

SENATE JOURNAL
THIRTY-THIRD LEGISLATIVE DAY - FEBRUARY 10, 2005

SENATE JOURNAL
59TH LEGISLATURE
THIRTY-THIRD LEGISLATIVE DAY

Helena, Montana
February 10, 2005

Senate Chambers
State Capitol

Senate convened at 12:30 p.m. President Tester presiding. Invocation by Fr. Jerry Lowney. Pledge of Allegiance to the Flag.

Roll Call. All members present. Quorum present.

Yeas: Bales, Barkus, Black, Brueggeman, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Esp, Essmann, Gallus, Gebhardt, Gillan, Grimes, Hansen, Hawks, Keenan, Kitzenberg, Laible, Larson, Laslovich, Lewis, Mangan, McGee, Moss, Perry, Roush, Ryan, Schmidt, Smith, Squires, Stapleton, Steinbeisser, Story, Tash, Toole, Tropila, Wheat, Williams, Mr. President.
Total 42

Nays: Balyeat, O'Neil, Shockley.
Total 3

Absent or not voting: None.
Total 0

Excused: Elliott, Harrington, Lind, Pease, Weinberg.
Total 5

REPORTS OF STANDING COMMITTEES

BILLS AND JOURNAL: 2/10/2005
Correctly printed: **SB 5, SB 21, SB 108, SB 154, SB 233, SB 259, SB 274, SB 288, SB 299, SB 316, SB 329, SB 337, SB 340, SB 352, SB 419, SB 420, SB 421, SB 422, SB 423, SB 424, SB 425, SB 426, SB 427, SB 428, SB 429, SB 430, SB 431, SB 432, SB 433, SJR 13, HB 84, HB 193, HB 194.**
Correctly engrossed: **SB 41, SB 126, SB 177, SB 210, SB 211, SB 286, SB 296, SB 320, SB 325, SB 326, HB 115.**

AGRICULTURE, LIVESTOCK AND IRRIGATION (Hansen, Chairman): 2/10/2005
SB 320, introduced bill, be amended as follows:

1. Title, line 4.
Strike: "CONFINED"
Insert: "CONCENTRATED"
2. Title, line 6.
Strike: "CONFINED" in two places
Insert: "CONCENTRATED"
3. Title, line 7.
Strike: "CONFINED"
Insert: "CONCENTRATED"
4. Title, line 8.
Strike: "CONFINED"
Insert: "CONCENTRATED"
5. Title, line 9.
Strike: "CONFINED"
Insert: "CONCENTRATED"

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6. Page 1, line 21.

Strike: ""Confined"

Insert: ""Concentrated"

7. Page 1, line 22.

Strike: "confined" in two places

Insert: "concentrated"

8. Page 1, line 23.

Strike: "confined"

Insert: "concentrated"

9. Page 2, line 9.

Strike: "confined"

Insert: "concentrated"

10. Page 3, line 5.

Strike: "**confined**"

Insert: "**concentrated**"

11. Page 3, line 6.

Strike: "confined"

Insert: "concentrated"

12. Page 3, line 8.

Strike: "confined"

Insert: "concentrated"

13. Page 3, line 10.

Strike: "confined"

Insert: "concentrated"

14. Page 3, line 11.

Strike: "develops"

Insert: "discovers"

15. Page 3, line 12.

Strike: "may"

Insert: "shall"

16. Page 3, line 14.

Strike: "**confined**"

Insert: "**concentrated**"

17. Page 3, line 19.

Strike: "confined"

Insert: "concentrated"

18. Page 3, line 20.

Strike: "confined"

Insert: "concentrated"

19. Page 3, line 21.

Following: "assessment"

Insert: "unless the department determines that an environmental impact statement is required pursuant to 75-1-201.
A programmatic environmental impact statement is not required for permitting conducted under [section 2]"

20. Page 3, line 30.

Strike: "confined"

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Insert: "concentrated"

And, as amended, do pass. Report adopted.

BUSINESS, LABOR, AND ECONOMIC AFFAIRS (Cocchiarella, Chairman):
SB 211, introduced bill, be amended as follows:

2/10/2005

1. Title, page 1, line 6.

Strike: "ALL"

Insert: "CERTAIN"

Following: "PLUMBING"

Strike: "AND"

Insert: "OR"

2. Title, page 1, line 8.

Following: "HEATER"

Insert: "OR INSTALL APPLIANCES"

3. Page 1, line 14.

Following: "(1)"

Insert: "(a)"

4. Page 1.

Following: line 16

Insert: "(b) For the purposes of this section, minor replacement or repair work includes but is not limited to:
(i) replacement of fixtures, faucets, nonpotable water supplies, and traps; and
(ii) kind-for-kind replacement of plumbing components."

5. Page 1, line 17.

Following: "(2)"

Strike: "A"

Insert: "(a) Except as provided in subsection (2)(b), a"

6. Page 1, line 18.

Following: "50-60-503"

Strike: "except that an"

Insert: ". (b) An"

7. Page 1, line 19.

Following: "installs"

Strike: "all"

Following: "plumbing"

Strike: "and"

Insert: "or"

Following: "piping"

Insert: "in which the plumbing or piping may be covered by walls, floors, or ceilings"

Following: the second "and"

Insert: "who"

8. Page 1, line 20.

Strike: "is not exempt" through "requirement to"

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Insert: "shall"

9. Page 1, line 25.

Following: "heater"

Insert: "or installing appliances"

And, as amended, do pass. Report adopted.

SB 325, introduced bill, be amended as follows:

1. Title, page 1, line 4.

Following: "OF"

Insert: "INTERIOR"

2. Page 1, line 11.

Following: "or"

Insert: "interior"

3. Page 1, line 20.

Following: "trays,"

Insert: "tap handles, menus, apparel,"

4. Page 1, line 21.

Strike: "at any one time"

Following: "in"

Insert: "any 1 calendar year to"

Following: "establishment"

Insert: "for display use on the interior of the retail establishment"

5. Page 1.

Following: line 30

Insert: "(ii) not more than six illuminated or electrical signs, neon signs, lamps, or lighted clocks for each brand of beer in any 1 calendar year to any one retailer for display use within the interior of the retailer's place of business. These signs, displays, lamps, or lighted clocks may bear the name, brand name, trade name, trademark, or other designation indicating the name of the manufacturer of beer and the place of manufacture. Any beer advertised must be available for sale on the retailer's premises at the time the displays are used."

Renumber: subsequent subsections

6. Page 2, lines 1 through 2.

Strike: "nonfunctional" on line 1

Following: "nature."

Insert: "excluding items described in subsection (1)(b)(ii) but"

Strike: "neon" on line 1 through the second "signs." on line 2

Following: the second "signs." on line 2

Insert: "nonelectric"

Strike: "lamps." on line 2

7. Page 2, line 6.

Strike: "draft"

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Following: "for use"

Insert: ": (a)"

8. Page 2, line 7.

Following: "premises"

Insert: "; or

(b) up to three times a year, on a retailer's regular premises, for a period not to exceed 72 hours"

And, as amended, do pass. Report adopted.

SB 326, introduced bill, be amended as follows:

1. Page 2, line 2.

Following: "69-4-503"

Insert: "(1)"

2. Page 2, line 7.

Following: "69-4-503"

Insert: "(1)"

3. Page 2, line 23.

Following: "(15)"

Insert: "(a)"

4. Page 2.

Following: line 26

Insert: "(b) The term does not include shallow underground water systems designed to irrigate lawns, gardens, or other landscaping."

5. Page 2, line 30.

Following: "any"

Strike: "a person"

Insert: "an excavator"

6. Page 3, line 1.

Following: "the"

Strike: "person"

Insert: "excavator"

7. Page 3, line 2.

Strike: "person"

Insert: "excavator"

Following: "to the"

Insert: "underground facility"

Following: "owner"

Strike: "of the underground facility"

Insert: "that is a member of a one-call notification center pursuant to 69-4-502(2)(a)"

8. Page 3, line 4.

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Strike: "\$500"
Insert: "\$250"

9. Page 3, line 5.
Strike: "\$2,500"
Insert: "\$1,000"

10. Page 3, line 6.
Strike: "\$5,000"
Insert: "\$2,500"

11. Page 3, line 9.
Following: "owner"
Insert: "that is a member of a one-call notification center pursuant to 69-4-502(2)(a)"

12. Page 3, line 14.
Strike: "persons"
Insert: "excavators"

13. Page 3, line 15.
Following: "negligence"
Insert: ", and are not liable for the damage fees assessed under subsection (1)"

14. Page 3, line 16.
Strike: "a person"
Insert: "an excavator"

15. Page 3, line 17.
Strike: "person"
Insert: "excavator"

16. Page 3, line 18.
Strike: "person's"
Insert: "excavator's"

17. Page 3, lines 23 through 24.
Following: "collected."
Strike: "Damage fees" on line 23 through "disbursed" on line 24
Insert: "If a judgment is rendered, the person found at fault shall reimburse the owner of the underground facility for the repairs before distributing any damage fee"
Following: "center"
Strike: ", to"
Insert: ". The damage fee must "

18. Page 3, lines 24 through 25.
Following: "fund" on line 24
Strike: "the" on line 24 through "of" on line 25
Insert: "training and educational programs and materials for excavators and the general public regarding"

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And, as amended, do pass. Report adopted.

EDUCATION AND CULTURAL RESOURCES (Ryan, Chairman):
SB 177, introduced bill, be amended as follows:

2/10/2005

1. Title, line 5.

Strike: "BY \$250"

Following: "2006"

Insert: "AND SCHOOL FISCAL YEAR 2007"

Following: ";

Insert: "EXTENDING THE TIME PERIOD IN WHICH A SCHOOL DISTRICT CAN ADOPT A GENERAL FUND BUDGET THAT EXCEEDS THE MAXIMUM;"

2. Title, line 6 through line 7.

Strike: "AND" on line 6 through "INCREASING" on line 7

3. Title, line 7.

Following: "2006"

Insert: "AND SCHOOL FISCAL YEAR 2007"

Following: "SECTIONS"

Insert: "20-5-323, 20-7-102,"

Following: "20-9-306,"

Insert: "20-9-308,"

4. Title, line 8.

Strike: the first "AND"

Following: "20-9-314,"

Insert: "AND 20-9-321,"

5. Title, line 8 through line 9.

Following: "PROVIDING"

Strike: remainder of line 8 through "DATE" on line 9

Insert: "EFFECTIVE DATES, APPLICABILITY DATES, AND TERMINATION DATES"

6. Page 1, line 12.

Insert: "**Section 1.** Section 20-5-323, MCA, is amended to read:

"20-5-323. Tuition and transportation rates. (1) Except as provided in subsections (2) through (5), whenever a child has approval to attend a school outside of the child's district of residence under the provisions of 20-5-320 or 20-5-321, the rate of tuition charged for a Montana resident student may not exceed 20% of the per-ANB maximum rate established in 20-9-306 for the year of attendance.

(2) The tuition for a child with a disability must be determined under rules adopted by the superintendent of public instruction for the calculation of tuition for special education pupils.

(3) The tuition rate for out-of-district placement pursuant to 20-5-321(1)(d) and (1)(e) for a student without disabilities who requires a program with costs that exceed the average district costs must be determined as the actual individual costs of providing that program according to the following:

(a) the district of attendance and the district, person, or entity responsible for the tuition payments shall approve an agreement with the district of attendance for the tuition cost;

(b) for a Montana resident student, 80% of the maximum per-ANB rate established in ~~20-9-306(10)~~, 20-9-306 received in the year for which the tuition charges are calculated must be subtracted from the per-student program costs for a Montana resident student; and

(c) the maximum tuition rate paid to a district under this section may not exceed \$2,500 per ANB.

(4) When a child attends a public school of another state or province, the amount of daily tuition may not be greater than the average annual cost for each student in the child's district of residence. This calculation for tuition purposes is determined by totaling all of the expenditures for all of the district budgeted funds for the preceding school fiscal year and dividing that amount by the October 1 enrollment in the preceding school fiscal year. For the purposes of this subsection, the following do not apply:

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- (a) placement of a child with a disability pursuant to Title 20, chapter 7, part 4;
 - (b) placement made in a state or province with a reciprocal tuition agreement pursuant to 20-5-314;
 - (c) an order issued under Title 40, chapter 4, part 2; or
 - (d) out-of-state placement by a state agency.
- (5) When a child is placed by a state agency in an out-of-state residential facility, the state agency making the placement is responsible for the education costs resulting from the placement.

(6) The amount, if any, charged for transportation may not exceed the lesser of the average transportation cost for each student in the child's district of residence or 25 cents a mile. The average expenditures for the district transportation fund for the preceding school fiscal year must be calculated by dividing the transportation fund expenditures by the October 1 enrollment for the preceding fiscal year."

Insert: "**Section 2.** Section 20-7-102, MCA, is amended to read:

"20-7-102. Accreditation of schools. (1) The conditions under which each elementary school, each middle school, each junior high school, 7th and 8th grades funded at high school rates, and each high school operates must be reviewed by the superintendent of public instruction to determine compliance with the standards of accreditation. The accreditation status of every school must then be established by the board of public education upon the recommendation of the superintendent of public instruction. Notification of the accreditation status for the applicable school year or years must be given to each district by the superintendent of public instruction.

(2) A school may be accredited for a period consisting of 1, 2, 3, 4, or 5 school years, except that multiyear accreditation may only be granted to schools that are in compliance with 20-4-101.

(3) A nonpublic school may, through its governing body, request that the board of public education accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection (1).

(4) As used in this section, "7th and 8th grades funded at high school rates" means an elementary school district or K-12 district elementary program whose 7th and 8th grades are funded as provided in ~~20-9-306(10)(c)(i)~~ 20-9-306(11)(c)(ii)."

Renumber: subsequent sections

7. Page 2, line 4.
Strike: "\$220,646"
Insert: "\$225,273"

8. Page 2, line 5.
Strike: "\$19,859"
Insert: "\$20,275"

9. Page 2, line 10.
Strike: "\$19,859"
Insert: "\$20,275"

10. Page 2, line 12.
Strike: "\$220,646"
Insert: "\$225,273"

11. Page 2, line 28.
Strike: "\$5,621"
Insert: "\$5,534"

12. Page 3, line 2.
Strike: "\$4,281"
Insert: "\$4,366"

13. Page 3, line 7.
Strike: "\$4,281"
Insert: "\$4,366"

14. Page 3, line 10.
Strike: "\$5,621"
Insert: "\$5,534"

15. Page 3.

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Following: line 12

Insert: "Section 4. Section 20-9-306, MCA, is amended to read:

"20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

- (1) "BASE" means base amount for school equity.
- (2) "BASE aid" means:
 - (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district; and
 - (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment.
- (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education allowable cost payment.
- (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.
- (5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.
- (6) "Basic entitlement" means:
 - (a) ~~\$220,646~~ \$230,199 for each high school district;
 - (b) ~~\$19,859~~ \$20,718 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and
 - (c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows using either the current year ANB or the 3-year ANB provided for in 20-9-311:
 - (i) ~~\$19,859~~ \$20,718 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus
 - (ii) ~~\$220,646~~ \$230,199 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.
- (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to 20-9-311.
- ~~(7)~~(8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.
- ~~(8)~~(9) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:
 - (a) 175% of special education allowable cost payments; or
 - (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a maximum allowable ratio of 200%.
- ~~(9)~~(10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.
- ~~(10)~~(11) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:
 - (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,371~~ \$5,654 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;
 - (b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of ~~\$4,031~~ \$4,456 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
 - (c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:
 - (i) a maximum rate of ~~\$4,031~~ \$4,456 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
 - (ii) a maximum rate of ~~\$5,371~~ \$5,654 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB."

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Renumber: subsequent sections

16. Page 3.

Following: line 12

Insert: "Section 5. Section 20-9-308, MCA, is amended to read:

"20-9-308. BASE budgets and maximum general fund budgets. (1) The trustees of a district shall adopt a general fund budget that is at least equal to the BASE budget established for the district and, except as provided in subsection (3), does not exceed the maximum general fund budget established for the district.

(2) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but does not exceed the maximum general fund budget for the district, the trustees shall submit a proposition to the electors of the district, as provided in 20-9-353.

(3) (a) (i) Except as provided in subsection (3)(a)(ii), the trustees of a school district whose previous year's general fund budget exceeds the current year's maximum general fund budget amount may adopt a general fund budget up to the maximum general fund budget amount or the previous year's general fund budget, whichever is greater. A school district may adopt a budget under the criteria of this subsection (3)(a)(i) for a maximum of ~~5~~ 6 consecutive years, but the trustees shall adopt a plan to reach the maximum general fund budget by no later than the end of the ~~5-year~~ 6-year period. ~~A school district whose adopted general fund budget for the previous year exceeds the maximum general fund budget for the current year and whose ANB for the previous year exceeds the ANB for the current year by 30% or more shall reduce its adopted budget by:~~

~~(A) in the first year, 20% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year;~~

~~(B) in the second year, 25% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year;~~

~~(C) in the third year, 33.3% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year;~~

~~(D) in the fourth year, 50% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year; and~~

~~(E) in the fifth year, the remainder of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year.~~

(ii) The trustees of a district whose general fund budget was above the maximum general fund budget established by Chapter 38, Special Laws of November 1993, and whose general fund budget has continued to exceed the district's maximum general fund budget in each school fiscal year after school fiscal year 1993 may continue to adopt a general fund budget that exceeds the maximum general fund budget. However, the budget adopted for the current year may not exceed the lesser of:

(A) the adopted budget for the previous year; or

(B) the district's maximum general fund budget for the current year plus the over maximum budget amount adopted for the previous year.

(b) The trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

(4) The BASE budget for the district must be financed by the following sources of revenue:

(a) state equalization aid, as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue, as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

(5) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district, as provided in 20-9-141."

Renumber: subsequent sections

17. Page 5.

Strike: line 18 through line 22

Insert: "(10) (a) For a school district that has been in existence for 3 or more years, the district's maximum general fund budget and BASE budget for the ensuing year must be calculated using the current year ANB or the 3-year average ANB, whichever generates the greatest maximum general fund budget.

(b) For a district that has existed less than 3 years, the maximum general fund budget and BASE budget must

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be calculated using the current year ANB."

18. Page 6, line 19.

Strike: "increase"

19. Page 6, line 20.

Strike: "determining the 3-year ANB provided for in 20-9-311"

Insert: "the budgeted ANB"

20. Page 6, line 23.

Strike: "at least"

Insert: "greater than"

21. Page 6, line 28.

Strike: "estimated"

Insert: "difference between the"

22. Page 7, line 1 through line 2.

Strike: "6%" on line 1 through "20-9-311" on line 2

Insert: "106% of the enrollment used to calculate the budgeted ANB. The amount determined is the maximum allowable increase added to the average number belonging for the purpose of establishing the ensuing year's basic entitlement and total per-ANB entitlement"

23. Page 7, line 6.

Strike: "estimated" through "(2)(d)"

Insert: "enrollment used to determine budgeted ANB"

24. Page 7, line 7.

Strike: "ANB used to establish the"

25. Page 7, line 8.

Following: "calculations"

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

Following: "belonging"

Insert: "actual"

26. Page 7, line 8 through line 9.

Strike: "for" on line 8 through "20-9-311" on line 9

Insert: "in place of the estimated enrollment"

27. Page 7, line 10 through line 11.

Strike: "calculated" on line 10 through "(6)(b)" on line 11

28. Page 7.

Following: line 11

Insert: "**Section 8.** Section 20-9-321, MCA, is amended to read:

"20-9-321. Allowable cost payment for special education. (1) As used in this section, "ANB" means the current year ANB.

(2) The 3-year average ANB provided for in 20-9-311(10) does not apply to the calculation and distribution of state special education allowable cost payments provided for in this section.

(3) For the purpose of establishing the allowable cost payment for a current year special education program for a school district, the superintendent of public instruction shall determine the total special education payment to a school district, cooperative, or joint board for special education services formed under 20-3-361 prior to July 1, 1992, using the following factors:

(a) the district ANB student count as established pursuant to 20-9-311 and 20-9-313;

(b) a per-ANB amount for the special education instructional block grant;

(c) a per-ANB amount for the special education-related services block grant;

(d) an amount for cooperatives or joint boards meeting the requirements of 20-7-457, to compensate for the additional costs of operations and maintenance, travel, supportive services, recruitment, and administration; and

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(e) any other data required by the superintendent of public instruction to administer the provisions of this section.

~~(2)~~(4) (a) The total special education allocation must be distributed according to the following formula:

(i) 52.5% through instructional block grants;

(ii) 17.5% through related services block grants;

(iii) 25% to reimbursement of local districts; and

(iv) 5% to special education cooperatives and joint boards for administration and travel.

(b) Special education allowable cost payments outlined in subsection ~~(2)(a)~~ (4)(a) must be granted to each school district and cooperative with a special education program as follows:

(i) The instructional block grant limit prescribed in subsection ~~(2)(a)(i)~~ (4)(a)(i) must be awarded to each school district, based on the district ANB and the per-ANB special education instructional amount.

(ii) The special education-related services block grant limit prescribed in subsection ~~(2)(a)(ii)~~ (4)(a)(ii) must be awarded to each school district that is not a cooperative member, based on the district ANB and the per-ANB special education-related services amount, or to a cooperative or joint board that meets the requirements of 20-7-457. The special education-related services block grant amount for districts that are members of approved cooperatives or a joint board must be awarded to the cooperatives or joint board.

(iii) If a district's allowable costs of special education exceed the total of the special education instructional and special education-related services block grant plus the required district match required by subsection ~~(4)~~ (6), the district is eligible to receive at least a 40% reimbursement of the additional costs. To ensure that the total of reimbursements to all districts does not exceed 25% of the total special education allocation limit established in subsection ~~(2)(a)(iii)~~ (4)(a)(iii), reimbursement must be made to districts for amounts that exceed a threshold level calculated annually by the office of public instruction. The threshold level is calculated as a percentage amount above the sum of the district's block grants plus the required district match.

(iv) Of the amount distributed under subsection ~~(2)(a)(iv)~~ (4)(a)(iv), three-fifths must be distributed based on the ANB count of the school districts that are members of the special education cooperative or joint board and two-fifths must be distributed based on distances, population density, and the number of itinerant personnel under rules adopted by the superintendent of public instruction.

~~(3)~~(5) The superintendent of public instruction shall adopt rules necessary to implement this section.

~~(4)~~(6) A district shall provide a 25% local contribution for special education, matching every \$3 of state special education instructional and special education-related services block grants with at least one local dollar. A district that is a cooperative member is required to provide the 25% match of the special education-related services grant amount to the special education cooperative.

~~(5)~~(7) The superintendent of public instruction shall determine the actual district match based on the trustees' reports. Any unmatched portion reverts to the state and must be subtracted from the district's ensuing year's special education allowable cost payment.

~~(6)~~(8) A district that demonstrates severe economic hardship because of exceptional special education costs may apply to the superintendent of public instruction for an advance on the reimbursement for the year in which the actual costs will be incurred."

Renumber: subsequent sections

29. Page 7, line 13.

Strike: "date"

Insert: "dates"

Following: "applicability."

Strike: "[This"

Insert: "(1) Except as provided in subsections (2) through (4), [this"

30. Page 7, line 14.

Strike: "year"

Insert: "years"

Following: "beginning"

Insert: "on or after"

31. Page 7.

Following: line 14

Insert: "(2) [Section 3] is effective July 1, 2005, and applies to school budgets for the school fiscal year beginning July 1, 2005.

(3) [Section 4] is effective July 1, 2006, and applies to school budgets for the school fiscal year beginning July 1, 2006.

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(4) [Section 10 and this section] are effective on passage and approval."

32. Page 7, line 16.
Strike: "[This act]"
Insert: "(1) [Section 3]"

33. Page 7.
Following: line 16
Insert: "(2) [Sections 1, 2, and 4 through 8] terminate July 1, 2007."

And, as amended, do pass. Report adopted.

FINANCE AND CLAIMS (Cooney, Chairman):
SB 5, do pass. Report adopted.
SB 41, introduced bill, be amended as follows:

2/10/2005

1. Page 1, line 17.
Following: "policy"
Strike: "or INCREASING OR reducing"
Insert: "that either increase or reduce"

2. Page 1, line 20.
Following: "elimination"
Insert: "or restoration"
Following: "sacrifice"
Insert: "or augment"

And, as amended, do pass. Report adopted.

SB 108, do pass. Report adopted.
SB 126, introduced bill, be amended as follows:

1. Title, page 1, line 8.
Following: "VESSEL;"
Insert: "ESTABLISHING LIMITS ON PENALTIES FOR NONCOMPLIANCE;"

2. Title, page 1, line 10.
Following: "NUMBER;"
Insert: "REQUIRING THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS TO PAY FOR INITIAL PROGRAMMING COSTS;"

3. Page 4, following line 22.
Insert: "(3) The fine for failing to display the validation decals may not be more than the cost incurred by the justice court.
(4) The department may give only verbal or written warnings until December 31, 2007, for failing to display validation decals in an attempt to educate the boating public."
Renumber: subsequent subsections

4. Page 5, line 7.
Following: "subsection"
Strike: "(3)"
Insert: "(5)"

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5. Page 6, following line 23.

Insert: "(14) The department shall reimburse the department of justice for any programming costs necessary to implement the provisions of this section that are incurred in fiscal year 2005."

And, as amended, do pass. Report adopted.

SB 233, do pass. Report adopted.

SB 288, do pass. Report adopted.

NATURAL RESOURCES (Roush, Chairman):

2/10/2005

SB 210, introduced bill, be amended as follows:

1. Title, page 1, line 6 through line 7.

Strike: "PROVIDING" on line 6 through "DISCOVERY;" on line 7

2. Page 1, line 15 through line 16.

Strike: "director" on line 15 through "conservation" on line 16

Insert: "governor"

3. Page 1, line 21.

Following: "(d)"

Strike: "an" through "governor"

Insert: "the director of the department of transportation or the director's designee"

4. Page 1, line 27.

Strike: "an abandoned"

Insert: "a"

5. Page 1, line 28.

Following: "'corps of discovery'"

Insert: "if the railbed is abandoned"

6. Page 1, line 29.

Following: "corporations"

Insert: "or other entities"

Strike: ", sale, or fee title"

Insert: "or other legal property interest"

7. Page 2, line 1.

Following: "corporations"

Insert: "or other entities"

8. Page 2, line 2.

Strike: ", credit,"

Following: "corporations"

Insert: "or other entities"

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9. Page 2, line 3.

Following: " ; "

Insert: "and"

10. Page 2, line 4.

Strike: subsection (d) in its entirety

Renumber: subsequent subsection

11. Page 2.

Following: line 5

Insert: " (6) The commission, through its governing agency, shall develop rules that, at a minimum, address the following areas:

(a) visual screening to preserve privacy;

(b) fencing to protect livestock;

(c) methods to accommodate movement of livestock or farm equipment;

(d) transfer of portions of the previous railroad right-of-way not needed for the alternative mode right-of-way to the adjacent landowner at a fair and equitable price;

(e) prohibitions on the use of the alternative mode right-of-way more than 1 hour after sunset or more than 1 hour before sunrise;

(f) prohibitions on the use of the alternative mode right-of-way for overnight camping in areas that would adversely impact nearby residences or farm or ranch operations; and

(g) guidelines regarding where necessary safety screening or fencing to separate the right-of-way from constructed canals, ditches, or aqueducts.

(7) Rules adopted pursuant to subsection (6) must be adopted pursuant to Title 2, chapter 5, part 1, and must be based on input from adjoining landowners, public members, and corridor users."

Renumber: subsequent subsection

12. Page 2, line 6.

Strike: "a nonmotorized"

Insert: " : (a) a"

13. Page 2, line 7.

Following: "railbed"

Insert: " ; or

(b) a right-of-way within the bounds of a former railroad right-of-way that is used for alternative modes of transportation, including pedestrians and nonmotorized bicycles"

14. Page 2, line 17 through page 2, line 29.

Strike: section 3 in its entirety

Renumber: subsequent sections

15. Page 4, line 1.

Strike: "(1)"

16. Page 4, line 4 through line 5.

Strike: subsection (2) in its entirety

And, as amended, do pass. Report adopted.

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SB 337, do pass. Report adopted.

TAXATION (Elliott, Chairman):

2/10/2005

HB 84, be concurred in. Report adopted.

HB 115, be amended as follows:

1. Title, line 6 through line 7.

Strike: "LIMITING" on line 6 through "PARSONAGES;" on line 7

Insert: "ALLOWING THE CHURCH EXEMPTION TO EXTEND TO EDUCATIONAL OR YOUTH RECREATIONAL FACILITIES OPEN TO THE PUBLIC;"

2. Title, line 7 through line 12.

Strike: "LIMITING" on line 7 through "PROPERTY;" on line 12

3. Page 5, line 28 through line 29.

Strike: "not" on line 28 through "clergy." on line 29

4. Page 5, line 30 through page 6, line 2.

Strike: "BUT" on page 5, line 30 through "requirements" on page 6, line 2

Insert: ", and all land and improvements used for educational or youth recreational activities if the facilities are generally available for use by the general public"

5. Page 6, line 5.

Strike: "not to exceed 80 acres."

6. Page 6, line 8 through line 9.

Strike: "which:" on line 8 through "(i)" on line 9

Insert: "that"

7. Page 6, line 10 through line 11.

Strike: subsections (ii) and (iii) in their entirety

8. Page 10, line 23 through page 11, line 6.

Strike: subsection (iii) in its entirety

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

HB 193, be concurred in. Report adopted.

HB 194, be concurred in. Report adopted.

HB 296, be amended as follows:

1. Title, line 5.

Strike: "NONCONTIGUOUS"

2. Title, line 7.

Following: "PROVIDING"

Strike: "AN"

Insert: "A DELAYED"

Following: "DATE"

Insert: "AND AN APPLICABILITY DATE"

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3. Page 1, line 27.

Strike: "Noncontiguous parcels"

Insert: "Parcels"

4. Page 1, line 30.

Strike: "certification"

Insert: "classification"

5. Page 2, line 2.

Following: "(I) the"

Insert: "owner of the"

Following: "is"

Insert: "involved"

Following: "owner's"

Insert: "Montana"

6. Page 2, line 5.

Following: "trust"

Insert: "that is involved in Montana agricultural production and 51% of the entity's Montana annual gross income is derived from agricultural production"

7. Page 2, line 6.

Following: "(III)"

Strike: "the property is not subject to a homestead exemption."

Insert: "the owner is a shareholder, partner, owner, or member of the family corporation, family partnership, sole proprietorship, or family trust that is involved in Montana agricultural production and 51% of the person's or entity's Montana annual gross income is derived from agricultural production."

8. Page 3, line 12.

Following: "Effective date"

Insert: "-- applicability"

Following: "effective"

Strike: "July 1, 2005"

Insert: "January 1, 2006, and applies to tax years beginning after December 31, 2005"

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

MESSAGES FROM THE OTHER HOUSE

House bills passed and transmitted to the Senate for concurrence:

2/10/2005

HB 26, introduced by Golie

HB 298, introduced by Clark

HB 301, introduced by Galvin-Halcro

HB 347, introduced by Gutsche

HB 348, introduced by Buzzas

HB 409, introduced by Golie

HB 457, introduced by Noennig

MOTIONS

Senator Cooney moved **SB 275** be referred to Senate Finance and Claims for examination of the fiscal note. Motion carried.

FIRST READING AND COMMITMENT OF BILLS

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

- SB 419**, introduced by Ryan, Tash, referred to Education and Cultural Resources.
SB 420, introduced by Black, Essmann, Gebhardt, Hansen, L. Jones, Roush, Witt, referred to State Administration.
SB 421, introduced by Black, Hansen, L. Jones, Roush, Witt, referred to State Administration.
SB 422, introduced by Joe Balyeat, Joh. Balyeat, Grimes, Hansen, referred to Business, Labor, and Economic Affairs.
SB 423, introduced by Laslovich, referred to Highways and Transportation.
SB 424, introduced by Stapleton, referred to Business, Labor, and Economic Affairs.
SB 425, introduced by Stapleton, referred to Business, Labor, and Economic Affairs.
SB 426, introduced by Stapleton, referred to Judiciary.
SB 427, introduced by Moss, referred to Business, Labor, and Economic Affairs.
SB 428, introduced by Stapleton, referred to Energy and Telecommunications.
SB 429, introduced by Shockley, referred to Judiciary.
SB 430, introduced by Ryan, referred to Judiciary.
SB 431, introduced by Barkus, referred to State Administration.
SB 432, introduced by Brueggeman, referred to Business, Labor, and Economic Affairs.
SB 433, introduced by Lind, referred to Finance and Claims.

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

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

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

SB 154 - Senator Cobb moved **SB 154** do pass. Motion carried with Senators Bales, Barkus, Brueggeman, Grimes, Lewis, and McGee voting nay.

SB 274 - Senator Barkus moved **SB 274** do pass. Motion carried unanimously.

SB 275 - Senator Schmidt moved **SB 275** do pass. Motion carried as follows:

Yeas: Bales, Black, Brueggeman, Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Esp, Essmann, Gallus, Gebhardt, Gillan, Grimes, Hansen, Harrington, Hawks, Keenan, Kitzenberg, Larson, Laslovich, Lewis, Lind, Mangan, Moss, Roush, Ryan, Schmidt, Smith, Squires, Stapleton, Toole, Tropila, Weinberg, Wheat, Williams, Mr. President.
Total 38

Nays: Balyeat, Barkus, Curtiss, Laible, McGee, O'Neil, Perry, Shockley, Steinbeisser, Story, Tash.
Total 11

Absent or not voting: None.
Total 0

Excused: Pease.
Total 1

SB 286 - Senator Ryan moved **SB 286** do pass.

SB 286 - Senator Cocchiarella moved **SB 286**, second reading copy, be amended as follows:

1. Title, page 1, line 4.

Strike: "PROVIDING THAT,"

Insert: "REVISING CERTAIN NOTIFICATION AND RETAINAGE PROVISIONS"

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2. Title, page 1, lines 5 through 6.

Strike: ", CERTAIN" on line 5 through "SUBCONTRACTORS" on line 6

3. Title, page 1, line 11.

Strike: "18-2-206,"

Following: "28-2-2104"

Strike: ", "

4. Page 1, line 15 through page 2, line 11.

Strike: section 1 in its entirety

Renumber: subsequent sections

Amendment adopted unanimously.

SB 286 - Senator Cocchiarella moved **SB 286**, second reading copy, be amended as follows:

1. Page 3, line 9.

Strike: "substantial completion"

Amendment adopted unanimously.

SB 286 - Senator Ryan moved **SB 286**, as amended, do pass. Motion carried unanimously.

SB 329 - Senator Tester moved **SB 329** do pass. Motion carried unanimously.

SB 21 - Senator Grimes moved **SB 21** do pass. Motion carried with Senators Barkus, Gallus, Laible, and Toole voting nay.

SB 259 - Senator Lewis moved **SB 259** do pass. Motion carried unanimously.

SB 278 - Senator Ellingson moved consideration of **SB 278** be passed for the day. Motion carried.

SB 299 - Senator Toole moved **SB 299** do pass. Motion carried as follows:

Yeas: Brueggeman, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Gallus, Gillan, Hansen, Harrington, Hawks, Kitzenberg, Larson, Laslovich, Lewis, Lind, Mangan, Moss, Roush, Ryan, Schmidt, Smith, Squires, Toole, Tropila, Weinberg, Wheat, Williams, Mr. President.

Total 29

Nays: Bales, Balyeat, Barkus, Black, Cobb, Curtiss, Esp, Essmann, Gebhardt, Grimes, Keenan, Laible, McGee, O'Neil, Perry, Shockley, Stapleton, Steinbeisser, Story, Tash.

Total 20

Absent or not voting: None.

Total 0

Excused: Pease.

Total 1

SB 316 - Senator Lind moved **SB 316** do pass. Motion carried unanimously.

SB 340 - Senator Essmann moved **SB 340** do pass. Motion carried as follows:

Yeas: Bales, Barkus, Black, Brueggeman, Cobb, Cocchiarella, Cooney, Cromley, Curtiss, Ellingson, Elliott, Esp,

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Essmann, Gallus, Gebhardt, Gillan, Grimes, Hansen, Harrington, Hawks, Keenan, Kitzenberg, Laible, Larson, Laslovich, Lewis, Lind, Mangan, Moss, Perry, Roush, Ryan, Schmidt, Shockley, Smith, Squires, Stapleton, Steinbeisser, Story, Tash, Toole, Tropila, Weinberg, Wheat, Williams, Mr. President.
Total 46

Nays: Balyeat, McGee, O'Neil.
Total 3

Absent or not voting: None.
Total 0

Excused: Pease.
Total 1

SB 352 - Senator Grimes moved **SB 352** do pass. Motion carried unanimously.

SJR 13 - Senator Tester moved **SJR 13** be adopted. Motion carried unanimously.

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 217 passed as follows:

Yeas: Cobb, Cocchiarella, Cooney, Cromley, Ellingson, Elliott, Gallus, Gillan, Grimes, Hansen, Harrington, Hawks, Kitzenberg, Larson, Laslovich, Lind, Mangan, Moss, Roush, Ryan, Schmidt, Smith, Squires, Toole, Tropila, Weinberg, Wheat, Williams, Mr. President.
Total 29

Nays: Bales, Balyeat, Barkus, Black, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Keenan, Laible, Lewis, McGee, O'Neil, Perry, Shockley, Stapleton, Steinbeisser, Story, Tash.
Total 20

Absent or not voting: None.
Total 0

Excused: Pease.
Total 1

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Majority Leader Ellingson moved that the Senate adjourn until 12:30 p.m., Friday, February 11, 2005. Motion carried.

Senate adjourned at 2:07 p.m.

BILL LOMBARDI
Secretary of Senate

JON TESTER
President of the Senate