

**MINUTES**

**MONTANA SENATE  
55th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON BUSINESS & INDUSTRY**

**Call to Order:** By **CHAIRMAN JOHN HERTEL**, on February 6, 1997, at 9:00 A.M., in ROOM 410.

**ROLL CALL**

**Members Present:**

Sen. John R. Hertel, Chairman (R)  
Sen. Steve Benedict, Vice Chairman (R)  
Sen. William S. Crismore (R)  
Sen. C.A. Casey Emerson (R)  
Sen. Bea McCarthy (D)

**Members Excused:** Sen. Debbie Bowman Shea (D)

**Members Absent:** None

**Staff Present:** Bart Campbell, Legislative Services Division  
Mary Gay Wells, Committee Secretary

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

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 143; HB 165; HB 207;  
1/24/97  
Executive Action: HB 143; HB 165; HB 207

*{Tape: 1; Side: A; Approx. Time Count: 9:06 AM; Comments: N/A.}*

**HEARING ON HB 165**

**Sponsor:** REP. CARLEY TUSS, HD 46, BLACK EAGLE

**Proponents:** Jim Smith, MT State Pharmaceutical Assoc.

**Opponents:** None

**Opening Statement by Sponsor:**

REP. CARLEY TUSS, HD 46, BLACK EAGLE. I bring you HB 165. This is a two-part bill. The first section of the bill authorizes the Board of Pharmacy to print and distribute new information on drugs in terms of their assigned schedules on an "as needed" basis. This is necessary so that we are in accordance with federal requirements. Current statute limits that to an annual

printing. This bill changes this to an "as needed" status. The lion's share of the bill is that drugs are divided into schedules. They go from schedule one which is a schedule that has no medical indications in this country down to schedule five which is common drugs. Throughout those schedules those drugs have an increasing medical applicability and a decreasing propensity toward abuse. That is the schedule as it goes down one through five. On the other side there are prescription requirements. The prescription requirements for schedules one and two require a written prescription one time with no renewals. Schedule three and four also require a written prescription but they can be prescribed by an oral authorization and are limited to a six-month renewal period. Within those schedules you may see that stimulants are included in schedule one and schedule two, but you don't see them again until schedule four.

Proponents' Testimony:

**Jim Smith, MT State Pharmaceutical Assoc.** I am here to support HB 165. I would like to inform you that practicing pharmacists around the state do have to know what substances are on these schedules and which ones are not. They have to maintain an inventory of the controlled substances in their pharmacies and have it available for the drug enforcement administration. It is important for these schedules to be maintained in current form. This bill gives the Board the authority and responsibility to maintain and update these schedules on an "as needed" basis.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor:

REP. TUSS closed. Thank you for the hearing this morning and I would appreciate a Do Pass. SENATOR EVE FRANKLIN might be willing to carry this bill to the Senate.

HEARING ON HB 143

Sponsor: REP. JOE BARNETT, HD 32, BELGRADE

Proponents: Frank Cote, Deputy Insurance Commissioner

Opponents: None

Opening Statement by Sponsor:

REP. JOE BARNETT, HD 32, BELGRADE. REP. BARNETT handed in his written opening (EXHIBIT 1).

Proponents' Testimony:

**Frank Cote, Deputy Insurance Commissioner.** HB 143 is a bill requested by our office and we feel that it is a very important bill. You may remember Life Of Montana and the fact that they had about a \$30 million hit on our General Fund. Their problem was not specifically mortgage loans but it was a diversity problem. HB 143 is going to help us make sure that insurance companies stay solvent. There is a company based in Montana that has over 90% of their assets invested in mortgage loans. Most of these loans are invested outside the State of Montana. This bill passed the House with 87 votes.

Opponents' Testimony: None

Questions From Committee Members and Responses:

**SEN. STEVE BENEDICT** asked how many insurance companies are domiciled in the state? **Mr. Cote** answered there are approximately 27 companies. **SEN. BENEDICT** then asked how many companies have over 20% invested in mortgages here in Montana? **Mr. Cote** said only one company. This company is AmWest Life. I would like to add this is not a revenge bill. I hope you agree with us that 90% based in mortgage loans is not a prudent investment strategy. **SEN. CASEY EMERSON** asked if the two companies that were mentioned by the sponsor (Mutual Benefit Life Insurance Co. and Confederation Life Insurance Co.) were based in Montana. **Mr. Cote** said they were licensed to sell in Montana but were not domiciled in Montana. And this bill would not have affected them.

Closing by Sponsor:

**REP. BARNETT** closed. This is a taxpayer protection bill. These insurance companies pool to help the one in trouble, but they get a tax write-off for that and ultimately the taxpayer ends up paying for the loss. This bill is a pro-active bill rather than a reactive one. We should try to take care of these situations before they happen rather than after. I would appreciate it if **SEN. BENEDICT** would carry this bill to the Senate.

{Tape: 1; Side: A; Approx. Time Count: 9:25; Comments: N/A.}

EXECUTIVE ACTION ON HB 165

Motion/Vote: **SEN. BEA MCCARTHY** MOVED HB 165 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 143

Motion/Vote: **SEN. STEVE BENEDICT** MOVED HB 143 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY. **SEN. BENEDICT** will carry HB 143 to the Senate.

{Tape: 1; Side: A; Approx. Time Count: 9:34 AM; Comments: A 9  
MINUTE BREAK WAS TAKEN.}

HEARING ON SB 207

Sponsor: REP. EDWARD J. "ED" BRADY, HD 55, CANYON CREEK

Proponents: Dan Pouliot, Director, MT Telecommunications  
Access Program.

Opponents: None

Opening Statement by Sponsor:

REP. ED BRADY, HD 55, CANYON CREEK. The bill adds another person onto the Board and allows them to have another meeting. There are a couple of people here to explain more fully.

Proponents' Testimony:

Dan Pouliot, Director, MT Telecommunications Access Program. Mr. Pouliot handed in his written testimony (EXHIBIT 2) and also handed in an amendment (EXHIBIT 3).

Opponents' Testimony: None

Questions From Committee Members and Responses:

SEN. CASEY EMERSON asked what kind of special equipment is used for the hearing impaired. Mr. Pouliot explained the equipment that is used. Telephone amplifiers are used for many. The other thing available is there is a center where my call will go and they relay via a telephone operator my number and message. We can either type our message and receive our message from a typed message.

Closing by Sponsor:

REP. GRADY closed. Thank you for a good hearing. SEN. BEA MCCARTHY offered to carry HB 207 to the Senate.

EXECUTIVE ACTION ON HB 207

Amendments: SEN. WILLIAM CRISMORE moved to AMEND HB 207 (EXHIBIT 3)

Vote On Amendment: The motion to amend HB 207 CARRIED UNANIMOUSLY.

Motion/Vote: SEN. CRISMORE MOVED HB 207 BE CONCURRED IN AS AMENDED. The motion CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 9:45 A.M.



SEN. JOHN R. HERTEL, Chairman



MARY GAY WELLS, Secretary

JH/MGW