

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 28, 1985

The forty-eighth meeting of the Business & Industry Committee met on Thursday, March 28th at 10 a.m. in Room 410 of the Capitol Building. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL 532: Representative Paul Pistoria, House District #36 of Great Falls is the sponsor of House Bill 532 which is an act to limit the penalties that may be imposed for failing to comply with the regulations of a private parking service to the nonincarceration penalties imposed by the local government in which the service is provided. He had this legislation drafted after several people had had their cars chained to a barrel for nonpayment of parking fees. He distributed a letter he had from George Hatch, Jr. who had experienced having a barrel chained to his vehicle. (EXHIBIT 1) He also distributed copies of correspondence he had had with Mike Greely, Attorney General concening this situation and several articles he had had in various newspapers. (EXHIBIT 2)

He explained the attendant usually puts a notice in the window of the vehicle and then they chain the barrel to the vehicle and leave a phone number to call. Oftentimes however, there is no answer when you phone this number and delays have resulted in getting the vehicle freed. He felt most cities that used this type of penalty have now discontinued this practice and only a few private parking services are continuing the practice. He feels this practice has really hurt the business people in these areas because people will not park in these lots.

PROPOSERS: There were none.

OPPOSERS: There were none.

Questions were then called for from the committee members. Senator Christiaens does not impose such a penalty on parking violators because they felt it was unconstitutional but because they contract with a private firm for the lots they do not have jurisdiction over them and Rep. Pistoria stated this was true.

Rep. Pistoria had written to Attorney General, Mike Greely seeking a ruling but the attorney general had not made a ruling on this matter. Senator Christiaens noted that if the city were to become involved it would make them liable and this is the reason the city did not want to become involved.

Senator Thayer stated this is just a way to police the private lots and it was his understanding that the civil penalty for non-

payment of parking fees was something like \$500 or 6 months in jail and he felt this was a pretty severe penalty also. Towing away cars gets to be expensive also and about the only thing you can do is hold the vehicle till the owner pays the fee. He felt something should be done but this legislation was not the answer.

Rep. Pistoria felt chaining a car for 3 or 4 hours was also pretty severe. Senator Williams asked Rep. Pistoria if he had had support from other cities besides Great Falls and he stated that he had. Senator Christiaens wondered if there was perhaps a grace period of a little time before they resort to chaining the vehicles and was told they do this within one or two hours after discovery the parking fee was not paid.

Senator Christiaens wondered if something could be written into the contract for the parking supervision that this practice not be allowed. Senator Thayer asked what other recourse the private lots would have to enforce payment of fines.

In closing Rep. Pistoria felt this bill would help the businesses in the areas where this practice is followed if it were to be eliminated. He recommended his bill be concurred in.

DISPOSITION OF HOUSE BILL 236: A gray bill had been prepared for House Bill 236 with the proposed new amendments included. (EXHIBIT 3) Senator Williams MOVED THAT HOUSE BILL 236 BE CONCURRED IN.

Mary McCue, Legislative Staff Attorney, noted that the original bill had no limitation as to what kind of game and this has been changed to say "Draw Poker". In section 1, which deals with card games, she felt this might be misunderstood as not having anything to do with the machine but rather any card game that is played against the house. She thought the title should also include "Draw Poker" also. Senator Thayer felt the language was broad enough to include slot machines.

Page 3, new section 4, deals with the license fee. The fee would be \$800 per machine per year and 1/2 would go into the general fund and 1/2 to the counties or cities and there would be a limit of 5 machines per applicant. The term for leasing, if you chose to lease, would be 30 months. There is language on page 4 giving the department of revenue the authority to adopt rules to implement the program.

Senator Kolstad wondered when the counties would receive money and was told when the cities were unincorporated and the machines were located in the county.

Senator Halligan noted the payout percentage was not regulated and there are no computers involved. The revenue generated is only from the license fees and not from the proceeds of the machines. Both poker bills limited the places the machines

could be located but this bill is far broader than SB 391 was. This bill would generate a revenue of approximately \$5 million.

Mary McCue had talked with legislative council about the language for card games and they felt there might be some misinterpretation. She felt the language should be put with the machines or be left out completely. Phil Strobe, Montana Tavern Association, felt the language was not necessary. Rep. Pavlovich noted this had been added because a county attorney had told him he felt that it was necessary for clarification. He did not object to removing this particular language however. John Poston, Coin Machine Operators Lobbyist, thought the language may have come about as a result of a court case.

Senator Thayer wondered about the 30 month lease. Rep. Pavlovich stated he felt this was just for the protection of the coin operator himself. You could purchase the machine too he pointed out.

Senator Fuller asked what the license fee was now and was told that it varies from area to area. Senator Thayer asked Rep. Pavlovich if he was opposed to amending the state out of the bill. He stated he would rather see the money go to the cities and towns first but had no objections to money going to the state.

Senator Goodover wondered about the department of revenue implementing rules concerning design, manufacture, distribution and accounting of validation of the machines. Rep. Pavlovich explained this would mean the state would come in, inspect the machine and after acceptance stamp it for validation.

Senator Neuman wondered if \$200 net per week was a realistic figure for each machine. Rep. Pavlovich felt this would vary, some would produce more and some less. Senator Neuman was concerned at the difference in revenue figures between the two bills. One bill stated \$5 million and another \$45 million and he felt if this were true, it would mean a \$40 million windfall to the tavern owners. He felt this was just too much and that the local or state should be able to benefit from some of this. Rep. Pavlovich felt the fiscal note was too high for SB 391. He felt there would possibly be between 4000 and 5000 machines. Senator Kolstad felt the \$800 per machine was far too low.

Senator Goodover felt this was a big enough issue that it should be decided on the Senate floor. Senator Thayer stated he would not vote for this bill unless it was amended first.

Senator Fuller asked about the so called "weekender" machines. Rep. Pavlovich stated they do not change machines for different payouts in his county. A brief discussion of the mechanism that is in the machine which regulates the payout.

Senator Neuman asked if Rep. Pavlovich was more concerned about paying the tax or hooking up to a computer. Rep. Pavlovich stated he did not want to be tied in to a computer and being regulated in such a manner.

Senator Neuman wondered if there were machines made that could not be tampered with. John Poston stated there are a great number of machines still around that are illegal but there is a machine made that is tamperproof. Those who still own the old machines would lose their investment however. Rep. Pavlovich then distributed a letter stating that such a machine can be made. (EXHIBIT 4)

A letter from Lynn Seelye, Attorney and a petition from folks in the Billings area in support of HB 236 was also submitted. (EXHIBIT 5)

Senator Goodover noted that the language stated the department of revenue would set the rules and do the inspections and he felt this would be quite a job of enforcement. Senator Boylan felt that you could put counters on the machines without having an electronic hookup.

Senator Williams felt it should not be the responsibility to decide on the 80/20 or 90/10 or whatever split but just to determine whether or not they should be legal and let the local governments decide on the payout.

Senator Weeding MOVED TO CHANGE THE WORDING TO SAY DRAW 80 POKER IN THREE AREAS OF THE BILL AND IN THE TITLE. This motion carried.

Senator Thayer had a concern about the 50/50 split. He felt you could turn it over completely to the cities and counties but since the state is involved in rulemaking it makes it pretty broad. He feels the take for the state is too high and that the locals should have more. The \$800 fee was far too low also he felt.

Senator Kolstad then MOVED TO CHANGE THE LICENSE FEE TO \$1200 PER MACHINE. Senator Thayer wondered about a graduated scale with those having more machines paying more. Representative Pavlovich felt it should be a flat rate. This motion carried.

Senator Thayer THEN MOVED THAT 75% OF THE FEE GO TO LOCAL GOVERNMENTS AND 25% GOES TO THE STATE. This motion carried. Senator Neuman and Senator Halligan voted "no".

A brief discussion of sunseting the bill but it was felt because of the lease provision being 30 months this would not work.

On a roll call vote Senator Williams's MOTION TO PASS THE GRAY BILL AS AMENDED carried 6 to 4. Senator Halligan, Senator Gage, Senator Neuman and Senator Weeding voted "no". Senator Goodover was not present for this vote. (EXHIBIT 6)

Senator Kolstad then MOVED TO AMEND THE STATEMENT OF INTENT TO INCLUDE THE LANGUAGE "DRAW 80 POKER". This motion carried. He then MOVED TO ADOPT THE STATEMENT OF INTENT AS AMENDED. The motion carried.

DISPOSITION OF HOUSE JOINT RESOLUTION 13: Senator Fuller felt the resolution would not accomplish anything and was not necessary. He was sympathetic to what was trying to be done but felt this would not accomplish any results. He then MOVED TO TABLE HOUSE JOINT RESOLUTION 13. Senator Neuman noted he would not like this to be a signal that we are moving in the other direction either. The motion carried.

DISPOSITION OF HOUSE JOINT RESOLUTION 39: Senator Fuller MOVED TO TABLE HOUSE JOINT RESOLUTION 39. The motion carried.

DISPOSITION OF HOUSE BILL 127: This bill had been delayed in committee while awaiting more house bills dealing with the same subject matter were heard first. A handout was distributed with a summary. (EXHIBIT 7) Clayton Bain, Chairman of the Private Investigators was present as was Don and Fred Valiton for questions if the committee desired.

Senator Christiaens felt there were several problems with HB 895 which was the reason the bill was delayed. Clayton Bain stated they had been put in separate bills in the house and they would like to see security alarms reinserted in House Bill 127 if HB 895 does not pass. (EXHIBIT 8)

Senator Fuller then MOVED TO AMEND BACK INTO THE BILL THE LANGUAGE STRICKEN EARLIER TAKING OUT SECURITY ALARMS. This motion carried.

Senator Fuller then MOVED HOUSE BILL 127 BE CONCURRED IN AS AMENDED. The motion carried. Senator Christiaens voted "no". There followed a brief discussion of what would happen if this bill were not to pass and Clayton Bain felt there would be some concerns. A brief discussion of the type of complaints that have been received on private investigators also.

DISPOSITION OF HOUSE BILL 895: Senator Fuller MOVED TO TABLE HOUSE BILL 895. The motion carried. Senator Neuman voted "no". He felt the Department of Commerce wanted to get away from licensing and the Department of Justice did not want the responsibility either.

DISPOSITION OF HOUSE BILL 462: Senator Thayer MOVED THAT HOUSE BILL 462 BE CONCURRED IN. Senator Christiaens felt this was a good bill that would benefit the state and thought it was desirable to get the local wholesalers involved in the process of selling also. There had been an amendment proposed. (EXHIBIT 9) Senator Christiaens MOVED TO ADOPT THE AMENDMENT CONCERNING THE PROCUREMENT PROVISION FOR THE DEPARTMENT OF INSTITUTIONS. The motion carried.

Senator Christiaens MOVED THAT HOUSE BILL 462 BE CONCURRED IN AS AMENDED. The motion carried with Senator Weeding, Senator Neuman, and Senator Goodover voting "no".


DISPOSITION OF HOUSE BILL 880: Senator Kolstad MOVED TO TABLE HOUSE BILL 880. This motion carried. This bill would have required having insurance for suppliers, installers, and maintenance people for fire alarms, security alarms, and fire suppression equipment.

DISPOSITION OF HOUSE BILL 475: Senator Fuller MOVED TO ADOPT AN AMENDMENT TAKING OUT THE SHARE GUARANTOR LANGUAGE IN THE BILL. (EXHIBIT 10) Senator Goodover stated he had concerns about credit unions and savings and loans coming in every session asking for more and more privileges.

Senator Thayer asked Jeffry Kirkland, representative for the credit unions if the banks had any difficulties with this measure and he felt that they did not.

Senator Christiaens then MOVED ALL THE AMENDMENTS PROPOSED TO HOUSE BILL 475. The motion carried. Senator Christiaens then MOVED THAT HOUSE BILL 475 BE CONCURRED IN AS AMENDED. The motion carried. Senator Thayer, Senator Goodover and Senator Halligan voted "no".

The meeting was adjourned at noon.



SENATOR MIKE HALLIGAN, Chairman

cd

ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3-28-85

SENATE
SEAT
#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

DATE _____

COMMITTEE ON _____

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
Paul H. Pistoris	State Rep Sed Falls	532	✓	min

(Please leave prepared statement with Secretary.)

3620 Quimet Circle
Billings, MT 59106
June 1, 1984

Rec'd - TUSA - Feb. 12/1985

Rep. Paul H. Patricia

Al Thelen
City Manager
City Hall
Billings, MT 59101

Dear Al:

Jake's Restaurant, for several years, has provided courtesy parking at the Diamond Parking Lot adjacent to the restaurant. A large sign notified the public of the privilege. Recently, Jake's discontinued this courtesy without notice to its customers.

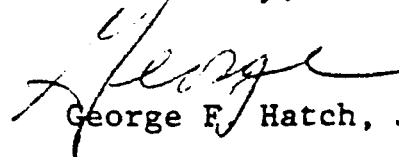
On May 26, 1984, I had the unfortunate experience of taking out-of-town guests to Jake's for a pleasant dinner, only to find on returning to our automobiles that the vehicles had been "impounded" for failure to pay one dollar into the parking meter. We were forced to pay a total of \$42.00 to have a huge barrel removed from the bumper of each automobile. At least three cars were similarly "impounded". The young attendant smirkingly remarked that this happens nightly and "we make more on fines than we do on parking fees". The manager of Jake's confirmed that this happens to their customers nightly, yet did not feel that it was Jake's responsibility to notify the public of a change in their parking policy. She pointed out that a small, inconspicuous sign, "she did not expect anyone to see", had been posted in the parking lot, but no notice has been displayed in the restaurant.

Is this the type image citizens of Billings want for our city - a restaurant that renounces any responsibility to its customers and a parking lot that gleefully impounds automobiles of unsuspecting citizens and visitors to our city in order to extract a heavy fine? As the lot attendant states, "we make more in fines than in parking fees". Therefore, why display a conspicuous sign?

Unquestionably, this type of action reflects poorly on our citizens, merchants, and city.

Acknowledgement of receipt of this letter would be appreciated. I trust this matter will receive your prompt attention.

Yours truly,


George F. Hatch, Jr., M.D.

GFH/sr

COPY

year period.

John Lawton, central support services director, will present his cost-cutting plans to the City Council during a committee-of-the-whole meeting at 6:30 p.m. on Monday.

"The intent is to do everything possible to reduce some of those high interest charges, short of changing state law," Lawton said Friday.

In a paper he prepared for the council, Lawton said the collapse of the municipal bond market in 1980 caused problems for the city and property owners.

First, increased interest rates "have caused SID payments to become more burdensome." Also, the paper said, higher interest rates have squeezed profits for bond underwriters.

Prohibited by state law from pur-

worse, it often takes up to 10 months to get SID charges on the tax rolls, making property owners liable for interest accumulated during that period, Lawton said. He said first payments can be four or five times more than later ones.

Lawton referred to an SID for a park in a West End subdivision. The owner of a 7,000-square-foot lot had a \$321.75 assessment, \$266.18 of that interest and \$55.57 in principal, for the initial Nov. 1, 1983-Dec. 31, 1984 period. Later six-month assessments gradually dropped from \$136.34 to \$58.66.

Remedies Lawton will recommend include forbidding the use of the B coupons, and reducing the contingency fund on future SID projects from 10 percent to 7 percent of construction costs.

He also will recommend re-

He estimates homeowners annually on Montana law states.

He suggests of serial bonds a staggered life, or amortized mortgage, in term arrangements are called at the

He also suggests to be sold at a rates drop.

Another permit construction instead of having a long-term begins

Montana Briefs



Legislator wins approval of parking-penalty limit

HELENA (AP) — Rep. Paul Pistoria, D-Great Falls, succeeded Saturday in advancing his longtime crusade against the operators of Diamond Parking Co. lots in his home town.

Pistoria persuaded the Montana House to approve, 92-6, a bill making penalties for overtime parking in private lots conform to government parking ordinances.

Pistoria proudly admitted that he has freed many a car from barrels chained to overtime vehicles by Diamond attendants. He displayed a large bolt cutter he said he used until he was charged with destruction of property, charges which he said were dropped as unconstitutional.

The practice was defended by Rep. Toni Bergene, R-Great Falls, who said the owner of Diamond Parking was her constituent. She said cars are not chained unless they have been left in a lot for at least 24 hours and the overtime parking is the second offense.

accident was of the truck showing — w Saturday by crew.

Barthule ries from the ing.

The death traffic toll to at this time l

Cowboy to save

GREAT bers of the ciation, attention here trouble.

They als thinning in ranch-farmer plan to do s

Form bona fid owners, the membership an interest boy's image

MCA se

Rural-unity rally planned Wednesday in Helena

A "Unity for Rural Montana" rally on the Capitol steps in Helena is scheduled for 11:30 a.m. Wednesday, according to a Winifred rancher.

"It is strictly peaceful and moderate," said Ed Butcher, president of Montana's National Farmers Organization.

"It is a get-together to let the little town merchant, as well as farmers and ranchers, know they are not alone," he said.

Most major farm organizations and state ag officials will be present, Butcher said.

Tractor overturns, killing rancher

ST. IGNATIUS (AP) — A rancher who was found dead Saturday near his home northwest of here was identified Sunday as Mel McDowell, 64.

TRIBUNE

Our
100th
Year
Sunday

Great Falls

February 10, 1985

Great Falls, Montana

H.B. 532 BY PISTORIA

Montana House passes legislation to ban attaching barrels to autos

By CHARLES S. JOHNSON
Tribune Capitol Bureau

HELENA — By a 92-6 vote, the House Saturday approved Rep. Paul Pistoria's bill aimed at stopping Diamond Parking Inc. from attaching 55-gallon barrels to illegally parked cars in private parking lots.

Under the Great Falls Democrat's bill, private parking companies could not impose any greater penalties than the local government could. It also prohibits private companies from impounding cars, even if local governments do.

His House Bill 532 faces a final vote in the House before advancing to the Senate.

Pistoria has been fighting with Diamond Parking for several years over the company's practice of attaching the barrels to cars. He maintains the practice is unconstitutional, and he has offered to cut the barrels

off for anyone who calls him.

He said the company not only attaches the barrel but charges an overdue parker \$20 and places a large sticker on the windshield.

During the House debate, Pistoria told how he took care of the situation as he held up his bolt cutters: "I, Paul G. Pistoria, a one-armed guy, got these bolt cutters."

To the amusement of the legislators, Pistoria told how he had cut off 40 or 50 barrels for people over the years.

Last summer, Pistoria was cited for criminal mischief for allegedly cutting a Diamond Parking barrel off a car, but the company dropped the complaint the next day.

Pistoria drew support from Rep. Jack Moore, R-Great Falls, who called the barrel-attaching practice "absolutely ridiculous."

Moore said he has seen situations

where people have been in important meetings all day and are unable to leave to pay for additional parking time. When they leave the meeting late in the day, they sometimes find barrels attached to their vehicles, he said.

Opposing the bill was Rep. Toni Bergene, R-Great Falls, who said Diamond Parking's manager, Larry Ort, is one of her constituents.

Because of Pistoria's actions, she said, Diamond has changed its practices and won't attach the barrels until a second offense. On a third offense, the company will tow away the car, she said.

The company doesn't go after car owners unless the vehicle has been left in the parking lot for 24 hours, she said.

Diamond Parking is important to Great Falls, which doesn't have much parking space, she said.

Im H.B. 532

EXHIBIT 2
BUSINESS & INDUSTRY
March 28, 1985

PAUL'S CUTTERS

It seems our parking lots
Are the cause of verbal shots
The the nuts and bolts of life
End up with bolt cutters and strife.
What brought this crime on
And who answered the call
The villian was Diamond
And the hero was Paul.

*an unknown person
wrote up this poem & mailed
it to me.*

For H.B. 532

Unchained melody on Pistoria's lips

Paul Pistoria declared himself the bane of barrels in Great Falls during Tuesday's city commission meeting, telling city fathers he would cut the chain attaching an overtime parking barrel to his car in any off-street parking area operated by Diamond Parking, Inc.

Pistoria, leader of the Save Great Falls Club and recently elected a state representative, said the attachment of 55-gallon drums to cars that park overtime in the privately operated off-street lots "is the silliest thing I ever heard of."

Pistoria, who is one-armed, said he had tested a recently purchased set of bolt cutters and found he can easily cut chains with them — and will do so if a barrel ever is attached to his car for inadvertent overparking.

Moreover, he said, he would go to jail rather than pay any fine attached to such an infraction.

City Commissioner Bill Scott

said humorously, "They wouldn't bother with your car anyway, Paul," referring to Pistoria's older-model Rambler.

"I know it's identifiable," Pistoria replied.

Prompting Pistoria's remarks was a recent city commission action to turn over enforcement of on-street parking regulations to Diamond as well as operation of the off-street lots.

The city's cost of enforcing on-street regulations costs about \$90,000, Pistoria said, and Diamond had offered to take over the service for about \$68,000.

"Who owns the City of Great Falls, anyway?" Pistoria asked aloud. "All of us do," he said.

The city installs the parking meters and provides and maintains the streets, he said, so why should the parking regulations be enforced by an out-of-state firm which will take the profits out of the state as well.

THIS PLACARD IS PLACED ON WINDSHIELD OF
VEHICLE.
For H.B. 532

VIOLATOR IMPOUNDED

IN PLACE

 DO NOT MOVE CAR
DAMAGE WILL OCCUR 

ALL PARKING MUST BE PAID IN ADVANCE

Service Charge \$20.00 Plus Parking

CALL 761-6111 FOR RELEASE

Note: When you can normally
no one answered & sometimes
the phone is in the hands
of a technician.
THIS IS TERRIBLE &
UNCONSTITUTIONAL - How can they get
away with this when they don't
answer the phone?

F-6

4M-3-78

2



The Big Sky Country

1

MONTANA STATE HOUSE OF REPRESENTATIVES

REP. PAUL G. PISTORIA
DISTRICT NO. 39
2421 CENTRAL AVE.
GREAT FALLS, MONTANA 59401

Aug. 1, 1984

COMMITTEES:
LOCAL GOVERNMENT
EDUCATION
STATE ADMINISTRATION

Mike Greely, Atty General
Justice Center
215 - North Sanders
Helena, Mont.

FOR H.B. 532

Dear Mike:

Enclosed 3 articles & a copy of Diamond Parking Violations^{copy} used on vehicles for over parking (all on me against them).

Impeaching against "Diamond" parking since 1976 here in Great Falls due to their violation policies.

The City of Great Falls used to operate the Private parking lots themselves on a percentage basis (receiving approx \$20,000 to \$150,000 Revenue Per yr, but they got rid of them & the Private parking lots. Instead the Private owners gave them to Diamond Parking a Seattle firm, the City did make a mistake.

The City then entered into an agreement with "APOCA" to handle the parking on Avenues, Streets & City owned parking lots with city police powers to ticket vehicles. Instead they weren't satisfied with "Diamond" in 1977. In fact Helena got rid of

Diamond parking & run it themselves & receive all of the revenue. Great Falls should do the same.

It now looks like the City of Great Falls is looking into it because they lost much revenue & has heard the City's PR & dissatisfaction of Diamond's policies.

But, during all these years, Diamond has a policy of attaching a 55 gal barrel to the rear end of a vehicle with a chain or cable by using a lock.

They place a violation card on windshield of the vehicle as shown in the enclosed copy. A \$20.00 service charge plus a parking fee of \$5.00 up to \$14.00 or total of 25. or 34 must be paid before they unlock the chain or cable from the vehicle, which has caused much confusion & dissent. Note - also on placard it doesn't mention Diamond.

You can see from the enclosed articles I have been after them for sometime. Actually they can't prosecute anyone. No policing powers. In fact the City or the County atty will not prosecute anyone. No one has never been prosecuted. It's just a terrible harassment & scare. Yes, I have removed several barrels mostly for women.

no one knows who receives the violation money for over parking, whether it's "Diamond" or Private owners. This is terrible.

If the City would again take over the Private parking spaces the barrel problem would

be solved.

On Thursday - July 26, 1984 I attended the City Parking Commission Meeting, expressing my views against Diamond Parking they were sympathetic to me & agreed with me, also suggested an Ordinance can be adopted for Diamond Parking to meet the same rules & policy as the City uses, I am sure this can be done. But, they decided to receive an opinion from your office, the article marked (3) explains enclosed.

The articles enclosed are self explanatory.

I thought by sending this material & my views might help you in making your decision.

Thank you.

Sincerely yours,

Paul L. Astoria
State Representative.

STATE
OF
MONTANA
ATTORNEY GENERAL
MIKE GREELY

JUSTICE BUILDING, 215 N. SANDERS, HELENA, MONTANA 59620
TELEPHONE (406) 444-2026

*Recd TUES - Aug 28,
1984*

27 August 1984

Representative Paul Pistoria
2421 Central Avenue
Great Falls MT 59401

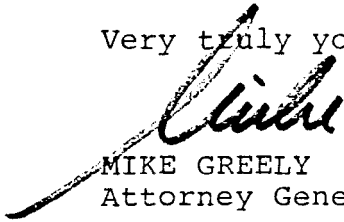
Dear Paul:

Thank you for your letter and attached newspaper articles concerning the dispute over procedures followed by Diamond Parking officials when ticketing and immobilizing vehicles whose parking fees are overdue.

The Great Falls City Attorney's Office has not yet requested my opinion on this matter. I will keep your letter and attachments on file for future reference should questions on this matter be submitted for my consideration.

I appreciate your taking the time to share your views with me on this matter.

Very truly yours,


MIKE GREELY
Attorney General

FOR H.B. 532

FOR - THUR - AUG. 23, 1984 - 8:30 AM, PARKING
COMMISSION MEETING AT THE CIVIC CENTER:

BRING UP THE FOLLOWING 3 - RECOMMENDATIONS

- ① - By removing parking meters or leave on a trial basis - try 2 hr. parking - chalk tires, me & everybody that I talk to believe that the meters does cause bad down town business. This would help down town business, it scares people.

No doubt you would lose some revenue. But, it is the only way to create better down town business climate. Help save down town.

- ② - I still urge that the City try and again, as before take over the Private Parking lots. The City Commissioners & Chris Cherches, mgr. couldn't see no further than their nose, when they gave up the Private Parking lots. They then ^{were} using Diamond Parking. The City lost 120,000 to 150,000 Per year Revenue. It didn't make since & was terrible. If the City ^{had} continued you wouldn't have the Barrel Problem.

Naturally by the City taking over the Private lots again on percentage basis the Barrel Problem would be solved.

Even at your July 26th meeting Bob Dutz, Public Works Director stated they were pursuing it. Action speaks louder than words. GO & DO IT. Diamond Parking has given the City of Great Falls a Black Eye. The City should receive the needed Revenue. Not DIAMOND PARKING. The Profits leave Great Falls & goes to Seattle, Wash.

- ③ - I STILL URGE the City of Great Falls to at least (I request the City go to the City Council Mike Stealy for an opinion) if the City can

adopt an ORDINANCE whereby Diamond
Parking comply with the same city rule
violations as the city has to charge on over
parking. This would also eliminate the Barred
& quit scaring & harassing car owners.

This will also start bringing down ^{town}
Business, again. Definitely so.

I will never give up on Diamond Parking
(drive them out of town) until the City does
something to correct this terrible unconstitutional
problem. How in the hell can ~~you~~ they
do what they want to scare & harass the
Car owners? Lets stopped it.

I will keep it up until a solution is
found as I have suggested. I don't think
you will stop me as long as I am constructive.

Many have approached me to start a petiti
drive ^{on} against Diamond Parking. But, I feel this can
be resolved once & for all by keeping on talking.

Thank you.

Sincerely yours,
Paul S. Pistoria
State Representative.

FOR H.B. 532

let - June 21, 1984
Juen 21, 1984

Recd this July 26, 1984 8:30 A.M.
at City ~~====~~ Parking
Com. meeting
from Jerry Frasier, Chr.

Ken Eichner, Vice President
Diamond Parking, Inc.
3161 Elliot
Seattle, WA 98121

Dear Mr. Eichner:

Our Downtown Business Council has a great deal of concern about parking facilities in downtown Great Falls. We have a committee which deals specifically with parking and with government related issues. When members of this committee became aware that I had a barrel chained to my car, albeit an error, the members asked that I write directly to you about a question they have.

It has been the position of the City Attorney here that Montana State law does not permit impounding with less than five days notice for any vehicle parked where it has become unwelcome, shall we say. Our committee has long felt that a faster response time is required to be effective in parking control downtown. Has your company had an attorney research that question in Montana? We would love to have your comments on the situation.

Diamond manages so many lots in downtown Great Falls that another question has arisen as to who has the clean-up responsibility for privately held lots whose owners have contracted with Diamond for management. There is not a lot of problem with clean-up, but occasionally we are aware of one or more lots which allowed to remain littered and we would like to know with whom we should be talking.

Thank you for all your assistance.

Yours sincerely,

Kay L. Maloney
Executive Director

When you are in Great Falls, you would be most welcome to meet with our committee or to attend the full membership meetings.

FOR H.B. 532

FILE: W/S #7 (a)
Nov. 15, 1983

INTER-OFFICE MEMORANDUM

CITY OF GREAT FALLS, MONTANA

Rec'd from Al Johnson, Mgr. Tues. Nov. 15, 1983 at Study meeting

TO: City Commission

DATE: November 8, 1983

FROM: David Gliko, City Attorney

REPLY REQUESTED ON OR BEFORE:

SUBJECT: "Booting" of Vehicles on Private Lots

The question has been raised as to the propriety of "booting" vehicles on private lots where there has been a failure to pay the parking fee.

In the past, the issue has been raised with regard to enforcement of parking on public lots. At that time, our review of the law determined that "booting" would violate the basic concepts of due process under the Fourteenth Amendment. That conclusion is drawn from a number of U. S. Supreme Court decisions as follows: The Fourteenth Amendment places procedural constraints on government action that works a deprivation of property interest. Memphis Light, Gas and Water Division vs. Kraft, 436 U.S. 1, 9 (1978). Due process requirements must be satisfied even for temporary deprivations of property. Fuentes vs. Chevin, 407 U.S. 67, 86 (1972). The possession and use of the motor vehicle is a property interest. Stypmann vs. City and County of San Francisco, 557 Fed 2nd 1338, 9th Circuit (1977); Hann vs. Carson, 462 F Supp 854, 866 (1978).

Essential to the concept of due process under the Fourteenth Amendment is the requirement of notice and an opportunity to be heard prior to effecting any confiscation or restriction of use by the State, i.e., the City. A "boot" placed on a vehicle found to be parked without payment of parking charges does not pass constitutional muster since the owner of the vehicle is not given notice or an opportunity to be heard prior to the restriction of use of his vehicle. However, it must be pointed out that the constitutional protection under the Fourteenth Amendment is directed toward "State" action (City action) and is not directed toward individual private parties.

In this case, the action taken by the owners of the private lots are not subject to the limitations imposed by the Fourteenth Amendment. On the other hand, they may be liable for civil trespass or a misdemeanor charge of criminal mischief which could be brought by the owners of the "booted" vehicles.



In any event, the private parking lots, privately owned and operated, do not fall within the jurisdiction of the City's public streets, ways or grounds. Therefore, the City has no authority to interfere with the operation of such private enterprises and could well be subject to legal liability if any intervention was attempted.

gb

FOR H.B. 532

TRIBUNE - Nov. Dec. 27, 1984 - Page 1-B

Diamond eases its barreling policy

By RICHARD ECKE
Tribune Staff Writer

Diamond Parking has relaxed its parking enforcement rules in private parking lots downtown, local manager Larry Ort said Friday.

Ort said the parking enforcement firm has decided not to attach barrels to violators' cars until a second or third offense. In the past, barrels were attached for a first offense.

Fines will be reduced as well, he reported.

In the past, a first-offense ticket from Diamond Parking cost \$3 plus the unpaid parking fee. That's been reduced to \$1 plus the fee, Ort said.

The new moves are an "experimental deal," and may be only temporary if the firm encounters too many enforcement problems. But if customers cooperate, the new rules should stick, he indicated.

Diamond's peace offering comes after some heated debate over the firm's practice of attaching barrels to cars. The city, which has five downtown parking lots of its own, does not use barrels on advice of the city attorney.

But city officials say they can do nothing about how a private firm en-

forces its parking.

Diamond officials explained earlier that the barrels are an alternative to vehicles being towed, a procedure that would cost a violator even more money than the barrel method.

In any case, the new relaxed policies have already sharply reduced the number of barrels being attached to vehicles by Diamond, Ort said.

Diamond attached barrels to some 70 vehicles in September, but this month has only attached barrels to five or six vehicles that were habitual violators, he said. As a last resort, the firm has a car towed away, Ort reported.

Diamond is hired by downtown property owners to police private parking lots. Diamond handles 22 private self-parking lots downtown, Ort said.

"We're not here to try and fight with anybody," Ort said.

Barrels remained on the minds of city parking commissioners Thursday at the group's monthly meeting.

The topic arose as proposed new signs for the city's off-street downtown parking lots were unveiled. Small blue signs would point the way

to the five downtown city lots, while larger blue signs would feature a map showing the city-owned lots.

Commission member Ardis Jerome joked that the city should add the words "no-barrel parking" to the signs.

Commission member Dan Short said most people don't understand that the city owns just five off-street parking lots downtown, and residents often complain about the numerous private parking lots over which the city has no control.

"I think the city is suffering mightily," Short said.

"The heat should be on the individual that owns the lot," commission Chairman Jim Purdy said, referring to the barrel controversy.

Duty said placing signs on the city lots should help identify which lots are owned by the city. Total costs of materials for the signs will be \$1,500, city parking official Mike Wyatt said.

The signs may be posted by Thanksgiving, Duty said.

Wyatt noted Diamond's new relaxed policies at the commission meeting.

FOR H. B. 532

TRIBUNE - Wed - Aug. 29, 1984 - FRONT-PAGE

Complaint against Pistoria dropped

By FRED MILLER III
Tribune Staff Writer

Rep. Paul Pistoria, D-Great Falls, was cited for criminal mischief Monday after allegedly cutting a Diamond Parking Inc. barrel off a car with bolt cutters, although Diamond dropped the complaint Tuesday.

No charges will be filed.

Pistoria, who has said the practice of attaching 55-gallon barrels to illegally parked cars on Diamond lots is "terrible" and "unconstitutional," denied he cut the barrel.

"I didn't do it, someone else did," he said. "I didn't cut no barrel off a car. I was with somebody, a man who owns a store downtown, who had a barrel on his car. I was with him."

Pistoria has said he would cut the barrels off for anyone who calls him.

According to police, a Diamond employee attached a barrel to an overdue car on a lot at 520 1st Ave. N. about 9:47 a.m. Saturday. Around noon, that employee told police she

saw Pistoria and the man cut the lock off the cable attaching the barrel to the car.

Police received the report Monday and issued a notice to appear, citing Pistoria with criminal mischief by destroying private property. However, local Diamond manager Larry Ort withdrew the complaint Tuesday after consulting with Diamond's Seattle headquarters.

"We don't want to make an issue out of this," said Ken Eichner, Diamond vice president in Seattle. "The owner of the car has paid us for the lock and paid the parking he owed. Our issue has been settled."

Pistoria claims state law doesn't allow the impounding of vehicles without five days' notice. He requested an attorney general's opinion at a July 26 parking commission meeting.

However, an opinion issued in 1977 still stands, according to City Attorney Dave Gliko. That opinion said "there are no Montana statutes

which grant local governmental units authority to regulate parking on private property."

Eichner said attaching the barrels is less expensive than towing vehicles away, and that any increase in costs would be eventually passed to the consumers.

"As a responsibility to private owners of the lots, we have to collect fees," Eichner said. "We believe the best thing is for the public to pay for the parking in advance. If they don't, there has to be some recourse for property owners, and we don't want to tow cars away because it's so expensive."

However, Pistoria has said he will not quit.

"I will never give up on Diamond Parking until the city does something to correct this terrible, unconstitutional problem," he told an Aug. 23 parking commission meeting. "How can they do what they want to scare and harass car owners? I will keep this up until a solution is found."

For H.B. 532

3X Diamond Parking

Library to change parking operation

Thursday, December 20, 1984 Great Falls Tribune 3-C

By GWINN DYRLAND
Tribune Staff Writer

The Great Falls Public Library board has decided to try to get "out of the parking business" by joining a city contract with APCOA Parking to run its patrons' parking lot.

In other business at its recent monthly meeting, the board voted to close the library Monday, Christmas Eve day, but keep it open until 5 p.m. on New Year's Eve. The New Year's Eve closing time is three hours earlier than the normal Monday closing time of 8 p.m. The library will be closed Christmas Day and New Year's Day, both Tuesdays.

Board members at the December board meeting voted to send notice to Diamond Parking, its current library lot manager, that the library

intends to join the city's contract. APCOA officials have said the library could be included at little or no cost to it, Library Director Richard Gercken told the board.

Gercken referred to the change as an attempt to get the library "out of the parking business."

"The board has felt all along we should be a part of the city" in its parking management, library board chairman Jean Koppang said during the meeting. She said she believes being part of the city contract will help secure good ice-removal and other winter maintenance of the lot, something that concerned the board last winter.

"It's a city library and it's city property," board member and Great Falls Mayor Bob Worthington said.

adding "when people park on the lot they should be treated the same way as any other (city) lot."

Worthington's motion to switch from Diamond to APCOA called for sending a letter to Diamond with 90-day notice of the library board's intent.

State Rep. Paul Pistoria, D-Great Falls, had urged the board to make the parking-management change at its November meeting. He has criticized Diamond for a policy of attaching barrels to some over-parked cars. Pistoria said at that meeting that Diamond staff had said they were easing up on the use of barrels.

No board members at the December meeting described Pistoria's complaint as the reason for their decision to switch lot managers.

IN OTHER BUSINESS, Gercken told the board of proposed administrative rule changes suggested by State Library staff in Helena.

One rule change would limit library federations to "existing political boundaries" — potentially barring federations from offering library contracted services to part of one county, Gercken said.

Gercken commented he "would like to see ... some flexible arrangement" that would allow potential cooperative arrangements among Montana library federations. Such arrangements could be used, for example, to bring bookmobile services to a community near the boundary of a federation that it doesn't belong to, he said.

For H.B. 532

FOR HB, 532

IMPORTANT

Added with me

Sunday, November 20, 1983

Great Falls Tribune 3-B

City attorney says private lots may 'boot' overparked cars

By PETER JOHNSON
Tribune Staff Writer

IMPORTANT

While U.S. Supreme Court rulings apparently make it illegal for city government to attach barrels to cars overparked in parking lots, City Attorney Dave Gliko said last week that such rulings do not necessarily apply to privately owned parking lots.

Gliko advised the City Commission in a legal memorandum not to take any action to interfere with this "booting" practice being performed at some privately owned downtown lots by Diamond Parking, which enforces parking regulations on the lots for their owners. APCOA, which enforces regulations for the city's on-street meters and off-street lots, does not boot cars.

(Technically, the term "boot" applies to a specific device that immobilizes a vehicle by locking an axle. It is more sophisticated than Diamond's barrels, but its effect is the same.)

City commissioners agreed not to intervene, to the irritation of state Rep. Paul Pistoria, D-Great Falls, who has attacked the booting practice. Pistoria vowed to introduce a bill in the state Legislature making

booting illegal for both private and public lots.

In his memo, Gliko said the city decided a number of years ago to stop booting cars because of U.S. Supreme Court rulings determining that the practice violates the basic concepts of "due process" under the Fourteenth Amendment to the U.S. Constitution.

The Fourteenth Amendment places constraints on what actions government may take to deprive people of their property interest, he said. Court rulings have found that use of a car is a property interest and that due process steps must be followed by the government if a person is even temporarily deprived of property.

Gliko said a boot placed on a car for failure to pay parking fees "does not pass constitutional muster" since the owner is not notified or given a chance to be heard before his or her car is booted.

But, Gliko stressed, the Fourteenth Amendment protections apply only to booting by government agencies, not private companies. On the other hand, he said, persons whose cars are booted on private lots may be liable for civil trespass suits or

misdemeanor charges of criminal mischief that would have to be filed individually by the owners.

Since the private parking lots do not fall within the city's jurisdiction, the city has no authority to intervene, Gliko said, and it could be sued itself if it tried.

Pistoria contended the city has a right to stop booting in any lot, and called it "a terrible thing" that individuals have to go to court personally to settle a dispute over booting.

Diamond Parking manager Rich Modic has said the company doesn't boot cars until they're found to be in violation a second time. Vehicle owners are charged \$20 to have the barrels removed. Some people have cut the barrels from their vehicles, he said, but in the future may be confronted with misdemeanor charges of destruction of private property and theft of services.

In another parking matter, commissioners Shirley Kuntz, John St. Jermain and Lee Nelson said they may favor extending the length of time visitors go without receiving parking tickets from a half-hour to two hours. The commissioners suggested the Parking Commission study the question.

TRIBUNE - Sat - Nov. 5, 1983 - Page 7A

Foutz proposes nuclear waste plant in Great Falls

FOR H.B. 532

S. J. J. with me!

taken off. He questioned the legality of the barrels and said the city has an obligation to do something to stop the practice.

Commissioner Bob Worthington and others were initially skeptical. Worthington said city intervention in operation of the private parking lots would be similar to the city telling a clothing store how much it can charge for its suits. *NWC*

X City Attorney Dave Gilko said court cases have challenged the legality of the barrels, which is why the city no longer uses them at its parking lots.

City Manager Al Johnson said city staff will check whether the city can do anything.

Rich Modic, Diamond Parking's local manager, said in a later interview that the company does not immobilize a vehicle the first time its owner fails to put money into the slot or overstays the allotted period. But the firm takes the position that an owner involved in a second offense has in effect been gambling he can park on private property without getting caught. Parking-lot signs and ticket warnings advise motorists that failure to pay can result in their vehicles being immobilized or towed away, he added.

The firm has recently started writing more tickets on vehicles parking in its lots at nights, when payment is still required, he said.

Immobilizing involves attaching a 55-gallon barrel to the vehicles with a cable and a padlock, he said. Modic, who's been at his job for just a

* Pistoria, a state legislator and former member of the old city council, has appeared before the commission for years on numerous topics. Tuesday he returned to a familiar one: opposition to Diamond Parking's policy of "immobilizing" vehicles overparked in the parking lots it regulates by attaching large barrels to them.

In the mid-'70s, when Diamond Parking was regulating parking at city lots, Pistoria objected to the use of the barrels. Though he lost an arm in an industrial accident many years previous, Pistoria bragged then he was still able to cut the cables attaching the barrels with bolt-cutters.

Diamond no longer regulates the city lots, but is using the barrels at the privately owned lots it regulates, Pistoria said. He called it "outrageous" that Diamond can immobilize a car for a violation and require the owner to pay \$20 to have the barrel



Rep. Paul Pistoria complained about barrels like this one attached to the car of a delinquent parker. (Paul Pistoria Photo)

month, had no figures of how many vehicles have been immobilized. He said the company sometimes goes days without having to attach barrels to any cars, then might have a period where it immobilizes a car a day for several days.

Modic said three people have cut the barrels from their vehicles and one even took the barrel. Though Diamond has not yet asked Coun Attorney J. Fred Bourdeau to prosecute violators, Modic said, the company may soon do so.

The charges could involve destruction of private property, breaking the cable, and theft of securities, for not paying to park, he said

20 BUCKS TIME PARKED.

FOR H.B. 532

mark the time... about subject
* ME - Fri - July 27, 1984 - Page 1-C.

Parking board asks for ruling

By FRED MILLER III
Tribune Staff Writer

* The Great Falls Parking Commission has decided to seek an attorney general's ruling on whether Diamond parking lots can legally attach barrels to vehicles whose fees are overdue.

State law doesn't allow the impounding of vehicles without five days notice, according to parking commission member Jerry Fraser.

"We'd like to get an attorney general's opinion on whether state law applies to private lots," Fraser said. "If they are operating outside of the law, I'd like to know it."

* The commission was spurred to action by state Rep. Paul Pistoria, D-Great Falls, who said he recently cut a barrel off the car of a pregnant woman. "I cut the barrels off and I'd do it for anyone who'd call me," Pistoria said, explaining that he carries a pair of bolt cutters in his car. "I'm telling you it's unconstitutional, it's vindictive, it's ridiculous. It's got to be stopped."

* "If I had the money I'd take them to court so we could get those rats."

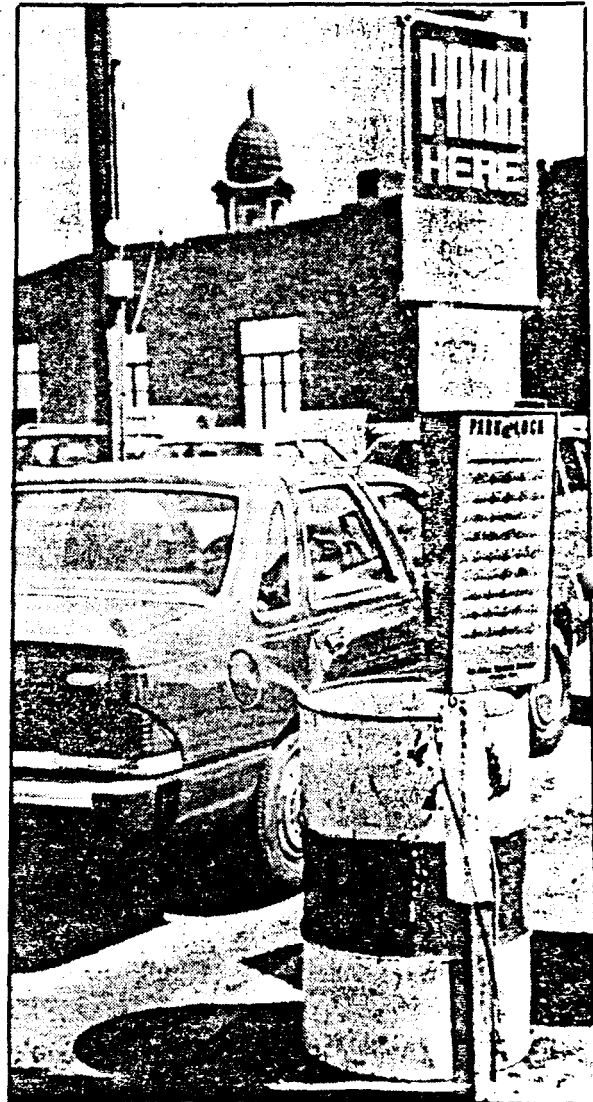
Fraser said a member of the Downtown Business Council sent a letter to Diamond's headquarters in Seattle, stating that Montana law doesn't allow impounding of vehicles without five days' notice.

"We have not had a reply back from Diamond," he said. "They have been evasive and they have not answered our letters."

Pistoria urged the parking commission to recommend that the city pass an ordinance requiring private parking lots to "follow the same rules adopted on city lots for parking violations."

Pistoria also asked that the city look into taking control of the private parking lots now operated by APCOA, Inc. and Diamond Parking.

Bob Duty, director of public works, said the city used to operate the lots. He said he and City Manager Al Johnson have been discussing the possibility of returning the lots to the city's control, but that no decisions have been made.



A barrel, which is attached to bumpers of overtime cars, stands alongside an entrance to a downtown parking lot. (Tribune Photo)

Now with this Pitt it will stop them & comply with all local Gov's Rules, Regulations & fines. No more Barrels

Let Diamond Parking go back to Seattle, Wash. & do their damage there.
Pistoria



EXHIBIT 2
BUSINESS & INDUSTRY
March 28, 1985

First day of the Legislature yields some personal glimpses

Reporters' notebook

BY CHARLES S. JOHNSON
and SUE O'CONNELL
Tribune Capitol Bureau

HELENA — Everyone was dressed up for the opening of the 1985 Legislature as family members gathered near to photograph the occasion.

And then there was Rep. Walter Sales, R-Mantaham, a devoted fan of the Montana State University Bobcat athletic teams. The veteran lawmaker greeted fellow House members on the floor by wearing a blue T-shirt over his regular shirt and a blue and gold cap saluting the MSU Bobcats as the NCAA Division I-AA national football champions.

Sales, whose vehicle sports personalized license plates that say "GO CATS," took the floor of the House and addressed the body as "House members and fellow Bobcats," a remark that drew a rejoinder from some University of Montana Grizzly backers.

***PARKING SPACE IS AT A PREMIUM** around the Capitol and legislators are assigned reserved spots. House Speaker John Vincent, D-Bozeman, reminded legislators to park in their own assigned spots and not the wrong ones.

Rep. Paul Pistonia, D-Great Falls, said he had to park in Vincent's spot because someone had parked in his place.

House Republican Leader Bob Marks of Clancy told Pistonia there are ways to deal with people who park their cars illegally, including attaching barriers to the cars.

The Great Falls legislator replied that he has a bill being drafted to prohibit companies from using barriers to vehicles operated in private lots.

Pistonia was cited for criminal mischief in Great Falls in August for allegedly cutting a Diamond Parking Inc. barrier off an illegally parked car with bolt cutters, although the company dropped the complaint the next day.

Pistonia denied the charge but had said he would cut the barriers off for anyone who calls him. He maintains that attaching the 55-gallon barrels as a way to keep non-payers from leaving is illegal.

HOUSE REPUBLICAN WHIP KERRY KEYSER, R-ENNIS, announced a meeting of freshman Republican legislators and drew laughs when he told Rep. Jack Moore, R-Great Falls, "Jack, we expect you to be there, too."

Although technically a freshman, Moore served four consecutive terms in the House from 1973 to 1981 until his loss in 1982 to Democrat Carol Farris. Moore beat Farris in the 1984 rematch.

The House Democrats also have a freshman with plenty of past legislative experience. She is Rep. Dorothy Bradley of Bozeman, who served from 1971 through 1977. She gave up her House seat for an unsuccessful race for Congress, finishing second to Pat Williams in the six-candidate Democratic primary election in 1978.

AS EXPECTED, THE VOTE FOR SPEAKER of the House wound up tied 50 to 50 between Democrat Vincent and Republican Marks, but it wasn't a straight party line vote as might have been expected.

In a bi-partisan gesture, Marks voted for Vincent and Vincent voted for Marks. Otherwise, every Republican voted for Marks and each Democrat cast a vote for Vincent.

But Vincent was elected speaker because of a state law that gives the speaker's job to the candidate from the party of the governor in the event of a tie.

Republican Secretary of State Jim Waltermire, who presided in the House until the speaker was elected, announced the tie vote. He drew laughs, especially from the GOP side of the aisle, when he volunteered "to exercise my privilege as chairman and break the tie." Tempting as that was, Waltermire said he wouldn't do so because that "wasn't a medic available in the House to treat Vincent for the likely shock."

THE OPENING DAY OF THE LEGISLATURE is filled with tradition and ceremony. Among the traditions is that the House and Senate dispatch committees to notify the other house, the governor and the Supreme Court that they have convened and are ready to do business.

The House committee dispatched to the governor's office during the noon hour reported finding that Gov. Ted Schwinden was out to lunch.

And the House committee directed to notify the Supreme Court tried to do so by telephone rather than take the one-block walk over to the Justice Building. But they got a busy signal when they tried to call the court.

THE SUPREME COURT HAD ITS OWN CEREMONIES earlier in the day when its two new members, Chief Justice Jean Turnage and Associate Justice Bill Hunt, were sworn in.

Turnage, a former state senator from Polson, was given a special gavel from Douglas Wold, a Polson attorney, on behalf of local lawyers. The gavel and matching striking plate were made out of wood from a cherry tree from a spot along Flathead Lake within view of Turnage's home.

"While you can't go back (to Polson), you can take a little bit of it with you," Wold told Turnage.

A STANDING-ROOM-ONLY CROWD WATCHED the new justices and two district judges be sworn in. Hunt brought laughter from the crowd in the chambers when he said he hadn't seen such a gathering "since I was inaugurated mayor of Chester."

Hunt noted that he was filling the same justice's seat whose last three occupants had been liberal Daniel Shea, conservative Wesley Castles and former Democratic Gov. Forrest H. Anderson.

"If that is a pattern of some kind, I haven't been able to discern it," said Hunt, who had been an active Democrat.

Shea read a biography of Hunt and then ad libbed: "I'm sure there is one less case on our calendar as a result of his election."

He was referring to Hunt's lawsuit against Gov. Ted Schwinden. Schwinden didn't respond. Hunt as workers' compensation judge in 1981, and Hunt sued, claiming he was entitled to the post because of the state law giving veterans a hiring preference.

MONTANA'S LONGEST-SERVING LEGISLATOR, Democratic Sen. Dave Manning of Hyskam, presided over the Senate until it elected officers Monday. But he almost didn't give the Republicans a chance to nominate their choice for Senate president.

After a motion was made to give Democratic Sen. Bill Norman of Missoula that post, he was ready to call for a vote — until told that Republican Sen. Stan Stephens was waiting to make another nomination.

Manning gave Stephens the floor to nominate Sen. George McCallum, R-Niagara, for the post, but not before drawing a laugh when he quipped: "I thought it was all Democratic here."

"I know with you in the chair, this will all be very democratic," Stephens replied.

Norman won the post, with Democrats in the majority in the Senate for the first time since 1975.

MONTANA SUPREME COURT CHIEF JUSTICE Jean Turnage received a particularly warm welcome from state senators when he came to administer their oaths of office Monday.

Turnage, who served in the Senate nearly 20 years before making his successful bid for the Supreme Court position, received a long round of applause from his former colleagues.

After swearing in the new senators, he told the body he had wanted to begin his short speech with "fellow senators."

"I'll miss being with you," he added, "but I'm only two blocks east of this building."

The senators also gave Turnage a standing ovation as he left.

STATE SEN. R.J. "DICK" PINSONEAULT, D-St. Ignace, said he's already learned a lesson in politics. During his introduction in the Senate, he noted that he had won his race on a recount. "So," he told his colleagues, "I know what the value of a vote is."

THE REV. ROBERT NOONAN COVERED ALL BASES during the invocation on the Montana Senate's opening day. Twice he called on "God our Father and Mother."

EXHIBIT 3
BUSINESS & INDUSTRY
March 28, 1985

1 HOUSE BILL NO. 236

2 INTRODUCED BY PAVLOVICH, DRISCOLL, HARP, ZABROCKI,
3 JACK MOORE, NISBET, KEENAN, D. BROWN, HARRINGTON, KRUEGER,
4 MANNING, JONES, C. SMITH, O'CONNELL, LYNCH, JACOBSON,
5 STIMATZ, DANIELS, HAFFEY, BOYLAN, GALT, TVEIT, GOULD,
6 MENAHAN, QUILICI, HOLLIDAY, KOEHNKE, BRADLEY, MARKS

7
8 A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING "CARD GAME" TO
9 INCLUDE A GAME PLAYED AGAINST THE HOUSE AND A GAME OF DRAW
10 POKER PLAYED ON A MECHANICAL OR ELECTRONIC VIDEO GAME
11 MACHINE; PROVIDING FOR LICENSING OF MECHANICAL OR ELECTRONIC
12 VIDEO CARD GAMES; AMENDING SECTION SECTIONS 23-5-302,
13 23-5-311, AND 23-5-321, MCA; AND PROVIDING EFFECTIVE DATES."
14

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Section 1. Section 23-5-302, MCA, is amended to read:

17 "23-5-302. Definitions. As used in this part and
18 unless the context requires otherwise, the following terms
19 or phrases have the following meanings:

20 (1) "Authorized card game" means any card game
21 permitted by this part, INCLUDING A CARD GAME PLAYED AGAINST
22 THE HOUSE.

23 (2) "Card game" means any game played with cards,
24 including a game OF DRAW POKER simulating a game played with
25 cards but played on a mechanical or electronic video game

1 machine, for which the prize is money or any item of value."

2 SECTION 2. SECTION 23-5-311, MCA, IS AMENDED TO READ:

3 "23-5-311. Authorized card games. (1) It is unlawful
4 for any person:

5 (a) to conduct or participate in any card game or make
6 any tables available for the playing of card games except
7 those card games authorized by this part; or

8 (b) to make any mechanical or electronic video game
9 machine available for the playing of a game simulating a
10 game played with cards except in conformance with [section
11 4].

12 (2) The card games authorized by this part are and are
13 limited to the card games known as bridge, cribbage, hearts,
14 panguingue, pinochle, pitch, rummy, whist, solo, and poker."

15 SECTION 3. SECTION 23-5-321, MCA, IS AMENDED TO READ:

16 "23-5-321. Licensing by local governing bodies. (1)
17 Any city, town, or county may issue licenses for the games
18 provided for in this part to be conducted on premises which
19 have been licensed for the sale of liquor, beer, food,
20 cigarettes, or any other consumable products. Within the
21 cities or towns, such licenses may be issued by the city or
22 town council or commission. Licenses for games conducted on
23 premises outside the limits of any city or town may be
24 issued by the county commissioners of the respective
25 counties. When a license ~~has-been~~ is required by any city,

1 town, or county, no game as provided for in this part shall
 2 may be conducted on any premises which ~~have--been~~ are
 3 licensed for the sale of liquor, beer, food, cigarettes, or
 4 any other consumable product ~~without~~ unless such license
 5 having is first been obtained.

6 (2) Any In addition to the license fee required to be
 7 paid to the department of revenue under [section 4], any
 8 governing body may charge an annual license fee for each
 9 license so issued under this part, which license fee, if
 10 any, shall expire on June 30 of each year, and such fee
 11 shall be prorated.

12 (3) Any license issued pursuant to this part shall be
 13 deemed to be a revocable privilege, and no holder thereof
 14 may acquire any vested rights therein or thereunder."

15 NEW SECTION. SECTION 4. LICENSING MECHANICAL OR
 16 ELECTRONIC VIDEO GAME MACHINE -- LIMITATION -- CONTRACT TERM
 17 -- FEES -- RULES. (1) THE DEPARTMENT OF REVENUE SHALL, UPON
 18 PAYMENT OF THE FEE PROVIDED IN SUBSECTION (2) AND IN
 19 CONFORMANCE WITH RULES ADOPTED PURSUANT TO SUBSECTION (3),
 20 ISSUE A LICENSE FOR EACH MECHANICAL OR ELECTRONIC VIDEO GAME
 21 MACHINE THAT IS AVAILABLE FOR THE PLAYING OF A GAME
 22 SIMULATING A GAME PLAYED WITH CARDS, PROVIDED THAT NO
 23 LICENSE MAY BE ISSUED UNDER THIS SECTION:

24 (A) THAT WOULD ALLOW ANY APPLICANT TO MAKE AVAILABLE
 25 MORE THAN 5 MACHINES LICENSED UNDER THIS SECTION; AND

1 (B) UNLESS THE APPLICANT HAS ENTERED INTO A CONTRACT
2 WITH THE MACHINE'S OWNER, IF THE OWNER IS A PERSON OTHER
3 THAN THE APPLICANT, FOR THE PLACEMENT OF THE MACHINE FOR A
4 MINIMUM TERM OF 30 MONTHS.

5 (2) EACH MECHANICAL OR ELECTRONIC VIDEO GAME MACHINE
6 SIMULATING A GAME PLAYED WITH CARDS IS SUBJECT TO AN ANNUAL
7 LICENSE FEE OF \$800, ONE-HALF OF WHICH IS DEPOSITED TO THE
8 GENERAL FUND AND ONE-HALF OF WHICH IS FORWARDED, 30 DAYS
9 AFTER COLLECTION, TO THE TREASURER OF THE COUNTY OR THE
10 CLERK, FINANCE OFFICER, OR TREASURER OF THE INCORPORATED
11 CITY OR TOWN IN WHICH THE LICENSED MACHINE IS LOCATED FOR
12 DEPOSIT TO THE COUNTY OR MUNICIPAL GENERAL FUND. UNDER THIS
13 ACT, COUNTIES WILL NOT RECEIVE PROCEEDS FROM FEES ON
14 LICENSED MACHINES LOCATED IN INCORPORATED CITIES AND TOWNS.
15 THE LICENSE EXPIRES ON JUNE 30 OF EACH YEAR, AND THE FEE IS
16 PRORATED.

17 (3) THE DEPARTMENT OF REVENUE SHALL ADOPT RULES
18 NECESSARY TO IMPLEMENT THIS SECTION AND TO PROVIDE FOR THE
19 DESIGN, MANUFACTURE, DISTRIBUTION, AND ACCOUNTING OF
20 VALIDATING DEVICES TO BE ATTACHED TO GAMES LICENSED UNDER
21 SUBSECTION (1).

22 NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION.
23 SECTION 4 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
24 TITLE 23, CHAPTER 5, PART 3, AND THE PROVISIONS OF TITLE 23,
25 CHAPTER 5, PART 3, APPLY TO SECTION 4.

1 NEW SECTION. SECTION 6. EFFECTIVE DATES. (1) THIS
2 SECTION AND SUBSECTION (3) OF SECTION 4 ARE EFFECTIVE ON
3 PASSAGE AND APPROVAL FOR THE PURPOSE OF ADOPTION OF RULES
4 THAT ARE APPLICABLE ON JULY 1, 1985.

5 (2) THE REMAINDER OF THIS ACT IS EFFECTIVE JULY 1,
6 1985.

-End-



International Game Technology

March 11, 1985

FEDERAL EXPRESS

Tom Hessler
2925 Sixth Avenue South
Great Falls, Montana 59405

Dear Mr. Hessler:

In response to your inquiry, this is to advise you that IGT, the world's largest manufacturer of video gaming devices, has designed, built and operated video lottery, video gaming and video amusement products which have draw poker themes. In each instance, these games have utilized an advanced random number generator that cannot be manipulated to alter the odds of the game.

IGT has been licensed as a gaming manufacturer by both Nevada and New Jersey authorities, and our random number generator has been reviewed by experts from police agencies of both states.

We have concerns over manufacturers who may be approaching Montana who have never submitted themselves to such licensing scrutiny. Without that scrutiny, there can be no assurance of the integrity of the machine.

I trust this answers your inquiry.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Raymond D. Pike', written in dark ink.

Raymond D. Pike
Vice President and General Counsel

RDP:mmc

Lynn M. Seelye
Office
502 Strain Building
P.O. Box 1673
Great Falls, Montana 59403
☎ (406) 727-4224

March 21, 1985

Senator Gene Thayer
Senate of the State of Montana
P.O. Box 128
Capitol Station
Helena, MT 59620

RE: House Bill 236

Dear Gene:

Pursuant to yesterday's defeat of Senate Bill 391, I would like to set down my thoughts regarding favorable and unfavorable features of House Bill 236. Perhaps these will be helpful in the subcommittee discussions preceding amendment and presentation of House Bill 236. My interest comes from the ownership of the Sailboat Lounge as well as a resident of the State of Montana. As I have stressed to you over the phone, I feel it imperative that the State Legislators pass a bill legalizing the play and cash pay-outs of video poker machines. These machines constitute an intricate part of the economic viability of most licensed premises. In addition, they offer a potential for substantial revenues at both the State and County levels. Finally, they are an additional attraction to tourism and travelers in our State of Montana. This becomes more significant when we take into consideration the forthcoming Olympics in Calgary in 1988, and expanded gambling to the east of us in North Dakota and the current move to expand gambling in the province of Alberta and City of Calgary.

I believe the feature that the Tavern owners found most objectionable in Bill 391 was the concept of hooking up to a computer. The objection was on several basis:

1. Because of the considerable expense of the computer, it eliminated the small coin operators and eliminated the ability of individual owners to have their own machine. As testimony for your committee showed, considerable expense would be advanced in developing appropriate hardware and software to develop a computer program for the video poker machines.

Senator Gene Thayer
March 21, 1985
Page 2

2. The utilization of a computer system creates an additional bureaucracy and considerable administrative expense. At a time when many citizens feel the cost of government should be reduced, we have the creation of yet another administrative agency. It was estimated that 30% of the revenues in the first year would be used to govern this administrative agency and thereafter, approximately 15% of the revenues would go to administration of this department.

3. There is an inherent reluctance on the part of independent businessmen to have "big brother" government invade their premises. This is more true among citizens of the State of Montana and particularly among that industry comprising the beer, wine and liquor industry. In my discussions with Tavern and Lounge owners, no single issue raised as much heated opposition as the thought of State government spreading its tentacles into individual premises located hundreds of miles away.

In my opinion, a much better devise for raising revenues would be to license the individual poker machines. The administrative system for imposition of licensing fees is already in existence in most counties and states. The additional administrative cost would be minimal. In addition, the imposition of licensing fees has the advantage of being collected at the first of the year as opposed to over the course of the year, thus allowing government to have a better idea for budgeting purposes of the amount of revenue and use of the monies months in advance. If we are to use the Montana Tavern Association figures of approximately 2,000 licensed premises throughout the state (including beer and wine licenses, liquor licenses and fraternal organizations), and if we were to assume an average of three machines per premises, we would have approximately six thousand machines. A license fee to the premises of \$700 a machine and to the owner of the machine, \$300, would generate revenues of a thousand dollars per machine. Multiplying this by 6,000, we see revenues of approximately \$6,000,000. It seems to me that in these times where the state and more particularly the counties and cities are struggling for sources of income, the opportunity to receive an additional \$6,000,000 in revenues should be an opportunity not over looked.

I would make a further comment with respect to the fiscal impact statement made by the coin operators and Department of Revenue. It appears to me these figures are highly speculative. No reliable figures can be obtained since cash pay-offs on video poker machines have not been available in most counties for a number of years. An informal survey of the Tavern and Lounge owners in Cascade County show actual

Senator Gene Thayer
March 21, 1985
Page 3

revenue figures to be considerably less than the necessary \$5,500 per month per machine necessary in order to generate the figures quoted under the above referred to impact statement.

I strongly believe that it is necessary to allow the individual licensed premises to own their own machines. I personally feel that machines should comply to standards which would provide for a pay-out to players of 80%. I believe testimony was given that this can be programmed by the manufacturer and several machines are available which would implement this winning percentage. Again, inspection and review could be made at the local level.

Owners of a machine could be subject to bonding requirements, in addition to the licensing requirement and could be subject to additional record keeping. Implementation of these items and standards would give the protection the Senate feels necessary in order for its authorization of citizens to play the machines and yet fall short of government incurring the cost and considerable inconvenience of putting electronical tentacles into the individual licensed premises.

Some of the favorable items contained in Senate Bill 391 are as follows:

1. I believe the pay-off on video poker machines should be limited to eight plays per game and pay-offs limited to \$100.

2. I feel that installation of machines should be limited to licensed premises (beer and wine licensees, liquor licensees and fraternal organizations). This allows control over access to the machines by minors which has some obvious benefits. In addition, I feel the number of machines per licensed premises should be limited to five. (Having the effect of limiting out of State interests from moving into Montana to set up gambling operations.)

3. I believe the licensed premises should be allowed to own their own machines, but in the event licensed premises do own their own machines, additional bonding, licensing and record keeping should be imposed. I believe this should be kept to a minimum so that small licensed premises will have the ability to own their own machines and comply with bonding and record keeping provisions. In the event the additional standards become too onerous, we will have in fact, created a monopoly in the hands of the well to do, who become the only ones able to afford to comply with the system.

I would also like to take this opportunity to thank you and fellow Senators on the Senate Business Committee. I have

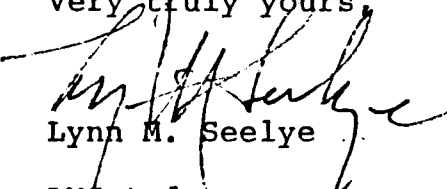
Senator Gene Thayer

March 21, 1985

Page 4

found each of the Senators more than willing to provide me with information requested and to keep me informed of a bill's progress. Finally, I would like to stress the absolute importance and necessity of expanding the present gambling laws to allow for the playing of video poker machines and cash pay-outs. This legislation is necessary for the continued economic viability of a large segment of the Tavern and Lounge business and I believe it is an important element to the continued ability of municipalities and counties to provide necessary services to their citizens. I thank you very much for your consideration in this matter.

Very truly yours,



Lynn M. Seelye

LMS:tmd

cc Senator Mike Halligan
Senator Chris Christiaens
Senator Paul Boylan
Senator Dave Fuller
Senator Delwyn Gage
Senator Pat Goodover
Senator Allen Kolstad
Senator Ted Neuman
Senator Bob Williams
Office of the Governor
Honorable Ted Schwinden, Governor
Don Larson, Montana Tavern Association
Danny Mora, Cascade County Tavern Association
Morty J. Boyd, Jr.

New Reno Club
 150 Calhoun Ln
 Billings, MT 59101

EXHIBIT 5
 BUSINESS & INDUSTRY
 March 28, 1985

MARCH 7, 1985

WE, THE UNDERSIGNED, DO NOT SUPPORT SB 391. WE BELIEVE THIS BILL WOULD PAVE THE WAY TOWARD A MONOPOLY ON THE ASSEMBLY AND DISTRIBUTION OF VIDEO POKER MACHINES IN THE STATE OF MONTANA.

AS A MORE EQUITABLE SOLUTION, WE DO SUPPORT HB 236. UNDER THIS BILL THE MACHINES WOULD BE EASIER TO INCLUDE IN THE STATE BUDGET WITH A SET LICENSE FEE PER UNIT AND WOULD BE IN KEEPING WITH AMERICA'S FREE ENTERPRISE SYSTEM.

NAME	ADDRESS	COUNTY	BUSINESS
1 Maury W. Krumm	P.O. 31653	Yellowstone	SACO Service
2 Betsy Stettinich	1029 Main	Yellowstone	
3 Sally Skade	9026 Hartman		
4 Angus Reiser	331 Glenview	Yellowstone	
5 J. Kelly	625 Calmont	Blgs.	
6 Candy Foster	1721 Broadway	Blgs	
7 Pauline Melchior	434 Raydon	Blgs mt.	Yellowstone Security
8 Tommie Brown	104 Jack St	Blgs	
9 Monica Santa	2616 - Old Hardin Rd	Blgs mt	
10 Dave Hedberg	1819 N. 5th	Billings mt.	
11 David Sun	2035 St Andrews	Billings mt	
12 Jack Rose	1611 Augsburg Dr.	Blgs mt	
13 Ingrid A. Dumolt	2621 Glenwood Ln.	Billings MT	
14 Gordon L. Kinney	251 E. Main	Billings mt	
15 Sharon Krandy	1120 Lincoln Ln #11	Billings MT	
16 Paul Bender	17 Prince of Wales	Billings, mt	
17 Ma Seppensch	1029 Main	Yellowstone	
18 Pat Howard	1066 Josephine	(YELLOWSTONE)	
19 James W. Stohr	212 GOVERNORS	TRAILROAD	ED
20			

MARCH 7, 1985

WE, THE UNDERSIGNED, DO NOT SUPPORT SB 391. WE BELIEVE THIS BILL WOULD PAVE THE WAY TOWARD A MONOPOLY ON THE ASSEMBLY AND DISTRIBUTION OF VIDEO POKER MACHINES IN THE STATE OF MONTANA.

AS A MORE EQUITABLE SOLUTION, WE DO SUPPORT HB 236. UNDER THIS BILL THE MACHINES WOULD BE EASIER TO INCLUDE IN THE STATE BUDGET WITH A SET LICENSE FEE PER UNIT AND WOULD BE IN KEEPING WITH AMERICA'S FREE ENTERPRISE SYSTEM.

NAME	ADDRESS	COUNTY	BUSINESS
1	Bleas Fink Billings	Yellowstone	G.R.F. Co Inc
2	RON W. FJELSTAD	BILLINGS YELLOWSTONE	G.R.F. Co. INC
3	Leslie J. Vogl	Billings Yellowstone	Eagle Nest Lounge
4	BILL DIAM	Billin Yellowstone	Diam Court
5	Judy Telt	Billings Yellowstone	Mont. Brake
6	Carl Drinn Bldg.	Ystons	microscopic Minerals Malcolms collector
7	Bill Drain	721 Shawnee York	RIM'S Barber Shop
8	Joe McHinnip	210 So 31 st	YELLOWSTONE Valley Electric
9	Nel All	171 Antelope Tr	YELLOWSTONE Eagle Nest Lounge G.R.F. Inc
10	Gene Jordan	300 Westchester Sq N.	YELLOWSTONE " "
11	Robert Adams	2215 Dahlia	YELLOWSTONE EAGLES NEST
12	Kerri Forbes	1420 Swardough	YELLOWSTONE G.R.F. Co Inc
13	Shawn Stephens	527 Stone	YELLOWSTONE G.R.F. Co Inc
14	Carl Lantzen	2925 Lynn AVE	YELLOWSTONE G.R.F. Co Inc
15	Kathy Lilley	505 South 35 th	YELLOWSTONE EAGLES NEST
16	Kathleen J. Morales	14 Wickshane	YELLOWSTONE EAGLES NEST.
17	Tim Hed	3285 Canyon Dr.	ART 20 YELLOWSTONE RY Co Inc
18	Cindy Mcintosh	641 Nottingham Cir #2	YELLOWSTONE Eagle Nest Lounge
19	Mark Lundin	3111 Myrtle Mt. 3225 Stone St.	YELLOWSTONE G.R.F. Co Inc
20	Ed L. Smith	3104 Terrace Avenue	YELLOWSTONE Mt. View Social

MARCH 7, 1985

WE, THE UNDERSIGNED, DO NOT SUPPORT SB 391. WE BELIEVE THIS BILL WOULD PAVE THE WAY TOWARD A MONOPOLY ON THE ASSEMBLY AND DISTRIBUTION OF VIDEO POKER MACHINES IN THE STATE OF MONTANA.

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NAME	ADDRESS	COUNTY	BUSINESS
1	William E. Markin	Boz. Mt.	Boz. Horn - Refine
2	Wm Markin	P.O. Box 234	Bozeman - Retail
3	Alan Stevens	YELLOWSTONE	RETIRED
4	Edward E. Lee	2704 Lynden	Bozeman - Business
5	John H. Willett	2229 West Lake	Bozeman
6	John P. Michael	3532 Miles Ave	Beer sales
7	Bice Heiser	1316 Tillman	Bozeman
8	Lynda Smith	1035 Alderson	Sales
9	Nate H. Barlee	1124 12th Ave	Sales
10	Edward E. Wadsworth	6013 E Main	Retired
11	Shalter Mahaffey	3839 Windpiper	Yellowstone - oil business
12	Tommy D. D. D.	4738 Stowe	Beer Sales
13	Heister	2915 3rd Ave So	Janitor
14	Craig Coman	1350 Pennin Place	Bozeman - MT
15	Henry Strain	430 N. 10th	PLGS
16	Stan R. Baker	2109 Allerton Ave	Manager
17	John Willett	3134 33rd	Yellowstone - consultant
18	Mr. Celeste Colman	11200 Remond Ave	Bozeman
19	For Hays	715 Wyoming	Bozeman

be amended as follows:

1. Title, line 5.

Following: "A GAME"

Insert: "PLAYED AGAINST THE HOUSE AND A GAME OF DRAW POKER"

2. Title, line 6.

Following: "MACHINE;"

Insert: "PROVIDING FOR LICENSING OF THE MECHANICAL OR
ELECTRONIC VIDEO CARD GAME OF DRAW POKER;"

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS"

Following: "23-5-302,"

Insert: "23-5-311, AND 23-5-321,"

Following: "MCA"

Insert: "; AND PROVIDING EFFECTIVE DATES"

3. Page 1, line 14.

Following: "part"

Insert: ", including a card game played against the house"

4. Page 1, line 16.

Following: including a game"

Insert: of draw poker"

(continued)

5. Page 1, following line 18

Insert: "Section 2. Section 23-5-311, MCA is amended to read:

"23-5-311. Authorized card games. (1) It is unlawful for any person:

(a) to conduct or participate in any card game or make any tables available for the playing of card games except those card games authorized by this part; or;

(b) to make any mechanical or electronic video game machine available for the playing of a game that simulates a game played with cards except in conformance with [section 4].

(2) The card games authorized by this part are and are limited to the card games known as bridge, cribbage, hearts, panguingue, pinochle, pitch, rummy, whist, solo, and poker.

Section 3. Section 23-5-321, MCA is amended to read:

"23-5-321. Licensing by local governing bodies. (1) Any city, town, or county may issue licenses for the games provided for in this part to be conducted on premises which have been licensed for the sale of liquor, beer, food, cigarettes, or any other consumable products. Within the cities or towns, such licenses may be issued by the city or town council or commission. Licenses for games conducted on premises outside the limits of any city or town may be issued by the county commissioners of the respective counties. When a license ~~has--been~~ is required by any city, town, or county, no game as provided for in this part ~~shall~~ may be conducted on any premises which ~~have--been~~ are licensed for the sale of liquor, beer, food, cigarettes, or any other consumable product ~~without~~ unless such license ~~having~~ is first been obtained.

(2) ~~Any~~ In addition to the license fee required to be paid to the department of revenue under [section 4], any governing body may charge an annual license fee for each license so issued under this part, which license fee, if any, shall expire on June 30 of each year, and such fee shall be prorated.

(continued)

(3) Any license issued pursuant to this part shall be deemed to be a revocable privilege, and no holder thereof may acquire any vested rights therein or thereunder.

NEW SECTION. SECTION 4. Licensing mechanical or electronic video game machine -- limitation -- contract them -- fees -- rules. (1) The department of revenue shall, upon payment of the fee provided in subsection (2) and in conformance with rules adopted pursuant to subsection (3), issue a license for each mechanical or electronic video game machine that is available for the playing of a game that simulates the card game of draw poker, provided that no license may be used under this section:

(a) that would allow any applicant to make available more than five machines licensed under this section; and

(b) unless the applicant has entered into a contract with the machine's owner, if the owner is a person other than the applicant, for the placement of the machine for a minimum term of 30 months.

(2) Each mechanical or electronic video game machine simulating the game of draw poker is subject to an annual license fee of \$1200, 25% of which is deposited to the general fund and 75% of which is forwarded, 30 days after collection, to the treasurer of the county or the clerk, finance officer, or treasurer of the incorporated city or town in which the licensed machine is located for deposit in the county or municipal general fund. Under [this act], counties will not receive proceeds from fees on licensed machines located in incorporated cities and towns. The license expires on June 30 of each year, and the fee is prorated.

(3) The department of revenue shall adopt rules necessary to implement this section and to provide for the design, manufacture, distribution, and accounting of validating devices to be attached to machines licensed under subsection (1).

(continued)

NEW SECTION. Section 5. Codification instruction. Section 4 is intended to be codified as an integral part of Title 23, chapter 5, part 3, and the provisions of Title 23, chapter 5, part 3, apply to section 4.

NEW SECTION. Section 6. Effective dates. (1) This section and subsection (3) of section 4 are effective on passage and approval for the purpose of adoption of rules that are applicable on July 1, 1985.

(2) The remainder of this act is effective July 1, 1985."

MR. PRESIDENT,

WE, YOUR COMMITTEE ON BUSINESS AND INDUSTRY HAVING HAD UNDER CONSIDERATION HOUSE BILL NO. 236, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT

HOUSE BILL 236

A statement of intent is required for House Bill No. 236, as amended, because it gives the department of revenue authority to make rules to implement the licensing of mechanical or electronic draw poker video game machines and to distribute the fees received ^{from} ~~for~~ the licensing of mechanical or electronic video game machines according to the provisions of this act. It is the intention of the legislature that the rules be consistent with other relevant laws and existing rules. It is further the intention of the legislature that the department cause to be designed and manufactured a distinctive device that will serve as an identifying and validating mark for each game machine so licensed. The department shall further provide methods to account for all such devices and to enforce the provision that no mechanical or electronic video game machine be made available to the public unless it has been duly licensed, with fee paid and validating device attached.

SUMMARY OF HB 127 NOW BEFORE SENATE BUSINESS & INDUSTRY COMMITTEE

Introduced by Keyser and Gould at Request of Department of Commerce
(Passed House 87 - 0. Heard by Senate B & I Committee 2/8/85.)

Pertains to Board of Private Security Patrolmen and Investigators,
established by 1983 Legislative Session.

EXHIBIT 7
BUSINESS & INDUSTRY
March 28, 1985

CHANGES PROPOSED IN HB 127:

Page 3, line 3 . . eliminates "installers of security alarm systems". (Present board would still supervise "alarm response runners", who would be answering burglar alarms; and who would probably be armed.)

Page 6, line 19 . . . clarifies the definition of what could be termed a "night watchman", as being exempt under the act.

Page 7, line 5 . . eliminates non-profit organizations as being exempt under the act. (Plumbers, electricians, doctors, nurses, building boiler operators, etc. all are licensed, regardless of where they work or for whom they work. Most private security people will be armed and in contact with the public; and should be licensed and supervised by the present board.)

Page 8, lines 5 thru 23: would require a non-resident company to appoint and qualify a resident manager. A resident manager must be appointed and licensed for each branch office in the state.

Page 9, line 8 . . means a "proprietary security organization" (a one company operation, such as Atlantic Richfield), must have a qualified, licensed state manager.

Page 10, line 7: changes minimum age for a private investigator from 25 years to 21 years. (Gives younger people a better chance. FBI minimum is 23 years.)

Page 10, line 25 thru line 9 on page 11: changes qualifications of private investigators to allow the board to accept a combination of education and experience, which is more meaningful than set forth in present law. (For instance, a degree in fine arts would not be near as valuable as a degree in law enforcement.)

Page 13, line 4 thru line 14: eliminates the need to show the name of an employer on the registration card, carried by an armed security guard or a private investigator. (The card is issued to an individual, who may work for more than one employer, or who may change employers.)

Page 16, line 18 . . makes it possible for the board to issue probationary and temporary licenses.

Prepared by Don Valiton, Legislative Representative, Montana Association of Private Security Companies and Private Investigators, who fully support this bill.

Proposed amendments to HB 127, third reading, blue copy

1. Title, line 7.

Following: "SYSTEMS;"

Insert: "PROVIDING COVERAGE FOR SECURITY ALARM SYSTEMS;"

3. ~~2~~. Page 3, line 3.

Following: "~~who~~" on line 2

Insert: "installs or maintains a security alarm system,"

4. ~~3~~. Page 5, following line 21.

Insert: (17)

"Security alarm system" means an assembly of equipment and devices or a single device such as a solid state unit which plugs directly into a 110-volt AC line, designed to detect or signal or to both detect and signal unauthorized intrusion, movement, or criminal acts at a protected premises, to which signals police, private security guards, or alarm response runners are expected to respond. Fire alarm systems and alarm systems that monitor temperature, humidity, or any other atmospheric condition not directly related to the detection of an unauthorized intrusion or criminal act at a premises are not included within the meaning of this definition.

Renumber: subsequent subsections

PROPOSED AMENDMENTS TO HOUSE BILL 127
Third Reading, Blue Copy

- ~~5.~~ 1. Page 7, line 10.
Following: "at law"
Insert: ", a paralegal or legal assistant employed by an attorney at law,"
- ~~6.~~ 2. Page 7, line 25.
Following: "them;"
Strike: "or"
- ~~7.~~ 3. Page 8, line 2.
Following: "37-60-101(10)"
Insert: "; or (9) an internal investigator or auditor, while making an investigation incidental to the business of the agency or company by which he is singularly employed" ~~following~~
- ~~8.~~ 4. Page 13, line 4.
Following: "37-60-105-and"
Insert: "37-60-105 and"

2. Title, line 14.
Following: "MCA"
Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

29. Page 17, lines 5 and 6.
Strike: ~~Section 10~~ in its entirety

PROPOSED AMENDMENTS FOR HOUSE BILL 462:

1. Page 3, line 14.

Following: "(3)"

Strike: "Furniture"

Insert: "Except as provided in subsection (4), furniture"

2. Page 3, lines 20 and 21.

Following: "(4)"

Strike: "SUBSECTION (3) DOES NOT PREVENT THE SALE OF PRISON-MADE FURNITURE TO"

3. Page 3, line 22.

Following: "DEPARTMENT"

Insert: "may purchase prison-made furniture without complying with the procurement provisions under Title 18, chapter 4"

Amend HB 475 as follows:

1. Page 2, line 12.

Following: "~~32-3-304.~~"

Insert: "except that the director may not charter a credit union not having a common bond of membership as defined in 32-3-304."

~~Amend HB 475 as follows:~~

2. 1. Page 10, line 3.
Following: "constituted"
Strike: "share guarantor or"
3. 2. Page 10, line 9.
Following: "approved"
Strike: "share guarantor or"
4. 3. Page 10, line 18.
Following: "of"
Strike: "a share guarantor or"
Insert: "an"
5. 4. Page 10, line 22.
Following: "of"
Strike: "a share guarantor or"
Insert: "an"

STANDING COMMITTEE REPORT

Page 1 of 2

MARCH 28 1965

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....
having had under consideration.....
third reading copy (blue)
color

HOUSE BILL 127
No.

REVISE LAW ON PRIVATE INVESTIGATORS AND SECURITY PATROLMEN (Williams)

Respectfully report as follows: That..... HOUSE BILL No. 127

be amended as follows:

1. Title, line 7.

Following: "SYSTEMS;"

Insert: "PROVIDING COVERAGE FOR SECURITY ALARM SYSTEMS;"

2. Title, line 14.

Following: "MCA"

Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 3, line 3.

Following: line 2

Insert: "installs or maintains a security alarm system,"

4. Page 5, line 22.

Following: line 21

Insert: "(17) "Security alarm system" means an assembly of equipment and devices or a single device such as a solid state unit which plugs directly into a 110-volt AC line, designed to detect or signal or to both detect and signal unauthorized intrusion, movement, or criminal acts at a protected premises, to which signals police, private security guards, or alarm response runners are expected to respond. Fire alarm systems and alarm systems that monitor temperature, humidity, or any other atmospheric condition not directly related to the detection of an unauthorized intrusion or criminal act at a premises are not included within the meaning of this definition."

Renumber: subsequent subsections

(continued on page 2)

~~XXXXXX~~

~~XXXXXXXXXX~~

Chairman.

5. Page 7, line 10.

Following: "at law"

Insert: ", a paralegal or legal assistant employed by an attorney at law,"

6. Page 7, line 25.

Following: "them;"

Strike: "or"

7. Page 8, line 2.

Following: "37-60-101(10)"

Insert: "; or (9) an internal investigator or auditor, while making an investigation incidental to the business of the agency or company by which he is singularly employed"

8. Page 13, line 4.

Following: "37-60-105-and"

Insert: "37-60-105 and"

9. Page 17, lines 5 and 6.

Strike: section 10 in its entirety

AND AS AMENDED
BE CONCURRED IN

STANDING COMMITTEE REPORT

MARCH 28

35

19.....

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

having had under consideration.....

HOUSE BILL

475

No.....

third

reading copy (blue)
color

REVISION OF LAW REGULATING CREDIT UNIONS (Christiaens)

HOUSE BILL

475

Respectfully report as follows: That.....

No.....

be amended as follows:

1. Page 2, line 17.

Following: "state"

Insert: "except that the director may not charter a credit union not having a common bond of membership as defined in 32-3-304"

2. Page 10, line 3.

Following: "constituted"

Strike: "share guarantor or"

3. Page 10, line 9.

Following: "approved"

Strike: "share guarantor or"

4. Page 10, line 18.

Following: "of"

Strike: "a share guarantor or"

Insert: "an"

5. Page 10, line 22.

Following: "of"

Strike: "a share guarantor or"

Insert: "an"

AND AS AMENDED

BE CONCURRED IN

~~XXXXX~~

~~DO PASS~~

~~XXXXXXXXXX~~

~~DO NOT PASS~~

Sen. Mike Halligan

Chairman.

STANDING COMMITTEE REPORT

MARCH 28

85

19.....

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

HOUSE BILL

462

having had under consideration.....

No.....

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color

LIMITING THE MARKETING OF INSTITUTIONAL INDUSTRY PRODUCTS (Fuller)

HOUSE BILL

462

Respectfully report as follows: That.....

No.....

be amended as follows:

1. Page 3, line 14.

Following: "(3)"

Strike: "Furniture"

Insert: "Except as provided in subsection (4), furniture"

2. Page 3, lines 20 and 21.

Following: "(4)"

Strike: remainder of line 20 through "ANY" on line 21

Insert: "Any"

3. Page 3, line 22.

Following: "DEPARTMENT"

Insert: "may purchase prison-made furniture without complying with the procurement provisions under Title 18, chapter 4"

AND AS AMENDED
BE CONCURRED IN

~~XXXXXX~~
~~DO NOT PASS~~

~~XXXXXXXXXX~~
~~DO NOT PASS~~

.....
Sen. Mike Halligan

Chairman.

MR. PRESIDENT,

WE, YOUR COMMITTEE ON BUSINESS AND INDUSTRY HAVING HAD UNDER CONSIDERATION HOUSE BILL NO. 236, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT

HOUSE BILL 236

A statement of intent is required for House Bill No. 236, as amended, because it gives the department of revenue authority to make rules to implement the licensing of mechanical or electronic draw poker video game machines and to distribute the fees received ^{from} for the licensing of mechanical or electronic video game machines according to the provisions of this act. It is the intention of the legislature that the rules be consistent with other relevant laws and existing rules. It is further the intention of the legislature that the department cause to be designed and manufactured a distinctive device that will serve as an identifying and validating mark for each game machine so licensed. The department shall further provide methods to account for all such devices and to enforce the provision that no mechanical or electronic video game machine be made available to the public unless it has been duly licensed, with fee paid and validating device attached.

STANDING COMMITTEE REPORT

Page 1 of 4

MARCH 28

35

19.....

MR. PRESIDENT

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration..... **HOUSE BILL** No. **236**

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REDEFINE "CARD GAMES" TO INCLUDE VIDEO GAME MACHINES (Lyach)

Respectfully report as follows: That..... **HOUSE BILL** No. **236**

be amended as follows:

1. Title, line 5.
Following: "A GAME"
Insert: "PLAYED AGAINST THE HOUSE AND A GAME OF DRAW POKER"
2. Title, line 6.
Following: "MACHINES;"
Insert: "PROVIDING FOR LICENSING OF THE MECHANICAL OR ELECTRONIC VIDEO CARD GAME OF DRAW POKER;"
Following: "AMENDING"
Strike: "SECTION"
Insert: "SECTIONS"
Following: "23-5-302,"
Insert: "23-5-311, AND 23-5-321,"
Following: "MCA"
Insert: "; AND PROVIDING EFFECTIVE DATES"
3. Page 1, line 14.
Following: "part"
Insert: ", including a card game played against the house"
4. Page 1, line 16.
Following: "including a game"
Insert: "of draw poker"

(continued)

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

.....
Chairman.

5. Page 1, following line 18

Insert: "Section 2. Section 23-5-311, MCA is amended to read:

"23-5-311. Authorized card games. (1) It is unlawful for any person:

(a) to conduct or participate in any card game or make any tables available for the playing of card games except those card games authorized by this part; or

(b) to make any mechanical or electronic video game machine available for the playing of a game that simulates a game played with cards except in conformance with [section 4].

(2) The card games authorized by this part are and are limited to the card games known as bridge, cribbage, hearts, panguingue, pinochle, pitch, rummy, whist, solo, and poker.

Section 3. Section 23-5-321, MCA is amended to read:

"23-5-321. Licensing by local governing bodies. (1) Any city, town, or county may issue licenses for the games provided for in this part to be conducted on premises which have been licensed for the sale of liquor, beer, food, cigarettes, or any other consumable products. Within the cities or towns, such licenses may be issued by the city or town council or commission. Licenses for games conducted on premises outside the limits of any city or town may be issued by the county commissioners of the respective counties. When a license has--been is required by any city, town, or county, no game as provided for in this part shall ~~may~~ be conducted on any premises which have--been are licensed for the sale of liquor, beer, food, cigarettes, or any other consumable product without unless such license having is first been obtained.

(2) Any in addition to the license fee required to be paid to the department of revenue under [section 4], any governing body may charge an annual license fee for each license so issued under this part, which license fee, if any, shall expire on June 30 of each year, and such fee shall be prorated.

(continued)

(3) Any license issued pursuant to this part shall be deemed to be a revocable privilege, and no holder thereof may acquire any vested rights therein or thereunder.

NEW SECTION. SECTION 4. Licensing mechanical or electronic video game machine -- limitation -- contract term -- fees -- rules. (1) The department of revenue shall, upon payment of the fee provided in subsection (2) and in conformance with rules adopted pursuant to subsection (3), issue a license for each mechanical or electronic video game machine that is available for the playing of a game that simulates the card game of draw poker, provided that no license may be used under this section:

(a) that would allow any applicant to make available more than five machines licensed under this section; and

(b) unless the applicant has entered into a contract with the machine's owner, if the owner is a person other than the applicant, for the placement of the machine for a minimum term of 30 months.

(2) Each mechanical or electronic video game machine simulating the game of draw poker is subject to an annual license fee of \$1200, 25% of which is deposited to the general fund and 75% of which is forwarded, 30 days after collection, to the treasurer of the county or the clerk, finance officer, or treasurer of the incorporated city or town in which the licensed machine is located for deposit in the county or municipal general fund. Under [this act], counties will not receive proceeds from fees on licensed machines located in incorporated cities and towns. The license expires on June 30 of each year, and the fee is prorated.

(3) The department of revenue shall adopt rules necessary to implement this section and to provide for the design, manufacture, distribution, and accounting of validating devices to be attached to machines licensed under subsection (1).

(continued)

MARCH 28

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NEW SECTION. Section 5. Codification instruction.
Section 4 is intended to be codified as an integral part of Title 23, chapter 5, part 3, and the provisions of Title 23, chapter 5, part 3, apply to section 4.

NEW SECTION. Section 6. Effective dates. (1) This section and subsection (3) of section 4 are effective on passage and approval for the purpose of adoption of rules that are applicable on July 1, 1985.

(2) The remainder of this act is effective July 1, 1985."

AND AS AMENDED
BE CONCURRED IN

Sen. Mike Halligan

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date MARCH 28, 1985 HOUSE Bill No. 236 Time _____

NAME	YES	NO
Chairman Mike Halligan		X
V-Chrm. B. F. Christiaens	X	
Senator Paul Boylan	X	
Senator David Fuller	X	
Senator Delwyn Gage		X
Senator Pat Goodover	Not present for vote	
Senator Allen Kolstad	X	
Senator Ted Neuman		X
Senator Gene Thayer	X	
Senator Bob Williams	X	
Senator Cecil Weeding		X

Carol Duval
Secretary

Mike Halligan
Chairman

Motion: Motion made by Senator Williams to adopt the Gray bill as amended for House Bill 236, passed 6 -4. Senator Halligan, Gage, Neuman and Weeding voted no.