden, Jabs, Jergeson, Keating, Keenan, Lynch, McCarthy, McNutt, Mesaros, Miller, Nelson, Roush, Sprague, Stang, Swysgood, Taylor, Tester, Thomas, Toews, Waterman, Wells, Wilson, Mr. President.

Total 44

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: Christiaens, Ekegren, Ellis, Mahlum, Mohl, Shea.

Total 6

REPORTS OF STANDING COMMITTEES

BILLS AND JOURNAL (Miller, Chairman): 1/13/1999

Correctly printed: SB 9, SB 29, SB 30, SB 62, SB 84, SB 120, SB 141, SB 147, SB 187, SB 188, SB 189.

Correctly engrossed: SB 23, SJR 2.

Examined by the sponsor and found to be correct: SR 1.

Signed by the Secretary of Senate at 1:54 p.m., January 12, 1999: SR 1.

Signed by the President at 2:15 p.m., January 12, 1999: SR 1.

FINANCE AND CLAIMS (Swysgood, Chairman): 1/12/1999

SB 34, do pass. Report adopted.

SB 46, do pass. Report adopted.

SB 55, introduced bill, be amended as follows: 1/13/1999

1. Title, line 6.

Strike: "AND"

2. Title, line 7.

Following: "MCA"

Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE"

3. Page 2, line 4.

Following: "or"

Insert: "enterprise funds"

4. Page 6, line 13.

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Insert: "NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval."

Insert: "NEW SECTION. **Section 5. Applicability.** [This act] applies to fiscal years beginning on or after July 1, 1999."

And, as amended, do pass. Report adopted.

SB 136, do pass. Report adopted.

1/12/1999

JUDICIARY (Grosfield, Chairman):

1/12/1999

SB 24, introduced bill, be amended as follows:

1. Title, line 4.

Following: "AN ACT"

Insert: "ALLOWING A YOUTH COURT JUDGE TO APPOINT A LAW ENFORCEMENT OFFICER AS A PART-TIME PROBATION OFFICER;"

2. Page 1, line 19.

Following: "may"

Strike: "not"

Following: "appointed"

Strike: "or"

Insert: "as and may"

Strike: "full-time"

Following: "~~part-time~~"

Insert: "part-time"

3. Page 1, line 20.

Following: "officer"

Insert: "; however, a law enforcement officer may not act as a probation officer in a case in which the officer was the arresting officer"

And, as amended, do pass. Report adopted.

STATE ADMINISTRATION (Cole, Chairman):

1/13/1999

SB 148, introduced bill, be amended as follows:

1. Title, page 1, lines 6 and 7.

Strike: "ELIMINATING" on line 6 through "ORIGINAL" on line 7

Insert: "PROVIDING THAT THE CURRENT"

2. Title, page 1, line 7.

Strike: "OR SUCCESSOR"

3. Title, page 1, lines 8 and 9.

Strike: "ALLOWING" on line 8 through "AUCTION;" on line 9

4. Title, page 1, lines 10 and 11

Strike: "ELIMINATING " on line 10 through "SALE;" on line 11

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5. Page 1, line 20.

Following: "(+)"

Insert: "(1)"

6. Page 1, line 29.

Following: "department."

Insert: "(2) The owner of the property may require the department to offer the land for sale in the manner set forth in 60-4-202 and 60-4-203. The department shall give actual notice to the owner of its intentions to exchange the interest. The demand for sale must be sent to the department by registered or certified mail within 10 days after receipt of notice from the department."

7. Page 2, line 2.

Strike: "(1)"

8. Page 2, line 4.

Strike: "Except as provided in subsection (2), if"

Insert: "If"

9. Page 2, lines 7 through 9.

Strike: subsection (2) in its entirety

10. Page 2, line 14.

Strike: "(1) and (2)"

And, as amended, do pass. Report adopted.

TAXATION (Devlin, Chairman):

1/13/1999

SB 61, introduced bill, be amended as follows:

1. Title, line 8.

Following: "VALUES"

Insert: "OF THE GENERAL RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL PROPERTY CLASS"

2. Page 1, line 20.

Strike: "any"

Insert: "the"

Strike: "or subclass"

Following: "subclass of property"

Insert: "consisting primarily of residential property and commercial and industrial property that is not continuous property used in a commercial or industrial operation in more than one county or more than one state that is subject to central state assessment and apportionment of taxable value to the counties in which it is located"

3. Page 1, line 22.

Strike: "any"

Insert: "the"

4. Page 1, line 23.

Following: line 22

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Insert: "general residential, commercial, and industrial"

Strike: "or subclass"

5. Page 1.

Following: line 30

Insert: "NEW SECTION. Section 2. Transition. If acquisition valuation is adopted as the method of valuation for property tax purposes, the legislature shall determine, by law, the base year value for property subject to acquisition valuation for property tax purposes. The base year value must be based on an adjustment to market value that has been adopted by the legislature."

Renumber: subsequent sections

And, as amended, do pass. Report adopted.

SB 88, introduced bill, be amended as follows:

1. Page 1, line 18.

Strike: "on or before"

Insert: "not later than 30 days after"

2. Page 5, line 14.

Insert: "NEW SECTION. Section 6. Coordination instruction. If House Bill No. 82 is passed and approved and amends 15-15-101 to establish county tax appeal board sessions that end December 31, then [section 1(3)(a) of this act] must read as follows:

"(3) (a) A motor vehicle tax appeal may be heard by the county tax appeal board during its next regularly scheduled session if the application for the appeal was filed ~~at least 30 days prior to the commencement of that session by December 1.~~ A motor vehicle tax appeal filed ~~less than 30 days prior to the commencement of the board's next regularly scheduled session or after the session has commenced~~ after December 1 may be held over by the board to a session in the following year."

Renumber: subsequent sections

And, as amended, do pass. Report adopted.

Majority Leader Harp moved the Senate stand in recess until 1:39 p.m. for purpose of party caucuses. Motion carried.

Senate Recessed at 1:10 p.m.

Senate Resumed at 1:46 p.m.

Roll call. All members present except Senators Christiaens, Ekegren, Ellis, Halligan, Mahlum, Mohl and Shea and Stang, excused.

MOTIONS

SB 140 - Senator Nelson moved that SB 140 be taken from the committee on Local Government and rereferred to the committee on State Administration. Motion carried.

SB 176 - Senator Bohlinger moved that Stang be added as sponsor to SB 176. Motion carried.

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SB 99 - Senator Tester moved that F. Thomas, Peck, Golie, R. Clark, Smith, Tropila, Franklin, Stang, Cocchiarella, M. Taylor and Bohlinger be added as sponsors to SB 99. Motion carried.

FIRST READING AND COMMITMENT OF BILLS

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

SB 190, introduced by Halligan (by request of the Senate Judiciary Standing Committee), referred to Judiciary.

SB 191, introduced by Jabs and Halligan (by request of the Senate Judiciary Standing Committee), referred to Judiciary.

SB 192, introduced by Bohlinger, Lindeen and Gillan, referred to Taxation.

SB 193, introduced by Hargrove, Harp and Halligan (by request of the Joint Select Committee on CI-75), referred to Local Government.

SB 194, introduced by Halligan, Kasten, Story, Harp, Grosfield, Stang, Glaser and Crippen (by request of the Joint Select Committee on CI-75), referred to State Administration.

SB 195, introduced by Lynch, Quilici, T. Beck, Wilson, Halligan, Harrington, Franklin, McCarthy, Shea, Gallus, Hargrove, Harp, Grinde, Stang, Doherty and Pavlovich, referred to State Administration.

SB 196, introduced by Mesaros, Ohs, T. Beck and Tash, referred to Agriculture, Livestock and Irrigation.

SB 197, introduced by Christiaens, Mangan, Wyatt, McCarthy, Ryan and Bohlinger, referred to Public Health, Welfare and Safety.

SB 198, introduced by Christiaens, McGee, Harp, Mohl, Bohlinger, Shea, P. Clark, McCarthy and T. Beck, referred to Judiciary.

SB 199, introduced by Christiaens, Harp, Wyatt, Bohlinger, Soft, McCarthy, T. Beck, Shea, Grimes, Mangan, Masolo, Galvin-Halcro, and Ryan, referred to Education and Cultural Resources.

SB 201, introduced by McNutt, Halligan and Doherty (by request of Senate Judiciary Standing Committee), referred to Judiciary.

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

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

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

SB 23 - Senator F. Thomas moved SB 23 do pass. Motion carried as follows:

Yeas: Bartlett, Beck, Berry, Bishop, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Devlin, Eck, Ellingson, Franklin, Grimes, Grosfield, Hargrove, Harp, Hertel, Holden, Jabs, Jergeson, Keating, Lynch, McCarthy, McNutt, Mesaros, Nelson, Roush, Sprague, Swysgood, Taylor, Tester, Thomas, Waterman, Wells, Wilson, Mr. President.
Total 37

Nays: Doherty, Glaser, Keenan, Miller, Toews.
Total 5

Absent or not voting: None.
Total 0

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Excused: Christiaens, Ekegren, Ellis, Halligan, Mahlum, Mohl, Shea, Stang.
Total 8

SB 30 - Senator Hargrove moved SB 30 do pass. Motion carried as follows:

Yeas: Beck, Berry, Bishop, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Devlin, Doherty, Eck, Ellingson, Franklin, Glaser, Grimes, Hargrove, Harp, Hertel, Holden, Jabs, Jergeson, Keating, McNutt, Mesaros, Nelson, Roush, Sprague, Swysgood, Tester, Thomas, Toews, Mr. President.
Total 32

Nays: Bartlett, Grosfield, Keenan, Lynch, McCarthy, Miller, Taylor, Waterman, Wells, Wilson.
Total 10

Absent or not voting: None.
Total 0

Excused: Christiaens, Ekegren, Ellis, Halligan, Mahlum, Mohl, Shea, Stang.
Total 8

SB 62 - Senator Keenan moved SB 62 do pass. Motion carried unanimously.

SB 84 - Senator Doherty moved that consideration of SB 84, on second reading this day, be passed for the day as Senator Halligan was absent. Motion carried.

SB 141 - Senator Cole moved SB 141 do pass. Motion carried as follows:

Yeas: Bartlett, Beck, Berry, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Devlin, Doherty, Eck, Ellingson, Franklin, Glaser, Grimes, Grosfield, Hargrove, Harp, Hertel, Holden, Jabs, Jergeson, Keating, Keenan, Lynch, McCarthy, McNutt, Mesaros, Miller, Nelson, Roush, Sprague, Swysgood, Taylor, Tester, Thomas, Toews, Waterman, Wells, Mr. President.
Total 40

Nays: Bishop.
Total 1

Absent or not voting: Wilson.
Total 1

Excused: Christiaens, Ekegren, Ellis, Halligan, Mahlum, Mohl, Shea, Stang.
Total 8

SB 147 - Senator Hertel moved SB 147 do pass. Motion carried as follows:

Yeas: Bartlett, Beck, Berry, Bishop, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Devlin, Doherty, Eck, Ellingson, Franklin, Glaser, Grimes, Grosfield, Hargrove, Harp, Hertel, Holden, Jabs, Jergeson, Lynch, McCarthy, McNutt, Mesaros, Nelson, Roush, Tester, Thomas, Waterman, Wilson, Mr. President.
Total 34

Nays: Keating, Keenan, Miller, Sprague, Swysgood, Taylor, Toews, Wells.

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Total 8

Absent or not voting: None.

Total 0

Excused: Christiaens, Ekegren, Ellis, Halligan, Mahlum, Mohl, Shea, Stang.

Total 8

SJR 2 - Senator Bartlett moved SJR 2 be adopted. Motion carried as follows:

Yeas: Bartlett, Berry, Bohlinger, Cocchiarella, Cole, Crismore, DePratu, Doherty, Eck, Ellingson, Franklin, Glaser, Grimes, Grosfield, Harp, Hertel, Holden, Jabs, Jergeson, Keating, Lynch, McCarthy, McNutt, Mesaros, Nelson, Roush, Sprague, Taylor, Tester, Thomas, Waterman, Wells, Wilson, Mr. President.

Total 34

Nays: Beck, Bishop, Devlin, Hargrove, Keenan, Miller, Swysgood, Toews.

Total 8

Absent or not voting: None.

Total 0

Excused: Christiaens, Ekegren, Ellis, Halligan, Mahlum, Mohl, Shea, Stang.

Total 8

Senator Harp moved the committee rise and report. Motion carried. Committee arose. Senate resumed. President Crippen in the chair. Chairman Grimes moved the Committee of the Whole report be adopted. Report adopted.

ANNOUNCEMENTS

Committee meetings were announced by committee chairmen.

Senator Harp moved the Senate recess until 6:40 p.m. Motion carried.

Senate recessed at 2:40 p.m.

Senate reconvened at 6:40 p.m. President Crippen presiding.

Roll Call. All Senators present except Senator Wilson, excused.

Majority Leader Harp moved that the Senate recess and proceed to the House of Representatives for the State of the State address. He further moved that upon adjournment of the joint session the Senate will adjourn until 1:00 p.m., Thursday, January 14, 1999. Motion carried.

SPECIAL ORDERS OF THE DAY

Sergeant-at-arms Nancy Meuli escorted the Senate into the House Chamber.

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Speaker Mercer introduced President Crippen and yielded the chair to him.

Majority Leader Harp moved that the body resolve itself into a joint session for the purpose of receiving the State of the State address from the Honorable Marc Racicot, Governor of the State of Montana. Motion carried.

Majority Leader Harp moved that the President appoint an escort committee of four to notify the Governor that the Senate and House of Representatives are in joint session and ready to receive his State of the State address. Motion carried.

The President appointed Senator Crismore, Senator Bartlett, Representative Hanson and Representative Quilici and discharged them to escort the Governor to the House Chamber.

Sergeants-at-arms Cramer and Meuli escorted Mrs. Racicot and Lt. Governor Judy Martz into the Chamber..

First Lt. Kevin Danz and members of the Montana National Guard posted the colors.

Sergeants-at-arms Cramer and Meuli escorted The Honorable Marc Racicot into the Chamber.

President Crippen announced that at the request of the Governor, there would be special participants in the State of the State ceremony; Abigail Hood, 13 year old daughter of Karla and Gregory Hood of Helena, and five year old Garrett Altenburg, son of Marianne and Dave Altenburg of Dillon, Montana.

Master Garrett Altenburg led the audience in the Pledge of Allegiance.

Father O'Donnell gave the invocation.

President Crippen introduced Governor Racicot, who then delivered the following address:

Thank you very much. President Crippen. Speaker Mercer. Members of the Fifty-Sixth Legislature. Fellow elected officers. Mr. Chief Justice and Honorable members of the Judiciary. Tribal leaders. Lieutenant Governor Martz. Friends and fellow Montanans, those of you here and those watching and listening across the state. Garrett and Abigail. And my family. Good evening.

Once again--and for the final time, I trust--I stand before you in this awe-inspiring chamber amid these humbling mountains with their vast, snow-covered forests and, sprawling beyond, hundreds of miles of productive plains peopled by the best neighbors on the planet, to discuss with you the state of our God-blessed state.

Such moments are always special times in our state's history when we as the servants of the people and the people we work for, sit down--or in my case stand up--to share formal thoughts, plans and, I hope, some dreams for this geographical space we share as Home.

I am but the 20th person to give a State of the State Address in Montana since the first one more than a century ago. In those ensuing 5,300 weeks of history the hardworking People of Montana, assisted by their duly-elected governments, have carved a respected place for themselves in the economy, the culture and the history of our grand nation.

I have done some traveling as the temporary steward of this office. And I can report that Montana's civility, decency, conscientiousness and neighborliness are known around the world, such that Montana has become more than a mere place. Montana is, indeed, seen as a way of life.

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One of the most powerful and enduring legacies we as Montanans can leave at the end of our stay here is the preservation of that culture, that unique way of life, for one more day, one more week, one more year, one more lifetime.

This is an historic and, I would admit, a melancholy moment. It is the last time any of us will meet like this in this century and in this millennium. And due to the ultimate lifetime term limit, it is unlikely that any of us will live to see another century change such as this.

For 38 members of the House and Senate, this is the first time in office here. We wish you welcome and the commonsense wisdom to make the tough judgments you will confront.

For many more of us, however, this is the last session by choice or by term limits that we shall gather here together--in our current positions, anyway....

To that end, I want to announce here tonight that I will NOT be a candidate in the Year 2000.... for the Montana Senate or House of Representatives.

I first met some of you in our collegiate days when we knew so much less and thought we knew so much more.

I recall a generation ago, as a young prosecutor, walking into a Judiciary Committee meeting here and seeing Senator Crippen for the first time. I was impressed then. And here he is presiding again--or still.

I recall the first time I heard the resonant tones of a legislator named J.D. Lynch from the state of Butte. I am pleased to see no need to debate him anywhere anytime.

I can also recall Representative Joe Quilici, who is my friend and, I believe, everybody's friend, as a member of the Appropriations Subcommittee on General Government. He tested my every request when I presented a very small agency budget as an Assistant Attorney General.

And he sounded like my father when he said, "Mr. Racicot, I'm going to re-irritate this for you one more time."

And I recall when a young Representative John Mercer reported for his first session 14 years ago--somewhat quiet and cautious, but determined. And since that time he has served an unprecedented four terms as Speaker of the House.

It is a wondrous thing to me to pause here for a moment and ponder how, in our special state's democracy, so many different people were born and raised in so many diverse households, lived through an infinite number of varied experiences and lessons, and came together here, in the people's Capitol building at the same time, with the common goal of protecting Montana and making it even better.

I hope each one of us can keep that thought in the forefront of our minds in the coming days. We have shared much together here in this magnificent corner of God's good earth. Let us all--now and throughout this session--join again to share, not in the fickle fears of the present, but in the inspiring hopes of the future.

Montana was built by hardy men and women. They, too, no doubt, encountered worries and fears and disagreements as well as temptations to speak harshly. But they overcame them. And so must we....

The future of our state--the future of our citizens like Garrett and Abigail here--depends on it.

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Sadly, we can see daily in recent times in other places the turmoil that results from non-cooperation, from climbing over others merely to get ahead, from suspecting the worst of others, and from convenient misunderstandings.

We may not be physically in the same spot a couple of thousand miles from this national turmoil. But we can feel the disquiet it creates in our hearts and stomachs, as the children in a family of feuding adults must feel even in another room.

It is not a good feeling. We sometimes sense its spread across the country like some malevolent social virus. Such conflict not only consumes energies that could be invested in constructive activities. It also decays the social trust that is the unwritten, unspoken glue of a functioning democracy.

Here in Montana we do not need to follow that same path in the direction of political Armageddon. Nowhere is this written.

Indeed, Montanans could become the nation's pioneers again, showing the other world the power and achievements possible when a people share a humility, a respect for others and a stubborn sense of civility.

To be sure, this will take some resolve, some restraint, some grace, some courage and, frankly, some plain old biting-of-our-tongues when temptation suggests lashing out verbally to score some rhetorical points in the deafening chorus of conflict we see portrayed in each day's news.

We as Montana's elected officials and representatives have a golden moment in this legislative session. It will not be repeated for those of us scheduled to depart. And it may never be repeated for others either.

We have come through some very difficult times in our state. When I first stood here before these bodies as Governor some 2,200 days ago, we faced--together--a projected General Fund deficit of \$200 million.

That sum of money may seem like pocket change in national capitals. But as someone who once dug up worms and sold them to fishermen so I could earn a half-cent apiece, I have come to see \$200--let alone \$200 million--as quite a significant chunk of change.

Together, these bodies, our office--indeed, all of state and local government--addressed that emergency and numerous others. We stopped the bleeding. It was not easy for legislators, for the executive branch and agencies and for individual Montanans impacted by these necessary decisions.

On that January night six years ago our Workers Compensation system, quite honestly, teetered on the brink of insolvency, threatening the health care of many working Montanans, not to mention the fiscal reputation of the state and the financial viability of many employers providing work and income to many Montana families.

Premiums increased almost quarterly and the problem struck many as unsolvable.

But, guess what? Working together, again, we fixed the fund's problems--eliminated the unfunded liabilities, the deficits and \$8 million in fraud. We put the State Fund on a businesslike basis, while providing enhanced care for workers.

Premiums have been cut four years in a row now and just two weeks ago we saw the end of the special payroll tax, nearly a decade early. Soon, dividend checks will go out to businesses for the first time in a generation.

That is not all that we have fixed together. Our welfare system and its clients had become mired in decades of

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dependence based on habit, not positive results. Working together, again, we have set about fixing that system.

I can report to you this evening that since Montana's imaginative welfare reforms were approved by these legislative bodies with only two dissenting votes and since they began going into effect on Feb. 1, 1996, fully 19,283 Montanans--that's nineteen-thousand-two-hundred and eighty-three Montanans have left the state's welfare rolls to become productive independent citizens.

These nearly 20,000 people now earn a self-respect and private dignity. In their new role as working Montanans they have also earned in excess of \$101-million in wages. And they have saved Montana's taxpayers more than \$28.4-million in unpaid welfare benefits.

Of equal long-term importance, these reforms and former clients have also broken the cycle that sentenced future generations of taxpayers to futilely finance endless generations of unborn children in a legacy of despair and dependency.

Working together, Montanans have also improved our communities' schools, thousands of miles of neglected highway and bridges and our state's penal system, which was not fully prepared for the number of prisoners that our state's justice system was prepared to sentence to incarceration.

Working together, we have designed, approved and implemented likely the largest government reorganization in Montana history, eliminating two executive departments and rationalizing the operations of others to serve customers better.

Working together, we have helped to create the stable economic climate which in the past six years has seen the creation of more than 53,000 new non-ag jobs in our state.

Working together, we have set an example to be emulated across the country with our endowed philanthropy tax credit, the chartering of the Montana Consensus Council, and the creation of the Office of Community Service.

With the direction and dedication of Lieutenant Governor Judy Martz, that office staged one of the largest and most effective youth summits in the United States last June. Its impact continues with the spread of teenage mentoring in dozens of communities.

Working together, we have reformed parts of our antiquated tax system. Not enough. But some.

It continually amazes me that as a society we have adjusted our expectations--thanks to e-mail, faxes and microwaves--so that waiting a half-hour for a reply or a meal seems unacceptable.

And yet, as a society, we continue to live and put up with--and pay into--a tax system that was designed when they were stringing telegraph wires across this region.

This is not good enough for a new millennium, let alone 1999.

As you all well know, finding the political and fiscal formula to produce significant, broad change in this creaking system is very hard work in a state as vast and diverse as ours.

Our tax system is not unlike this building, which will close for at least a year of major refurbishing this spring after your deliberations are complete. Both the building and our tax system were built IN another time FOR another time.

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We must completely fix both. We cannot let this opportunity escape us.

Builders back then could not envision faxes and air conditioning and computers linked instantly to governments and resources around the world.

These walls and floors were not built to carry telephone lines, let alone fiber optic cables. Our tax system was not built for an information age of commerce conducted instantaneously over invisible lines.

We are still taxing business equipment as if that was the end product, rather than the beginning. We still tax that equipment right off the top whether its owner is making money or not. And we still tax that equipment as if all of the states around us, which are also competitors for new investments, have the same equipment tax. Which they do not.

We are still taxing homeowners according to the rising values of neighboring property that happens to sell to affluent buyers. We are still taxing inheritances as if farm and ranch property can always stay in the same family. Which it cannot.

We are still taxing motor vehicles each year as if there was an annual sales tax, even though the car or pickup may never change hands.

In short, we have a decrepit tax system which causes too many Montanans to pay too much and too few visitors to pay too little.

Working together, we have made a start on tax reform in recent years and provided millions upon millions of dollars in tax relief of various kinds. We have helped homeowners and protected them from staggering increases. We have reduced the business equipment tax from nine percent to six.

We have driven efficiencies down through government. When our current system produced a budget surplus, we returned those funds to the people who earned them, the taxpayers. It just seemed the right thing to do.

Americans, I learned long ago as a local and state prosecutor all over this state, will put up with a lot of things. But one thing they will never accept is unfairness. Unfairness offends our national sensitivities. You can hear it on playgrounds, in sports, government and in jury rooms. Unfairness is, well, unfair.

Quite frankly, ladies and gentlemen, our state's tax system is unfair.

It must be changed.

Our homeowners and vehicle owners and landowners must be freed from the unfair burdens that have, over the years, been heaped on their financial shoulders.

Our businesses--present and hopefully future--must be freed from the burden of paying taxes on equipment regardless of profit and regardless, for that matter, of whether the equipment has ever been turned on.

Our current tax system reminds me of my father's comment. He was a teacher and basketball coach. And he used to say, "Marc, you are not big.....But you are slow."....

I do not intend tonight to provide a lengthy litany of detailed legislative proposals. You already have before you that agenda and the detailed proposals we have developed over many months.

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Clearly, we have designed a large and ambitious portfolio of initiatives, including the children's health insurance plan, the continuing, though thankfully diminished requirements of our corrections system, and the essential investment in our world-class education system.

I do want to mention, however, the Jobs for Montana's Graduates program, which has proven so very successful and cost-effective in combating and preventing the high school dropout problem. Currently, the Jobs for America's Graduates program exists in 27 states and 800 schools, including 18 in Montana. We seek enhanced funding to boost that total to 50 as a sign of our continuing commitment to preventing societal problems.

This is, indeed, a special moment of opportunity in our state's history when our stable society and finances, combined with an experienced body of willing legislators and executives, and an almost palpable public demand for change, can build for once a lasting legacy that will positively shape the future of Montana for generations to come....

If we have the will and the vision.

Our current tax reform proposal, one of many I hope will be thoroughly discussed in coming days, calls for numerous tax relief measures.

The end of the motor vehicle tax. The end of the business equipment tax. The end of inheritance taxes. The end of livestock inventory taxes. Significant reductions in homeowner property taxes.

Having just paid \$727 for a license plate on a used vehicle, I, like most Montanans, would be happy to see that system changed. Nobody favors taxes, except those paid by others. Providing this massive tax relief requires some form of replacement revenue.

Our proposal is for a value-added tax that combines ease and inexpensive administration with the fairness and elements of choice in a consumption tax. I am pleased at the early start and the early work which legislators have invested in tax reform issues this session.

We recognize there are other avenues to achieve significant tax reform. We have never claimed a patent on good ideas. The goal of balance and fairness is what's important. We fully intend to work honestly, openly and earnestly with members to design a new revenue system that is efficient, effective, and fair.

Montanans deserve no less. And I suspect they will accept no less either.

Some people have suggested that major statewide tax reforms are impossible to find in Helena. I believe that's also what they told those gold miners just down the street here who stuck around Last Chance Gulch for one last try. And that continued effort resulted in the modern city where we meet tonight.

I can tell you, in the interests of open and honest government, that we intend to continue our dedication to driving this tax reform issue for the next 103 weeks up through the very last minute we are in this office. It is, quite simply, our duty to design, finally, a system that is fair for all Montanans.

We also intend to drive energetically our Jobs and Income proposals for economic development. Montana and its people over the decades have often been the unwitting victims of decisions made in other places.

Now, we want to begin the long process of changing that, of seizing control of our economic destiny and shaping our own futures.

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We believe Montanans can apply our imaginations, our limited financial resources and our sweat to design, over time, a more vibrant state economy more full of choices, opportunities and rewards for its citizens, today's and tomorrow's.

I want to talk for just a few minutes about each one of the 47 economic development proposals in our package.....Just kidding. These proposals range from aggressive efforts to boost our foreign trade capabilities and successes by, for instance, opening a trade office in Canada, to diversifying our crops.

If producing record amounts of one crop to add to a world surplus does not boost farm family income, then, chances are, producing even more of that same crop will not change things much either.

We know government does not create jobs. Indeed, many of our reforms have been designed to get government out of the way of job-creating entrepreneurs. Each one of these economic development proposals is designed to benefit all Montana and Montanans by helping to raise the economic water level for everyone.

My point is: This session is truly a time of great promise. We have a once-in-a-lifetime opportunity between now and late April.

We can, as some confidently predicted in recent days, descend into the rancor, pointless competition and divisiveness of less gracious places where the once unthinkable has become the unthinking commonplace.

And we will surely be remembered for that in infamy.

Or we can in this final legislative session of the millennium--and for many, of our public service careers--rise above such mundane temptations to achieve great and lasting things, not only in WHAT we do here in this building....but in HOW we do them.

We can achieve all this together if we are, above all, true to our hearts and our families and our neighbors.... and if we examine first our own motives before critiquing those of others. If we grant to others the same benefit of the doubt we seek ourselves.

For that grace, I predict we shall be remembered as well.

Let us all, each of us, quietly, in the privacy of our own conscience, choose to walk that more favored road that spawns a hopeful future.

And let us, each and every one, walk down that road together. As, clearly, we have done so often in the best-remembered times of the past.

My father, God rest his soul, may have been wrong at times in his life. But he was never in doubt.

He did not live long enough to see his son in this job, which is simultaneously a matter of regret and a remembrance of how special our time together is.

I remember when his team, the Libby Loggers, traveled all the way to Butte, America to play for the state basketball championship 33 years ago this winter. At the time Butte was about as far south as I had ever been.

We were as nervous as you would expect a band of 16- and 17-year-old country boys to be, playing in front of significantly more people than lived in our entire hometown.

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Dad told us two things in the locker room that night. During games he always chewed a full pack of Juicy Fruit at the same time. But we had no trouble understanding him.

He said, "First, men, have fun tonight. You've earned it."

Then he paused. And he told us how important it was to play together as a team, to give everything we had to give to the team effort as individuals coming together for a larger good than the glory of one.

We had heard that before. But it was only after the game, after Libby had won the first of what I trust will someday become a long string of state championships, that I fully realized what my father had been saying----

That together, that night, under the guidance of a coach packing a huge wad of chewing gum, that band of disparate boys from a variety of backgrounds and homes had joined as one team with a common goal.

And despite all of the temptations, distractions, differences and disputes, we achieved something magical and lifelong so special together that we could never have dreamed of individually.

Tonight, I look out here at so many familiar faces and the countless friends beyond these walls. And I feel a great sense of pleasure and warmth and satisfaction at having worked together with so many of you on so many issues for so many years. We have each come along our own path individually to this same place.

Let us each in our own careful and respectful way in coming weeks contribute everything we have to the team effort for Montana.

So that someday we and others can look back with pride and know that, despite all of the temptations, distractions, differences and disputes, we accomplished something great and good here together in 1999 that we could never have dreamed of individually.....

What an example and a political inheritance that would be to leave our friends, our state and our nation!

Thank you. God bless. And goodnight.

President Crippen thanked the Governor, and introduced Abigail Hood, who led the audience in singing the national anthem.

Reverend Keith Johnson gave the benediction.

Governor Racicot was escorted from the House Chamber by the escort committee.

Sergeants-at-arms Cramer and Meuli escorted the official party from the House Chamber.

Majority Leader Harp moved that the joint session be adjourned. Motion carried.

Joint session adjourned at 7:40 p.m.

ROSANA SKELTON
Secretary of Senate

BRUCE CRIPPEN
President of the Senate