

HIGHWAYS AND TRANSPORTATION
COMMITTEE

February 15, 1977

The Committee on Highways and Transportation was called to order on February 15, 1977 at 10:00 a.m. with Chairman Baeth presiding and all members were present, except Representative Kanduch and Hansen (excused).

The following bills were scheduled for discussion today: HB 640, HB 650, HB 688 and HJR 53.

HOUSE BILL 650

Representative Scully, chief sponsor of this bill, said it is concerned with an updating of language aimed at eliminating abuse of dealer plates. It states stricter requirements for getting the plates for new and used car dealers, motorcycle dealers and trailer dealers. He mentioned a stipulation that an applicant for a used motor vehicle dealer license shall certify that he sold in excess of 18 used motor vehicles during the previous year. Rep. Scully said this number of 18 has no direct significance and if the committee wished to change it to a lesser number, he would not be against it as long as it did not go below 12.

He also mentioned the requirement for a \$500 fee to be paid if the applicant has not applied for a used motor vehicle dealer license in the last five years. Again he said this amount of \$500 has no direct significance and if the committee wished to change it to a lesser amount, he would not be against it as long as it did not go below \$250.

Proponent Gerald Raunig, representative of the Montana Automobile Dealers Association, said they support this bill. They feel passage of this bill will strengthen the law and do away with abuse of dealer plates.

Larry Huss, attorney for Montana Automobile Dealers Association, said under the existing laws dealer plates are easily acquired and there is little control of their use. By using dealer plates, taxes are avoided. He feels the \$500 charge is high enough to eliminate people acquiring dealer plates just to avoid taxes.

Proponent Sgt. Stollfuss of the Highway Patrol said they support this bill, particularly the parts of it that will help them enforce the misuse of dealer plates. Under the present statutes, it is impossible to enforce this.

Mike Meldahl, chief of Data Processing Bureau of the Department of Justice, gave out a computer listing of Montana dealers by county showing number of dealer plates of each one. It covers new and used car dealers, motorcycle and trailer dealers. By

looking through this listing, it can be seen the volume of sets that are being used. If the volume of business is checked, it gives a person an idea of the misuse that is happening.

Proponent Representative Day, who is sponsoring a similar bill, spoke in support of this bill. He feels this strengthening of the restrictions and penalties is a step in the right direction.

He had some suggestions: Under the used car dealer requirements, an illuminated sign is mentioned. He feels this is not fair to the smaller dealer. He also questioned the number of 18 as the requirement of sales to acquire a used car dealer license and get dealer plates. Again he feels this is too high and is unfair to the smaller dealer. He also feels the \$500 fee for a used car dealer without previous sales is too high. He suggested \$250.

Proponent May Jenkins, Yellowstone County Treasurer, said she is in favor of this bill, although it might not be as strong as she would have liked. She feels there is a great deal of misuse of dealer plates, both new and used car dealers. They feel this bill is a step in the right direction.

Opponent William Romine, representing Montana Automobile Dismantler's and Recyclers Association, said their association opposes the provisions of this bill concerning used car dealers. They feel the number 18 is too high. The \$500 fee is too high. The small repair shop that fixes wrecked cars for sale cannot afford an illuminated sign and the \$500 fee. It also restricts the building to a detached building. Sometimes this type of small business uses an attached garage as the place of business. This would put them out of business. This will also hurt some motorcycle businesses. Their volume is not always over 18, either.

Representative Scully said the words "illuminated sign" for used car dealers should perhaps be changed to "permanent". He feels the effective date of July 1, 1977 is correct.

Representative Tropila requested William Romine to write an amendment for this bill to provide for a person authorized as a wrecking yard facility.

Hearing closed on HB 650. All materials are marked Exhibit 10.

HOUSE BILL 640

Representative Day, chief sponsor of this bill, said this bill addresses the fees dealers pay for dealer plates and also to stop abuse of dealer plates. A dealer does not pay taxes on any of his vehicles by using dealer plates. He now pays \$30 for the first two sets, \$5 for the next 4 sets and \$2 for all the rest. In HB 640, these fees have been raised, but Rep. Day does not feel it is excessive. He feels a new car dealer should pay more than a used car dealer for these plates and this is reflected in HB 640. He also feels that 21 sets are sufficient for any dealer, no matter how large, therefore the fee is raised after 21 sets. It is noted that HB 640 and 650 are similar legislation.

There were no proponents.

Opponent Gerlad Raunig, representing Montana Automobile Dealer Associations, said they cannot support HB 640. He doesn't feel this will solve the problem it is addressing. He feels by increasing these fees, the opposite would be true.

Opponent William Romine, representing Montana Automobile Dismantler's and Recyclers Association, said they have some concern with the \$100 fee for the first two sets of dealer plates for used car dealers.

Hearing closed on HB 640.

HOUSE BILL 688

Representative Frates, chief sponsor, made a motion that HB 688 be transferred to the Business and Industry Committee. Motion carried.

HOUSE JOINT RESOLUTION 53

Representative Mular, chief sponsor of this resolution, explained that the capitol city can request experimental train service. This resolution would urge the National Rail Passenger Corporation to inaugurate an experimental train to connect from Helena through Butte to Pocatello and all points serviced by the train known as the Portland Rose.

This experimental train would run for two years and if it makes a profit, would be added to the permanent system. The tracks are there and in good condition. It would not require any state funds.

Representative Joe Brand, another sponsor of this bill, spoke in favor of this resolution. He said there is no north/south connection from the west coast to Chicago area. It is very needed.

Hearing ended on HJR 53.

EXECUTIVE SESSION

HOUSE JOINT RESOLUTION 53

Representative Tropila made a motion DO PASS. It was unanimously carried. Rep. Kanduch and Hansen were absent.

HOUSE BILL 158

Rep. Mular moved DO PASS. It was unanimously carried. Rep. Kanduch and Hansen were absent.

HOUSE BILL 640 AND HOUSE BILL 650

It was decided that HB 640 and 650 were to be assigned to a subcommittee. The subcommittee members are: Mular, O'Keefe and Underdal.

NEW RESOLUTION

The wording of a suggested resolution was approved unanimously (Rep. Kanduch and Hansen absent), upon motion of Rep. Kropp, seconded by Rep. Tropila.

Chairman Baeth will request a waiver from the Rules Committee to file this as a joint resolution upon approval by the Senate.

This resolution takes the place of HB 336.

Hearing closed at 12 noon.

William R. Baeth
William R. Baeth, Chairman