

February 12, 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.

SENATE BILL 207. "An Act To Authorize Use Of The Word "Bank" In The Name Or Title Of Any Bank Holding Company Registered With The Federal Reserve System."

Chairman Hazelbaker introduced Jack Devine, District 19, Chief Sponsor of SB 207. He stated this bill was by request. It was given to him by the small bankers. Registered bank holding companies want to use the word "bank" in their name or title. He stated some of the banks are using the word "Banco."

PROPONENTS:

Dean H. Albert, Bank of Montana, Great Falls. He agrees with Mr. Lovell's written testimony. Dean Albert's testimony is attached, as well as written testimony we received in the mail from Charles C. Lovell. (Exhibits #1 and #2)

Harold Pitts, Montana Independent Bankers Association stated two years ago there was a lot of controversy over a firm in Missoula who took the name of Memory Bank. He told them he was not permitted to use the word "bank." His attorney advised him that he would have to change it so he spelled it "banke." He urges the passage of SB 207.

Senator Goodover made a motion that SB 207 Do Pass. Senator Kolstad seconded. All were in favor.

SENATE BILL 248. "An Act Permitting The Department of Revenue To License The Catering Of Alcoholic Beverages Off The Premises Of A Tavern."

Senator Frank Dunkle, District 15, stated he was the sponsor of this bill. This bill will allow any person holding a license to cater liquor away from their place of business. This bill does not interfere with the quota system.

Senator Dunkle introduced Jack Anderson, President of Montana Inkeepers. He stated they urged favorable consideration of this bill. In Billings they have a new place called the Metra. It is illegal for them as all beverage license holders to cater liquor elsewhere. They have catered food and liquor was catered illegally by nonunion people. The Fair Board has indicated to him that they would like to have a law like this so that they could have liquor service during the races.

In conventions they want to come in and spend their night in the hotel, but they want to go someplace else for a party. As the law is now they can't cater liquor there. Last Saturday night at the Governor's ball they were required to bring their own bottles because a caterer could not come in and serve liquor. They are willing to pay a fee to cater.

Al Donohue, Heritage Inn, Great Falls stated The Heritage Inn is a convention facility. They do not want to jeopardize their license by going out and selling liquor illegally. They are restricted with conventions to only being able to sell on the premises. They want to be able to go somewhere and legally be allowed to make liquor available to their customers.

Buck Torstenson, Outlaw Inn, Kalispell, stated people are requesting off-premise banquets and off-premise catering of beverages.

Jerry Baker, Jerry's Village Inn, Missoula, stated he supports SB 248. They are licensed to serve liquor in their place of business and they have a wonderful reputation in the catering business. The bill has merit for several reasons. The community need is there. In addition it would put them on the same level as the fraternal orders who have licensing for this.

Phil Strope representing Montana Tavern Association and Innkeepers totally endorses the concept.

Senator Dunkle closed. The Hearing on SB 248 was closed. Senator Devine made a motion that this bill Do Pass. Senator Kolstad seconded. A roll call vote was taken. The vote was 6-2 that Senate Bill 248 Do Pass.

SENATE BILL 277. "An Act To Revise The Horse Racing Law To Provide Authority For The Board Of Horse Racing To Deny An Application For Relicensure For Up To 2 Years For Violation Of The Law Or Rules And Orders Of The Board; And To Provide That A Race Meet Licensee Shall Pay To Montana-Bred Winners 10% Of Only That Part Of The Winner's Purse That The Race Meet Licensee Has Contributed."

Senator Elmer Flynn, District 48, stated he was the Sponsor of SB 277. This bill is the request of the Department of Professional and Occupational Licensing. His explanation of the bill is attached. (Exhibit #3)

Mr. Ed Carney, Department of Professional and Occupational Licensing stated he supported SB 277. They are asking for an immediate effective date on passage and approval of this bill.

Roger Tippy stated the amendment would be:

1. Amend title, line 13.

Following: "1947"

Insert: "AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

Senator Goodover made a motion that the amendment be adopted. Senator Kolstad seconded. All were in favor.

Senator Goodover then made a motion that SB 277, As Amended, Do Pass. Senator Kolstad seconded. All were in favor.

SENATE BILL 328. "An Act To Require Real Estate Licensees To Complete 60 Hours Of Classroom Instruction Within 2 Years Of Initial Issuance Of A License; Providing For Revocation Or Suspension Of License For Falsifying Statements To The Board."

George F. Roskie, District 21, stated he was Chief Sponsor of SB 328. He presented three proposed amendments to the Committee for their consideration. He said it dealt with some problems they overlooked when drafting. (Exhibit #4)

The bill is a result of a study made by the Montana Board of Realtors. They have a number of schools and educational opportunities to deal with the various aspects of real estate provisions. Many of them take courses similar to the CLU's for insurance and CPA's for accountants. They see an opportunity to offer many of the courses here in Helena in the future and he thinks this bill will help in that respect. Senator Roskie handed out information as a brief result of a survey made by the Montana Real Estate Educational Foundation. (Exhibit #5)

Cliff Christian, representing Montana Realtors, handed out information that dealt with the survey and a letter from Dr. Weber. (Exhibits #6, #7, #8, #9, and #10)

Mary Ellen Larson stated Dr. Weber took this survey from 2,500 licensees in the state. 412 responded.

Robert Minto, Attorney, Missoula. It has been his experience that the ones who take the time to continue their education after they are licensed are the ones he has the least amount of difficulty with. He urged the committee to give this bill a Do Pass.

Cliff Christian stated the bill was drafted because of industry response. In the state of Montana there are a number of colleges who would come forward with educational facilities. A number of people feel once they have their license they don't have to continue their education any further. Consequently, he feels their clients are hurt.

Casesy Cardwell, Missoula, stated she took Ralph Shook's class for one year. She feels that there should be continuing education.

Several other persons were introduced:

Sandy MacPherson  
Mimi Parkes  
Don Colberg  
Tom Llewellyn

Sandy MacPherson, Helena, stated this bill is urgently needed. It is for the people that have been in the business for years and have not bothered to keep up.

Senator Roskie closed. After some discussion the hearing was closed on SB 328.

ADJOURNED: There being no further business, Chairman Hazelbaker adjourned the meeting at 12:20 p.m.

  
FRANK W. HAZELBAKER, CHAIRMAN

SB 207  
348  
BILL 373  
328

SENATE

3 + 0

COMMITTEE

VISITORS' REGISTER

DATE 2-12-77

NAME	REPRESENTING	BILL #	(check one) SUPPORT <input checked="" type="checkbox"/> OPPOSE <input type="checkbox"/>
Bob Durkee	MTA	SB 248	X
Phil Strope	MT Innkeepers Ass	SB 248	X
Jack Anderson	Mont Innkeepers Assn	SB 248	X
City Baker	Jerry's Village Inn MT 1A	SB 248	X
Bob Beckstrand	Cuthaw Inn Kalispell	SB 248	X
Bernice G. Baker	Jerrys - Melia	SB 248	X
Sandy Maclemon	Mont Assn. Realtors	SB 328	X
Deanna S. Albert	Self	SB 207	X
Clark Albert	Bancorporation of Mont	SB 207	X
Mark Pitts	Mont. Independent Bankers	SB 207	X
J. Blewett	self	SB 207	X
B. Donohue	self	SB 207	X
Scott Llewellyn	self - visitor		
Carole Llewellyn	visitor		
Kurt Llewellyn	visitor		
H. Thomas Llewellyn	visitor		
Don G. Liberg	self - Realtor	SB 328	X
Mike Parkes	Montana Assn Realtors	SB 328	X
Robert W. Mintz Jr.	MT Board of Realtors	SB 328	X
Kayce Cardwell	Self - Real Estate Salesman	SB 328	X
Mary Ellen Larson	MT Realtors Ed. Fund	SB 328	X
Liff Christian	MT ASSN of REALTORS	SB 328	X
Dan Peniter	visitor		

ROLL CALL  
Business & Industry COMMITTEE  
  
45th LEGISLATIVE SESSION --

SENATE COMMITTEE Business & Industry

Date 2-12-77 Senate Bill No. SB248 Time

NAME	YES	NO
Pat Regan, Vice Chairman		✓
Allen Kolstad	✓	
Pat Goodover	✓	
Bill Lowe	✓	
Jack Devine	✓	
Sandy Mehrens	✓	
Bob Peterson		✓
Frank Hazelbaker, Chairman		✓

Divine Lanahan  
Secretary

Secretary

Chairman

Motion: No Pass

Motion: no pass

(include enough information on motion--put with yellow copy of committee report.)

# STANDING COMMITTEE REPORT

February 12

1977

MR. President.....

We, your committee on **Business and Industry**.....

having had under consideration ..... **SENATE** ..... Bill No. **207**,

Respectfully report as follows: That ..... **SENATE** ..... Bill No. **207**,

DO PASS

# STANDING COMMITTEE REPORT

February 12

19 77

MR. President:

We, your committee on Business and Industry,

having had under consideration SENATE ..... Bill No. 248 .....

Respectfully report as follows: That SENATE ..... Bill No. 248 .....

DO PASS

# STANDING COMMITTEE REPORT

February 12

19 77

MR. **President** .....

We, your committee on **Business and Industry** .....

having had under consideration .....

**SENATE**

Bill No. **277**

Respectfully report as follows: That **SENATE** .....

Bill No. **277** .....

**introduced bill, be amended as follows:**

1. Amend title, line 13.

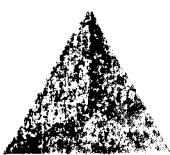
Following: "1947"

Insert: "AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

AND AS SO AMENDED, DO PASS

~~DO PASS~~

*J.W.*



**BANCORPORATION  
OF  
MONTANA**

P. O. BOX 2308, GREAT FALLS, MONTANA 59401

February 12, 1977

\*\*\*\*\*

BEFORE THE BUSINESS AND INDUSTRY COMMITTEE

OF THE MONTANA STATE SENATE

\*\*\*\*\*

TRANSCRIPT OF TESTIMONY OFFERED BY DEAN H. ALBERT

IN SUPPORT OF SENATE BILL 207

\*\*\*\*\*

Mr. Chairman, Members of the Committee of Business and Industry, my name is Dean H. Albert, and I am the Vice President and Secretary of Bancorporation of Montana, Great Falls, Montana and I wish to testify in support of Senate Bill 207.

Mr. Chairman may I ask if you have ruled on Mr. Lovell's request for permission to submit testimony in writing, for if this can be read into the record at this time, my remarks may be very brief and nonrepetitive.

1. I agree with and affirm support of Mr. Lovell's written testimony.

2. Bancorporation of Montana is a publicly owned registered bank holding company incorporated in Montana with principal offices in Great Falls. There are 1,136 shareholders, none of whom own more than 10% of the stock, and 539 debentureholders, none whom own more than 10% of the debentures.

3. I have determined that there are at least 25 one bank holding companies and two multi-bank holding companies domiciled in the State of Montana and three multi-bank holding companies and four or five one bank holding companies domiciled outside the State of Montana, only one of which uses the word "bank" in their title, and they do so because the state in which they are incorporated does not preclude them from doing so.

4. Our prime purpose in supporting Senate Bill 207 is to allow Bancorporation and other bank holding companies to better identify themselves as being in the banking business, to provide a continuity in advertising and public relations, and to develop for the benefit of customers and stockholders the recognition that that holding company is in the banking business.

5. Of my own knowledge, I am not aware of any opposition to this bill. I have personally contacted the Administrator, Financial Division of the Department of Business Regulation, the Executive Manager of the Montana Bankers Association, the Executive Secretary of the Montana Independent Bankers Association, the Legislative Committee Chairman of the Montana Independent Bankers Association, none of whom voiced any opposition to this bill.

LAW OFFICES OF  
**CHURCH,  
HARRIS,  
JOHNSON &  
WILLIAMS**

IW CHURCH (1884-1972)  
GG HARRIS (1863-1973)  
BJARNE JOHNSON  
CARLIE WILLIAMS  
WM A REID  
DALE FORBES  
CHESAP S. McCACKEN  
CHARLES C. LOVELL  
DOUGLAS C. ALLEN  
MILTON O. WORDAL  
RICHARD F. GALLAGHER  
DON A. LABAR  
EARL J. MANSON  
ROBERT P. GOFF  
R. KEITH STRONG  
W. Bjarne Johnson

MICHAEL S. ANDERSON

*Exhibit #2*

P.O. BOX 1645 • GREAT FALLS, MONTANA 59403 • THIRD FLOOR NORTHWESTERN BANK BUILDING • PHONE (406) 761-3000

February 9, 1977

RE: Senate Bill 207, sponsored by Senators Devine, Fasbender, Roskie and Goodover

Bancorporation of Montana, a bank holding company operating wholly in Montana and serving twelve Montana communities through thirteen affiliated banks, supports Senate Bill 207 because:

(1. Present Montana law, (Section 5-508) prohibits a business from using the word "bank" in its name or title unless it is authorized to do business as a bank subject to the jurisdiction of the Montana Department of Business Regulation.

No exception is made for bank holding companies.

(2. This has caused several bank holding companies to use the name bancorporation (often pronounced similarly to van). The result is confusing to the public.

(3. Moreover, in practice, bank holding companies incorporated in another state but doing business in Montana, have been allowed to use the term "bank" in their titles.

Senate Bill 207 will eliminate this public confusion and stop the unfair discrimination against Montana bank holding companies by allowing any bank holding company registered as such with the Federal Reserve System to use the word "bank" in its name or title.

This is a needed amendment to an archaic statute.

Respectfully submitted,

  
CHARLES C. LOVELL

LL No. 245-77

SENATE BILL NO. 277 --FLYNN --By Request of Department of Professional and Occupational Licensing

EXPLANATION OF BILL--General

A BILL TO REVISE TWO SECTIONS OF THE LAW GOVERNING HORSE RACING IN MONTANA. TO PROVIDE THAT THE BOARD OF HORSE RACING MAY ASSESS A FINE AND SUSPEND OR REVOKE A LICENSE AND FORBID APPLICATION FOR RELICENSURE FOR A TWO YEAR PERIOD FOR VIOLATION OF LAW OR RULES; TO PROVIDE THAT ONLY THE MONEY CONTRIBUTED BY THE LICENSEE (TRACK) MAY BE CONSIDERED IN COMPUTING THE BONUS FOR MONTANA BRED HORSES.

EXPLANATION OF BILL--Specific

Section 1. THE CHANGE HERE IS THAT THE BOARD OF HORSE RACING MAY SUSPEND OR REVOKE A LICENSE AND ASSESS A FINE. THE WORDING NOW IS THAT THEY MAY SUSPEND OR REVOKE OR ASSESS A FINE. BECAUSE OF THE SEASONAL NATURE OF HORSE RACING IN MONTANA A PENALTY IMPOSED BY THE BOARD TO SUSPEND OR REVOKE NEAR THE END OF A RACE SEASON HAS LIMITED VALUE, IT MAY BE FOR ONLY A FEW DAYS. THEREFORE THE BOARD IS REQUESTING THAT THEY HAVE THE AUTHORITY TO NOT ONLY SUSPEND OR REVOKE AND ASSESS A FINE, BUT ALSO THE AUTHORITY TO FORBID APPLICATION FOR RELICENSURE FOR A TWO YEAR PERIOD. THIS WILL MAKE THE PENALTY IMPOSED BY REVOCATION OR SUSPENSION HAVE SOME EFFECT WHEN THE VIOLATION OCCURS AT THE END OF A RACE SEASON. THE LIMITED AUTHORITY WAS POINTED OUT BY JUDGE BENNETT IN AN APPEAL IN DISTRICT COURT CONCERNING USE OF AN ELECTRICAL DEVICE IN KALISPELL IN 1975. THE BOARD HAD REVOKED A LICENSE AND ASSESSED THE MAXIMUM FINE OF FIVE HUNDRED DOLLARS. THE JUDGE STRUCK THE REVOCATION AND ALLOWED THE PENALTY OF THE FINE TO STAND BECAUSE OF THE WAY THE PRESENT LAW IS WRITTEN AND THE MAN WAS RACING ALL OF THE TIME BECAUSE PREVIOUSLY JUDGE SANDE HAD STAYED THE BOARD ORDER PENDING REVIEW BY DISTRICT COURT. THE VIOLATOR, MR. CARL ANDERSON, MOVED BACK TO THE STATE OF WASHINGTON AND CONTINUED HIS RACING. THE RULING WAS MADE AUGUST 17, 1975, HEARING WAS HELD SEPTEMBER 20, 1975, BOARD ORDER ISSUED OCTOBER 20, 1975 AND THIS ORDER WAS STAYED ON OCTOBER 27, 1975 AND THE FINAL ORDER BY JUDGE BENNETT ON JULY 6, 1976. THE STATE OF WASHINGTON COULD NOT KEEP THE MAN FROM RACING BECAUSE OF THE STAY ORDER BY THE MONTANA DISTRICT JUDGE. IF THE BOARD IS TO REGULATE HORSE RACING,

SB 328

PROPOSED AMENDMENT

1. Amend page 4, section 4, line 25.

Following: "by"

Insert: "schools or"

2. Amend page 5, section 4, line 2.

Following: "realtors"

Insert: "or licensed under Title 75, chapter 92"

3. Amend page 5, section 4, line 3.

Following: "chapter."

Insert: "Such schools or institutions are not subject to the licensing  
and bonding requirements of 66-1943.3."

*Rosie*

SENATOR ROSKIE: COMPLAINTS AND VIOLATIONS OF RCM 66-1957

<u>COMPLAINTS</u>	<u>VIOLATIONS</u>
1975 - 119	1975 - 23
1976 - 109	1976 - 24
1977 7 to date	1977 - 1

REQUIRED POST-LICENSING EDUCATION: STATISTICS

The following information is presented in support of the proposed "REQUIRED POST-LICENSING EDUCATION BILL" as drafted by the Legislative Committee of the Montana Association of REALTORS.

From the April 1975 Survey conducted by the Montana REALTORS Education Foundation. All real estate licensees were mailed a questionnaire asking there response to numerous questions. 400 licensees responded to the survey. This, according to Dr. David W. Weber of the University of Montana, would give an accurate result.

The following shows the responses to questions about required post-licensing education for real estate brokers and salespersons:

\*Real Estate Salesmen should be required to attend educational courses in order to maintain a real estate license.<sup>1</sup>

42.3% STRONGLY AGREE  
27.5% SOMEWHAT AGREE  
8.6% UNDECIDED  
12.0% SOMEWHAT DISAGREE  
9.6% STRONGLY DISAGREE

\*Real Estate Brokers should be required to attend educational courses in order to maintain a real estate license.<sup>1</sup>

48.6% STRONGLY AGREE  
25.2% SOMEWHAT AGREE  
6.9% UNDECIDED  
9.3% SOMEWHAT DISAGREE  
10.0% STRONGLY DISAGREE

From the April 1975 MREF Survey, the responses of REALTORS and REALTOR-Associates were separated to arrive at the following statistics:

\*Real Estate Salesmen should be required to attend educational courses in order to maintain a real estate license.<sup>1</sup>

42.7% STRONGLY AGREE  
27.3% SOMEWHAT AGREE  
8.5% UNDECIDED  
11.9% SOMEWHAT DISAGREE  
9.6% STRONGLY DISAGREE

February 11, 1977

The Honorable Frank Hazelbaker, Chairman  
Senate Committee on Business and Industry  
Montana Senate  
Helena, Montana 59601

During the Spring and Summer of 1975 I assisted the Directors of the Montana REALTORS Education Foundation in conducting a survey of educational attitudes among real estate brokers and salespersons. The purpose of the study was to determine the needs and types of educational programs which would lead to the maximum degree of professionalism for the industry in serving the needs of the citizens of Montana.

We mailed questionnaires to all licensed brokers and salespersons in the State (about 2500). Four hundred completed questionnaires were returned, which is a high response rate for this type of survey. Replies were tabulated as to the percent choosing any specific response.

Eventhough there were a substantial numbers of replies, this type of survey is subject to nonresponse error. In other words - Would the licensees who did not respond have significantly changed the results if they had? It is impossible to say for sure. However, since the survey inquired into some sensitive areas, licensees who had strong opinions probably replied. So we might expect that the extreem responses (strongly agree, strongly disagree) are accurate indications of the overall feeling.

I understand the demographic profile of respondents cloesly follows the demographic profile of all licensees. This strengthens the position that the survey responses are an accurate representation of the industry as a whole.



David W. Weber  
Doctor of Business Administration  
University of Montana

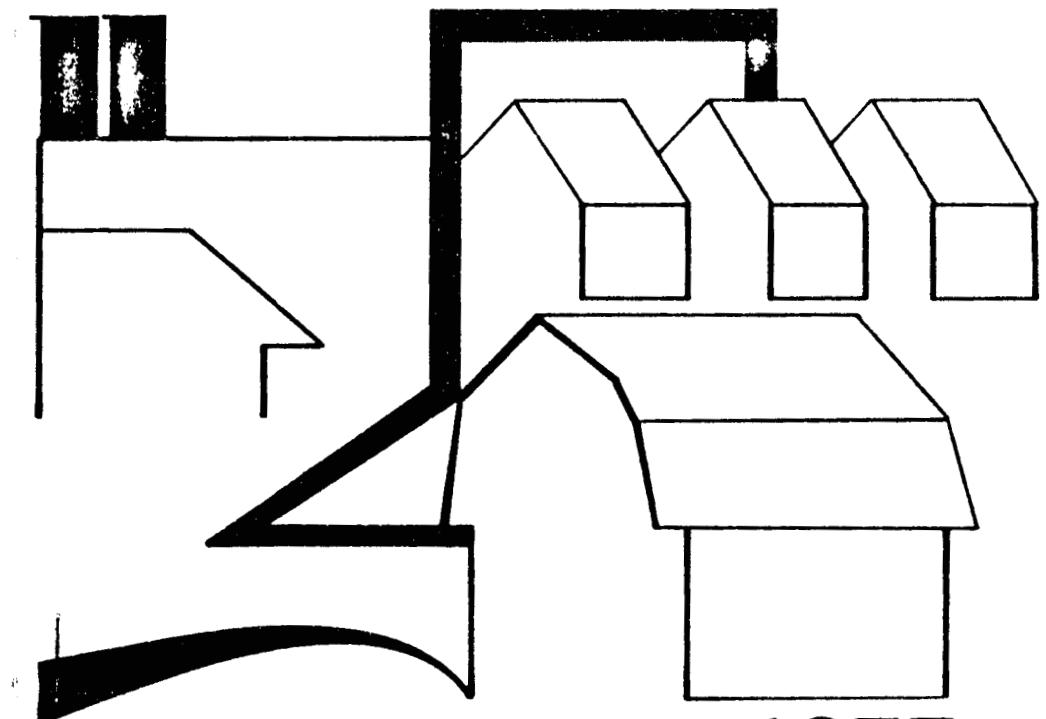
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*Exhibit #7*

# CONTINUING EDUCATION IN REAL ESTATE



REALTOR®



**1977**

Published by the  
**Montana REALTORS® Education Foundation**

1976

RNMI EDUCATION

