



Economic Affairs Interim Committee
63rd Montana Legislature

SENATE MEMBERS

BRUCE TUTVEDT--Chair
ELSIE ARNTZEN
DICK BARRETT
TOM FACEY

HOUSE MEMBERS

RYAN LYNCH--Vice Chair
TOM BERRY
GREG HERTZ
LEA WHITFORD

COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

EAIC MINUTES LOG

September 12, 2014

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This 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 summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

SEN. BRUCE TUTVEDT, Chair
REP. RYAN LYNCH, Vice Chair

SEN. ELSIE ARNTZEN
SEN. DICK BARRETT
SEN. TOM FACEY

REP. GREG HERTZ
REP. LEA WHITFORD

COMMITTEE MEMBERS EXCUSED

REP. TOM BERRY

STAFF PRESENT

PATRICIA MURDO, Lead Staff
TODD EVERTS, Acting Staff Attorney
KRISTINA LIMING, Secretary

AGENDA & VISITORS' LIST

Agenda, [Attachment #1](#).
Visitors' list, [Attachment #2](#).

COMMITTEE ACTION

- Voted to send a letter to the Board of Directors of Montana State Fund asking the Board to consider hiring an outside claims review organization to undertake a claims management study that includes both New Fund and Old Fund claims.
- Voted to withdraw its earlier request for a committee bill on Montana State Fund restructuring, drafted as LC0msf but encouraged further work by the parties involved.
- Agreed without objection to remove from consideration as committee bills the following proposals: a study of how fraud prevention and prosecution works under the Attorney General's agreement with Montana State Fund and a draft to revise the way treating physicians are assigned in workers' compensation cases.
- Voted to sponsor as committee bills two bill drafts endorsed by the Labor-Management Advisory Council. One revises the threshold at which vocational rehabilitation benefits are available to certain workers' compensation claimants. The other provides a way of naming a temporary workers' compensation judge during the appointment process for a new judge.
- Voted to endorse early drafting and pre-introduction of bills presented by:
 - ▶ the State Auditor's Office;
 - ▶ the Division of Banking and Financial Institutions;
 - ▶ the Department of Labor and Industry (with a limit of 16 on bill drafts related to the Business Standards Division regarding licensing boards);
 - ▶ the Department of Agriculture;
 - ▶ the Department of Commerce; and
 - ▶ the Department of Livestock.
- Decided not to sponsor as a committee bill a proposal by the Department of Labor and Industry to revise the definition of "fees commensurate with costs" but voted to include that draft within the Department of Labor and Industry's list of bill drafts already approved for early drafting.
- Voted to send a letter to the Legislative Finance Committee supporting further study of the Veterinary Diagnostic Laboratory and possible combination of a new lab with the Wildlife Lab of the Department of Fish, Wildlife, and Parks.
- Voted to support a conceptual committee bill to repeal statutory advisory councils for agencies that are monitored by the EAIC but to allow the agencies to appoint their own advisory councils and fund them with their own budgets.
- Voted on a revised version of LCpooH as a committee bill to include the ability to use raw honey in bartering as well as to sell raw honey at farmers' markets without a special license.
- Voted to support as a committee bill the already-requested proposal for LCloss, related to letting policyholders obtain information on their workers' compensation claim losses.
- Agreed without objection not to co-sponsor with other committees a prescription drug registry bill draft or a bill draft realigning the agencies monitored by interim committees;
- Approved drafting of two final reports: one for the full committee's actions and one for the reviews of licensing boards required under HB 525 in the 2011 Session.

CALL TO ORDER AND ROLL CALL

00:00:00 SEN. TUTVEDT called the meeting to order at 8:19. The secretary took the roll ([Attachment #3](#)).

Public comment on any issue under the Committee's purview

00:01:09 None

HJR 25: STUDY OF WORKERS' COMPENSATION AND MONTANA STATE FUND

Actuarial Review of Montana State Fund Done

00:01:29 **Dan Reppert, Financial Risk Analysts, LLC**, gave a PowerPoint presentation regarding an Actuarial Report on Montana State Fund, performed at the request of the Commissioner of Securities and Insurance ([EXHIBIT 1](#)).

Committee Questions and Comments

00:09:21 SEN. TUTVEDT - **Laurence Hubbard, CEO, Montana State Fund**

00:12:04 SEN. BARRETT - Mr. Reppert, referenced a packet provided to the committee, containing further details and explanation on the actuarial report ([EXHIBIT 2](#)).

00:15:45 Rep. Whitford arrived.

00:16:33 Mr. Reppert continued his presentation on the Actuarial Report.

Committee Questions and Comments

00:20:13 REP. HERTZ

00:20:33 Mr. Reppert

00:22:11 Mr. Reppert continued his presentation on the Actuarial Report.

Committee Questions and Comments

00:36:02 SEN. BARRETT - Mr. Reppert

00:39:00 SEN. BARRETT

00:39:29 Mr. Hubbard

00:40:11 Mr. Reppert

00:42:57 SEN. FACEY

00:43:37 Mr. Hubbard

00:44:17 SEN. TUTVEDT

00:45:07 Mr. Hubbard presented the committee with the formal response to Monica Lindeen from Montana State Fund regarding the actuarial report ([EXHIBIT 3](#)). He also provided a letter from Towers Watson regarding a review on the actuarial report done by FRA ([EXHIBIT 4](#)).

00:50:07 SEN. FACEY

00:50:57 SEN. TUTVEDT - Mr. Hubbard

00:53:57 SEN. TUTVEDT - Mr. Reppert

00:57:00 SEN. TUTVEDT

00:57:05 **Pat Murdo, Research Analyst, Legislative Services Division**

00:57:40 SEN. BARRETT

00:58:06 Mr. Hubbard
00:59:20 REP. HERTZ
00:59:51 SEN. TUTVEDT
01:00:03 SEN. FACEY
01:00:52 Mr. Hubbard
01:02:12 REP. LYNCH moved to send a letter to the Montana State Fund's Board of Directors requesting that the Board consider a claims management study as recommended in the Financial Risks Analysts' report.

01:03:40 REP. HERTZ
01:03:56 REP. LYNCH
01:04:11 SEN. FACEY
01:04:31 SEN. TUTVEDT
01:04:54 Mr. Hubbard
01:05:40 REP. LYNCH
01:05:54 REP. HERTZ

01:06:17 Mr. Hubbard presented his response to the Actuarial Report of Montana State Fund.

Committee Questions and Comments

01:10:36 SEN. TUTVEDT
01:11:01 SEN. BARRETT
01:11:22 Mr. Hubbard
01:11:42 SEN. ARNTZEN - Mr. Hubbard
01:13:55 REP. WHITFORD - Mr. Hubbard
01:14:52 SEN. BARRETT
01:15:10 **Todd Everts, Chief Legal Counsel, Legislative Services Division**
01:15:16 SEN. TUTVEDT
01:15:42 SEN. BARRETT
01:16:09 SEN. TUTVEDT called for a voice vote on REP. LYNCH'S motion for a claims management study. The motion passed unanimously.

Public Comment

01:16:39 None.

Discussion of Montana State Fund Regulation under the Insurance Commissioner

01:17:19 Mr. Hubbard referenced LC0msf (**EXHIBIT 5**) and the draft Fiscal "Note" for the 2017 Biennium (**EXHIBIT 6**). He also provided a summary explanation of material included within the bill draft.

01:29:31 **Jesse Laslovich, Legal Counsel, Insurance Commissioner's Office**, described concerns that the Insurance Commissioner's Office has toward the current LC0msf bill draft. He handed out a red-lined version of the bill draft referencing changes his office would like made (**EXHIBIT 7**), and briefly explained the proposed suggestions to LC0msf.

Committee Questions and Comments

01:38:07 SEN. TUTVEDT - Mr. Laslovich

01:38:58 Mr. Hubbard
01:42:32 Mr. Laslovich
01:43:52 SEN. TUTVEDT
01:44:17 SEN. FACEY
01:45:23 Mr. Laslovich
01:46:09 SEN. TUTVEDT
01:46:32 Mr. Laslovich
01:47:04 SEN. BARRETT - Mr. Laslovich
01:51:00 REP. LYNCH
01:51:30 Mr. Laslovich
01:52:34 SEN. FACEY
01:54:30 SEN. TUTVEDT
01:54:35 Mr. Everts
01:55:16 SEN. TUTVEDT
01:55:46 SEN. FACEY
01:56:47 SEN. BARRETT
01:57:36 SEN. TUTVEDT
01:57:54 REP. HERTZ
01:58:19 SEN. TUTVEDT

01:58:31 Mr. Laslovich continued his explanation of LC0msf recommendations.

Committee Questions and Comments

02:00:47 SEN. TUTVEDT- Mr. Hubbard

02:03:24 Mr. Laslovich continued his explanation of LC0msf recommendations.

Committee Questions and Comments

02:07:27 SEN. TUTVEDT

02:08:16 Mr. Hubbard

02:09:49 SEN. TUTVEDT

02:10:46 SEN. FACEY moved to withdraw LC0msf from consideration as a committee bill and urged the chairman to continue work with the bill draft. The motion passed unanimously by voice vote.

02:11:51 Ms. Murdo

Public Comment

2:12:08 **Jacqueline Lenmark, Attorney, American Insurance Association**, commented about her experiences working with the insurance commissioner's office, particularly to how the term "order" was handled, and her experiences resolving disputes concerning orders. She also stated that the American Insurance Association thinks that the current bill draft (LC0msf) is a step in the right direction, and expressed appreciation for the work done so far on the bill draft.

LCfrod: Fraud Investigation/Prosecution related to Workers' Compensation

02:20:12 SEN. TUTVEDT asked that the committee agree without objection to also withdraw from committee consideration LCFrod, a bill draft to study how workers'

compensation fraud cases are handled for Montana State Fund. There was no objection.

02:22:35 BRIEF RECESS

AGENCY LEGISLATION

02:31:57 Ms. Murdo provided an explanation of Legislative Council Guidelines (**EXHIBIT 8**) and made reference to a document to assist in keeping the committee on track with current bill proposals (**EXHIBIT 9**).

State Auditor's Office

02:33:35 **Monica Lindeen, State Auditor**, provided the committee with a document outlining all the bill proposals from the Commissioner of Securities and Insurance Office (**EXHIBIT 10**). Ms. Lindeen also provided an explanation for each of the 15 proposals.

Committee Questions and Comments

02:37:47 REP. HERTZ

02:37:50 Ms. Lindeen

02:37:58 SEN. FACEY

02:38:30 **Adam Schafer, Deputy State Auditor, State Auditor's Office**

02:39:21 SEN. TUTVEDT

02:40:13 Mr. Schafer

02:41:47 Ms. Lindeen continued her presentation on agency bill proposals.

Committee Questions and Comments

02:44:32 REP. HERTZ

02:44:40 Ms. Lindeen

02:45:50 Ms. Lindeen continued her presentation on agency bill proposals.

Committee Questions and Comments

02:53:51 SEN. TUTVEDT

02:54:20 Ms. Lindeen

02:54:30 SEN. ARNTZEN

02:54:41 Ms. Lindeen

02:55:25 SEN. BARRETT - Ms. Lindeen

02:57:37 SEN. TUTVEDT

02:58:23 Ms. Lindeen

02:58:54 Mr. Schafer

03:01:15 SEN. TUTVEDT - Mr. Schafer

03:01:32 SEN. ARNTZEN - Ms. Lindeen

03:03:08 REP. LYNCH

03:03:36 REP. HERTZ

Public Comment

03:03:46 None.

03:04:02 REP. HERTZ
03:04:22 Mr. Everts
03:04:55 REP. LYNCH moved to allow early drafting and pre-introduction of the bill proposals from the State Auditor's Office. The motion passed unanimously by voice vote.

POSSIBLE HJR 25- RELATED COMMITTEE BILLS

03:06:31 Ms. Murdo provided a brief description of documents included in the committee folders. She noted that the speakers to follow would further address the documents, and clarified which bills were supported by the Labor-Management Advisory Council.

03:08:13 **Diana Ferriter, Employment Relations Division, Department of Labor and Industry**, provided explanations on a bill draft revising the threshold level of impairment for obtaining vocational rehabilitation benefits in certain workers' compensation claims (**EXHIBIT 11**).

03:11:40 **Al Smith, Montana Trial Lawyers Association**, commented about a separate bill draft to deal with a temporary vacancy in the office of the workers' compensation judge (**EXHIBIT 12**).

Committee Questions and Comments

03:13:38 SEN. TUTVEDT
03:14:12 REP. HERTZ
03:14:37 SEN. BARRETT moved to adopt as a committee bill the bill draft revising the threshold level of impairment for obtaining vocational rehabilitation benefits in certain workers' compensation claims. The motion passed unanimously by voice vote.

03:15:20 SEN. TUTVEDT
03:15:23 SEN. FACEY moved that the committee move forward as a committee bill the bill draft regarding vacancies in the workers' compensation judge position.

03:15:49 REP. HERTZ
03:16:35 SEN. TUTVEDT called for a voice vote on SEN. FACEY's motion regarding the workers' compensation judge vacancy. The motion passed 6-1, REP. Hertz voted no. Rep. Berry's proxy was not used.

Public Comment

03:16:44 None.

03:17:36 Ms. Murdo provided an explanation of a bill proposal to revise the choice of health care provider in workers' compensation cases (**EXHIBIT 13**).

Committee Questions and Comments

03:18:14 REP. LYNCH
03:19:42 Ms. Smith
03:20:38 SEN. ARNTZEN
03:21:47 SEN. BARRETT

03:22:17 REP. LYNCH
03:22:38 REP. HERTZ
03:22:48 Mr. Smith
03:23:08 REP. LYNCH
03:23:37 SEN. TUTVEDT
03:23:50 SEN. BARRETT
03:24:36 Mr. Smith
03:25:48 SEN. BARRETT
03:26:15 Ms. Ferriter
03:26:49 SEN. FACEY
03:26:58 SEN. TUTVEDT suggested that without objection the treating physician bill draft not be considered as a committee bill. There was no objection.
03:27:07 SEN. ARNTZEN

03:27:49 Ms. Murdo

AGENCY REPORTS

Banking and Financial Institutions

03:28:49 **Melanie Hall, Commissioner of Banking and Financial Institutions**, presented information on the BIDCO report (**EXHIBIT 14**).

AGENCY LEGISLATION - continued

Division of Banking and Financial Institutions, Department of Administration

03:31:16 Ms. Hall provided an explanation of the 4 bills the Division of Banking and Financial Institutions is proposing and provided a document containing key points of the separate proposals (**EXHIBIT 15**).

Committee Questions and Comments

03:39:39 SEN. FACEY moved to authorize early drafting and pre-introduction of the 4 bill proposals presented by the Division of Banking and Financial Institutions.
03:40:11 SEN. TUTVEDT called for a voice vote regarding the Banking and Financial Institutions bill proposals. The motion passed unanimously by voice vote.

Department of Labor and Industry

03:41:49 **Pam Bucy, Commissioner, Department of Labor and Industry (DLI)**, provided the committee with a summary about the bills DLI is proposing for the 2015 session (**EXHIBIT 16**).

Committee Questions and Comments

03:49:17 REP. HERTZ
03:50:42 Ms. Bucy
03:51:21 SEN. TUTVEDT
03:51:49 Ms. Bucy
03:52:06 SEN. TUTVEDT

03:52:30 SEN. FACEY moved to endorse early drafting and pre-introduction of bills from the Unemployment Insurance Division, the Employment Relations Division, and the Business Standards Division as related to Building Codes. The motion passed unanimously by voice vote.

Public Comment.

03:53:07 None.

03:53:37 Brief Recess for Lunch

Department of Labor and Industry - continued

04:07:59 **Judy Bovington, Lead Staff Attorney, DLI**, provided the committee with an explanation for each bill draft proposal that related to the Business Standards Division's work with professional and occupational licensing boards.

Committee Questions and Comments

04:10:36 REP. HERTZ

04:11:00 Ms. Bovington

04:11:32 Ms. Bovington continued her presentation on bill proposals.

Committee Questions and Comments

04:12:18 SEN. BARRETT - Ms. Bovington

04:14:57 Ms. Bovington continued her presentation on bill proposals.

Committee Questions and Comments

04:20:36 SEN. BARRETT

04:20:55 Ms. Bovington

04:21:05 Ms. Bovington continued her presentation on bill proposals.

Committee Questions and Comments

04:28:25 SEN. TUTVEDT - Ms. Bovington

04:30:06 SEN. FACEY

04:31:14 REP. HERTZ - Ms. Bovington

04:32:13 SEN. ARNTZEN - Ms. Bovington

04:33:55 SEN. ARNTZEN

04:35:24 SEN. TUTVEDT

04:35:33 Ms. Bovington

04:36:02 SEN. TUTVEDT

04:36:31 Ms. Bovington

04:37:04 SEN. FACEY

04:37:44 SEN. ARNTZEN

04:38:06 SEN. TUTVEDT

04:38:30 Ms. Bovington

04:39:01 SEN. TUTVEDT

04:39:12 Ms. Murdo

04:39:47 Ms. Bovington

Public Comment

04:40:06 None

04:40:19 REP. LYNCH moved that DLI work with Legislative Services to compile no more than 16 bill drafts, compiled from the list of board bill proposals. The motion passed unanimously by voice vote.

DISCUSSION OF REQUESTED COMMITTEE BILLS

Department of Labor and Industry

04:41:48 Ms. Murdo

04:42:13 Ms. Bucy

04:42:46 **Kim Moog, Administrator, Central Services Division, DLI**, provided an explanation for the request of a committee bill to address financial issues at the department. (**EXHIBIT 17**)

Committee Questions and Comments

04:44:47 SEN. ARNTZEN - Ms. Moog

04:49:05 Ms. Bucy

04:50:36 REP. HERTZ - Ms. Moog

04:55:08 SEN. TUTVEDT - Ms. Moog

04:56:34 SEN. FACEY moved to continue forward with the bill draft regarding fees commensurate with costs as a committee bill.

04:57:20 REP. HERTZ

04:57:45 SEN. ARNTZEN

04:58:19 REP. WHITFORD

04:59:03 SEN. FACEY withdrew his motion and urged Legislative Services to work with DLI throughout the drafting process.

04:59:40 SEN. BARRETT

05:00:17 SEN. TUTVEDT

05:00:27 Ms. Murdo

05:01:00 SEN. BARRETT moved that the committee authorize DLI to proceed forward with the bill draft relating to fees commensurate with costs as an agency bill draft (as presented earlier). The motion passed unanimously by voice vote.

Committee Business Discussion

05:02:00 Ms. Murdo

05:02:17 SEN. FACEY

05:03:45 Mr. Everts

05:04:42 SEN. FACEY

05:05:12 SEN. TUTVEDT

05:05:26 Mr. Everts

05:06:06 SEN. TUTVEDT

05:06:14 Mr. Everts

- 05:06:49 Ms. Murdo made reference to, and briefly described, a document relating to a proposal for moving the regulation of Private Alternative Residential or Outdoor Programs to the Department of Public Health and Human Services instead of having a licensing board regulate the programs (**EXHIBIT 18**).
- 05:08:14 REP LYNCH provided further explanation to the proposal, and the background of the program.

Committee Questions and Comments

- 05:09:07 Ms. Murdo
 05:09:48 SEN. BARRETT
 05:10:14 Ms. Murdo
 05:11:25 SEN. BARRETT
 05:11:50 REP. LYNCH
 05:12:34 SEN. TUTVEDT
 05:13:53 SEN. BARRETT
 05:14:09 Ms. Murdo
 05:14:24 SEN. BARRETT
 05:14:38 Ms. Bovington
 05:14:51 REP. HERTZ
 05:15:10 SEN. FACEY
 05:16:22 SEN. BARRETT
 05:16:43 Ms. Murdo
 05:17:14 REP. HERTZ
 05:17:47 REP. LYNCH
 05:19:28 SEN. FACEY
 05:19:36 **Adam de Yong, Administrator, Business Standards Division**
 05:20:46 SEN. ARNTZEN - Mr. de Yong
 05:22:58 REP. HERTZ
 05:24:08 SEN. TUTVEDT
 05:24:29 Mr. de Yong
 05:25:36 REP. LYNCH

AGENCY LEGISLATION - continued

Department of Agriculture

- 05:27:15 **Libbi Lovshin, Administrator, Central Services, Department of Agriculture**, presented information on the bill draft proposals from the Department of Agriculture (**EXHIBIT 19**).

Committee Questions and Comments

- 05:36:23 REP. HERTZ - Ms. Lovshin

Public Comment

- 05:37:24 **Krista Lee Evans, Montana Agricultural Business Association** Commented about the bill proposal regarding patented plants.
- 05:39:39 SEN. FACEY moved to endorse early drafting and pre-introduction of the 6 bills

proposed by the Department of Agriculture. The motion passed unanimously by voice vote.

05:40:27 Ms. Lovshin commented about the department's support of LCpooh, a committee bill including raw honey in the definition of a raw, unprocessed agricultural product.

Department of Livestock

05:40:59 **Marty Zaluski, State Veterinarian**, presented information regarding a proposed Department of Livestock bill aimed at preventing or controlling introduction of feral hogs (**EXHIBIT 20**).

Committee Questions and Comments

05:44:01 REP. HERTZ - Dr. Zaluski

05:45:43 SEN. FACEY moved to allow early drafting and preintroduction of the Board of Livestock's feral hog bill.

05:46:12 SEN. TUTVEDT

05:46:33 Dr. Zaluski

05:47:36 SEN. TUTVEDT called for a voice vote on the early drafting and pre-introduction of the feral hog bill. The motion passed unanimously by voice vote.

05:48:21 Ms. Murdo

05:48:42 **Alan Peura**, provided a brief explanation of a bill proposal regarding reporting dates for per capita livestock fees that was approved for drafting by the Revenue and Transportation Interim Committee (**EXHIBIT 21**).

Department of Commerce

05:52:27 **Doug Mitchell, Deputy Director**, provided the committee with an overview of the department's 5 bill draft proposals, one of which had been adopted as a committee bill by the Environmental Quality Council.

Committee Questions and Comments

05:59:05 SEN. ARNTZEN

05:59:40 Mr. Mitchell

06:02:23 Mr. Mitchell continued his presentation on proposed department legislation.

Public Comment

06:07:17 None.

06:07:47 SEN. FACEY moved that the committee authorize the early drafting and pre-introduction of the Department of Commerce bill drafts. The motion passed unanimously by voice vote.

Reports to Legislature for Department of Commerce Programs

06:08:41 Mr. Mitchell presented information on the following required reports:

- Federal Land Management Review Requests (**EXHIBIT 22**)
- Quality Schools Facility Grant Program (**EXHIBIT 23**)
- Distressed Wood Products Industry Revolving Loan Program Report (**EXHIBIT 24**)
- Board of Housing Veterans' Home Loan Mortgage Program (**EXHIBIT 25**)
- Board of Research and Commercialization Technology Report (**EXHIBIT 26**)
- State Tribal Economic Development Commission Biennium Report (**EXHIBIT 27**)

Committee Questions and Comments

06:21:11 REP. HERTZ
 06:21:25 Mr. Mitchell

06:22:18 Brief Recess

Updates on Veterinary Diagnostic Lab

06:35:29 **Christian Mackay, Executive Officer, Department of Livestock**, presented the committee with an update on the Veterinary Diagnostic Laboratory (**EXHIBIT 28**), and provided the committee with an annual report from fiscal year 2014 (**EXHIBIT 29**).

Committee Questions and Comments

06:39:50 REP. HERTZ - Mr. Mackay
 06:41:14 SEN. TUTVEDT- **Dr. Bill Layton, Veterinary Diagnostic Lab**
 06:47:15 SEN. FACEY - Dr. Layton
 06:50:16 SEN. TUTVEDT mentioned a letter proposed by the committee to be sent to the Legislative Finance Committee, urging further study of the need for a new diagnostic lab. He said the letter would need committee approval to be sent (**EXHIBIT 30**).
 06:51:23 REP. LYNCH

Public Comment

06:51:50 **Stuart Doggett, Montana Veterinarian Association**
 Commented about his concern for the existence of the lab and support of the letter.

06:53:23 **Jeanne Rankin, Montana Veterinarian Association**
 Commented about her support for the existence of the diagnostic lab, and her concern with a document presented to the committee.

Committee Questions and Comments

06:55:06 SEN. TUTVEDT called for a voice vote regarding the approval of the drafted letter in support of further study of the Veterinary Diagnostic Lab and possible combination of that lab with the Wildlife Lab of the Department of Fish, Wildlife, and Parks. The motion passed unanimously.

06:56:40 REP. HERTZ
 06:56:55 Dr. Layton
 06:57:11 SEN. TUTVEDT - Dr. Layton

Livestock Loss Board

06:58:14 **George Edwards, Executive Secretary, Livestock Loss Board**, presented background information on the board and reviewed information provided in a packet previously submitted to the committee (**EXHIBIT 31**).

Committee Questions and Comments

07:02:55 SEN. TUTVEDT
07:03:02 Mr. Edwards
07:03:54 SEN. ARNTZEN - Mr. Edwards

Montana Heritage Preservation and Development Commission Report

07:05:01 **Elijah Allen, Executive Director**, presented the committee with historical information about the Montana Heritage Preservation and Development Commission and provided a summary of current progress. He also distributed an informational packet (**EXHIBIT 32**), a brochure (**EXHIBIT 33**), and distributed artifacts for review.

Committee Questions and Comments

07:15:25 SEN. TUTVEDT referenced a document about Required Reports from 2013-2014 (**EXHIBIT 34**) and asked Mr. Allen to provide the indirect cost rate negotiated by the Commission with the Department of Commerce.
07:16:27 Mr. Allen reported that the indirect cost rate is 14.5%.

HB 142 Reports

07:18:06 Ms. Murdo explained the statutory requirement for the committee to review advisory councils and required reports and vote on whether to retain these advisory councils and reports. She gave a brief summary of the advisory councils and the reports, referencing EXHIBIT 34. She pointed out a report included in committee folders about Domestic Violence (**EXHIBIT 35**) to illustrate the types of reports provided.

Committee Questions and Comments

07:22:58 SEN. ARNTZEN
07:23:43 SEN. BARRETT
07:25:16 SEN. TUTVEDT
07:25:22 SEN. BARRETT
07:25:31 Ms. Murdo
07:26:28 SEN. BARRETT moved to have a conceptual committee bill that removes from statute the advisory councils and their reporting requirements associated with agencies monitored by the EAIC, He said that agencies ought to be allowed to have advisory councils but that they should not be in statute.
07:27:04 SEN. FACEY suggested that the bill include a requirement that funding of any agency-named advisory councils should come from the agency's budget.
07:27:34 REP. HERTZ
07:27:57 SEN. TUTVEDT

07:28:02 SEN. FACEY
07:28:43 SEN. ARNTZEN
07:28:56 Ms. Murdo

Public Comment

07:29:39 None.

07:29:56 SEN. TUTVEDT called for a voice vote regarding the advisory council bill proposal. The motion passed unanimously.

DISCUSSION OF POSSIBLE COMMITTEE BILLS

07:31:51 Ms. Murdo
07:33:03 SEN. TUTVEDT
07:33:43 Ms. Murdo

OSHA

07:34:48 **Diana Ferriter, Administrator, Employment Relations Division, DLI**, presented information provided in a bill draft regarding a state plan implementing the Occupational Safety and Health Act (OSHA) (**EXHIBIT 36**). She also distributed a draft fiscal impact for the 2017 biennium for the proposed state OSHA program (**EXHIBIT 37**).

Committee Questions and Comments

07:41:36 SEN. TUTVEDT - Ms. Ferriter
07:42:51 REP. HERTZ - Ms. Ferriter
07:43:29 SEN. TUTVEDT

07:44:35 **Don Judge, Co-Chair, Labor-Management Advisory Council**, provided the committee with some history on the OSHA bill draft, and important aspects in the bill language. Mr. Judge also referenced a chart displaying lost time accident numbers (**EXHIBIT 38**).

Committee Questions and Comments

07:48:17 Ms. Ferriter
07:48:34 REP. HERTZ - Ms. Ferriter
07:49:59 SEN. FACEY
07:51:44 Mr. Judge
07:54:05 SEN. TUTVEDT - Ms. Ferriter
07:56:36 SEN. FACEY
07:57:12 SEN. ARNTZEN - Ms. Ferriter

Public Comment

07:59:50 **Al Smith, Montana Trial Lawyers Association**
Commented about the work done to put together the OSHA bill draft, and his initial issues with the bill draft, but his current support. He commented about the federal standards, and the assurances of safety to employers.

- 08:01:45 **Chris Cavazos, AFL-CIO**
Said he supported the bill draft.
- 08:02:44 **Krista Lee Evans, Montana Grain Elevators Association**
Commented about the concerns her association has for the bill draft, and the reasons for the concerns.
- 08:13:34 **Gary Wiens, Montana Electric Cooperatives Association**
Commented about the importance of safety and compliance with safety regulations. He had some concerns with some of the bill draft's language.
- 08:15:33 **Glenn Oppel, Montana Chamber of Commerce**
Commented about the general support of the bill concept, and some important policy questions that need addressed in the bill language.

Committee Questions and Comments

- 08:17:42 REP. LYNCH
- 08:17:53 Ms. Ferriter
- 08:18:52 SEN. FACEY
- 08:20:05 SEN. TUTVEDT
- 08:20:15 Mr. Everts
- 08:21:45 Mr. Judge
- 08:22:36 REP. LYNCH encouraged the interested parties, including the Labor-Management Advisory Council, to work with a legislative sponsor to revise the draft by taking into consideration suggestions from the public.
- 08:23:30 SEN. TUTVEDT
- 08:24:10 SEN. FACEY

LCpooh- Committee Bill on Raw Honey

- 08:25:16 Ms. Murdo provided the committee with some history about the bill draft and recent information they may find necessary regarding changes to the current draft **(EXHIBIT 39)**.

Committee Questions and Comments

- 08:28:15 SEN. BARRETT- Ms. Murdo
- 08:31:16 REP. HERTZ
- 08:32:00 SEN. TUTVEDT
- 08:32:20 Ms. Murdo referenced public comment previously submitted. **(EXHIBIT 40)**
- 08:32:27 SEN. FACEY moved to change the title to allow bartering, and adopt changes that were suggested. The motion passed unanimously by voice vote
- 08:33:13 REP. HERTZ

Loss-Run Insurance, LCloss

- 08:34:06 Ms. Murdo provided the committee with some history about the bill draft and recent information they may find necessary related to the current draft **(EXHIBIT 41)**

Public Comment

- 08:35:33 Bob Biskupiak, Independent Insurance Agents of Montana
Commented about the current bill draft and his support for the language.
- 08:36:08 Nancy Butler, General Counsel, Montana State Fund
Stated that Montana State Fund supports LCloss.
- 08:36:55 Ms. Murdo made reference to public comment previously submitted to the
committee from Dennis Gambill (**EXHIBIT 42**).

Committee Questions and Comments

- 08:38:11 SEN. FACEY moved to adopt LCloss as a committee bill, as currently written by
Ms. Murdo.
- 08:38:54 REP. HERTZ
- 08:39:00 SEN. TUTVEDT called for a voice vote on the adoption of LCloss as a committee
bill. The motion passed unanimously
- 08:39:26 SEN. TUTVEDT identified Rep. Berry as the sponsor for LCloss, and Rep.
Whitford as the sponsor for LCpooh.

Prescription Drug Registry

- 08:40:17 Ms. Murdo explained the bill draft was being presented to the committee as an
option of a co-committee bill with the Children, Families, Health, and Human
Services Interim Committee (**EXHIBIT 43**), or an EAIC letter of support for the bill
(**EXHIBIT 44**).

Committee Questions and Comments

- 08:42:18 SEN. ARNTZEN - Ms. Murdo
- 08:43:07 SEN. FACEY
- 08:43:19 SEN. BARRETT
- 08:44:36 SEN. TUTVEDT suggested that without objection the committee would pass on
the issue. There was no objection.

State Lottery

- 08:45:46 Ms. Murdo presented information regarding a bill draft to revise the monitoring
duties for interim committees. The State Administration and Veterans Affairs
Interim Committee has proposed a bill draft. There was a suggestion that the
State Lottery might be put under the EAIC instead of under SAVA.

Committee Questions and Comments

- 08:46:49 SEN. TUTVEDT - Ms. Murdo
- 08:48:40 SEN. BARRETT
- 08:48:54 SEN. TUTVEDT said that without objection the committee is passing on the
opportunity to participate in a bill draft that revises which agencies are monitored
by the EAIC. There was no objection.

Review of HB 525 Report on Licensing Boards

08:49:28 Ms. Murdo presented information that has been given to the committee throughout the interim regarding the licensing boards, concerning their funding, disputes, and their financial solvency (**EXHIBIT 45**).

Committee Questions and Comments

08:51:59 SEN. TUTVEDT
08:52:17 Ms. Murdo
08:53:05 SEN. FACEY asked for suggestions from committee members to be included in the HB 525 report.
08:53:32 Ms. Murdo
08:54:02 SEN. BARRETT
08:54:28 SEN. TUTVEDT called for a voice vote on the motion concerning approval of the HB 525 draft report. The motion passed unanimously.

RETURN TO DISCUSSION ABOUT THE PRIVATE ALTERNATIVE ADOLESCENT RESIDENTIAL OR OUTDOOR PROGRAMS (PAARP)

08:54:50 REP. LYNCH referenced the bill draft regarding PAARP (**EXHIBIT 46**)
08:54:35 SEN. BARRETT
08:55:48 SEN. TUTVEDT
08:56:01 SEN. BARRETT
08:56:21 SEN. TUTVEDT

Review of Overall 2013-2014 Committee Report - DRAFT

08:56:45 Ms. Murdo presented an overview of the Final Report of the 2013-2014 Economic Affairs Interim Committee (**EXHIBIT 47**).

Committee Questions and Comments

08:59:47 Ms. Murdo
08:59:59 SEN. TUTVEDT
09:00:12 Ms. Murdo

Public Comment

09:02:06 **Travis Newman, Montana Funeral Directors Association**
Commented about the intent to address the funeral services financial solvency issue in the next session. He also gave a brief overview of the idea behind the bill draft, referencing the proposed increased costs of certified death certificates.

09:05:37 **Ronna Alexander, Petroleum Marketers**
Said that a bill draft request had been submitted regarding weight meters and that efforts to work with the Department of Labor and Industry had not yet resulted in consensus.

09:10:18 **Shantil Siaperas, Montana Association of Counties**
Commented that the Montana Association of Counties was being consulted on the bill draft being considered by the Montana Funeral Directors Association.

Committee Questions and Comments

09:11:02 Ms. Murdo
09:11:20 SEN. TUTVEDT

RULE REVIEW

09:12:01 **Todd Everts**, Legislative Services chief legal counsel, presented the information included in the memorandum provided for the August rule review (**EXHIBIT 48**).

Directions to Staff

09:12:59 SEN TUTVEDT assigned sponsors for the following bill drafts:
-Threshold level of impairment for vocational rehabilitation benefits: Sen. Facey
-Worker's Compensation Judge Vacancy: Rep. Lynch
-LCpooh: Rep. Whitford

ADJOURN

09:16:19 SEN. TUTVEDT adjourned the September 12, 2014, meeting at 5:35p.m.

CI0134 4280k2xa.