

## HOUSE BUSINESS AND INDUSTRY COMMITTEE

April 1, 1977

The meeting was called to order at 10:15 a.m., in Room 431 with all members present with the exception of Rep. Bradley, who was excused.

The hearing began with Senate Bill No. 125. Sen. Regan, chief sponsor stated that bonds, generally speaking, simply do not perform the function which they were originally intended to do. Bonds are suppose to be a protection to the consumer, but research finds they do not do the job.

### Proponents:

Mr. Ed Carney stated that it was a step forward for the drafting of this bill. During four and one-half years he had been working with people affected by this bill in which he had not seen any attempt where the bond actually protected the public. He stated that an amount of \$150,000 per year was spent on this bonding. He also said that the bonding requirement is preventing many young people from getting into business. Mr. Floyd Oliver stated he had not received a claim on a bond.

### Opponents:

Mr. Glen Drake stated that the Insurance Association consists of 80 stock companies and includes groups of people doing bonding work. The bill as originally written, provided for a fund to be created which would take the place of the bond. Bonding requirements are created for the protection of the public. He said that the bonding requirements are taking away all protection.

Mr. Bob Durand stated that if this bill goes through there would be no protection for the public. He said he thought that a bonding company would be interested in issuing bonds in Montana.

Mr. Boyce Clarke stated that some license bonds are strictly underwritten. Bonding companies should be permitted to bond. This bill would harm the consumer.

Sen. Regan stated in closing that in the last 4 years there has not been a single bond used for this. One could not get any of the trades bonded. The question about the consumer protection was raised. She stated that if a person feels he has suffered damages, he can apply to the county attorney.

Senate Bill No. 329 was discussed. Sen. Roskie, sponsor, stated that when there is an inadequacy in the law, it should be contended with. He gave a brief explanation of the bill. He also stated that it is almost impossible to receive a license one year at a time (testimony attached).

Mr. Marty Crennan, proponent, stated that the bill originated due to inadequacies. It will provide some teeth and gives better power in responding to complaints which they had received.

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Mr. Sonny Hanson also expressed his support in the measure.

Senate Bill No. 245 was discussed. Sen. Murray, sponsor, stated that the main intent is contained in the title of the bill (testimony attached).

Mr. Bob Gannon, proponent, stated various incidences where this law would be beneficial (testimony attached).

Mr. Peter Paully expressed his support in the bill.

Mr. Jim Hughes also concurred with the previous proponents along with Mr. Everett Shuey and Mr. Gene Phillips.

Mr. Jeff Brazier stated that in view of the comments, there is a history behind it. He proposed an amendment for additional cleaning-up of the bill.

Mr. Rob Smith stated that the PSC is ambivalent about this bill because most of the legal staff has not been there long enough to know what happens. He gave an example of what could happen if this bill should go into effect. The Commission would be bogged down on the temporary increases. The Commission should have some sort of absolute discretion.

Sen. Murray stated in closing that from his standpoint he agrees on the suggestion that the word "an" on page 3, line 10 should be stricken. Then make the word "increase" plural.

Senate Bill No. 362 was discussed. Rep. Tropila, representing Sen. Devine, gave a brief explanation of the bill (testimony attached).

Mr. Rob Smith stated that Congress is in progress of changing the filing times under the ICC.

Mr. Gorham Swanberg submitted amendments (attached).

Mr. Jeff Brazier, opponent, stated that it is not true that people do not oppose decreases. Competing modes of transportation of shippers. Most of the increases in Montana are generally rate increases. The purpose of the proposed amendments is to speed up the process of the state agency.

There was some discussion on the matter.

House Bill No. 837 was discussed. Rep. Brand, sponsor, said the bill was introduced on behalf of the small businessmen in this area. By allowing another month and increasing the license by 10%, it will not hurt anything.

The committee then went into executive session.

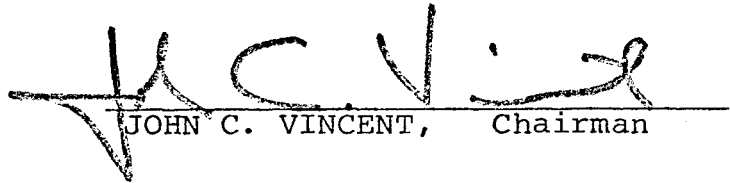
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Rep. Fabrega moved that House Bill No. 837 DO PASS. The motion carried unanimously.

Chairman Vincent explained to the committee that on Senate Bill No. 170, the subcommittee and all interested parties agreed on the amendments. Rep. Ellison moved to adopt the amendments to Senate Bill No. 170. The motion carried unanimously. Rep. Fabrega moved that Senate Bill No. 170 BE CONCURRED IN AS AMENDED. The motion carried unanimously.

Rep. Harper moved to reconsider Senate Bill No. 206. The bill was on the table as INDEFINITELY POSTPONED. The motion to take Senate Bill No. 206 into consideration was defeated. All members present voted yes, except Reps. Aageson, Harrington, Kenny, Nathe, Quilici, Scully, Shelden, Tower, and Tropila (7 yes - 9 no).

There being no further business, the committee adjourned at 12:00 noon.

  
JOHN C. VINCENT, Chairman