

HOUSE BUSINESS AND INDUSTRY COMMITTEE

February 2, 1977

The meeting was called to order at 3:45 p.m. with all members present with the exception of Rep. Bradley, who was excused.

House Bill No. 347 was discussed. Rep. Estenson, chief sponsor, gave an explanation of the bill. The reason for the language being changed on page 1, lines 16 and 17 is to make it more open ended. There is some discretion on how many members they can put on the board. She then introduced Mr. John Frankino.

Mr. John Frankino, Montana Catholic Conference, said the information supplied was from the Canon Law of the Conference.

There were no further proponents or opponents.

House Bill No. 413 was discussed. Rep. Lynch, sponsor, gave an explanation of the bill and said he had visited with several people involved with this problem. He then introduced interested parties.

Mr. Jim Sewell, Attorney for the Montana Land Title Association, suggested amendments to the committee (attached). He gave a brief history of the bill which he stated would help in the determination. He also said the examination of title minimizes errors. When title insurance is written on a casual basis you have the same problem. You deal with unhappy consumers, increasing rates and general pandemonium. He said this act would also prohibit anti-competitive practices. He stated that the bill was requested by the Montana Land Title Association and there were a number of over-writers and abstractors involved in the drafting of the bill. He said he wanted it to set in as smooth as possible with the existing title code. The proposed amendments will cure the relating problems with the bill. He stated the bill was basically patterned after the Idaho Insurance Code which seems to work quite well. He stated three important sections of the bill: Section 2 (1)(a) defines business of title insurance, quite a broad definition in its scope, also the definition of what records are needed; Section 2(4) is the rebate section; and Section 2(a) involves the title examination. He also submitted an explanation of the amendments (attached).

Mr. Bill Noel, Consultant to Idaho Insurance Commissioners Office, said the title plant is an absolute necessity. The purpose of the title plant is to gather all the material which has been recorded in the Court House. The material is then indexed so that when a person needs a search of a title, it can be done readily and accurately (testimony attached).

Mr. Maurice Maffei of Butte stated the reason for Section 12 is to allow 2 years before the plant has to be in compliance with the state law.

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Mr. Glen Kenny, Surety Title Insurance, stated he has made examinations. The requirements for the title insurance plan under which he would be making an examination. He stated he could not understand why the bill would need a fiscal impact statement. The salary has been raised from \$100 to \$25 per hour.

Mr. Greg Morgan, State Bar of Montana, stated that with the amendments, the bill should be recommended do pass. It creates no substantive changes.

Mr. Ted James, First Montana Title, stated it was a consumer oriented bill. He said it would diminish the chance of having a loss. When a loss occurs, you want to be sure the policy holder will be protected. He also said that with the amendments, no money will be needed.

Mr. Bill Gowen and Mr. Warren Solberg expressed their support in the bill (testimonies attached). Mr. Solberg said it would provide a checking of the title from day one to the present date.

Mr. Robert Nog concurred in the previous testimony. Mr. Robert L. Johnson also concurred in the previous testimony (testimony attached).

Opponents:

Mr. Neil Ugrin, Common Wealth Insurance Company, said there could be a strong case made against this bill. He stated there have been several features which were not eluded to. It would restrict trade in commerce, for there are a number of plants and companies doing business with plants that are not up to requirements which have been set in this law. Also, many people will be forced out of business due to this law. He stated this piece of legislation is not constitutional. The bill would prevent attorneys from going to the county to do their work. It is simply a bill which would protect the people who already have the plants.

Mr. E. Bob Brown, Great Falls Attorney, said he has written title insurance in all of the counties. He concurred with Mr. Ugrin in saying the bill is designed mainly to prohibit the competition.

Mr. Chris Leary, Missoula, reiterated Mr. Ugrin's comments.

During the questioning period, Mr. Brown stated the insurance examiner examines the companies on a regular basis.

Rep. Lynch closed in saying the bill is a consumer protection bill. When one buys insurance he should be fully protected.

House Bill No. 417 and 418 were discussed. Rep. Lynch, sponsor, gave a brief explanation of the bills.

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Proponents:

Mr. Bill O'Leary, Montana Solid Waste Contractors, Inc., stated that in order to clarify regulation and continue regulation the purpose is to define the motor carriers under the Motor Carrier Act. This bill would provide for some carries in the state to be property carriers, also. He submitted an amendment which would eliminate the limitation on the motor carrier as to how long he could obtain the license (attached).

Mr. Louie Green, Montana Solid Waste Contractors, Inc., stated that the Public Service Commission had asked them to pay for the change of a "C" license to a "D" license. It would not cost the state any money.

Rep. Tropila directed a question to Mr. O'Leary regarding the carriers being under the Public Service Commission at the present time. Mr. O'Leary said they are under the PSC as certified carriers. They are carriers of long standing. Mr. O'Leary also stated that a carrier holding an "A", "B", or "C" license may obtain a "D" license after they have filed an application and had a hearing, etc.

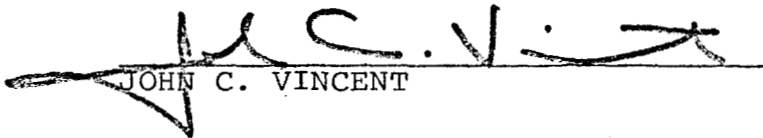
Mr. O'Leary made comments on House Bill No. 418 clarifying the bill. He said that the proof clause on Implementation assures the property carries of a safeguard. The "D" carries are required to buy packer equipment and utilize individuals susceptible to regulations. If these carries could complete qualifications to the PSC which would state there there are no illegal haulers.

The committee then went into executive session.

Rep. Harper moved that House Bill No. 347 DO PASS. The motion was carried unanimously.

Rep. Tropila moved that House Bill No. 413 DO NOT PASS. After some discussion the motion carried with 8 members voting yes and 6 members voting no (attached).

The meeting adjourned at 6:00 p.m.


JOHN C. VINCENT

BUSINESS AND INDUSTRY VOTING RECORD

February 2, 1977

HB 413
DO NOT PASS

Aageson	YES
Bradley	EXCUSED
Burnett	YES
Ellison	NO
Fabrega	YES
Fagg	ABSENT
Harper	NO
Harrington	NO
Kenny	YES
Metcalf	YES
Nathe	NO
Quilici	NO
Scully	NO
Shelden	YES
Tower	ABSENT
Tropila	YES
Vincent	YES

8 YES

6 NO