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MONTANA CONSTITUTIONAL CONVENTION
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GENERAL GOVERNMENT AND
CONSTITUTIONAL AMENDMENT COMMITTEE

Room 410, Capitol Building

February 10, 1972
9:30 a.m.

Committee Chairman: Mark Etchart

MINUTES OF THE NINETEENTH MEETING OF THE GENERAL
GOVERNMENT AND CONSTITUTIONAL AMENDMENT COMMITTEE

Discussion and testimony concerning the state and
the liquor business.

Roll Call:

Mark Etchart, Chairman	Present
Paul K. Harlow, V. Chairman	Present
Don E. Belcher	Present
Bruce M. Brown	Present
Lyman W. Choate	Present
Otto T. Habedank	Present
Peter "Pete" Lorello	Present
Robert Vermillion	Present

INTERESTED PERSONS TESTIFYING:

<u>Name</u>	<u>Address</u>	<u>Occupation</u>
Torrey Johnson	Busby	Delegate
Arnold Jacobsen	Whitefish	Delegate
Jerome Loendorf	Helena	Delegate
Joseph Shea	Helena	Administrator of the Liquor Board
Vernon Reinhart	Helena	Retail Clerks Union
Don Larson	Helena	Jorgenson's Holiday Inn
D.H. Sievert	Helena	Montana Chamber of Commerce
C. E. Grimes	Helena	OEO
C. B. McNeil	Polson	Delegate
Steve Coldiron	Helena	Lobbyist, Low Income Organ.
Mike McKeon	Anaconda	Delegate
Kayle Jackson	Bozeman	Intern
Dorothy Eck	Bozeman	Delegate

Meeting adjourned at 4:45 p.m.

The NINETEENTH meeting of the General Government and Constitutional Amendment Committee was called to order by Chairman Etchart, Thursday morning after adjournment of the session in Room 410. Roll was taken but the minutes were waived.

Mr. Belcher introduced Mr. Dave Murphy, past County Commissioner from Roundup.

Mr. Torrey Johnson and Mr. Arnold Jackson testified in behalf of their proposals 112 and 157. They would like to have the first sentence of Proposal 157 and then continue with Proposal 112.

Mr. Habedank asked whether this would prevent the state from having a public utility and Mr. Johnson stated he didn't think so as Mr. Johnson's proposal specifies liquor.

Mr. Johnson said the state could save three or four million dollars if the state wasn't in the retail business. He also mentioned that his proposal wouldn't cause unemployment because those people working for the state liquor business would probably get employed by the distributors or other liquor businesses.

Mr. Loendorf said the Subcommittees of the General Government and Legislative Committee met. He said the Legislative Committee opposes recall. They see some merit in it but they think the potential dangers outweigh the good that would come from recall. The threatening use of recall could pressure the officials when they make a decision affecting that group. He said his committee thought some other procedures provided by the law could be made to remove an official from office.

Mr. Choate remarked that the Judicial report on the control of judges is that the office be for a longer period and there is a provision for removal of a judge and this includes appointed judges.

Joseph Shea, Administrator of the Liquor Board said Montana is one of the 18 states that operates as a control state. He said he thought serious consideration should be given this proposal as he thinks elimination of this business would increase the taxes. In all 18 states that are controlled, the consumption is lower yet their income is higher. (See attachment #1 for his written testimony).

Mr. Belcher said the tavern operators pay the same price as the consumer and Mr. Shea remarked that this is a legislative matter and some consideration should be given to that problem.

Mr. Vernon Reinhart from the Retail Clerks Union is opposed to Proposals 112 and 157. He said he is striving to keep the jobs of the liquor clerks and vendors and he doesn't think it is a constitutional matter. (See Attachment 1A).

Mr. Lorrello asked if the vendors are hired permanently or is it political and Mr. Reinhart said clerks do have protection from one administration to the next and the vendors could be made clerks.

Don Larson, Jorgenson's Holiday Inn owner, said Montana could increase its income by eliminating the operating of a monopoly state. He also said there would be more jobs as there would be more stores in the retail business. (See attachment #2 for written testimony).

D. H. Siewert, Vice President of the Montana Chamber of Commerce, said he supports the basic contents of Proposals 112 and 157 as he feels the state should not be hampered by the liquor business. (See attachment #3 for written testimony).

Delegate Tom Ask spoke on lotteries. He doesn't think it is a legislative matter and he feels there are enough people against gambling who would vote against the constitution if the reference to gambling was left out.

C. E. Grimes from OEO testified that the average and low income people needed an ombudsman. He said Hawaii, Oregon and Nebraska have an ombudsman and the results of these states ombudsman is remarkable. He said it is a means of getting the average person who knows nothing about government to the proper agency. Mr. Grimes said OEO is going to be phased out and there has to be something to replace it. (See Attachment #4).

Delegate C. B. McNeil testified in behalf of his Proposal 79 saying the amendment simply clarifies that the state and its subdivisions are divided but the proposal does not grant power. He said the subject matter deals with operation and not distribution of powers and he would like the committee to change the title to "Separation of Powers". Mr. McNeil said it just states that they can't become one entity and become the rule. Mr. Vermillion commented that perhaps what Mr. McNeil wanted was a recourse.

Mr. Harlow moved that we retain Article IV but change the title "Distribution of Powers" to "Separation of Powers". Mr. Choate seconded the motion and it carried.

Mr. Steve Coldiron, lobbyist for the Low Income Organization, said he would like to make an amendment to the tentative wording of the Legislative Committee on the ombudsman to say he shall be chosen every five years. (See Attachment #5).

The meeting recessed at noon and reconvened at 3:30 p.m. in the Governor's Reception Room.

Delegate Mike McKeon, from Anaconda, testified in support of his Proposal 139. Mr. McKeon stated that if state institutions could be moved from the cities and towns in which they were located, many people in his district would be unemployed. His district contains the hospital at Galen, the State Penitentiary, and Warm Springs.

Intern Kayle Jackson testified by reading his research report concerning the ombudsman. Mr. Jackson stated that he is preparing a report for the committee, but as yet, it is not completed. The

report contained a history of the Ombudsman, his duties, and the pros and cons of the Ombudsman being appointed by the legislature, or by constitutional provision. As far as Mr. Jackson knew, no state had a Constitutional provision for an Ombudsman.

Mrs. Dorothy Eck explained that there were two delegate proposals concerning the establishment of the Ombudsman. Mrs. Eck stated that if the committee had some interest in these proposals maybe our committee and the Legislative Committee could get together.

Mr. Habedank moved that Kayle Jackson's report be reproduced after proper annotation, without being retyped. Mr. Belcher seconded the motion and it carried.

After much discussion Proposal 64 was voted upon. It was the unanimous decision of the committee that Proposal 64 be not adopted.

Mr. Harlow moved to show that the committee was opposed to Proposal 64 and Mr. Habedank moved to amend the motion to make known to the Legislative Council that this is a legislative matter and should have some consideration.

There being no further business, the meeting adjourned at 4:40 p.m.

Mark Etchart

CHAIRMAN

Bobbie Murphy

SECRETARY