



Economic Affairs Interim Committee

64th Montana Legislature

SENATE MEMBERS

GORDON VANCE--Vice Chair
TOM FACEY
RICK RIPLEY
LEA WHITFORD

HOUSE MEMBERS

RYAN LYNCH--Chair
MIKE LANG
NATE MCCONNELL
VINCE RICCI

COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
JAMESON WALKER, Staff Attorney
LAURA SHERLEY, Secretary

MINUTES LOG

June 22, 2016
Room 137, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

REP. RYAN LYNCH, Chair
SEN. GORDON VANCE, Vice Chair

SEN. RICK RIPLEY
SEN. LEA WHITFORD
REP. MIKE LANG
REP. NATE MCCONNELL
REP. VINCE RICCI

COMMITTEE MEMBERS EXCUSED

SEN. TOM FACEY

STAFF PRESENT

PATRICIA MURDO, Lead Staff
JAMESON WALKER, Staff Attorney
LAURA SHERLEY, Secretary

VISITORS' LIST ([Attachment 1](#))

AGENDA ([Attachment 2](#))

COMMITTEE ACTIONS

The Economic Affairs Interim Committee took the following actions at its June 22 meeting:

- authorized for early drafting two Department of Commerce bills, one related to the Board of Horseracing and the other related to the Board of Housing;
- voted to draft as committee bills proposals to:
 - transfer duties related to interim committee monitoring of liquor laws and rules from the Revenue and Transportation Interim Committee to the Economic Affairs Interim Committee, whose members are mostly drawn from the standing committees that generally hear liquor bills;
 - set a trigger for reports on Business and Industrial Development Corporations instead of requiring reports when no action has occurred;
 - modify to an as-needed basis the so-called House Bill 142 reviews by interim committees of advisory councils and statutory reports;
- recommended more work on a potential committee bill to provide active supervision over licensing boards in antitrust cases to allow state action immunity for board members; and
- agreed to have one final report rather than separate reports for the two studies undertaken by the committee.

CALL TO ORDER AND ROLL CALL

00:00:03 Rep. Lynch called the meeting to order at 8:31 a.m. The committee secretary took roll ([Attachment 3](#)). Sen. Facey was excused and left his proxy with Rep. McConnell ([Attachment 4](#)).

AGENDA AND MEETING MATERIALS REVIEW -- Pat Murdo, committee staff

00:00:46 Ms. Murdo ([Exhibit 1](#))

AGENCY LEGISLATION REVIEW

Department of Commerce -- Meg O'Leary, Director

00:03:28 Ms. O'Leary ([Exhibit 2](#))([Exhibit 3](#))

00:07:57 Rep. McConnell asked how many state housing loans the Dept. of Commerce services and the financial numbers associated with the service.

Public Comment

None

Committee Action: Forward Bills for Drafting

Motion

00:10:07 Sen. Ripley moved to forward the two Dept. of Commerce bills into the drafting process.

Vote

00:10:28 The motion passed unanimously on a voice vote.

AGENCY MONITORING -- MONTANA STATE FUND BUDGET REVIEW

Mark Barry, Montanan State Fund Chief Financial Officer

Rene Martello, Montanan State Fund Controller

00:11:21 Mr. Barry
00:12:10 Ms. Martello ([Exhibit 4](#))([Exhibit 5](#))
00:24:59 Sen. Ripley asked about the increase in Montana State Fund travel costs.
00:26:50 Sen. Ripley asked why the costs for 2016 are predicted to be lower than the actual costs in 2015.
00:27:54 Rep. Lynch asked how much is spent on state safety with Montana State Fund.
00:28:48 Rep. Lang asked what is entailed in the Annual Business Plan Policy and Billing System Replacement (**see Exhibit 4, page 16**).
00:31:04 Sen. Ripley asked if the overall budget increase of 2% and projected decrease in income is correct.

Public Comment

None

BREAK

Work Session on Possible Committee Legislation -- Introduction of topics by Pat Murdo

Revise (or remove) requirement for interim committee's to review advisory boards

Revise reporting for Business and Industrial Development Corporations

Switch monitoring of Liquor Control Division from Revenue and Transportation

Interim Committee to Economic Affairs (in line with Business and Labor Committees hearing liquor bills)

00:49:27 Ms. Murdo ([Exhibit 6](#))([Exhibit 7](#))([Exhibit 8](#))([Exhibit 9](#))
00:56:17 Sen. Vance commented on the transfer of the Liquor Control Division monitoring from the Revenue and Transportation Interim Committee to Economic Affairs.
00:56:35 Ms. Murdo

Motion

00:57:52 Sen. Ripley moved that the committee switch the monitoring of the Liquor Control Division from the Revenue and Transportation Interim Committee to the Economic Affairs Interim Committee.

Vote

00:58:14 The motion passed unanimously on a voice vote.
00:58:25 Rep. Ricci agreed to carry the bill.

Committee Discussion

00:59:12 Rep. Lang asked for clarification on which draft bills are being considered.
00:59:30 Rep. Lynch discussed the draft bills and possible action of the committee.
01:00:34 Rep. McConnell asked for clarification of the possible motions.

Motion

01:01:09 Rep. McConnell moved to have a committee bill revising the requirement for interim committees to review advisory boards.

Vote

01:01:22 The motion passed unanimously on a voice vote.

Motion

01:01:48 Rep. Lang moved that a bill be drafted to change reporting requirements for Business and Industrial Development Corporations.

Vote

01:02:08 The motion passed unanimously on a voice vote.

RULE REVIEW -- Jameson Walker, staff attorney

01:02:23 Mr. Walker ([Exhibit 10](#))

01:03:45 Sen. Ripley asked if the livestock rule change was also agreeable with the producers.

EMERGING OR MEMBER ISSUES: WORKERS' COMPENSATION AND EMERGENCY RESPONDERS

Presumptive Illness among Firefighters

David Van Son, Great Falls, Montana State Council of Professional Firefighters

Brian Reed, Montana State Council of Professional Firefighters

Nick Mazanec, State Auditor's Office

01:05:30 Mr. Van Son

01:11:45 Mr. Reed

01:14:27 Mr. Mazanec ([Exhibit 11](#))([Exhibit 12](#))

01:24:18 Rep. Ricci asked Mr. Mazanec if any of the bills presented last session made it out of committee.

01:24:58 Rep. Ricci asked Mr. Reed what the piece of equipment was that caused cancer, as reported in the testimony.

01:26:26 Rep. Lang asked Mr. Mazanec if the fire tax is a consumer tax and if it could be refunded back to the consumer if the tax was removed.

01:28:41 Rep. Lang asked if a prerequisite test could be done for higher risk persons with genetic predisposition.

01:32:31 Sen. Ripley asked Mr. Van Son how he acquired the statistics of 1 to 4 high risk cases every 5 years in the state.

01:34:05 Rep. Ricci asked if the presumptive coverage would cover both volunteer and paid firefighters.

01:35:46 Rep. Ricci asked how the volunteer firefighters would be forced to have a yearly physical since the position is that of a volunteer.

01:36:30 Rep. Ricci asked who is sponsoring the proposed bill and the scope of the proposed bill.

01:36:48 Rep. McConnell asked Mr. Van Son if it is true that there is no available data sheet on chemicals that might be found in burning structures.

01:38:16 Rep. McConnell asked Mr. Mazanec what the break down of the burden of proof is from state to state and suggested that they find evidence on how often the rebuttable option is met.

01:39:39 Sen. Ripley asked for the bill number from last session for the committee to review and what the fiscal impact was from the bills.

Public Comment

None

Post-Traumatic Stress Disorder (PTSD) and Mental-Mental Occupational Disease

Sgt. Richard LaBard, Great Falls Police Department, speaking for himself

Larry Jones, defense attorney in private practice

Justin Starin, plaintiff's attorney in private practice

01:42:27 Ms. Murdo ([Exhibit 13](#))
01:43:14 Mr. LaBard
01:55:02 Rep. Ricci asked Mr. LaBard if there could have been a different outcome in his testimony if workers' compensation would have been involved.
01:56:26 Rep. Lynch asked if there was a debriefing after his event, how long before he had any treatment, and how his work performance was between the event and receiving treatment.
01:59:58 Mr. Jones ([Exhibit 14](#))
02:04:15 Mr. Starin

Public Comment

02:07:40 Al Smith, Montana Trial Lawyers Association

Committee Questions

02:11:46 Sen. Whitford asked Mr. Smith to elaborate on the insurance coverage in 1987. The question was redirected to Kevin Braun, Montana State Fund.
02:14:50 Sen. Whitford asked Mr. Braun to describe the argument used to drop the PTSD-type coverage by workers' compensation in 1987.
02:17:00 Sen. Whitford commented that since 1987 there has been technological advancement and new assessments can be done to evaluate PTSD appropriately.
02:17:58 Sen. Whitford asked Mr. Jones to elaborate on his testimony on the bill to drop PTSD-type coverage in 1987.
02:21:19 Rep. Lynch asked Mr. Braun if workers' compensation recognizes the DSM-5 as a reliable diagnostic tool for PTSD and if the medical experts rely on the DSM-5 for diagnostic coding.
02:23:28 Sen. Whitford asked Mr. Starin how many first responders have tried to file for workers' compensation for PTSD.
02:24:40 Rep. McConnell asked Mr. Starin if PTSD was covered by workers' compensation how many people would apply for it. The question was also referred to Mr. Jones.
02:28:46 Rep. Lang asked if there is a private carrier that provides coverage for PTSD.
02:30:59 Rep. Lynch asked Mr. Jones if Montana Municipal Interlocal Authority and Montana Association of Counties cover first responders.

AGENCY MONITORING -- BOARD OF LIVESTOCK

Financial Audit Summary of Department of Livestock -- Kelly Zwang, Legislative Audit Division

02:43:04 Ms. Zwang ([Exhibit 15](#))([Exhibit 16](#))

Comment on financial audit -- John Scully, Board of Livestock

02:51:35 Mr. Scully ([Exhibit 17](#))
02:58:37 Rep. Ricci asked if the settlement payment was part of the reason that necessitated an increase in per capita fees.
03:00:57 Mr. Scully
03:02:36 Rep. Lynch asked Mr. Scully if he would speak on behalf of the Board of Livestock on the payout.
03:07:30 Sen. Ripley asked if Mike Honeycutt, executive officer of the Board of Livestock, would address the number one recommendation on the audit report.
03:11:14 Rep. Lang asked Mr. Honeycutt how the zero-based budget affects the current Board of Livestock appropriations.
03:15:27 Sen. Ripley asked Mr. Scully who they received the settlement advice from.
03:18:39 Rep. Lynch asked Mr. Scully if there has been a conversation about statutory language changes regarding the administrative duties associated with the Board of Livestock's per capita fees.

Performance Audit Summary of Veterinary Diagnostic Laboratory -- John Harrington, Legislative Audit Division

03:20:24 Mr. Harrington ([Exhibit 18](#))([Exhibit 19](#))

Comment on performance audit -- John Scully, Board of Livestock

03:32:20 Mr. Scully ([Exhibit 20](#))
03:41:50 Rep. Ricci asked if the lab has a stand-alone budget and, if it does, why are there fee discrepancies.
03:44:08 Sen. Whitford asked whether anyone had considered relocating the lab to other universities or communities that would help fund the lab.
03:47:36 Sen. Whitford asked how the Board of Livestock's strategic plan is going to continue forward after the recommendations from the performance audit.
03:50:13 Sen. Ripley asked Mr. Harrington if the test fees are in-state or out-of-state fees.

Comment on performance audit -- Charles Boyer, Montana State University Vice President and Dean of Agriculture, with Tracy Ellig, MSU Communications

03:52:01 Mr. Boyer
03:57:12 Sen. Vance asked Mr. Ellig why the lab project is low priority.
03:59:53 Sen. Vance asked Mr. Ellig if the new veterinary medicine program could have an effect on prioritizing the lab project. The question was deferred to Mr. Boyer.
04:02:30 Sen. Vance asked Mr. Boyer if the program has room for further development.
04:03:25 Sen. Ripley commented if MSU officials do not believe that the lab operations fit within the university's mission, there are likely other places in the state that the board could look into for the lab building.
04:04:03 Sen. Whitford asked Mr. Boyer about the research centers he mentioned and asked if they have state funding.
04:06:27 Sen. Whitford asked Mr. Boyer if the seven research centers are older facilities and what is the square footage.
04:09:14 Sen. Whitford asked Mr. Boyer how MSU has communicated with the Board of Regents regarding the research centers' priorities.
04:14:29 Sen. Whitford commented that the other five agencies could collaborate and pull their state resources together for a long-range lab plan.

Board of Livestock (BOL) and Department of Livestock (DOL) Reviews

Update on Milk Assessment Rule and Board of Livestock Activities -- John Scully, BOL

04:17:43 Mr. Scully ([Exhibit 21](#))
04:27:52 Rep. Ricci commented about the fees and the consumer who pays those fees.
04:29:43 Rep. Lynch asked if the requested funding will be included in the executive budget.

Public Comment

04:30:34 Krista Lee Evans, Montana Milk Producers Association

Request for Attorney General Opinion on responsibilities for bison -- John Scully, BOL and Mike Honeycutt, DOL executive officer

04:52:13 Mr. Scully ([Exhibit 22](#))
05:02:03 Mr. Honeycutt
05:03:08 Sen. Ripley asked Mr. Scully if the presentation was Attorney General's opinion.

Public Comment

None

Budget Review and Update -- Mike Honeycutt, DOL executive officer

05:04:16 Mr. Honeycutt ([Exhibit 23](#))

Update on Commercially Raised Bison -- Aaron Paulson, President of Montana Bison Association

05:26:13 Mr. Paulson ([Exhibit 24](#))
05:39:08 Sen. Ripley asked if there is a map of members on the Montana Bison Association website.
05:39:31 Sen. Whitford asked Mr. Honeycutt if there was a bill last legislative session that related to counties setting regulations on bison relocation.

ASSIGNED STUDIES -- HJR 29 -- AIR AMBULANCE STUDY

Update from State Auditor's Office on Working Group and Possible Legislative Options -- Nick Mazanec, State Auditor's Office

05:41:09 Mr. Mazanec
05:44:31 Sen. Vance was excused and left his proxy with Rep. Lang ([Attachment 5](#)).
05:54:22 Rep. Ricci commented on the Air Ambulance Study Group meetings.
05:55:55 Rep. Lynch asked if the rate review was part of the membership fee or part of the flight service.
05:56:51 Rep. McConnell asked how the legislative proposal relates to federal statutes.

AGENCY MONITORING -- DEPARTMENT OF LABOR AND INDUSTRY

Followup to Convenience/Gas Store Measuring Device Fees/Inspections

Todd Younkin, Administrator, Business Standards Division

Ronna Alexander, Montana Petroleum Marketers and Convenience Store Association

06:02:01 Mr. Younkin ([Exhibit 25](#))
06:07:18 Ms. Alexander
06:09:38 Rep. McConnell asked why a business would pay for a full test.

Public Comment

None

ASSIGNED STUDIES -- SB 390 -- DEPARTMENT FEES FOR LICENSING BOARDS

Legislative Solutions to Issues Raised During SB 390 Discussion

Enterprise Funds -- Todd Younkin, Business Standards Division

06:11:53 Mr. Younkin
06:12:03 Sen. Whitford was excused and left her proxy with Rep. Lynch ([Attachment 6](#)).
06:13:12 Rep. Lynch asked if there was a sunset on the certified public accountants pilot project on enterprise funds.

Public Comment

06:13:43 Jessica Reynolds, Montana Speech Language Hearing Association
06:16:46 Sen. Vance returned to the meeting.

Administratively Attached Boards/Active Supervision -- overview Pat Murdo LC 3901, LC3902, LC3903 Bill Draft Options for Committee Review

06:17:01 Ms. Murdo ([Exhibit 26](#))([Exhibit 27](#))([Exhibit 28](#))([Exhibit 29](#))
06:27:27 Judy Bovington, Chief Legal Counsel, Department of Labor and Industry

Public Comment

06:31:46 Margaret Wallace, Montana Medical Association
06:32:25 David Hemion, Montana Dental Association
06:36:52 Joe Vincent, Montana Optometric Association
06:39:19 Margaret Morgan, Montana Dental Hygienist Association

Committee Discussion

06:41:45 Rep. Lynch recommended that the committee consider combining bill drafts LC3901 and LC3903 and asked Ms. Bovington if the state is in compliance with the Supreme Court ruling.
06:43:11 Sen. Vance asked Ms. Bovington to explain the department's concerns regarding the draft bills and if there have been recurring problems.
06:44:39 Rep. McConnell asked if the proposals would be protecting the citizen boards.
06:45:20 Sen. Ripley recommended that the committee should consider a combination of LC3903 and the minimum needed to comply with the Supreme Court.
06:46:26 Rep. Lynch asked Ms. Bovington what happened to the board and professionals acting on behalf of the board in the court case in North Carolina.

Prorated License Fees for First-Year if Not a Full Year -- Todd Younkin, Observations from the Department of Labor and Industry

06:47:47 Mr. Younkin
06:48:20 Sen. Ripley was excused from the meeting.

MEMBER ISSUES

06:51:48 Ms. Murdo discussed committee recommendations regarding the committee report.
06:52:13 Rep. McConnell asked if there are other states that have tried to comply with the U.S. Supreme Court's N.C. Dental Board decision and if the committee is trying to replicate the other state models.

Liquor Laws Update by interested Parties' Working Group -- Darryl James, Facilitator

06:52:57 Mr. James ([Exhibit 30](#))

07:03:00 Rep. Ricci asked if there is crossover between beer and wine licenses.

Public Comment

None

Public Comment on Any Issue within the Economic Affairs Interim Committee Purview

None

Directions to Staff. Confirmation of next meeting Aug. 30-31.

07:05:18 Ms. Murdo discussed the next meeting dates.

Public Comment

07:08:59 Mike Kadas, director of the Department of Revenue, spoke on the committee bill regarding a transfer of monitoring duties for interim committees.

ADJOURNMENT

07:10:07 Rep. Lynch adjourned the meeting at 3:41 p.m.

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