

January 13, 1977

11:00 a.m.

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building at 11:00 a.m.

ROLL CALL: All members were present with the exception of Senator Mehrens who was excused.

Chairman Hazelbaker stated that we would hear Senate Bill 54 by Senator Lowe, Devine, Turnage and Peterson.

SENATE BILL 54. "An Act To Amend Section 34-101, R.C.M. 1947, By Providing For A Maximum Innkeeper's Liability of \$500 In the Absence Of A Writing Providing Otherwise."

Senator Lowe stated he thinks it is quite important for the innkeeper's provision and it is just an addition to the innkeeper's liability law. It provides that any liability shall be for \$500.00 and anything above that will be made between the innkeeper and the guest.

Senator Lowe then introduced Phil Strobe. He stated he represented the Montana Innkeeper's Association on a year-around basis. They have 150 to 175 members made up of inns and hotels throughout the state. He then mentioned various states and their liabilities such as California - has limits similar to this one. Alaska - not allowed by the gross negligence of the innkeeper. Arizona - limits liability to \$500.00 unless the guest agrees with the innkeeper to assume a greater liability. Idaho - is almost identical to Arizona. Washington - \$200.00 unless the guest agrees with the innkeeper to assume a greater liability. Nevada - no liability. Mr. Strobe stated he does not think the industry can limit the liability. A vast majority of states all have a provision limiting the liability of an innkeeper to a modest sum unless the guest agrees with the innkeeper to a larger sum.

Senator Devine asked what about a guest with expensive jewelry who puts it in the hotel safe, the innkeeper agrees to a larger sum, and there is a robbery? Mr. Strobe said the innkeeper would be liable. However, if the jewelry was left in the room, they would

be liable only for the limit which is \$500. Senator Devine then asked about parking lots. Mr. Strobe stated that if a hotel runs an inside parking facility where you can drive right to the hotel itself, he would assume that the innkeeper would be liable. However, if the hotel parking facility is also public parking, the probability would be that the guest would not be covered.

Senator Lowe stated they are trying to guard against the con man who claims that he had jewelry stolen when in reality he didn't have any.

Senator Regan thought this came under bailment. Roger Tippy said "no." She stated that she doesn't want to see the innkeepers ripped off but on the other hand \$500.00 isn't much when you are talking about your luggage, mens suits, etc.

Roger Tippy stated that maybe it could be handled the way the bus-lines do. When you check your luggage, the ticket agent tells you what the liability is.

Senator Regan asked Mr. Strobe if he would object to some new language in the bill. Mr. Strobe said he would not.


An amendment was suggested by Roger Tippy, page 1, section 1, line 19, after the word property insert "when the innkeepr notifies the guest at the time of registration, in writing, that this limitation applies."

Senator Regan stated that at the time of registration, the innkeeper should have the responsibility to notify the guest of the liability if the guest is acting in a normal and prudent manner. Senator Goodover asked what the limits are right now. Mr. Strobe said there was no limit. Senator Regan stated she thought \$500.00 was too low. Chairman Hazelbaker and Senator Lowe thought that \$500.00 was reasonable.

Senator Regan then thought the section should be redone in its entirety. Senator Regan stated that Roger Tippy had suggested other wording that she thought might work better. This amendment is as follows: Page 1, section 1, line 21, following the word liability add the following sentence. "An innkeeper whose liability is so limited shall notify the guest at the time of registration, in writing, that this limitation applies."

At that time Senator Lowe made a motion that this amendment be used and not the one suggested above. Senator Devine seconded. Chairman Hazelbaker then asked someone to move the bill. Senator Lowe made a motion that Senate Bill 54, As Amended, Do Pass. All were in favor with the exception of Senator Regan who voted "nay."

ADJOURN: There being no further business, Chairman Hazelbaker adjourned the meeting at 11:30.


FRANK W. HAZELBAKER, Chairman

DATE _____

January 13, 1977

COMMITTEE ON

BUSINESS AND INDUSTRY

BILL NO.

SB 54

VISITOR'S REGISTER

[illegible]

(Please leave prepared statement with Secretary)

Business & Industry COMMITTEE

Date 1-13-77

[illegible]

STANDING COMMITTEE REPORT

January 13

1977

MR. President

We, your committee on Business and Industry

having had under consideration Senate Bill No. 54

Respectfully report as follows: That Senate Bill No. 54,
introduced bill, be amended as follows:

1. Amend page 1, section 1, line 21.

Following: "liability."

Insert: "An innkeeper whose liability is so limited shall notify the
guest at the time of registration, in writing, that this
limitation applies."

AND AS SO AMENDED
DO PASS