

HOUSE BUSINESS AND INDUSTRY COMMITTEE

March 14, 1977

The meeting was called to order at 10:10 a.m. with all members present with the exception of Rep. Bradley, who was excused.

Senate Bill No. 258 was discussed. Sen. Peterson, sponsor, gave a brief explanation of the bill. He then introduced Mr. Tom Canelli.

Mr. Tom Canelli stated that the gas should be sold to independents and consumers at gross gallonage because there is a loss of volume due to the average temperature in Montana.

There were no opponents.

Mr. Canelli answered a question by saying the actual loss of gallonage is 149 gallons based on a 30° temperature.

Senate Bill No. 219 was discussed. Sen. Goodover, sponsor, said the bill was drafted upon request of the Commissioner of Insurance. It is not the typical innocuous bill. He gave a brief explanation of the bill.

Mr. Harry Mischera, proponent, stated that this act is similar to the existing law. He further explained the bill stating the purpose is to prevent reoccurrence of a previous mistake.

There were no opponents or questions.

Senate Bill No. 386 and 426 were discussed. Sen. Murray, sponsor, said that Senate Bill No. 386 is a relations bill whereas Senate Bill No. 426 is a succession bill. He gave a brief explanation of Senate Bill No. 386. He said the problems which have necessitated the reason for this bill will be explained by Mr. Jerry Raunig.

Mr. Jerry Raunig, proponent, stated that both bills are introduced due to new car dealers not owning a franchise. He said he does not feel that either of these bills will create an undue burden. The State should be placed in the middle of this relationship when these disputes do arise.

Mr. Dan Murray said he lost his franchise on December 31, 1975. He said he had the smallest showroom in the city, but General Motors insisted he build a larger showroom. He could not do it, therefore, he went out of business.

Mr. George Vucanovich and Mr. Larry Huss also testified as proponents (testimony attached).

Mr. Huss stated that Senate Bill No. 426 is the Dealer's Succession Act. He gave an explanation of the sections. He said that the economic interest is so diversified. This is a bill to have the government intervene between the small businessman and the economic giants.

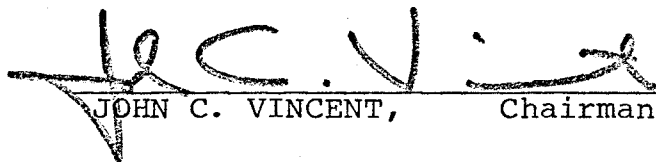
March 14, 1977, page 2.

Mr. Stuart Wilson testified as an opponent to the bill. He stated that he struggles each day with the rules and regulations the same as anyone else. The purpose of a bigger building is to serve the public. The matter of successorship is in deciding who the best man would be. He stated that this bill was a special interest bill. He disagreed with the penalties one would receive if there were one mistake.

Sen. Murray asked Mr. Huss to close. Mr. Huss said that the factories had told his client that they would decide who would run his business. The qualifications of the successors is what they are looking at when they go to the administrative procedures. He said he hoped that Montana would have the same type of protection as the other states.

There was some discussion regarding parts of the bill.

The meeting was adjourned at 12:00 noon.


JOHN C. VINCENT, Chairman