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## Economic Affairs Interim Committee

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### 61st Montana Legislature

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August 19, 2010

Rep. Dennis Himmelberger and Sen. Carol Williams  
Chair and Vice-Chair  
Legislative Council

Dear Rep. Himmelberger, Sen. Williams, and Legislative Council Members:

The Economic Affairs Interim Committee has asked that the Legislative Council consider a council bill that would revise the oversight responsibilities for the committee by moving the State Compensation Insurance Fund monitoring duties to the Economic Affairs Committee from the State Administration and Veterans Affairs (SAVA) Committee. SAVA has the monitoring duties because the State Compensation Insurance Fund is under the Department of Administration (DofA), and SAVA monitors DofA. The State Compensation Insurance Fund traditionally has reported to Economic Affairs informally or under a memorandum of understanding with the State Administration and Veterans Affairs Committee. Often, studies on workers' compensation involve both the Department of Labor and Industry and the State Fund, as SJR 30's study on workers' compensation does this interim. The formal authorization would help to guarantee that monitoring and oversight continues even when there are no studies that bring the State Fund into the Economic Affairs Committee sphere. In addition, the statute establishing the board of directors of the State Fund requires appointment of two Economic Affairs Committee members as liaisons to the State Fund Board. So moving oversight makes sense in many ways.

Proposed language is available from HB 80 from the 2007 session, which involved a broader attempt to make changes to the interim committee structure and was tabled in the Appropriations Committee. (See excerpted language on next page.) By simply changing the monitoring structure, there should be no cost to this bill.

The Economic Affairs Committee thanks you for your attention to this housekeeping type of issue.

Sincerely,

Senator Jim Keane  
Presiding Officer

See the proposed language from HB 80, which among other changes included an effort to assign the State Tax Appeal Board to the Revenue and Transportation Committee instead of retain it with the State Administration and Veterans Affairs Committee. That language was left in this excerpt of HB 80 in section 8 (with only subsection (1) printed). There were no other changes in that section:

**Section 3. Section 5-5-223, MCA, is amended to read:**

"5-5-223. Economic affairs interim committee. The economic affairs interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the following executive branch agencies and, unless otherwise assigned by law, the entities attached to agencies for administrative purposes:

- (1) department of agriculture;
- (2) department of commerce;
- (3) department of labor and industry;
- (4) department of livestock;
- (5) office of the state auditor and insurance commissioner; ~~and~~
- (6) office of economic development; and
- (7) the state compensation insurance fund created in 39-71-2313, including the board of directors of the state compensation insurance fund established in 2-15-1019."

**Section 8. Section 5-5-228, MCA, is amended to read:**

"5-5-228. State administration and veterans' affairs interim committee. (1) The state administration and veterans' affairs interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the public employee retirement plans and for the following executive branch agencies and, unless otherwise assigned by law, the entities attached to the agencies for administrative purposes:

- (a) department of administration, except:
  - (i) the state compensation insurance fund created in 39-71-2313, including the board of directors of the state compensation insurance fund established in 2-15-1019; and
  - (ii) the state tax appeal board, established in 2-15-1015;
- (b) department of military affairs; and
- (c) office of the secretary of state.

*(The remainder of section 8 was truncated for this letter because no changes were suggested in remaining subsections.)*