



## LEGISLATIVE FINANCE COMMITTEE

### 60<sup>TH</sup> Montana Legislature

Room 110 Capitol Building \* P.O. Box 201711 \* Helena, MT 59620-1711 \* (406) 444-2986 \* FAX (406) 444-3036

#### SENATE MEMBERS

TRUDI SCHMIDT--Chair  
KEITH BALES  
JOHN BRUEGGEMAN  
JOHN COBB  
DAVID WANZENRIED  
CAROL WILLIAMS

#### HOUSE MEMBERS

RICK RIPLEY--Vice Chair  
RON ERICKSON  
CYNTHIA HINER  
DAVE KASTEN  
JON SESSO  
JANNA TAYLOR

# MINUTES

## JOINT SUBCOMMITTEE OF THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE AND THE LEGISLATIVE FINANCE COMMITTEE

July 9, 2008

Room 102, State Capitol  
Helena, Montana

Please note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.**

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

#### **SUBCOMMITTEE MEMBERS PRESENT**

SEN. KEITH BALES - LFC  
REP. RICK RIPLEY - LFC  
SEN. CAROL WILLIAMS - LFC (via teleconference)  
REP. JON SESSO - LFC (via teleconference)  
REP. MIKE JOPEK - RTIC  
SEN. JIM PETERSON - RTIC  
REP BOB LAKE - RTIC

#### **SUBCOMMITTEE MEMBERS EXCUSED/ABSENT**

SENATOR KIM GILLAN - RTIC

### STAFF PRESENT

Clayton Schenck, Legislative Fiscal Division  
Terry Johnson, Legislative Fiscal Division  
Taryn Purdy, Legislative Fiscal Division  
Jeff Martin, Legislative Services Division  
Lee Heiman, Legislative Services Division  
Diane McDuffie, Secretary

### AGENDA & VISITOR'S LIST

Agenda, Attachment #1  
Visitor's list, Attachment #2

### SUBCOMMITTEE ACTION

The Joint Subcommittee of the Revenue and Transportation Interim Committee and the Legislative Finance Committee voted:

- to request a bill draft following the recommendations in Exhibit 1 on pages 2 and 3
- to include an analysis of the Montana results in context with the national scene and related impacts, an analysis of other activities related to demographics such as outdoor recreation; and an analysis on the impact of demographic changes related to rural and urban areas
- to work with Director Bucks on statutory language
- that study participants consists of 8 members as follows: 4 members of the LFC, 4 members of the RTIC, with 4 members from each house and 2 members from each party to be appointed by the chair of each committee and no appointed at large committee members
- to send the bill draft to subcommittee members by August 1, 2008
- to schedule a conference call on August 18, 2008 at 11:00 a.m.

### CALL TO ORDER AND ROLL CALL

**Sen. Bales Chairman**, called the second meeting of the Joint Subcommittee to order at 4:06 p.m. The secretary noted the roll. (Attachment #3)

### APPROVAL OF THE MINUTES

- 00:06:582     **MOTION: Rep. Lake** moved that the minutes of the June 4, 2008 meeting be approved as submitted. **VOTE:** Motion passed.
- 00:03:52     Terry Johnson, Principal Fiscal Analyst, LFD discussed his report on Montana's Changing Demographics (Exhibit 1), which listed proposed study requirements, anticipated data requirements, proposed study participants, and proposed budget recommendations.
- 00:10:39     **Rep. Lake** asked if the analysis on tax policy will be broken down on amount of revenue received from current age levels. Mr. Johnson said that would be the preferred way but will depend on what type of data is available.
- 00:12:27     **Rep. Jopek** asked if the tax policy analysis would be only on income taxes as it relates to the general fund. Mr. Johnson said this analysis would focus on services provided to the elderly and not addressing where the funding is coming from.

- 00:24:08 **Senator Bales** asked if the statistics shown on page 2 are identical to the rest of the nation and if not, do we need to look at the difference in our aging population as compared to the national average and surrounding states. Mr. Johnson said based on data reviewed so far, Montana is growing faster in terms of aging population.
- 00:27:46 **Senator Peterson** noted three additional areas that should be considered: 1) an analysis of the Montana results in context with the national scene and related impacts; 2) an analysis of other activities related to demographics such as outdoor recreation; and 3) an analysis on the impact of demographic changes related to rural and urban areas.
- 00:35:25 **Rep. Jopek** asked Mr. Johnson if he could provide census information back 10 and 20 years. Mr. Johnson said that the information can be provided.
- 00:38:29 **Rep. Lake** asked if this subcommittee is to provide the ground work for the study to be done with the university system and other people or will the study be done within our own staff.
- 00:39:00 **Sen. Bales** said the purpose of this subcommittee is to provide a bill draft request, which will establish an interim committee for the next interim to study the aging. This committee's duty is to provide the criteria for the study, the structure of the interim committee, the cost of the study and expected outcomes.
- 01:00:31 **Senator Williams** suggested adding a Native American representative to the nonvoting participant list since they often have different issues.
- 01:08:55 **Rep. Ripley** said it seems the issue is bigger than anticipated and perhaps a permanent interim committee should be created to gather the data and provide bill drafts for the legislature.
- 01:10:44 Clayton Schenck, Fiscal Analyst, LFD said that a bill draft request has been submitted by Sen. Williams that the subcommittee can use. Included in the bill draft is a \$200,000 budget estimate for contract services.

#### **PUBLIC COMMENT**

- 01:13:36 Linda Stoll, Area Agencies on Aging, said that there are several counties where over half the population is over the age 65 and there comes a point when the elderly parents need to be moved closer to family. This shift will have consequences in the local government services provided for aging. She strongly encouraged adding Dept. of Corrections, Dept. of Labor and Dept. of Revenue to the proposed study participant list.

#### **COMMITTEE DISCUSSION - PROPOSED STUDY REQUIREMENTS**

- 01:19:20 Mr. Johnson recommended the subcommittee include in the bill draft detail of major areas to be covered in the study.
- 01:21:35 **Rep. Lake** said that Mr. Johnson's recommendations have enough detail to move in the right direction but strongly recommended not including a requirement for a recommendation in the bill draft.
- 01:22:42 **Sen. Peterson** asked Sen. Williams if she envisioned the bill draft being a joint bill draft

with LFC and RTIC. **Sen. Williams** said that was her intention..

01:26:04 **Sen. Bales** said without objection from the committee, Mr. Johnson's recommendations regarding proposed study requirements will be used in the bill draft with the addition of an analysis of the Montana results in context with the national scene and related impacts; an analysis of other activities related to demographics such as outdoor recreation; and an analysis on the impact of demographic changes related to rural and urban areas.

#### **COMMITTEE DISCUSSION - ANTICIPATED DATA REQUIREMENTS**

01:28:26 Mr. Johnson said that is not necessary to list the anticipated data requirements in the study bill. As the research work is done the data the requirements will become obvious.

01:29:11 **Sen. Peterson** said that some of the data will have to come from the Department of Revenue and there should be an understanding in the bill draft request of what data will be available so the study can be successfully done and to avoid a post legislative debate over what data is available.

#### **CONFERENCE CALL WAS TERMINATED - BREAK**

(**Sen. Williams** was reconnected. **Rep. Sesso** was not.)

01:35:06 Director Bucks, Director, Department of Revenue said the department is not authorized to receive data from other state agencies for research purposes so a statutory change would be needed. He also noted that federal law prohibits the use of information secured from the IRS for research purposes. Mr. Bucks proposed authorization in the bill draft request for the researchers designated by the legislature to receive aggregate data from the Department of Revenue. Also, under current law the LFD staff is entitled to receive any information the department has other than federal tax information and the department would provide both the individual files that are tax specific and the aggregated data. Mr. Bucks said the department will work with the bill drafter to get the appropriate language.

01:35:28 **Sen. Williams** said in the best interest of the process, study participants should be people who have been involved in the issues. **Sen. Williams** also asked for advice from Mr. Petesch regarding voting versus nonvoting members. She said she is not comfortable moving forward with voting members that are not elected members.

01:46:42 **Rep. Ripley** said he suggested having a standing interim committee because of the need for ongoing funding, the proposed study participants being voting members, and the need to have a narrow and focused study with the flexibility to address issues as they arise.

01:58:22 **Sen. Peterson** said the interim study could include more analysis as to whether a standing interim committee is needed and the decision for a permanent standing interim committee does not need to be made at this time.

02:00:32 **Sen. Bales** said the bill draft request could include that the interim study committee look at whether or not a permanent interim committee needs to be established.

#### **COMMITTEE DISCUSSION - PROPOSED STUDY PARTICIPANTS**

- 02:04:40 **Rep. Lake** said it should be specified what committees the members are from and the members from the other interested groups should be voting members.
- 02:06:19 **Rep. Jopek** requested that the minority and majority of each chamber agree on who the members will be.
- 02:07:18 **Sen. Williams** expressed concern that there could be a conflict of interest with members being allowed to vote that are not legislative members.
- 02:08:31 **MOTION: Rep. Ripley** moved that the proposed study participants consists of 8 members as follows: 4 members of the LFC, 4 members of the RTIC, with 4 members from each house and 2 members from each party to be appointed by the chair of each committee and no appointed at large committee members. **VOTE:** Motion passed.
- 02:15:07 **Sen. Bales** said the interim committee should be given the ability to ask all interested parties and/or knowledgeable entities to testify.

#### **COMMITTEE DISCUSSION - PROPOSED BUDGET AND OTHER ISSUES**

- 02:15:29 **Sen. Peterson** said the budget will probably evolve as the discussion goes on for the interim committee legislation. He asked if staff has enough information to draft a bill with the proposed budget for the subcommittee to review.
- 02:16:52 Jeff Martin, Legislative Services Division said that if the bill is introduced in the house the appropriation would need to be in the bill draft. But if it starts in the Senate the appropriation would go into HB 2.
- 02:18:55 **Sen. Bales** said that the appropriation and proposed outcomes can be discussed after the bill has been drafted and reviewed.

#### **NEXT MEETING**

- 02:21:24 Mr. Martin said the bill draft can be mailed to subcommittee members August 1 and a conference call will be scheduled for August 18 at 11:00 a.m.
- 02:22:23 **Rep. Jopek** requested the bill be posted to the web for public review.

#### **ADJOURNMENT**

Meeting adjourned at 6:25 p.m.