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TO: EQC members
FROM: Senator Keane, chair, SJR 4 work group
DATE: April 30, 2014
RE: Work group meeting and recommendation to EQC

The SJR 4 work group met on April 22. Staff and members of the Montana Heritage Commission (MHC), along with Rep. Shaw, joined the work group to discuss the following items:

- the MHC's strategic plan;
- a recent Legislative Audit of the Department of Commerce, including the MHC, and the resulting report;
- revisions to the administrative rules governing the MHC that are being proposed by the Department of Commerce;
- potential revisions to the statutes governing the MHC;
- statutory and other funding sources for the MHCs operations; and
- the meaning of subsection 22-3-1003(3)(c) expressing the intent of the 58th Legislature that no general fund money be used for operation of MHC-managed properties beyond what was appropriated by the 55th Legislature.

The work group reviewed and approved for EQC's consideration the enclosed bill draft that is intended to address some of the issues that have been identified during the course of the study. The draft (LC MHC1):

- strikes language requiring the MHC to continue to acquire property and purchase fee title interests in real and personal property, leaving the focus on managing properties the state has already acquired;
- strikes references to MHC-managed properties being economically independent and self-supporting, providing instead that the goal be economic stability;
- revises the authority for appointing MHC members, so that if the Speaker of the House and the President of the Senate do not appoint the members for which they are responsible, the authority reverts to the Governor;
- strikes language that requires certain MHC profits to be deposited in the Cultural and Aesthetic Trust;

- strikes language that requires proceeds from the sale of personal property from the Bovey assets be placed in a trust fund.

The work group also requested that a specific EQC agenda item focus on the provision in section 22-3-1003(3)(c), regarding the use of general fund money, noted above and included on page 6 of the draft. Legal staff confirmed for the work group that the provision is not legally binding and does not constitute a prohibition on the use of general fund money.

The members look forward to discussing their work and recommendations with the EQC in May.