

Proposed 2011 Session Legislation

Agency Name & No: Department of Administration 6101

Priority Number: 10 Filename: 6101\_03-010

Short Title: Auditor Selection

Agency Contact Person/Phone: Kay Gray: 841-2903

1. Purpose:

To amend 2-7-506(5), MCA to change the requirement that the department select an auditor for local governments that do not present a signed contract to the department for approval within 90 days of notification of their need for an audit. The word "shall" would be replaced with "may."

2. Background:

Selecting an auditor for a local government is difficult for many reasons. The department received an audit comment because of not following the current law's requirement.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible.

No fiscal impact

4. Summary Checklist [Check & complete all that apply]--

- Housekeeping Only, Federal Requirement, Audit Recommendation (Audit No. 08-13), Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal (if available), Supports Submitted EPP Item Number, Local Government Fiscal Impact, Increases FTE, or Decreases FTE by, List FTE amount and program, Increases Existing Revenue, Decreases Existing Revenue, Establishes New Revenue, Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):, Legislation would affect other state agencies (list):, Special Interest Groups Affected (list): Indirectly MACO/ League of Cities & Towns, Other:

Proposed 2011 Session Legislation

Agency Name & No: Department of Administration

Priority Number: 11 | Filename: 6101\_03-011

Short Title: State Warrant - Presentation and Cancellation Cleanup

Agency Contact Person/Phone: Paul Christofferson/444-4609

1. Purpose:

Amend 70-9-808(5), MCA, to exclude state warrants as stale-dated under 17-3-303(3), MCA from the requirement to send the holder of property that is presumed abandoned written notice not more than 120 days or less than 60 days before the property is transferred to the Department of Revenue, if the value of the property is \$50 or more.

2. Background:

At the time the additional notification provided under this statute is required, almost 4 years has elapsed since the date of issuance of the original payment. During the initial seven months of this time state agencies and the Department of Administration make significant efforts to contact the original recipient and reissue the payment. Because of the nature of the remaining warrants, and the amount of time that has elapsed (4 years), we estimate that at least 80 - 90% of these written notices would be returned to DOA based on invalid addresses. This administrative step is also not needed because the stale warrants are included in the Department of Revenue's abandoned property notification process.

3. Fiscal Impact by Fund Type:

This impact should be as specific as possible.

Total Projected Savings to Montana \$2,770. (Cost of Postage for Notifications \$739 Cost of Labor for Notifications/Research \$2,030)

4. Summary Checklist [Check & complete all that apply]--

[x] Housekeeping Only [ ] Federal Requirement [x] Audit Recommendation (Audit No. 8-13 #7 [ ] Major Legislation

[ ] Anticipated to be Controversial Legislation [ ] Bill Draft has been included in Legislation Submittal (if available)

[ ] Supports Submitted EPP Item Number [ ] Local Government Fiscal Impact

[ ] Increases FTE, or [ ] Decreases FTE by List FTE amount and program

[ ] Increases Existing Revenue [ ] Tax [ ] Fee [ ] Penalty [amount in #3]

[ ] Decreases Existing Revenue [ ] Tax [ ] Fee [ ] Penalty [amount in #3]

[ ] Establishes New Revenue [ ] Tax [ ] Fee [ ] Penalty [amount in #3]

[ ] Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):

[x] Legislation would affect other state agencies (list): Department of Revenue

[ ] Special Interest Groups Affected (list):

[ ] Other:

**Proposed 2011 Session Legislation**

**Agency Name & No:** Department of Administration

**Priority Number:** 2 | **Filename:** 6101 07-002

**Short Title:** Extend Wireless 9-1-1 Fund Distribution

**Agency Contact Person/Phone:** Becky Berger: 444-1966

**1. Purpose:**

The purpose of this legislation would be to extend the "84-16" sunset in existing 9-1-1 statute (10-4-313, MCA) for the enhanced wireless account from June 30, 2011 to June 30, 2015. Current statute requires 16% of the 9-1-1 wireless enhanced account to be distributed to: 1) wireless providers serving cities and counties with less than 1% of the total population of the State, and 2) cities and counties with less than 1% of the total population of the State.

**2. Background:**

When the wireless enhanced 9-1-1 statute was enacted in 2007, 16% of the account was directed towards: 1) wireless providers serving cities and counties with less than 1% of the population and 2) the cities and counties with less than 1% of the population, to reflect the fixed wireless enhanced 9-1-1 upgrade costs, regardless of city or county size. The June 30, 2011 sunset date was based on the assumption all 53 Public Safety Answering Points (PSAPS) would be converted to wireless enhanced 9-1-1 by that date and significant upgrade costs would not reoccur in the future.

**3. Fiscal Impact by Fund Type:** *This impact should be as specific as possible.*

Without this extension, the 31 counties with less than 1% of the total population would see a reduction in their quarterly distribution in the amount of approximately \$2,000. In addition, there are 16 counties with populations between 1.02% and 2.08% of the total population that qualify under statute to receive an amount equal to what the 31 counties with less than 1% of the population receive. The 9 largest counties would see an increase in their quarterly distribution of approximately \$8,000-\$10,000. The total 9-1-1 revenues would not change, only the manner in which it is distributed.

**4. Summary Checklist [Check & complete all that apply]--**

- Housekeeping Only       Federal Requirement       Audit Recommendation (Audit No.: \_\_\_\_\_)       Major Legislation
- Anticipated to be Controversial Legislation       Bill Draft has been included in Legislation Submittal (if available)
- Supports Submitted EPP Item Number: \_\_\_\_\_       Local Government Fiscal Impact
- Increases FTE, or       Decreases FTE by      List FTE amount and program \_\_\_\_\_
- Increases Existing Revenue       Tax       Fee       Penalty [amount in #3]
- Decreases Existing Revenue       Tax       Fee       Penalty [amount in #3]
- Establishes New Revenue       Tax       Fee       Penalty [amount in #3]
- Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no): HB118/2009 Session
- Legislation would affect other state agencies (list): \_\_\_\_\_
- Special Interest Groups Affected (list): Wireless Providers-Verizon, AllTel, etc; MACo/Local Government
- Other: \_\_\_\_\_

**Proposed 2011 Session Legislation**

<b>Agency Name &amp; No:</b>	Banking and Financial Institutions, Department of Administration, 6101		
<b>Priority Number:</b>	3	<b>Filename:</b>	6101_14-003.xls
<b>Short Title:</b>	Amend Montana Mortgage Broker and Mortgage Lender Licensing Act		
<b>Agency Contact Person/Phone:</b>	Chris Romano: 841-2928 / Annie Goodwin: 841-2927		

**1. Purpose:**

The proposal will amend the Montana Mortgage Broker, Mortgage Lender, and Mortgage Loan Originator Licensing Act (Act). There are two main parts of this concept. The first is to implement changes requested the U.S. Department of Housing and Urban Development (HUD) which are necessary to comply with federal SAFE Act (federal law). The second is to revise the definition of a mortgage lender to include mortgage loan servicing. Some housekeeping changes will also be included.

**2. Background:**

The Act was substantially amended during the 2009 Regular Legislative Session in response to the passage of the federal law. HUD is required to review all states' legislation for compliance with the federal law. If HUD determines that a state has not made a good faith effort to comply Montana could risk federal preemption of the regulation of mortgage loan originators. Mortgage loan servicing is critical since the servicers handle foreclosure mitigation, loan modification requests and hold borrower escrow funds.

**3. Fiscal Impact by Fund Type:** *This impact should be as specific as possible.*

It is estimated that an additional 25 entities that engage in mortgage loan servicing would apply for licensure as a mortgage lender. The licensing of mortgage servicers as mortgage lenders would increase revenue to the state special revenue fund. In FY 2012 and FY 2013 additional revenue would be \$18,750 (25 mortgage lenders x \$750 licensing fee). The licensing fee for a mortgage lender is \$750 (32-9-117, MCA). Operational expenditures would be incurred in the areas of rulemaking and training.

**4. Summary Checklist [Check & complete all that apply]--**

<input type="checkbox"/> Housekeeping Only	<input type="checkbox"/> Federal Requirement	<input type="checkbox"/> Audit Recommendation (Audit No. _____)	<input type="checkbox"/> Major Legislation
<input checked="" type="checkbox"/> Anticipated to be Controversial Legislation	<input type="checkbox"/> Bill Draft has been included in Legislation Submittal (if available)		
<input type="checkbox"/> Supports Submitted EPP Item Number _____	<input type="checkbox"/> Local Government Fiscal Impact		
<input type="checkbox"/> Increases FTE, or <input type="checkbox"/> Decreases FTE by _____	List FTE amount and program _____		
<input checked="" type="checkbox"/> Increases Existing Revenue	<input type="radio"/> Tax	<input checked="" type="radio"/> Fee	<input type="radio"/> Penalty [amount in #3]
<input type="checkbox"/> Decreases Existing Revenue	<input type="radio"/> Tax	<input type="radio"/> Fee	<input type="radio"/> Penalty [amount in #3]
<input type="checkbox"/> Establishes New Revenue	<input type="radio"/> Tax	<input type="radio"/> Fee	<input type="radio"/> Penalty [amount in #3]
<input type="checkbox"/> Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):	_____		
<input type="checkbox"/> Legislation would affect other state agencies (list):	_____		
<input checked="" type="checkbox"/> Special Interest Groups Affected (list):	Montana Association of Mortgage Brokers		
<input type="checkbox"/> Other:	_____		

**Proposed 2011 Session Legislation**

**Agency Name & No:** Department of Administration

**Priority Number:** 1 | **Filename:** 6101\_21-001.xls

**Short Title:** Clarify Coordination of Insurance Benefits vs. Subrogation for State Group Insurance Plan

**Agency Contact Person/Phone:** Connie Welsh: 444-2553 / Amber Godbout: 444-9479

**1. Purpose:**

This bill will amend the state group insurance provisions under Title 2, Part 8, MCA. The general purpose is to distinguish between subrogation and the process the state follows (coordination of benefits) in situations where a third party is potentially liable for the medical costs incurred by a state employee or their dependent insured under the state group insurance plan.

**2. Background:**

In October 2008, the State and several other defendants were served with a class action lawsuit by two state insureds who each sustained injuries in car accidents caused by a third party (Diaz case). The plaintiffs are arguing that, in cases where a state insured is injured by a third party, the state's health care claims handling process violates Montana law. The district court has denied plaintiff's class action request, which decision the plaintiffs have appealed to the Montana Supreme Court. After the Diaz case was filed, a state district court decision held that Blue Cross and Blue Shield's (BCBS) handling of claims for its insureds injured by a third party was unlawful. In September 2009, the Montana Supreme Court affirmed the district court's BCBS decision. The Department of Administration believes the result in the Diaz case should be different from the result in the BCBS case because different laws apply. The state's plan is governed by Title 2, Part 8, MCA, while private insurers are governed by Title 33, MCA. However, legislation is needed to clarify this area of the law.

**3. Fiscal Impact by Fund Type:** *This impact should be as specific as possible.*

The potential impact will depend, among other things, on the Montana Supreme Court's decision concerning the plaintiffs' request for a class action. In the long term, the fiscal impact could be significant.

**4. Summary Checklist [Check & complete all that apply]--**

- Housekeeping Only
- Federal Requirement
- Audit Recommendation (Audit No.: \_\_\_\_\_)
- Major Legislation
- Anticipated to be Controversial Legislation
- Bill Draft has been included in Legislation Submittal (if available)
- Supports Submitted EPP Item Number \_\_\_\_\_
- Local Government Fiscal Impact
- Increases FTE, or  Decreases FTE by \_\_\_\_\_ List FTE amount and program \_\_\_\_\_
- Increases Existing Revenue  Tax  Fee  Penalty [amount in #3]
- Decreases Existing Revenue  Tax  Fee  Penalty [amount in #3]
- Establishes New Revenue  Tax  Fee  Penalty [amount in #3]
- Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no): \_\_\_\_\_
- Legislation would affect other state agencies (list): \_\_\_\_\_
- Special Interest Groups Affected (list): \_\_\_\_\_
- Other: \_\_\_\_\_

Proposed 2011 Session Legislation

Agency Name & No: Department of Administration

Priority Number: 5 Filename: 6101\_21-005.xls

Short Title: Consolidation of State Employee Benefit Plan Requirements within Title 2

Agency Contact Person/Phone: Connie Welsh: 444-2553 / Amber Godbout: 444-9479

1. Purpose: This is a housekeeping bill to consolidate all requirements for the State Employee Group Benefit Plan and the Montana University System Benefit Plan under Title 2, MCA, and remove any references from Title 33, MCA.

2. Background: The State Employee Group Benefit Plan was created by the Legislature in 1979 and was exempted from the oversight of the State Insurance Commissioner (§ 33-1-102(7), MCA). In subsequent years, insurance mandates were added and the mandates were incorporated under Title 33 (generally applying to private insurers). Some of the mandates apply to the State Employee Plan and some do not. We recommend listing all required provisions of the State Employee Group Benefit Plan under Title 2 and maintaining a clear separation and exemption from Title 33.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible. None.

4. Summary Checklist [Check & complete all that apply]--

- Housekeeping Only, Federal Requirement, Audit Recommendation, Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal, Supports Submitted EPP Item Number, Local Government Fiscal Impact, Increases/Decreases FTE, Revenue changes (Tax, Fee, Penalty), Leg. has been Submitted in Previous Legislative Sessions, Legislation would affect other state agencies, Special Interest Groups Affected, Other.

Proposed 2011 Session Legislation

Agency Name & No: Department of Administration 61010

Priority Number: 4 Filename: 6101\_01-004

Short Title: Extend Bond Validating Act

Agency Contact Person/Phone: Sheryl Olson: 444-3307

1. Purpose: The purpose is to extend the Bond Validating Act by updating 17-5-205, MCA, to cover bonds issued since the last legislative session.

2. Background: This bill is brought forward each session to receive a legislative confirmation of the validity of bonds issued by the State. The Act prevents the individual investor from having to employ an attorney to examine all of the proceedings under which the bonds were issued. Should there be an irregularity, the Act cures the irregularity to ensure the validity of the bonds.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible. No fiscal impact.

4. Summary Checklist [Check & complete all that apply]--

- Housekeeping Only, Federal Requirement, Audit Recommendation, Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal, Supports Submitted EPP Item Number, Local Government Fiscal Impact, Increases/Decreases FTE, Revenue changes (Tax, Fee, Penalty), Leg. has been Submitted in Previous Legislative Sessions (HB 97, 2009 Session), Legislation would affect other state agencies, Special Interest Groups Affected, Other.

Proposed 2011 Session Legislation

Agency Name & No: Department of Administration

Priority Number: 9 Filename: 6101 01-009

Short Title: Eliminate the Publishing Policy Committee

Agency Contact Person/Phone: Janet R. Kelly: 444-3033

1. Purpose:

This bill would:
A. Repeal the Publishing Policy Committee laws (2-15-1017, MCA and 18-7-303, MCA). In 1981, the committee delegated its responsibilities to agency directors and the Publishing & Graphics Division (now the Print & Mail Services bureau).
B. Clarify who is responsible for ensuring cost disclosures on all public documents by inserting. "Each agency is responsible for the public disclosure of costs on public documents" at the beginning of 18-7-306, MCA.

2. Background:

The Publishing Policy Committee was established in 1979, and has not met since 1981, when it delegated its duties and responsibility to agency directors and the Print and Mail Services Bureau. In February 2010, Performance Audit #09-P-14: State Printing of Public Documents, recommended the committee seek legislation to clarify responsibility for ensuring cost disclosures are included on all public documents.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible.

none

4. Summary Checklist [Check & complete all that apply]--

- Housekeeping Only, Federal Requirement, Audit Recommendation (Audit No. 09P-14), Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal (if available), Supports Submitted EPP Item Number, Local Government Fiscal Impact, Increases FTE, or Decreases FTE by, List FTE amount and program, Increases Existing Revenue, Decreases Existing Revenue, Establishes New Revenue, Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no), Legislation would affect other state agencies (list): All, Special Interest Groups Affected (list), Other: