

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By Chairman J.D. Lynch, on April 8, 1991, at
10:00 a.m.

ROLL CALL

Members Present:

J.D. Lynch, Chairman (D)
John Jr. Kennedy, Vice Chairman (D)
Betty Bruski (D)
Eve Franklin (R)
Delwyn Gage (R)
Jerry Noble (R)
Gene Thayer (R)
Bob Williams (D)

Members Excused: Thomas Hager (R)

Staff Present: Bart Campbell (Legislative Council).

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON HOUSE BILL 46

Presentation and Opening Statement by Sponsor:

Representative Patrick Galvin, sponsor of the bill, stated the original intent of the bill was to trimline small business licensing in the state of Montana. The bill was brought up two years ago, and passed the house overwhelmingly, came to the senate and was killed. It came back again this year and he was asked to carry it. There is not much left of the bill. The commerce came in and said that they do not like the bill because it will take away their FTE's. That is precisely what the bill is meant to do. This bill was meant to cut down on costs. The house shrunk this bill to a study.

Proponents' Testimony:

None

Opponents' Testimony:

Bob Heffner, representing the department of commerce, business development division, stated that he is neither an opponent nor a proponent to the bill, he is here for information purposes only. The fiscal note is no longer relevant to the bill as it stands. The estimated cost would be that it require forty thousand dollars of general fund money to carry out the study and make the report that is required by the bill as it stands before you. If the bill is passed, then it will have to go to a conference committee to request an amendment.

Questions From Committee Members:

Senator Noble stated that he has never had any problem when applying for a license. What seems to be the problem.

Representative Galvin stated that he has never had a problem either, because he has never applied for a license. From the just of the information that he has had when talking with Representative Berv Kimberley, some people do have problems.

Senator Thayer asked if they had a bill in this committee last session that dealt with one stop at the state level.

Bob Heffner replied in the 1987 session a bill was passed establishing a licensing coordination center that is currently in the code at 30-16-201.

Senator Noble asked how many different types of licenses are there.

Bob Heffner replied that there are many different types of licenses.

Senator Noble asked what is the time frame of applying and receiving a license.

Bob Heffner replied if somebody called their business licensing center, there will be a package in the mail within twenty four hours, forty eight hours at the most. When the license applications come back to the agencies, it is usually about a two week turn around at the state level.

Senator Lynch asked if Representative Galvin could provide the committee via Mr. Kimberley with a specific problem that might be able to be addressed. He doesn't want a study about forty thousand dollars if it has already been done.

Representative Galvin replied that he would.

Senator Lynch stated that they will not act on the bill today.

Closing by Sponsor:

Representative Galvin closed.

HEARING ON HOUSE BILL 196

Presentation and Opening Statement by Sponsor:

Representative Tom Kilpatrick, sponsor of the bill, stated the value added economic development hasn't worked as well as

they could have. The reason that they haven't worked too well, is because you have not got the factions that are against each other, working together. If you put labor, environment, and business together, you would come out with something that can be used. If you are putting them in separately you're having them working against each other. That is what this bill does. Right now the bill is basically value added. Value added means you take a Montana product, develop it, and add value to it before you send it out of state. In twenty years, ninety percent of the biggest businesses in the United States haven't even been thought of yet. This bill started out as a simple, value added commission with nine members appointed by the governor to study value added. Then it expanded into economic development and it centered around value added. It is still closer to value added than it is to the complete economic development plan. There should be amendments to expand the bill back to an economic development plan. This is a good bill.

Proponents' Testimony:

Don Judge, representing the Montana AFL-CIO, stated that over a year ago, the Montana AFL-CIO in conjunction with the national AFL-CIO and a number of international unions commissioned a study of Montana's economy from the corporation for enterprised development. The corporation for enterprised development recommends that Montana create a statewide partnership council to assisting of representatives of businesses, labor, government, and conservation groups to work in identifying key areas and opportunities for economic development and job creation. The report concludes that this partnership council be created by the legislature, be funded in part by the legislature, with equal matches for business and labor with a mandate to form an agenda to address economic development concerns in the state. He proposed some amendments to the bill (See Exhibit 1).

Representative Sheila Rice stated that she served as the chairman on the subcommittee who drafted the original amendments to the bill. They delated the bill far too long, and they ended up in subcommittee hearing it the same day that they were amending the coal tax bills. They were pushing the last day to meet the transmittal deadline to get it out of committee. She supports the bill, and she supports the amendments. There is a need for a plan.

Evan Barrett, Butte local development corporation, stated that they support the bill with the amendments. Most of the economic groups got together and reviewed this bill before the transmittal deadline on the house side. They came to the conclusion that there was an appropriate vehicle for creating a statewide economic plan that we all agreed was necessary. They also concluded that it needed to be changed to do that, and in amongst those changes folks, such as himself, should have a place at the table along with legislators to help formulate that plan. This appears to be a good vehicle.

Bob Heffner, head of the business and development division of the department of commerce, stated that he appears for information purposes only. He is neither a proponent nor an opponent. HB 196 with the amendments seems to have a purpose of setting up a commission that will create an overall economic plan for the state of Montana. It focuses on a strategy for adding value for Montana natural resources. The administration is committed to creating a strategic economic plan for the state of Montana. The commitment was publicly made at the governor's economic development conference last October.

Carl Russell, executive director of the science and technology alliance, stated that he appears for information purposes only. He is neither a proponent nor an opponent. Part of this planning process has also begun in the area of science and technology. In the fall, the governor appointed a science and technology advisory council. The primary thrust of the council was to do plan for science and technology development in the state. As the council began to meet, they felt it was more than just a plan. They had to put a process together that would continue to look at things at a very regular basis.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Thayer asked how many plans do we have that we have done over the years.

Carl Russell responded that there has been about a half of a dozen since 1985.

Senator Williams asked if the concept of the amendments presented to the house.

Representative Kilpatrick stated that the amendments were not presented to the house, but they were submitted to the committee.

Senator Thayer asked with the amended version of the original bill, you had one member of the environmental groups and now it is being raised to three. How are they involved with the funding.

Don Judge stated they pay twenty five thousand dollars a piece.

Senator Gage stated after having sat four interims on the indian affairs committee, it is his opinion that we can effect economic development in the state of Montana much quicker, and much broader by what the indian people have available to them that none of the rest of us can touch. Did they give any consideration to include the indians in this whole effort.

Don Judge stated that he did not, and that is an excellent suggestion.

Senator Lynch stated that he will ask Bart to come up with a gray bill which would show the amendments as they would read in the bill, rather than the committee trying to insert them into the blue bill. He asked that the republicans present the bill to

SENATE BUSINESS & INDUSTRY COMMITTEE

April 8, 1991

Page 5 of 5

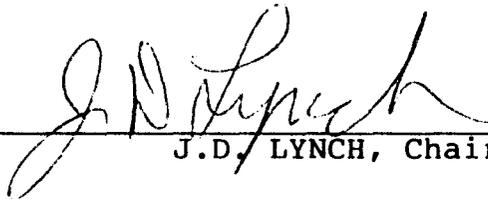
their leadership, and he would ask that the governor be shown the amendments. He stated that they would not act on either of these bills today. He scheduled executive action for Tuesday, April 9, 1991 at 10:00 a.m.

Closing by Sponsor:

Representative Kilpatrick closed by emphasizing that all of these plans have been around, but we have never had them where they have had the three factions put money in. When you have the labor, the environment, and business all putting money into it something will come out of it.

ADJOURNMENT

Adjournment At: 11:00 a.m.



J.D. LYNCH, Chairman



DARA ANDERSON, Secretary

JDL/dia

ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

DATE 4/8/91

52ND LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BRUSKI	X		
SENATOR FRANKLIN	X		
SENATOR GAGE	X		
SENATOR HAGER		X	
SENATOR NOBLE	X		
SENATOR THAYER	X		
SENATOR WILLIAMS	X		
SENATOR KENNEDY	X		
SENATOR LYNCH	X		

Each day attach to minutes.

AMENDMENTS TO HB 196

SPONSOR REP. TOM KILPATRICK

AMENDMENTS TO HB 196

- 1) ON PAGE 1, LINE 6
FOLLOWING: "LEGISLATIVE"
INSERT: "ECONOMIC DEVELOPMENT AND"

- 2) ON PAGE 1, LINE 6
FOLLOWING: "VALUE-ADDED"
INSERT: "PLANNING"

- 3) ON PAGE 1, LINES 7 AND 8
FOLLOWING: the first "TO"
STRIKE: "STUDY THE POTENTIAL FOR ADDING VALUE TO MONTANA
PRODUCTS; TO REQUIRE A REPORT"
INSERT: "CREATE AN ECONOMIC DEVELOPMENT AND VALUE ADDING PLAN
FOR SUBMISSION"

- 4) ON PAGE 1, LINE 13
INSERT: "WHEREAS, MONTANA IS IN ECONOMIC DIFFICULTY AND NEEDS TO
CREATE ECONOMIC GROWTH; AND
WHEREAS, THE EXISTENCE OF A FORMAL STATE ECONOMIC
DEVELOPMENT PLAN IS ESSENTIAL TO CREATING ECONOMIC
GROWTH; AND
WHEREAS, SUCH A PLAN, IN ORDER TO BE VALID, MUST REFLECT
A CONSENSUS OF THE MAIN ECONOMIC GROUPINGS OF THE
PRIVATE SECTOR, THE LEGISLATIVE BRANCH, THE EXECUTIVE
BRANCH, AND ECONOMIC DEVELOPMENT PROFESSIONALS.

- 5) ON PAGE 1, LINE 23
FOLLOWING: "LEGISLATIVE"
INSERT: "ECONOMIC DEVELOPMENT AND"

- 6) ON PAGE 1, LINE 24
FOLLOWING: "VALUE-ADDED"
INSERT: "PLANNING"

- 7) ON PAGE 1, LINE 25
FOLLOWING: "LEGISLATIVE"
INSERT: "ECONOMIC DEVELOPMENT AND"

- 8) ON PAGE 2, LINE 1
FOLLOWING: "VALUE-ADDED"
INSERT: "PLANNING"

- 9) ON PAGE 2, LINE 4
STRIKE: "15"
INSERT: "18"

10) ON PAGE 2, LINES 6 AND 7

STRIKE: "ONE MEMBER FROM EACH OF THE FOLLOWING INDUSTRIES"

INSERT: "THREE MEMBERS REPRESENTING BUSINESS INTERESTS AND
NOMINATED BY STATEWIDE ORGANIZATIONS OF VALUE-ADDING
INDUSTRIES, INCLUDING:"

11) ON PAGE 2, LINES 8 - 13

STRIKE: "(i), (ii), (iii), (iv), (v), (vi)"

12) ON PAGE 2, LINES 8 - 13

STRIKE: THE SEMI-COLONS ON EACH LINE

INSERT: COMMAS

13) ON PAGE 2, LINE 13

FOLLOWING: LINE 13

INSERT: (b) THREE MEMBERS NOMINATED BY STATEWIDE LABOR
ORGANIZATIONS WHO REPRESENT WORKERS IN THE
CONSTRUCTION, RETAIL, INDUSTRIAL, PUBLIC, AND
SERVICE SECTORS;

(c) THREE MEMBERS OF ORGANIZED CONSERVATION GROUPS
NOMINATED BY STATEWIDE ORGANIZATIONS REPRESENTING
WATER, AIR, LAND, AND AGRICULTURAL CONSERVATION AND
OTHER ENVIRONMENTAL CONCERNS;

14) ON PAGE 2, LINE 17

STRIKE: "(b)"

INSERT: "(d)"

15) ON PAGE 2, LINE 19

FOLLOWING: LINE 19

INSERT: "(e) ONE MEMBER FROM THE GOVERNOR'S NOMINEES FROM
THE TOURISM INDUSTRY;"

16) ON PAGE 2, LINE 20

STRIKE: "(c)"

INSERT: "(f)"

17) ON PAGE 2, LINE 25

FOLLOWING: LINE 25

INSERT: "TWO MEMBERS WHO ARE FULL-TIME ECONOMIC DEVELOPMENT
PROFESSIONALS NOMINATED BY LOCAL ECONOMIC DEVELOPMENT
CORPORATIONS;"

18) ON PAGE 4, LINES 9 - 12

STRIKE: LINES 9 - 12

19) ON PAGE 4, LINE 13

STRIKE: "(f)"

INSERT: "(h)"

20) ON PAGE 4, LINE 19

FOLLOWING: "HOUSE"

STRIKE: ", "

INSERT: "AND"

21) ON PAGE 4, LINES 20 - 21

FOLLOWING: "SENATE"

STRIKE: ", THE MINORITY LEADER OF THE HOUSE, AND THE MINORITY LEADER OF THE SENATE"

22) ON PAGE 4, LINE 23

FOLLOWING: "(2)"

STRIKE: "(E)"

INSERT: "(G) AFTER CONSULTATION WITH THE MINORITY LEADERS OF THE HOUSE AND THE SENATE"

23) ON PAGE 4, LINES 24 - 25 AND PAGE 5, LINES 1 - 2

STRIKE: PAGE 4, LINES 24 - 25 AND PAGE 5, LINES 1 - 2

INSERT: "(4) THE COMMISSION SHALL DEVELOP A CONSENSUS OF THE VARIOUS GROUPS REPRESENTED ON THE COMMISSION IN REGARDS TO DEVELOPMENT AND PREPARATION OF A STATE ECONOMIC DEVELOPMENT PLAN FOR MONTANA.

THE PLAN SHOULD:

(a) BE CONSISTENT WITH THE STRATEGIC PLANS AND ECONOMIC DEVELOPMENT PLANS OF THE CITIES, TOWNS, COUNTIES, AND REGIONS OF THE STATE;

(b) ADDRESS ALL SEGMENTS OF MONTANA'S BASIC SECTOR ECONOMY INCLUDING, BUT NOT LIMITED TO, NATURAL RESOURCE BASED VALUE-ADDING; MANUFACTURING, TOURISM, RESEARCH AND DEVELOPMENT, TECHNOLOGICAL BASED BUSINESS, COMMUNICATIONS, TRANSPORTATION, DISTRIBUTION, AND WAREHOUSING;

(c) ADDRESS ALL SOURCES OF ECONOMIC DEVELOPMENT CAPITAL;

(d) CONSIDER THE NEEDS OF BUSINESS AND WORKERS IN REGARDS TO EDUCATION, JOB TRAINING, VOCATIONAL EDUCATION AND APPRENTICESHIPS;

(e) ADDRESS THE STATES' ECONOMIC INFRASTRUCTURE STRENGTHS AND DEFICIENCIES; AND

(f) RECOMMEND REVISION OF LAWS OR CHANGES IN POLICY TO OVERCOME OBSTACLES TO ECONOMIC DEVELOPMENT AS IDENTIFIED BY THE COMMISSION

24) ON PAGE 6, LINE 9

STRIKE: "\$10,000"

INSERT: "\$25,000"

25) ON PAGE 6, LINE 16

STRIKE: ":"

26) ON PAGE 6, LINE 17

STRIKE: "(A)"

27) ON PAGE 6, LINE 17

STRIKE: "\$10,000"

INSERT: "\$25,000"

28) ON PAGE 6, LINE 19

STRIKE: "(D), AND (2)(E)"

INSERT: "(B), AND (2)(C)"

29) ON PAGE 6, LINES 20 - 21

STRIKE: LINES 20 - 21

30) ON PAGE 6, LINE 24

STRIKE: "FIVE"

INSERT: "THREE"

31) ON PAGE 6, LINE 25

FOLLOWING: LINE 25

INSERT: "(4) THE DEPARTMENT OF COMMERCE IS DIRECTED TO APPLY FOR ECONOMIC DEVELOPMENT PLANNING FUNDS FROM THE FEDERAL GOVERNMENT, INCLUDING THE U.S. ECONOMIC DEVELOPMENT ADMINISTRATION, AND SHALL DEPOSIT ANY SUCH FUNDS RECEIVED BY THE DEPARTMENT OF COMMERCE AFTER APRIL 1, 1991 INTO THE SPECIAL REVENUE ACCOUNT ESTABLISHED IN (SUBSECTION 2).

32) ON PAGE 7, LINE 1

STRIKE: "(4)"

INSERT: "(5)"