

**SENATE JOURNAL
63RD LEGISLATURE
FOURTH LEGISLATIVE DAY**

Helena, Montana
January 10, 2013

Senate Chambers
State Capitol

Senate convened at 1:00 p.m. President Essmann presiding. Invocation by Father Jerry Lowney. Pledge of Allegiance to the Flag.

Roll Call. All members present. Quorum present.

BILLS AND JOURNALS:

1/10/2013

Correctly printed: **SB 94, SB 95, SB 96, SB 97, SB 98, SB 99, SB 100, SB 101, SB 102, SB 103, SB 104, SB 105, SB 106, SB 107, SJ 1.**

Correctly engrossed: **SR 1.**

Transmitted to the House: **SJ 1**

MOTIONS

Majority Leader Wittich moved the Senate recess and proceed to the House of Representatives for a joint session for the purpose of hearing an address from U.S. Senator Max Baucus. Upon adjournment of the joint session, the Senate will reconvene to conduct business. Motion carried.

After the Senate was introduced in the House Chambers, President Essmann assumed the chair.

Majority Leader Wittich moved that the Senate and House of Representatives resolve into a joint session for the purpose of receiving an address from U.S. Senator Max Baucus. Motion carried.

President Essmann appointed a committee comprised of Senators Alan Olson and Christine Kaufmann, and Representatives Sarah Laszloffy and Bryce Bennett and charged the committee to accompany Senator Baucus into the chambers.

President Essmann introduced Senator Baucus to the joint session, and the Senator gave the following speech:

It's an honor to be here. Thank you for inviting me to speak.

It's a bittersweet moment for me to be standing here without seeing my mom here. Many of you knew my mother, Jean Baucus, and how blessed we were to have her with us. She embodied everything we believe in as Montanans. My mom was pure Montana.

I'm so proud and happy that my wife, Mel, is here today.

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On Monday, it was an honor to see our Native American tribes recognized at the swearing in ceremony on the steps of the Capitol.

Being here brings back some wonderful memories I have from serving in this chamber. And, it gives me a chance to see who's sitting in my old desk. Alan Redfield from Livingston! Alan, welcome to the Montana legislature. I hope that your time here is as meaningful as it was for me.

I learned something important here that is increasingly relevant to our time. Nothing of consequence can be achieved alone. In all my years in public office, I've never seen such a time of toxic partisanship.

In the sweep of history, nations are not defeated by external forces. They are defeated by internal decay. Which means we have no choice but to work together for meaning results.

It's a time that begs for the wisdom of people like Mike Mansfield. Mike once told me: "Max, remember: the other guy's not always wrong. And you're not always right." It's humbling advice.

Sometimes it's the small steps toward decency and civility that count the most.

Take New Year's Day for example. At 2 AM on January 1st, I walked over to Mitch McConnell's office. He was catching a couple Z's after a long, tough night of back and forth over the fiscal cliff. I knocked on his door. No answer. I turned around to leave and someone said: he's in there, try again. I knocked again. Mitch came to the door, a bit groggy and a bit surprised. I said, "Happy New Year!" He looked at me, surprised, and said, "Thanks, Max! You're the first person to wish me a happy New Year."

And, just the other day, I crossed the Capitol to welcome our new Congressman, Steve Daines, to Washington. Steve's a good guy.

WORKDAYS

As often as possible, I spend a day working at a Montana business. In the last year, I had some great days working alongside crews across the state. Everything from the sugar beet factory in Billings to sorting mail early in the morning at the post office in Missoula. Heck - the other day I found myself crawling in a dark tunnel in a hard rock mine near Troy.

Recently in Missoula, I worked on an impressive housing project out by the Wye. It's part of the NeighborWorks program based in Great Falls. Neighbors work together on each other's homes in order to build sweat equity. And no family can move into their new home until all of the homes are completed. These families work side by side to build each home. And in turn, they build a community.

I spent a day raising the exterior walls alongside a home owner and some of his neighbors. Odds are the neighbors won't always see eye to eye. But, the value of each home is strengthened when the entire neighborhood is complete.

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The program has helped close to 100 families in Montana achieve the American dream in the last 9 years.

In this new legislative session, you too, will be working for the people you serve in your own districts. When you work together with people from other districts, the entire state will rise.

Today is a great beginning. We have a mix of old hands and fresh faces. You have a unique opportunity to do something big for Montana. It's what Montanans expect from us.

Because, after all, we're just the hired hands.

WORKING TOGETHER TO DELIVER RESULTS

Why are we here? What do people want from us? It's jobs. Cutting waste. When we do our job by working together we can cut wasteful spending. We can invest in infrastructure and education. We can keep good-paying jobs in Montana.

For example, working together on the Highway Bill in Congress, we got the job done. And, I made sure it was very good for Montana.

Working together for the highway bill means:

- " 13,500 Montana jobs.
- " Let me repeat that: 13,500 Montana jobs.
- " \$400 million in annual federal funding for Montana.
- " For every \$1 Montanans contribute to the Highway Trust fund, we'll get back \$2.23.

You don't see that kind of return on any investment anywhere.

As part of the highway bill, I was also able to secure support from both sides of the aisle on my Secure Rural Schools (SRS) and Payment in Lieu of Taxes (PILT) amendment. Together they bring nearly \$50 million to Montana counties every year.

These funds help repair county roads, keep the boilers running at our rural schools and keep the lights on for our search and rescue crews.

We did it without adding a dime to the federal deficit. Not one, thin dime!

Working together delivers results.

ENERGY JOBS

We are so lucky to be Montanans.

We are outdoors people. We want to hunt, fish, hike, go camping and enjoy the beauty of our home. We're here for our majestic views, clean rivers, and the adventure of our outdoors. We are truly the Treasure State.

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We're so lucky to have our natural resources that we must take advantage of. We've been blessed with timber, gold, copper, coal, gas and wind. When it comes to energy: Montana has it all.

And we've got to work together to make sure Montana can use every tool available to maximize our energy potential. There are an estimated 18,000 jobs ready for the taking in the Bakken. Montanans should get those jobs.

And, they shouldn't have to leave our state to get the training they need.

I worked together with Montana's university system and community colleges to launch new job training to get those jobs here. We worked with energy companies operating in Montana to hire Montanans first. We're making progress because we're working together.

The oil boom has been a bright spot for our economy. Providing good-paying jobs we need. The boom has also strained local infrastructure in communities across eastern Montana.

That's why I directly urged the President to provide every appropriate federal resource to the Bakken.

And, you can bet, I'm going to keep up the pressure.

Wind energy is also adding to the diversity of our state's energy treasures.

Again, working together with my committee in the Senate, I helped extend the Production Tax Credit that supports wind farm projects in Montana.

Projects like the Rim Rock Wind Farm in Glacier and Toole counties and the Musselshell Wind Farm in Golden Valley and Wheatland counties.

This tax credit has helped bring more than \$1.5 billion in investment to Montana and supported 1,500 jobs. That's 1,500 more paychecks supporting Montana families and helping them put food on the table. That's 1,500 more paychecks supporting our Main Street businesses in places like Shawmut, Shelby and beyond.

Just two weeks ago, the Rim Rock Wind Farm powered up with the capacity to provide power to 60,000 households per year. The project has already contributed more than \$40 million to Montana's GDP.

Annual property tax payments from the Rim Rock project are expected to exceed \$2.5 million. That's \$2.5 million to help invest in schools and infrastructure that will support even more jobs.

And of course, we have abundant coal. And we should utilize it responsibly by investing in clean coal technology.

I fought hard to make sure our universities can move forward with a cutting edge public-private clean coal demonstration project by supporting \$70 million in federal funding.

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I've also worked hard to make sure regulations on regional haze and coal ash are reasonable.

And, after well over three years of studies, it's time to cut through the red tape and put Montanans to work on the Keystone Pipeline. 2013 needs to be the year we get it done.

FARM BILL

One-in-five Montana jobs rely on our number one industry: Agriculture.

In 2010, agriculture generated \$2.6 billion in income on over 29,000 farms and ranches.

Wheat and beef account for about three-fourths of the state's agricultural receipts. Other important crops include peas and lentils, seed potatoes, sugar beets, honey and barley for beer.

Speaking of beer, did you know we have more small breweries per capita than nearly anywhere else in the country? That's jobs.

Montana is the largest organic wheat producer in the country.

Working together with Republicans and Democrats, I led the charge to pass a bipartisan farm bill out of the Senate this year. A bill that worked for all of Montana agriculture.

It got stuck in the House, but I worked hard to get a 9-month extension as part of the fiscal cliff bill. I'm going to keep fighting tooth and nail for a long-term farm bill.

Because one in five Montana jobs is counting on it.

FIGHTING FOR MONTANA PRIORITIES

The so-called "fiscal cliff" was, perhaps, the most glaring example of people refusing to work together. We should never have gotten to that point.

However, in the end folks were able to come together to stop tax rates from spiking for Montana families and small businesses.

While the final result wasn't perfect, I managed to get others on board to protect Montana priorities.

We kept income taxes from going up on Montana's working families.

We provided permanent estate tax relief for Montana farmers, ranchers and small businesses. Let me repeat that: permanent estate tax relief! Not one year, not ten years. Permanent.

We extended tax cuts that allow families to deduct the cost of college tuition. That will help nearly 30,000 working Montana families send their kids to college.

We extended tax cuts that help small businesses access the capital they need to grow and hire

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more workers.

We extended tax credits to make it cheaper for businesses to hire new workers.

That includes a specific credit for businesses that hire unemployed veterans. And another to help businesses who support our Montana Guard and Reserve members by making up the difference in their salaries when they deploy.

But make no mistake, no one in Congress should be patting themselves on the back. The final compromise left many tough questions unanswered. Now more than ever, we have to come together and get serious about tackling our debt.

We started that process in 2011 by cutting \$1 trillion in spending through the Budget Control Act. It included \$40 billion in cutting out waste, fraud and abuse in programs like unemployment insurance.

We've got to continue that work so we aren't kicking the can down the road to our kids and grandkids. We must do it, and we will do it by rolling up our sleeves and working together.

VETERANS

There's another lesson I learned working in the Montana legislature that's never left me. In fact, it's rule number one in my office: Remember who we serve.

Montanans have a basic, moral expectation that we work together to leave this place in better shape than we found it.

In that vein, I ask that we take a moment to also remember who is serving us.

Right now we have nearly 300 Montana troops risking their lives in Afghanistan.

With more veterans per capita than nearly anywhere else in the country: Montanans proudly answer when duty calls. Just think: one in ten Montanans is a vet.

Let's recognize our Lieutenant Governor, General John Walsh and all 28 veterans currently serving in the Montana legislature.

Let's all stand up and give them a big thank you.

When a service member puts on his or her uniform, the entire family carries the burden.

The Skillman family of Helena is a proud example of this commitment. There's a bright young gal here named Suzie Skillman. She's 4-years-old. Imagine: her dad, her grandpa and her grandma deployed together to serve in Afghanistan.

Suzie's dad, Jaymes Skillman, along with her grandparents Dan and Lola are currently providing

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life support for troops in Afghanistan with the 652nd Regional Support Group. That's the kind of service that tugs at us to do our part to make sure the Skillmans and all of our troops can return to a country and a state that is worthy of their sacrifice.

Let's all recognize Suzie's mom, Amber, for holding down the home front!

I had the honor of spending Thanksgiving with some of Montana's wounded warriors this year. These young people display so much courage in their sacrifices, dedication to service, and long fight to recovery.

These patriots are Montana's future leaders. Instead of nation-building in Afghanistan, we need to invest in Americans like them.

So today, I'm declaring a war on veteran unemployment. And I ask you to join me in this fight.

The very first bill I introduce in the new congress will help us sharpen the weapons we need to win.

First, it will expand our efforts to make sure veterans can transfer the skills they learn in the military into the civilian job market.

If you're certified to operate as a mechanic in Kabul, you ought to be certified in Billings without having to jump through hoops.

So last year I started a pilot program to make sure that when our troops train to do a job in the military they earn their civilian licenses at the same time. This effort is already under way for EMTs, mechanics and truck drivers. But it's time to expand it to firefighters, military police, air traffic controllers, and countless other positions.

These men and women are getting the best training in the world. And their work ethic is second to none. We need to do our part to help them bring those same skills into their lives back home.

Second, my bill will demand accountability and transparency from the agencies in charge of getting the job done.

Right now there are six different programs tasked with tackling veteran unemployment just between the Departments of Veterans Affairs and Labor. Six.

And yet, in 2011, 1,000 Iraq and Afghanistan veterans were unemployed in Montana, and 234,000 nationwide, according to the Joint Economic Committee. That doesn't add up.

So, my bill will require agencies to set measurable goals for improving coordination.

And because there's nothing like sunshine to light a fire under folks, it will require them to submit annual reports to Congress -- and more importantly to the American people.

This is just the first step. We have a lot more work ahead of us to end veteran unemployment once

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and for all. But I believe we can do it if we work together. And I am encouraged by the work we've done so far.

In 2010, the Joint Economic Committee reported Montana's unemployment rate at more than 20 percent for Iraq and Afghanistan veterans. Just one year later, in 2011, it was down to 17.5 percent. Clearly even 1 percent is too high. But we are moving in the right direction thanks to aggressive action.

In 2009, I authored the original tax credit for businesses who hire unemployed veterans. In 2010 I began work to make sure it was extended. And by the end of that 2011 it was signed into law.

In 2012, my committee came together to extend it again. And we will continue looking for ways to get the word out and make it work better for Montana veterans and businesses.

Doing what's right for our veterans is something we can all agree on. It's not about being Democrats or Republicans. It's about being Americans.

I'm going to be working together with both sides of the aisle and continuing to press the President to join our efforts until every single veteran returns home to a good paycheck instead of an unemployment check.

MONTANA ECONOMIC DEVELOPMENT SUMMITS

A few days ago, we got some great news: A Butte family company called SeaCast is partnering with GE Aviation to create a new joint venture and new Montana jobs.

The seeds for this important relationship were planted at our 5th Montana Economic Development Summit in Butte in 2010.

I've held these summits every three years, bringing business leaders from across the country together with Montana entrepreneurs to create jobs.

They work.

Prior to the summit, Seacast had 21 employees. They currently have more than 70.

This new venture is expected to add hundreds of jobs. These are high-tech, good-paying jobs Montana needs.

I'm proud to announce we'll be holding another Montana Economic Development Summit this fall.

I look forward to hearing your ideas on how we can make it the best summit yet that will yield even more great results like what we're seeing with SeaCast in Butte.

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CLOSING:

As we look forward to the fresh possibilities of a new legislature and a new governor, I encourage you to work together to deliver results. I wish you the very best in this important endeavor.

We stand upon the tall shoulders of great statesmen and women who have come before us.

There's nothing wrong with disagreeing. But, as my mentor, Mike Mansfield said: "It doesn't do any harm to listen." I encourage you to consider his advice today, tomorrow and in the days to come. Listen to each other. Learn from each other. Serve those who have entrusted you.

And take steps of every magnitude to work together. It's worth it.

And, frankly, it's more fun that way!

It's been an honor to be here. Thank you for having me.

Majority Leader Wittich moved the joint session be adjourned. The motion passed.

Senate reconvened at 2:10 p.m.

FIRST READING AND COMMITMENT OF BILLS

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

SB 108, introduced by T. Brown, referred to Taxation.

SB 109, introduced by Rosendale, referred to Business, Labor, and Economic Affairs.

SB 110, introduced by T. Brown, referred to Judiciary.

SB 111, introduced by Rosendale, Ballance, D. Brown, Thomas, referred to Highways and Transportation.

SB 112, introduced by Blewett, referred to Judiciary.

SB 113, introduced by Blewett, referred to Judiciary.

SB 114, introduced by Taylor, Murphy, Regier, Sonju, referred to Business, Labor, and Economic Affairs.

SB 115, introduced by Taylor, Tutvedt, referred to Public Health, Welfare and Safety.

SB 116, introduced by Arthun, referred to Highways and Transportation.

SB 117, introduced by Sonju, Miller, Tutvedt, referred to Finance and Claims.

SB 118, introduced by Thomas, Ballance, Boulanger, Connell, Ehli, Greef, Jent, Phillips, referred to Fish and Game.

SB 119, introduced by Larsen, Ankney, Driscoll, Edmunds, Facey, Hamlett, Peterson, referred to State Administration.

SB 120, introduced by Buttrey, referred to Business, Labor, and Economic Affairs.

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

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

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

SR 1 - Senator Wittich moved **SR 1** be adopted. Motion carried as follows:

Yeas: Arntzen, Arthun, Augare, Debby Barrett, Dick Barrett, Blewett, Boulanger, Brenden, D. Brown, T. Brown, Buttrey, Caferro, Driscoll, Facey, Fielder, Hamlett, Jackson, Jent, Jergeson, Jones, Kaufmann, Keane, Larsen, Lewis, Malek, Moore, Murphy, Olson, Peterson, Phillips, Priest, Ripley, Rosendale, Sales, Sesso, Sonju, Stewart-Peregoy, Taylor, Thomas, Tropila, Tutvedt, Van Dyk, Vincent, Vuckovich, Walker, Wanzenried, Webb, Windy Boy, Wittich, Mr. President.

Total 50

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: None.

Total 0

Majority Leader Wittich moved the committee rise and report. Motion carried. Committee arose. Senate resumed. President Essmann in the chair.

Majority Leader Wittich moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Arntzen, Arthun, Augare, Debby Barrett, Dick Barrett, Blewett, Boulanger, Brenden, D. Brown, T. Brown, Buttrey, Caferro, Driscoll, Facey, Fielder, Hamlett, Jackson, Jent, Jergeson, Jones, Kaufmann, Keane, Larsen, Lewis, Malek, Moore, Murphy, Olson, Peterson, Phillips, Priest, Ripley, Rosendale, Sales, Sesso, Sonju, Stewart-Peregoy, Taylor, Thomas, Tropila, Tutvedt, Van Dyk, Vincent, Vuckovich, Walker, Wanzenried, Webb, Windy Boy, Wittich, Mr. President.

Total 50

Nays: None.

Total 0

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Absent or not voting: None.

Total 0

Excused: None.

Total 0

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:

SJ 1 passed as follows:

Yeas: Arntzen, Arthun, Augare, Debby Barrett, Dick Barrett, Blewett, Boulanger, Brenden, D. Brown, T. Brown, Buttrey, Caferro, Driscoll, Facey, Fielder, Hamlett, Jackson, Jent, Jergeson, Jones, Kaufmann, Keane, Larsen, Lewis, Malek, Moore, Murphy, Olson, Peterson, Phillips, Priest, Ripley, Rosendale, Sales, Sesso, Sonju, Stewart-Peregoy, Taylor, Thomas, Tropila, Tutvedt, Van Dyk, Vincent, Vuckovich, Walker, Wanzenried, Webb, Windy Boy, Wittich, Mr. President.

Total 50

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: None.

Total 0

UNFINISHED BUSINESS

Mr. President, I move that the following undersigned name be **ADDED** as sponsor to **SB 107**
Motion carried.

SB 107 (Facey, Chief Sponsor)
Representative Hill.

Majority Leader Wittich moved that the Senate adjourn until 1:00 p.m., Friday, January 11, 2013. Motion carried.

Senate adjourned at 2:25 p.m.

MARILYN MILLER
Secretary of the Senate

JEFF ESSMANN
President of the Senate