

BUSINESS AND INDUSTRY COMMITTEE

January 19, 1977

The meeting was called to order at 4:30 p.m., with all members present except Rep. Bradley, who was excused.

House Bill 171 was heard first. Rep. Porter, sponsor, said the bill is an amendment to an existing law passed 2 years ago. It will allow insurance agents and consultants to charge a fee for consultation services. There were no opponents or proponents. In answer to a question, Rep. Porter said the consultant can ask for your business, where under present law he cannot. This bill would allow him to solicit business.

House Bill 163 was heard next. Rep. Jensen, sponsor, said the bill was introduced at the request of the Department of Business Regulation. His explanation of the bill is shown on Bob Pyfer's report, which is attached.

Mr. Kelly testified in support of the bill, saying it returns jurisdiction to the board and cleans up the language. There were no proponents, opponents or questions from the committee.

House Bill 110 was heard next. Rep. Brand, sponsor, gave examples of the abuses that fly by night builders have perpetrated on homeowners. Some people had to pay twice for materials used in jobs on their homes. He said the burden should be on the suppliers or contractors rather than the people.

Cliff Christian, Montana Realtors, testified as a proponent, saying that section 3 limits the ability of this bill to work on only buildings that are occupied. It should be all residences.

Opponents were: Bob Holding, Executive Director of the Wood Products Association. He said this applies to mechanic's liens. His testimony is attached. Rep. O'Keefe said he had no objection to the intent of the bill but it is not workable. Larry Huss, representing a group of suppliers, said they are directly affected by this bill. Section 45-501 establishes the mechanic's lien. If this bill is passed, you will need to provide protection for laborers and workers as well as suppliers. Mr. John Wall, of Power Townsend Company, said their establishment charges all kinds of materials to home builders and this bill would be a sure way to get out of paying charge accounts. Mr. Fred Robinson, Manager of Peterson Lumber said the person whose property is improved should be responsible for the debt. He said it is unfortunate that the home owner is left to pay twice, but why should the supplier be stuck with the cost of the materials. Allan Kind, Manager and officer of Linder-Kind Lumber Company, said the present laws should not be changed, they give good protection to the working men. The homeowner should handle some of the responsibility and be careful who they deal with. Harold Kelley of Butte also opposed the bill.

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In closing, Rep. Brand said he wants everyone to get their money, but does not want the homeowner to be jeopardized. He said they have as much right to be protected as anyone else involved.

In answering questions, the witnesses against the bill said that Notice of Completion reduces file from 90 days to 60 days. One said that a solution would be to require a contract bond from the builder.

Executive Session:


Rep. Scully moved that House Bill 132 DO NOT PASS. After discussion, the motion was voted on and passed unanimously by those present.

It was decided to hold executive action on House Bill 163.

Rep. Kenny moved that House Bill 171 DO PASS. After discussion, Rep. Tropila made a substitute motion that the bill DO NOT PASS. The Committee discussed the bill at length, and decided to place it in a subcommittee. The Chairman appointed Rep. Scully, chairman, Reps. Kenny and Aageson to the subcommittee.

The Chairman mentioned the Senate Business and Industry Committee oversight hearing tomorrow evening. He said there are 35 to 40 pieces of legislation coming through the committee on regulatory authorities.

The meeting adjourned at 6:05 p.m.


JOHN VINCENT, Chairman