

## HOUSE BUSINESS AND INDUSTRY COMMITTEE

February 18, 1977

The meeting was called to order at 10:15 a.m. with all members present with the exception of Reps. Sheldon and Tower, who were excused.

House Joint Resolution No. 50 was discussed. Rep. Bengtson, sponsor, gave a brief explanation of the bill. Ms. Jo Driscoll stated she was neutral on the subject. She submitted information which helped the committee members to be more aware of the bill. She stated that the Insurance Commission drawers are not closed to the public. They have processed approximately 4,600 complaints and have recovered almost 200,000 for the State. They attend two national meetings every year. Some of the problems taken under consideration are taking the examination. The Insurance Commission feels that they are doing a good job.

There were no opponents.

Rep. Bengtson stated in closing that this bill would be the best approach. Also, it is an educational vehicle.

House Bill No. 747 was discussed. Rep. Fagg, sponsor, stated that bill would keep areas open. He gave a brief explanation of the bill.

Mr. Jim Howeth expressed his support in the bill. He said they manage over 30 different funds. The way the bill is written, it would require that 25% of these funds be invested in mortgages. In the current program, they purchase mortgages which go into the retirement funds. They can invest up to 50% of the retirement funds into mortgages. Of those funds, they have 16% which are in Montana mortgages. In the last 4 or 5 years, they purchased mortgages. To make it mandatory that they would have 25% in each fund, they would have to forego quality or buy mortgages at reduced rate of return. He said if this bill were passed, it would provide 9 million dollars for mortgages. Currently, they have 150 million dollars available to buy mortgages if there were a sufficient supply to buy mortgages.

Rep. Scully asked Mr. Howeth if he looked for mortgages. Mr. Howeth replied by saying that about 2 years ago the Board traveled throughout the state and visited financial communities and educating them on the investment program in mortgages and fares. Then they tried to buy 2 or 3 million dollars a month on mortgages.

House Bill No. 610 was discussed. Rep. Manuel, sponsor, introduced Mr. Ed Carney to explain the bill.

Mr. Ed Carney gave a brief explanation of the bill, stating that of 8 boards, 4 are spending more than they are bringing in in revenue.

Mr. George Brown stated he was neutral. He submitted an amendment which would set the fee at \$15 instead of \$10.

Mr. Bill Graves expressed his opposition in the measure. He stated that he opposed the increases in licenses to 250%.

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Mr. Chub Askin stated he was opposed to the \$30 license fee. Under this proposed legislation it could cost as much as \$75 for a license. He said that 1,144 people which are licensed join him in this matter.

Ms. Ruth Eateringer expressed her opposition in the bill. Mr. David Branger said that he appreciates the fact that costs are rising, but does not like the fact that the management is passing their costs onto them. On a \$600 purse they would lose \$100. The Montana Horsebreeders oppose this portion of the bill.

Rep. Ellison, former Racing Commissioner, expressed the same view as the previous opponents stated.

Mr. L. M. Toresdahl stated that 4 years ago an owner could purchase a license for \$10. The fee has raised to \$10 for each trainer and owner so it would be \$20. The manager would also have to pay \$10. There are inconsistencies in this bill. Also, the husband and wife should have just one license for the two of them.

Mr. Carney stated in closing that the problems which have been expressed should be worked out. The committee should realize that the license shall not exceed the amount in the case of the barbers or the barber-shop. If there is a need for additional revenue it would increase to \$15. It is in the trust of the Board if these people should manage the business or if it should be set by the legislature. The horse-racing situation is a more complex one. The Board is asking for authority to increase the fee to \$25. He said that when you take the number of licenses sold and the revenue that is received it would be an \$8 increase. This would increase the revenue about \$6,600 in the next fiscal year. If one would trust the Board's concept, then it can be decided there.

House Joint Resolution No. 55 was discussed. Rep. Vincent, sponsor, urged the committee to support this measure. Mr. Tom Winsor represented Mr. Shockey and asked the committee to support the bill, also.

There were no opponents or questions from the committee.

House Bill No. 322 was discussed. Rep. Metcalf, sponsor, stated that many of the letters he received were based on misunderstanding of the bill. This bill would make changes in the Milk Board. It would apply to groups of large people. The people in Montana are concerned about inflation. He said that Montana has the third highest price of milk in the nation. The dairy industry is controlled by a body of laws which were drawn up in the 1930's. He said that the processor is forced to take a larger profit than he is willing to take. If he is allowed to lower prices, he could sell more milk and benefit the consumers and the industry as well. He gave a brief explanation of the bill. The Milk Control Board cannot practice unfair trade practices unless the store is licensed. The total over-all effect will reduce the cost of milk by 2 cents.

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Mr. Joe Callun said the audit does not address directly what is needed in House Bill No. 322. He submitted the Legislative Audit Report on Milk (attached). The bill does not change the minimum price on milk.

Mr. Brownie Hartman, Mr. Stan Halvorsen, and Mr. Ed McHugh testified as opponents (testimonies attached).

Mr. Parriman stated that he generally works in small towns. He does not receive any money from the dairy. Mr. Bill Weber also testified as an opponent (testimony attached).

Mr. Dennis Dobbins, Mr. Frank Capps, and Mr. Dale Johnson testified as opponents. Mr. Capps stated that he represents 400 small grocery stores throughout Montana. There is no reason why there is a need for a change. He also said that this bill would not decrease the price of milk (testimonies attached).

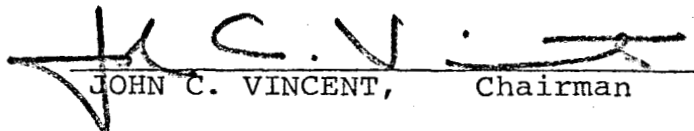
Rep. Metcalf stated in closing that there is still much confusion about the bill. The controls of all levels are maintained. He said the minimum price level is not being limited. This will reflect a true minimum. He stated that there was a purpose of having a maximum price level, because the smaller stores are charging more for milk. In his closing statement he said that if this bill does not lower the price of milk, then the dairy industry has nothing to lose if the bill passes.

Rep. Metcalf answered a question by stating that the computation of milk has increased 3% for the entire year.

Several of the milk producers stated that the reason the milk industry is so unique is that the milk has to be sold the same day it is processed.

There was discussion regarding the bill. The questions are either answered in the bill or in the testimony.

The meeting adjourned at 12:00 noon.

  
JOHN C. VINCENT, Chairman