

STANDING COMMITTEE REPORT

February 16

19 77

MR. **President**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **SENATE JOINT RESOLUTION** Bill No. **37**

Respectfully report as follows: That **SENATE JOINT RESOLUTION** Bill No. **37**

DO PASS



STANDING COMMITTEE REPORT

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77

19

President
MR.

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **SENATE** Bill No. **35**

Respectfully report as follows: That **SENATE** Bill No. **35**

introduced bill, be amended as follows:

1. Amend title, page 1, line 6.

Following: "CONSUMPTION"

Strike: "DELETING WINE FROM THE DEFINITION OF LIQUOR;"

2. Amend title, page 1, line 8.

Following: "AND"

Strike: "TO REFRAIN FROM RETAILING WINE"

Insert: "PROVIDING ALTERNATIVE WHOLESALING PROCEDURES; REVISING CONTROL
AND MARKETING POLICIES WITH RESPECT TO WINE;"

3. Amend title, page 1, line 10.

Following: "SECTIONS"

Strike: "4-1-107, 4-1-201, 4-3-201, 4-3-202, 4-3-203,"

Insert: "4-1-401, 4-1-403, 4-2-102, 4-2-204, 4-3-102, 4-3-307, AND"

4. Amend title, page 1, line 11.

Following: "4-4-201"

Strike: "AND 4-6-105,"

~~EXPLAN~~ Following: "1947"

Insert: " ; AND PROVIDING A DELAYED EFFECTIVE DATE"

5. Amend the bill, pages 1 through 15.

~~Strike: All of the bill following the enacting clause.~~

~~Insert: "Section 1. There is a new section in Title 4, R.C.M. 1947, that reads as follows:~~

"Section 1. Policy as to the sales of wine. The public policy of the state of Montana on sales of wine is to retain a complete monopoly by the state over the importation and acquisition of wine from wineries, making an agency of the state the sole wine wholesaler of first instance. This policy permits the state wine wholesaling agency to delegate certain wholesaling functions to distributors under strict licensing controls. These functions of handling and distributing wine to approved wine retailers may also be exercised by the state agency through the state warehouse and state liquor stores.

Section 2. There is a new section in Title 4, R.C.M. 1947, that reads as follows:

"Department to wholesale wine--procedures--penalties. (1) The department of revenue shall purchase from wineries such types and quantities of wine as licensed distributors or retailers of wine request or as may further seem proper to the department. Orders shall be shipped to the department's warehouse in Helena, or in the discretion of the department, to the warehouse of a wine distributor. In the latter case, the winery shall send a copy of the invoice to the department. Shipment may be made by any common carrier or by a wine distributor's own private carrier. The department may, upon immediate notice, inspect the records of a distributor or winery at any time during regular business hours.

(2)(a) If a licensed distributor of wine knowingly fails to report or in any manner knowingly falsifies a direct shipment of wine from a winery, the department shall suspend his privilege to sell wine for 30 days upon a first violation and for 60 days upon a second violation, and shall revoke his privilege to sell wine upon a third violation.

(b) If a winery knowingly fails to report a direct purchase of wine or knowingly misrepresents any matter concerning invoicing, pricing, shipping, and the like, the department shall revoke its privilege to sell wine in the state of Montana.

(c) The foregoing violations are civil violations, provable by a mere preponderance of the evidence.

Section 3. There is a new section in Title 4, R.C.M. 1947, that reads as follows:

(1) Wine distributor's license--application and issuance--records--sanctions. Any person desiring to sell and distribute wine to retailers under the provisions of this code shall apply to the department for a license to do so and tender with his application the license fee of \$400 and the department may issue licenses to qualified applicants in accordance with the provisions of this code.

The license shall be at all times prominently displayed in the place of business of such distributor.

(2) Any individual or partnership which has been licensed as a wine distributor may, upon incorporation in accordance with the laws of the state of Montana, transfer such license to the corporation if a majority of the capital stock thereof is held by the individual or the members of the partnership; or if applicant is a foreign corporation the corporation must be authorized to do business in Montana. Each applicant shall have a fixed place of business, sufficient capital, the facilities, storehouse, receiving house or warehouse for the receiving of, storage, handling and moving of wine in large and jobbing quantities for distribution and sale in original packages to other licensed distributors or licensed retailers. Each wine distributor shall be entitled to only one distributor's license, which license shall be issued for his principal place of business in Montana. However, a wine distributor may also hold a license to wholesale beer under 4-4-103, or a license to sell beer and wine at retail for consumption off the premises of one or more bona fide grocery stores under 4-4-201(4).

(3) All wine manufactured outside of the state of Montana and shipped into Montana shall, when such shipment is authorized by the department, be consigned to and shipped to a licensed wine distributor, and by him unloaded into his warehouse in Montana. The wine distributor shall distribute the wine from this warehouse. The wine distributor shall keep records at his principal place of business of all wine including the name or kind received, when sold and distributed; these records may at all times during regular business hours be inspected by any member or representative of the department. Any wine which has been shipped into Montana and has not been shipped to and distributed from the department's warehouse or, under authority of the department, from a warehouse of a licensed wine distributor shall be seized by any peace officer or representative of the department and may be confiscated in the manner as is provided for the confiscation of liquor."

Section 4. There is a new section in Title 4, R.C.M. 1947 that reads as follows:

"Purchase of wine for off-premises sale. Persons licensed under 4-4-201, or 4-4-202 to sell wine for off-premises or on-premises consumption may purchase wine from the warehouse of the department or from a licensed wine distributor in lots of one case or more. The purchase price shall include the f.o.b. winery price, the excise tax thereon, shipping and handling costs, and such additional prices as a licensed wine distributor may impose if he handles the wine."

Section 5. There is a new section in Title 4, P.C.P. 1947 that reads as follows:

"Excise tax on wine -- rate. The department shall charge and collect an excise tax on the sale of wine using the basic formula of 30% of the price of the wine f.o.b. winery plus \$1.00 per gallon, provided that the total excise tax calculated from

the basic formula shall not exceed \$2.50 per gallon. The excise tax on wine sold in bottles containing less than 64 ounces is 100 percent of the basic formula. The excise tax on wine sold in bottles containing 64 or more ounces but less than 128 ounces is 95% of the basic formula. The excise tax on wine sold in bottles containing 128 ounces and over is 62 percent of the basic formula. Ten percent of all taxes collected under this section shall be distributed to local governments in accordance with the formula set forth in 4-1-401. The balance shall be paid into the general fund.

Section 6. Section 4-1-401, R.C.M. 1947, is amended to read as follows:

"4-1-401. License tax on liquor--amount--distribution of proceeds. The department of revenue is hereby authorized and directed to charge, receive and collect at the time of sale and delivery of any liquor except wine under any provisions of the laws of the state of Montana a license tax of five per cent (5%) of the retail selling price on all liquor except wine so sold and delivered. Said tax shall be charged and collected on all liquor brought into the state and taxed by the department of revenue. The retail selling price shall be computed by adding to the cost of said liquor the state mark-up as designated by the department. Said five per cent (5%) license tax shall be figured in the same manner as the state excise tax and shall be in addition to said state excise tax. The department of revenue shall retain the amount of such five per cent (5%) license tax so received in a separate account. Four-fifths (4/5) of these revenues shall be distributed to the counties according to the amount of liquor purchased in each county. One-fifth (1/5) of these revenues shall be deposited in the general fund. Provided, however, in the case of purchases of liquor by a retail liquor licensee for use in his business, the department shall make such regulations as are necessary to apportion that proportion of license tax so generated to the county where the licensed establishment is located for use as provided in section 4-1-402, R.C.M. 1947. The department of revenue shall pay quarterly to each county treasurer the proportion of the license tax due each county.

The county treasurer of each county shall retain one-fourth (1/4) of said license tax, and shall, within thirty (30) days after receipt thereof apportion the remainder three-fourths (3/4) thereof to the treasurers of the incorporated cities and towns within his county, said apportionment to be based in each instance upon the proportion which the gross sale of liquor in such incorporated city or town bears to the gross sale of liquor in all of the incorporated cities and towns in his said county."

Section 7. Section 4-1-403, R.C.M. 1947, is amended to read as follows:

"4-1-403. Excise liquor tax--collection. The department of revenue is hereby authorized and directed to charge, receive and collect at the time of the sale and delivery of any liquor except wine as authorized under any provision of the laws of the state of Montana an excise tax at the rate of sixteen per centum (16%) of the retail selling price on all liquor except wine so sold and delivered. The Montana department of revenue shall retain the amount of such excise tax received in a separate account and shall deposit with the state treasurer, to the credit of the general fund, such sums so collected and received not later than the tenth (10th) day of each and every month."

Section 8. Section 4-2-102, R.C.M. 1947, is amended to read as follows:

"4-2-102. Containers to be sealed with official seal-- opening package on liquor store premises forbidden. No distilled spirits or wine shall be sold to any purchaser, except in a package, sealed with the official seal prescribed by this act, which package shall not be opened on the premises of a state store."

Section 9. Section 4-2-204, R.C.M. 1947, is amended to read as follows:

"4-2-204. Department to sell to licensees--posted price. The department is hereby authorized to sell through its stores all kinds of ~~liquor-wine-and-cordials~~ distilled spirits kept in stock to licensees licensed under this code at the posted price thereof in the store in which said liquor is sold. All sales shall be upon a cash basis. The posted price as used herein shall mean the retail price of such liquor as fixed and determined by the department of revenue and in addition thereto an excise tax as in this act provided."

Section 10. Section 4-3-102, R.C.M. 1947, is amended to read as follows:

"4-3-102 (2815.112) Liquor container must have been sealed with official seal. Except in the case of:

(a) liquor imported by the state, or by the department; or
(b) liquor had and kept by a person, and in a place and manner referred to in section 4-1-202; or
(c) wine lawfully had or kept under this code; or
~~(d)~~ beer and malt liquor, lawfully had or kept under this code;
~~(e)~~ any liquor kept for sale by a druggist under this code, no liquor shall be kept or had by any person within the state unless the package not including a decanter or other receptacle containing the liquor for immediate consumption, in which the liquor is contained has, while containing that liquor, been sealed with the official seal prescribed under this code."

Section 11. Section 4-3-307, R.C.M. 1947, is amended to read as follows:

"4-3-307. Sale of ~~liquor~~ distilled spirits at less than posted price forbidden. It shall be unlawful for any licensee under the provisions of this code to resell any ~~liquor~~ distilled spirits purchased by such licensee from a state liquor store or the state of Montana for a sum less than the posted price established by the said store and paid by the licensee therefor."

Section 12. Section 4-4-201, R.C.M. 1947, is amended to read as follows:

"4-4-201. Issuance of retail beer licenses -- limit on

number of beer licenses -- the license amendments -- and a license fee. (1) Except as otherwise provided by law, a license to sell beer at retail, or beer and wine at retail pursuant to subsection subsections (2) or (4), in accordance with the provisions of this act and the regulations rules of the department of revenue, may be issued to any person, firm or corporation who shall be is approved by the department as a fit and proper person, firm, or corporation to sell beer, provided, that:

(a) the number of retail beer licenses that the department may issue for premises situated within incorporated cities and incorporated towns and within a distance of ~~five~~-(5) miles from the corporate limits of such cities and towns shall be determined on the basis of population as shown by the most recent official United States census authorized by ~~congress~~ congress, ~~to-wit~~ namely: in incorporated towns of ~~five-hundred~~-(500) inhabitants or less and within a distance of ~~five~~-(5) miles from the corporate limits of such towns, not more than one ~~one~~-(1) retail beer license, which ~~shall~~ may not be used in conjunction with a retail liquor license; in incorporated cities or incorporated towns of more than ~~five-hundred~~-(500) inhabitants and not over ~~two-thousand~~-(2,000) inhabitants and within a distance of ~~five~~-(5) miles from the corporate limits of, such cities or towns, one ~~one~~-(1) beer license for each ~~five-hundred~~-(500) inhabitants which ~~said~~ beer license ~~shall~~ may not be used in conjunction with retail liquor licenses; in incorporated cities of over ~~two-thousand~~-(2,000) inhabitants and within a distance of ~~five~~-(5) miles from the corporate limits of such cities two ~~two~~ additional retail beer licenses for the first ~~two~~ thousand-(2,000) inhabitants or major fraction thereof and one ~~one~~-(1) additional retail beer license for each additional ~~two~~ thousand-(2,000) inhabitants which ~~shall~~ may not be used in conjunction with retail liquor licenses. The number of the inhabitants in such cities and towns, exclusive of the number of inhabitants residing within a distance of ~~five~~-(5) miles from the corporate limits thereof, shall govern the number of retail beer licenses that may be issued for use within such cities and towns and within a distance of ~~five~~-(5) miles from the corporate limits thereof, ~~provided that where~~. Where two ~~two~~ or more incorporated municipalities are situated within a distance of ~~five~~-(5) miles from each other, the total number of retail beer licenses that may be issued for use in both of such municipalities and within a distance of ~~five~~-(5) miles from their respective corporate limits, shall be determined on the basis of the combined populations of both of such municipalities and ~~which~~ may not exceed the foregoing limitations. The ~~said~~ distance of ~~five~~-(5) miles from the corporate limits of any incorporated city or incorporated town shall be measured in a straight line from the nearest entrance of the premises proposed for licensing to the nearest corporate boundary of such city or town. Retail beer licenses of issue on the date of the passage and approval of this act and which are in excess of

the foregoing limitations shall be renewable, but no new license shall be issued in violation of such limitations, provided, that each. Such limitations shall not prevent the issuance of a nontransferable and nonassignable retail beer license to any post of a nationally chartered veterans' organization or any lodge of a recognized national fraternal organization, if such veterans' or fraternal organization has been in existence for a period of five-~~5~~ years or more prior to January 1, 1949. No incorporated city or incorporated town may by ordinance restrict the number of licenses that the department may issue, provided that no retail beer license may be issued by the department for any premises situated within any zone of such city or town wherein the sale of beer is prohibited by ordinance, a certified copy of which has been filed with the department. The department shall have discretion to deny the issuance of a retail beer license if it shall determine that the premises proposed for licensing are off regular police beats and cannot be properly policed by local authorities.

(b) The number of retail beer licenses that the department may issue for use at premises situated outside of any incorporated city or incorporated town and outside of the area within a distance of five-~~5~~ miles from the ~~corporated corporation~~ limits thereof, or for use at premises situated within any unincorporated town shall be as determined by the department in the exercise of its sound discretion, provided, that no retail beer license shall be issued for any premises so situated unless the department shall determine that the issuance of such license is required by public convenience and necessity.

(2) A person holding a license to sell beer for consumption on the premises at retail may apply to the department for an amendment to the license permitting the holder to sell wine as well as beer. The division may issue such amendment if it finds, on a satisfactory showing by the applicant, that the sale of wine for consumption on the premises would be supplementary to a restaurant or prepared food business. A person holding a beer-and-wine license may sell wine for consumption on the premises. ~~He may buy wine only at retail from the department.~~ Nonretention of the beer license, for whatever reason, shall mean automatic loss of the wine amendment license.

(3) The annual license fee for a license to sell wine on the premises, when issued as an amendment to a beer only license shall be two-hundred-dollars-~~(\$200)~~.

(4) A retail license to sell beer and wine in the original packages for off-premise consumption only may be issued to any person, firm, or corporation who shall be is approved by the department as a fit and proper person, firm, or corporation to sell beer and wine and whose premises proposed for licensing are operated as a bona fide grocery store or a drugstore licensed as a pharmacy. A bona fide grocery store means either a retail establishment where articles of staple foodstuffs, household supplies, meats, produce, and dairy products are kept in sufficient inven-

tories for general trade and are sold for consumption off the premises, or a specialty wine and cheese shop which sells imported cheeses and wines as at least 30% of its inventory by value. The number of such licenses that the department may issue shall not be limited by the provisions of subsection (1) of this section, but shall be determined by the department in the exercise of its sound discretion, and the department may in the exercise of its sound discretion grant or deny any application for any such license or suspend or revoke any such license for cause. The annual license fee for a license to sell beer and wine at retail for off-premises consumption shall be the same as for a retail beer license."

Section 13. Effective date. This act is effective February 1, 1978.

AND AS SO AMENDED, DO PASS.



FRANK W. HAZELBAKER, Chairman

STANDING COMMITTEE REPORT

February 16..... 19 77.....

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

We, your committee on..... **BUSINESS AND INDUSTRY**.....

having had under consideration **SENATE**..... Bill No. **231**,

Respectfully report as follows: That..... **SENATE**..... Bill No. **231**,

DO PASS

STANDING COMMITTEE REPORT

February 16 19 '77

MR. President

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

having had under consideration **SENATE** Bill No. **237**

Respectfully report as follows: That **SENATE** Bill No. **237** ,
introduced bill, be amended as follows:

1. Amend page 1, section 1, line 19.

Following: "brokers"

Insert: "or salesmen"

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

Following: "broker"

Insert: "or salesman"

3. Amend page 2, section 1, line 1.

Following: "three"

Insert: "members, and not more than two board licensees"

4. Amend page 2, section 1, line 10.

Following: "three"

Strike: "(3)"

5. Amend page 2, section 1, line 13.

Following: "of"

~~DO PASS~~ Strike: "four (4)"

Insert: "4"

AND AS SO AMENDED, DO PASS

STANDING COMMITTEE REPORT

February 16

1977

MR. President.....

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **SENATE** Bill No. **280**

Respectfully report as follows: That **SENATE** Bill No. **280**,

DO NOT PASS

~~DO NOT PASS~~

J. A.

STANDING COMMITTEE REPORT

February 16

19 77

MR. **President**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **SENATE** Bill No. **283**

Respectfully report as follows: That **SENATE** Bill No. **283**,
introduced bill, be amended as follows:

1. Amend title, line 9.

Following: "DENIED"

Insert: " ; CREATING A FEE FOR REQUESTS FOR EXEMPTIONS OR EXCEPTIONS
TO THE SECURITIES ACT"

2. Amend page 3, section 1, line 5.

Following: Line 5

Insert: "(6) For a request for an exemption or exception to the
provisions of this chapter, the fee shall be \$25.00."

AND AS SO AMENDED, DO PASS

~~DO PASS~~

STANDING COMMITTEE REPORT

February 16..... 19 77.....

MR. President.....

We, your committee on..... BUSINESS AND INDUSTRY.....

SENATE..... 400
having had under consideration Bill No.

Respectfully report as follows: That..... 400
SENATE..... Bill No.

DO NOT PASS

DO NOT PASS

J.G.

THE PROBLEM IN BRIEF

Exhibit #1

The Federal Communications Commission is pursuing policies that will hit hard at the pocketbook of the typical home telephone user.

The introduction of telecommunications competition, by the FCC, involves major economic implications for tens of millions of home telephone users - WITH PARTICULAR IMPACT ON LOW-INCOME FAMILIES AND THOSE ON FIXED INCOMES.

The reason is simple. For many years the industry and its regulators have pursued the goal of "universal service" - a telephone in every home - a goal which is embodied in the Communications Act of 1934.

To achieve this goal, local residential telephone service must be priced at rates most customers can afford.

Revenues from long distance calls, services for business and optional services are used to cover some of the costs that would otherwise have to be covered by local service revenues. This holds down local rates.

Also, the averaging of prices for long distance calls has helped assure the development and availability of this

RONAN TELEPHONE COMPANY
REVENUE STUDY

Year	Source of Revenue in per cent of total			Ronan Telephone Company's approximate percentage share of toll revenue. Standard contract "A" Commission only.
	Miscellaneous Revenue	Local Service Revenue	Toll Service Revenue	
1960	5.5%	51.6%	42.9%	34.3
1961	4.4%	51.9%	43.7%	31.6
1962	4.1%	50.5%	45.4%	36.3
1963	2.6%	47.8%	49.6%	42.8
1964	1.8%	47.3%	50.9%	44.6
1965	2.0%	47.8%	50.2%	42.7
1966	2.6%	45.4%	52.0%	43.0
1967	2.6%	43.4%	54.0%	48.1
1968	1.7%	42.5%	55.8%	46.9
1969	1.0%	37.6%	61.4%	45.9
1970	1.4%	34.3%	64.3%	56.2
1971	1.5%	32.6%	65.9%	56.8
1972	2.2%	31.9%	65.9%	55.1
1973	1.9%	30.2%	67.9%	54.6
1974	2.7%	28.1%	69.2%	53.9
1975	1.9%	27.4%	70.7%	60.0
1976	2.9%	28.3%	68.8%	58.3
	Average Annual Increase	Average Annual Increase	Nationally, cost of long distance lines per circuit mile have declined:	
	8%	15%	1950	\$59 per circuit mile
			1975	\$16 per circuit mile

Testimony of - CHARLOTTE POSEY, MONTANA-WYOMING DIRECTOR, COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO

I rise to support this Resolution.

We must weigh carefully the effects of competition on the U.S. Telephone Industry.

1. The need to keep residential telephones rates within reasonable bounds.
2. The effect on U.S. Employment of growing import of telephone equipment.
3. The need to maintain good end to end telephone service.

We in CWA believe that the intent of the Consumer Communications Reform Act of 1934 was to ensure a Unified National System within reach of all Americans. Presently at 95% of penetration into residential and Business Market. Probably those not being served either do not want the service or are in very dire circumstances.

Allowing interconnect and Specialized Common Carrier firms to siphon off large amounts of Telephone Company Service and Equipment would mean that residential rates would have to be raised.

Continued employment of our Members (the majority of which work for the Bell System) is another area of our interest.

More and more we are seeing the use of imported Communications Equipment, some of it furnished through Department and other Retail Stores. We think American People should know whether their Congressmen and Senators are in favor of future Exportation of jobs to various low wage havens abroad. We don't think the FCC has paid any attention to this issue. We think Congress should.

The Executive Board of CWA approved a revised draft of a Resolution in

Exhibit # 4

FROM: STATE AUDITOR - INVESTMENT DIVISION

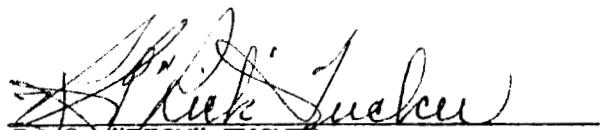
TO: SENATOR HIMSL

DUE TO AN OMISSION ERROR IN THE ORIGINAL DRAFTING OF SENATE BILL NO. 283 IT IS SUGGESTED THAT AN AMENDMENT BE MADE TO THE PROPOSED BILL TO ALLOW AN ADDITIONAL FEE FOR EXAMINATION OF REQUESTS FOR EXEMPTION OR EXCEPTIONS UNDER THE ACT.

A SUGGESTED FEE WOULD BE \$25.00.

IN 1976, 100 SUCH REQUESTS WERE RECEIVED BY THE DEPARTMENT. THIS FEE WOULD HAVE GENERATED APPROXIMATELY \$2,500.00 REVENUE TO THE GENERAL FUND IN ADDITION TO THAT CONTEMPLATED BY SENATE BILL NO. 283. SUCH A FEE HAS BEEN ESTABLISHED BY SEVERAL STATES.

Submitted By:


R. G. "RICK" TUCKER
CHIEF DEPUTY INVESTMENT COMMISSIONER

* ATTACHED IS FORM OF PROPOSED AMENDMENT

*Ed Glazier
Testimony*

Exhibit #5

MEMORANDUM
IN SUPPORT OF A BILL

FOR AN ACT TO AMEND TITLE 5, CHAPTER 14, R.C.M. BY ADDING THERETO SECTION 5-1407 RELATING TO COMMON TRUST FUNDS OF AFFILIATES.

Until very recently, federal tax law (section 584 of the Internal Revenue Code of 1954) and the regulations of the Comptroller of the Currency relating to common trust funds provided that a bank or trust company could maintain a common trust fund for the collective investment and reinvestment of monies contributed by the bank in its fiduciary capacity. Now, however, both the Internal Revenue Code and the Comptroller's regulations have been amended to permit banks and trust companies to invest fiduciary funds in common trust funds maintained by affiliated banks and trust companies. R.C.M. section 5-1407 will, if enacted, authorize MONTANA banks and trust companies to use the authority now contained in section 584 of the Internal Revenue Code of 1954 and in Regulation 9 of the Comptroller of the Currency of the United States. Similar legislation has already been adopted by some states (see, for example, Minnesota Statutes, section 48.841) and it is anticipated that many, if not most, states will follow suit.

Section 5-1407(l)(a) would authorize a bank or trust company to establish common trust funds for the management of assets contributed by that bank or trust company or by an affiliated bank or trust company. For purposes of this bill,

February 16, 1977

Proposed amendment to Senate Bill 433

1. Amend page 3, section 1, line 8 through 11.
Strike: lines 8 through 11 in their entirety
2. Amend page 6, section 5, lines 24
Strike: "corresponding"
Insert: "including but not limited"
3. Amend page 7, section 5, line 14
Following: "systems"
Strike: "using the type of fuel "

SENATE BILL NO. 280

S-11-104-A-7

MR. CHAIRMAN, AND MEMBERS OF THIS COMMITTEE:

THIS PROPOSED LEGILATION WOULD PERMIT THE WRITING OF GROUP AUTOMOBILE CASUALTY INSURANCE. JUST THAT, SO FAR AS THE BODY OF THE BILL IS CONCERNED. HOWEVER, IN THE HEADING OF THE BILL, THERE IS THE FURTHER DECLARATION, "AND NEED NOT HAVE COMMISSION APPROVAL OF GROUP RATES.

ACTUALLY, INDEPENDENT AGENTS OF MONTANA HAVE NO PARTICULAR ARGUMENT WITH THE CONCEPT OF GROUP INSURANCE AS SUCH. WE DO, HOWEVER, OBJECT TO LEGISLATION WHICH WOULD FREE GROUP UNDERWRITING OF A FORM OF INSURANCE THAT IS OTHERWISE CONTROLLED BY CHAPTER 36 OF THE MONTANA INSURANCE CODE. THIS CHAPTER IS KNOWN AS THE OPEN COMPETITION RATING LAW, WHEREIN RATES CANNOT BE EXCESSIVE, INADEQUATE OR UNJUSTLY DISCRIMINATORY. WE FURTHER OBJECT TO THE FACT THAT THIS LEGISLATION CONTAINS NO QUALIFYING CONDITIONS FOR THE WRITING OF GROUP AUTO COVERAGE WHATEVER. CHAPTER 39 OF THE MONTANA INSURANCE CODE PROVIDES SPECIFIC CONDITIONS UNDER WHICH LIFE AND DISABILITY GROUP COVERAGE MAY BE WRITTEN. IT IS OUR CONTENTION THAT SIMILAR GUIDE LINES FOR GROUP AUTO INSURANCE SHOULD BE MADE A PART OF THIS PROPOSAL. SUCH THINGS AS, WHAT CONSTITUTES A GROUP AS, SAY, 50 HOMOGENEOUS EXPOSURE UNITS. - WHETHER WRITTEN UNDER A MASTER CONTRACT WITH CERTIFICATES OR WHETHER INDIVIDUAL POLICIES ARE TO BE USED. - THE MINIMUM NUMBER OF ENROLLED UNITS NECESSARY TO QUALIFY THE GROUP, POSSIBLY 75%. SOME PROVISION SHOULD CERTAINLY BE MADE TO GUARANTEE NON DISCRIMINATION. AND OF EXTREME IMPORTANCE, WOULD BE A PROVISION TO GUARANTEE CONTINUITY OF COVERAGE SHOULD THE ENROLLEE CEASE TO BE A MEMBER OF THE GROUP.

AGAIN, INDEPENDENT INSURANCE AGENTS OF MONTANA ARE NOT AVERSE TO THE AUTO GROUP CONCEPT BUT WE CANNOT ACCEPT THE PROPOSITION THAT GROUP AUTO SHOULD BE WRITTEN WITHOUT RULES, WHILE EVERY OTHER INDIVIDUAL POLICY ISSUED MUST COMPLY WITH EXISTING INSURANCE CODES.

WTB:mcw/oh

Department of Labor and Industry



449-3472

Helena, 59601

THOMAS L. JUDGE
GOVERNOR OF MONTANASIDNEY T. SMITH
LABOR COMMISSIONERTESTIMONY
Senate Bill 282

My name is Dave Fuller, I am the Commissioner of the Department of Labor and Industry and I am here in opposition to Senate Bill 282.

Several of my key staff members and I have spent considerable time reviewing and considering the probable impact of this Bill. Frankly, if other agencies in state government have spent as much time on this Bill as we have, the purpose of the Bill may already have been accomplished. Our review of this Bill has reminded us that many of the actions we take as government employees has a direct, if unmeasurable, impact on the economy. I believe that awareness is healthy and probably makes the introduction of this Bill worthwhile. On the other hand, our review has also pointed out that any further action on this Bill would cause more harm than good.

There are at least four major problems with this proposed legislation:

- 1) The Bill lacks clarity in terms of when impact statements are required. As the Bill is written, state agencies, such as the Department of Labor and Industry, would have to assume almost every action we take may have an effect on the economy.

As an example of the extremes this Bill could currently revoke, almost every economist would agree that the economy of an area reacts somewhat in the direction people expect it to go. Thus, if the Employment Security Division is going to publish its required monthly booklet, which describes the current employment picture, we would first have to get an economic impact statement describing, and I quote Section 3, "the manner and extent to which it may curtail, prevent or delay any existing or potential employment of people in the state during the 24 month period first following its effective date..."

The Employment Security Division would certainly have to provide a statement for every major budget adjustment, and for every major grant modification under their federal programs such as the WIN program and the Job Corps program. They could average two or three statements a month.



Box 1176, Helena, Montana

ZIP CODE 59601

JAMES W. MURRY
EXECUTIVE SECRETARYLUNDY SHOPPING CENTER
MISSOULA HIGHWAY

REMARKS OF JAMES W. MURRY ON SENATE BILL 282, HEARINGS OF THE SENATE BUSINESS AND INDUSTRY COMMITTEE, FEBRUARY 15, 1977

It would seem logical that any legislation painted as a boon to economic development would draw the support of organized labor. However, on behalf of the workers who would benefit most from true economic development, I appear in opposition to Senate Bill 282.

Senate Bill 282 was conceived in the best interests neither of workers nor of the Montana community as a whole. Senate Bill 282 is nothing more than a "make-work" effort on the part of industry, designed to bring government to a halt. It is no surprise to us that the big coal companies and the big corporations are backing this bill. Ever since the Montana Environmental Policy Act was signed into law, these special interests have been trying to devise a way to get back at government for requiring industry to comply and cooperate with the environmental impact statement process. If industry has one mission, besides accumulating great wealth at the expense of workers, it is to stop government. And, if ever a piece of legislation were drafted to satisfy that goal, it is Senate Bill 282.

I won't elaborate on the administrative problems and delays that would result from the implementation of this bill. You have already heard about them from some people who know a lot more than I do about how to run a government. The point is, the slowdowns and delays caused by Senate Bill 282 could result in the worst kind of economic stagnation, and that is government-induced stagnation. That's just what industry would like to see, and workers will be the victims, not the beneficiaries, of legislation falsely described as an attempt to promote employment and economic opportunities for our people.

Along with the economic opportunities that accompany development, labor is surely concerned with the social and human side of growth and development. Every time the dollar sign takes top billing on the list of priorities, the human condition slips a notch or two, and workers are generally the first to suffer from this kind of shift in priorities.

Big emphasis is placed on jobs and numbers in this bill, but what about the many other aspects of employment? What if the State Commissioner of Labor were to rule that prevailing wage should be raised for one area of the state? Under Senate Bill 282, would increased wages result in "a loss of one per cent or more of primary employment opportunities," as set forth in Section 3(c) of Senate Bill 282?

Or what if the Administrator of the Workers' Compensation Division saw a need for improved safety regulations at the Hoerner-Waldorf plant in Missoula? Currently, when companies are threatened with stricter safety regulations, they appeal to a worker's greatest fear by announcing they'll have to lay a few workers off or shut the plant down entirely because they can't afford to comply with new standards. This is one of the oldest tricks in the book used by companies to rally workers to their side when the pressure is on industry. We call it environmental blackmail, and we know it for the false threat that it is. But what if Senate Bill 282 were passed and, suddenly, the companies had some law on their side restricting state actions that would drop employment by one per cent? I'll tell you what would happen....The health, safety and welfare of

Exhibit #10



STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

April 3, 1975 ST. PAUL, MINNESOTA 55101

RECEIVED
STATE ATTORNEY'S OFFICE
APR 7 11 12 AM '75
HELENA, MONT.

Ms. Josephine M. Driscoll, CPIW
Assistant Chief Deputy Ins. Comm.
State of Montana
Insurance Department
Capitol Building
Helena, Montana 59601

Dear Ms. Driscoll:

RE: Mennonite Aid Plan of the U.S.

Minnesota Statute 66A.20 reads as follows:

**§66A.20 Exemption; fire, hail, and tornado associations
maintained by members of one religious denomination**

The members of any one church, or of any one religious denomination, may maintain for the exclusive benefit of the members thereof an unincorporated association for the mutual insurance of the property of the members against loss or damage by fire, lightning, hail, or tornado, or all of them. The association shall furnish no insurance except upon the property of an actual member of the church or denomination. It may conduct its business upon the plan and method adopted by it and shall not be required to be licensed by or report to the commissioner. Laws 1967, c. 395, Art. VII, § 20.

I believe this answers your inquiry.

Very truly yours,

Thomas L. O'Malley
Thomas L. O'Malley
Analysts Supervisor
INSURANCE DIVISION

TLO:M:1jr



Exhibit 107
2

STATE OF MONTANA

OFFICE OF
E. V. "SONNY" OMHOLT
STATE AUDITOR
COMMISSIONER OF INSURANCE
INVESTMENT COMMISSIONER
CENTRAL PAYROLL SYSTEM

HELENA, MONTANA 59601

January 11, 1977

Senator Cornie R. Thiessen
The Senate
Helena, Montana 59601

RE: MENNONITE AID PLAN OF THE U.S.

Commissioner Omholt has requested that we furnish you with a statement as to our position regarding the captioned and their sale of insurance in our State.

This situation was first called to our attention in 1974 when we received an inquiry regarding the validity of a fire insurance contract issued by the Plan in conjunction with a VA loan. At that time, the VA required that all such contracts be issued with duly authorized carriers, and we had to advise the VA that the Mennonite Plan was not authorized to do business in our State.

We believe the enclosed statement by our Counsel, Chip Erdmann, is self-explanatory.

However, if you have any further questions please do not hesitate to contact us.

E. V. "SONNY" OMHOLT
STATE AUDITOR & EX OFFICIO
COMMISSIONER OF INSURANCE

Josephine M. Driscoll
Josephine M. Driscoll, CPIW
Assistant Chief Deputy Ins. Comm.

JMD:s
encl.

15 FEB 77

Exhibit #11

SENATE BILL NO. 400

MR. CHAIRMAN, AND MEMBERS OF THIS COMMITTEE:

I MOST CERTAINLY MUST OPPOSE, ON BEHALF OF INDEPENDENT INSURANCE AGENTS OF MONTANA, LEGISLATION OF THIS SORT, WHICH HAS THE POTENTIAL OF ELIMINATING A VERY SUBSTANTIAL PORTION OF OUR LIVING.

TODAY, THE DWELLINGS IN ALL OUR COMMUNITIES, AND YES, THE CHURCH PROPERTIES TOO, ARE INSURED BY TAX PAYING INSURANCE COMPANIES, REGULATED BY THE STATE OF MONTANA. MOST OF THIS INSURANCE IS PLACED BY LICENSED AGENTS OF LICENSED INSURANCE COMPANIES DOING BUSINESS IN MONTANA. INDEPENDENT INSURANCE AGENTS REPRESENT SOME 200 AGENCIES AND WELL OVER 1200 INDIVIDUALS. WE ARE, EVERY ONE OF US, BUSINESS ORIENTED AND COMMUNITY INVOLVED CITIZENS. WE MAKE PAYROLLS - WE OWN AND MAINTAIN OFFICE BUILDINGS AND EQUIPMENT - WE PAY TAXES ON THESE PAYROLLS, ON OUR PROPERTY AND ON OUR BUSINESS AND PERSONAL INCOME. MOST OF US BELONG TO RELIGIOUS ORGANIZATIONS AND TAKE OUR POSITION OF RESPONSIBILITY IN OUR CHURCHES SERIOUSLY, BOTH IN TIME AND EFFORT - AND WITH OUR MONEY. THAT MONEY WHICH THIS LEGISLATION WOULD DEPRIVE US FROM EARNING.

WE FEEL IT IS UNFAIR AND COMPLETELY UNJUSTIFIED TO CONSIDER PERMITTING NON PROFIT RELIGIOUS ORGANIZATIONS TO COMPETE IN ESTABLISHED COMMERCIAL BUSINESS THAT IS REGULATED AND TAXED AT EVERY TURN BY GOVERNMENT.

I WOULD HOPE THAT YOU, MEMBERS OF THIS COMMITTEE, CAN SEE THE POTENTIAL DANGER TO ALL SMALL INDEPENDENT BUSINESSES WHEN CONFRONTED WITH DISCRIMINATING SITUATIONS SUCH AS THIS. AFTER ALL, IT IS ONLY BY THEIR INDUSTRY AND EFFORT THAT THE FINANCIAL DEMANDS OF GOVERNMENT CAN BE MET.

I SINCERELY URGE THE DEFEAT OF THIS BILL.

WT Bayard Clarke
W. ROYCE CLARKE, LEGISLATIVE COUNSEL

HOUSE MEMBERS

ROBERT L. MARKS
CHAIRMAN

FRANCIS BARDANOUVE

OSCAR KVAALEN

PAT MC KITTRICK

ROSE WEBER
EXECUTIVE DIRECTOR

ELEANOR ECK
ADMINISTRATIVE ASSISTANT

ROBERTA MOODY
DIRECTOR, LEGISLATIVE SERVICES



Montana Legislative Council

State Capitol

Helena, 59601

(406) 449-3064

SENATE MEMBERS

CARROLL GRAHAM
VICE CHAIRMAN

CHET BLAYLOCK

GLEN DRAKE

FRANK HAZELBAKER

DIANA DOWLING
DIRECTOR, LEGAL SERVICES;
CODE COMMISSIONER

ROBERT PERSON
DIRECTOR, RESEARCH

February 8, 1977

TO: Business and Industry Subcommittee on the wine bill

FROM: Roger Tippy, Staff Attorney *R.T.*

RE: Points at issue in the bill

Using the version of the bill marked "proposed revision by sponsors 2/2/77", also known as "85S", for page and line citations, the following points are at issue:

1. Redefined agency agreement (p. 1, lines 24-25); department urges deletion of "AT A STATE LIQUOR STORE".
2. Definition of liquor (p. 2, line 20); department suggests returning to introduced bill version.
3. May lawfully buy liquor from department or from its agency or licensee; department questions; this amendment ties in with the direct-purchase-from wineries provision (the "Safeway amendment", #6 below).
4. Section 4 (p. 7, line 24 through p. 8, line 5); department questions rationale for, if wine is included in definition of liquor (issue #2, above).
5. Wine distributor's license (p. 8, lines 13-19; pp. 9-10); department seeks better definition of criteria for qualified applicants; clarification of whether distributors may sell to pizza parlor licensees.
6. Direct purchase ("Safeway amendment", p. 8, line 20 to p. 9, line 14); department calls unworkable as drafted; wants each person so authorized to receive shipments at just one warehouse, to make monthly reports, to be subject to inspection, if this provision is left in bill.
7. Tax (p. 10, lines 10-21); department urges substantial revision, likes formulas like Washington's (flat cents per gallon plus flat percentage); LaFaver formula in bill is effort to preserve present pricing ranges.

February 16, 1977
7:00 p.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 the Governor's Reception Room of the State Capitol Building at 7:00 p.m.

CONSIDERATION OF SENATE BILL 433. "An Act To Provide For Specialty Licenses For Warm Air Heating, Ventilation, And Air Conditioning Work And To Otherwise Revise The Licensing Laws Relating To That Work."

Senator Richard Smith, District 8, stated he was chief sponsor of this bill. He stated this law was passed two years ago dealing with warm air heating, etc. This has been tied up in the courts. He submitted an amendment excluding mobile homes, modular homes, recreational vehicle or camper manufacture, repair, maintenance or sales. (Exhibit #1)

PROPOONENTS:

Jerome Anderson, Montana-Wyoming LP Gas Association, stated this is a result of 1 1/2 years work. This regulation act was passed in 1975. A person applying for a license would not have to know all phases of electrical work but would have to be knowledgeable with the particular industry that he is involved with. On February 10, 1976, he filed in Yellowstone County an injunction. He feels it would be best to work with the Board to try to arrive at some amendments for everyone to work with. He stated if this bill does not pass they go back to the existing act. He stated he is authorized to tell the committee that the Board does fully support this bill.

Gene Picotte, Attorney, representing Montana-Dakota Company. One of the divisions of MDU is the sales and service of appliances. It does air conditioning installations and subs out most of everything else. He feels there is no way you can put any public utility in this bill and allow that company to service the public and stay in business.

Robert Patterson, Board of Warm Air feels the existing bill that is on the statutes is very unworkable. On behalf of the Board they fully support this bill.

Barry York stated from the standpoint of the Mobile Dealers Association, he hopes the committee will pass this bill.

Bill Novak, mobile home dealer in the Billings area. Their work consists only of warranty work. There is no custom work.

Harry Garberg - W/A Board

Ralph D. Bawden, Montana L.P. Gas

Dale Mace

Jack Brown

Guy Rustad, Gallatin Homes

These gentlemen stated they would support the bill provided it had an amendment.

Kathy Taylor, Bell Manufacturing, Kalispell, stated they would support the bill if it is amended.

OPPONENTS:

Vince Marciano, Mountain Gas Services, stated he opposed the bill.

Don Beaver, Beaver Air Conditioning & Heating stated he opposed the bill. He handed out a letter dated January 7, 1976, to Mr. Ed Carney. This is attached. (Exhibit #2)

Russ Crowder, J. E. Bergsieker Refrigeration, stated his partner called Senator Smith and asked him why he submitted such a bill. Senator Smith stated Ron Matteuci wanted him to. He feels the principal behind this is to eliminate all non-union shops in the State of Montana. He wanted everyone to understand that if this bill went through, they are going to file litigation against them.

Orian Wood, Director of Manufacturing for Boise Cascade stated he is neither a proponent or opponent. He stated one portion of their business is involved in manufacturing of homes. Within the last 1 1/2 years they have put a plant in the Laurel area. He was opposed to the bill originally, but would be for it with the amendments of Senator Smith.

Senator Smith closed. Hearing closed on SB 433.

CONSIDERATION OF SENATE BILL 370. "An Act To Provide For The Appointment Of Public Service Commissioners."

Senator Jack Devine, District 19, stated he was chief sponsor of this bill. He handed out testimony to the committee members and this is attached. (Exhibit #3)

PROPONENTS:

Neil J. Lynch, representing Montana Motor Carrier, stated he supported this bill. He handed out a package of information which consists of the following: (1) Letter from Leonard W.

Eckel, Executive Vice President, Montana Motor Carriers Association, Inc. (2) A Fact Sheet (3) Letter from Mrs. Mary H. Deschenes dated February 15, 1977 (4) List of states which have appointed commissioners (5) Letter from Kenneth R. Wilson, City of Miles City, dated January 17, 1977. (6) Letter from Leon H. Reinecke, Vice President & General Manager, Beall, Inc., dated January 27, 1977. (7) List of Docket Numbers and Applications (8) Motor Carrier Cases and Dates of Handling by PSC (9) News articles "Brazier blasts PSC," "What's the problem with PSC?" "Shea charges truckers politically motivated", "Clark Fork reaches end of the line", "PSC chief asks solons for advice", and "Simmering pot of criticism finally boils over." These are all attached. (Exhibit #4) Also rough draft of Transcript. (Exhibit #5)

He stated he has served as Counsel for the PSC and Supervisor of Motor Carriers. They are upset because he feels the motor carriers phase is being neglected. They are seeing carriers going broke. They probably have the poorest service in the rural areas.

He stated one of the things we would hear tonight is that they will be taking something away from the electors in Montana. He feels what is lacking from an elective Commission is the expertise. He does not feel things are being resolved under the present structure of the PSC. He stated 38 states have gone the appointed route. California is one of these. Experience has shown that the problems and difficulties in those areas are much less than those states that have elected officials. He stated the Commission is not taking an impartial role, but is working as an advocate. Regulatory lag is the length of time between the time that a petition is filed and a decision is rendered. He read a statement from John Helme, Wisdom, Montana. His problem was regulatory lag.

Mr. Helme has five employees and 450 subscribers. They have been in existence since 1903. The last increase was 25 years ago. Present application dated September 19, 1975. Didn't receive anything for over a year. Then received a call from Commissioner Shea. Docketed December 1976. No decision to date. The public was denied service for about 15 months. Now, direct distance dialing is wanted. They need a decision within a few months or the company would go broke.

He stated there are at present two major carriers. It has come down to that because carriers cannot exist in the State of Montana. The employees have gone from 18 to 62, but the number of carriers have not changed.

He feels there are certain areas where people should not be elected and this is one of them.

Bob Mitchell, H. F. Johnson, Inc., Billings, Montana. He appeared in favor of this bill. His testimony is attached. (Exhibit #6)

Jerome Anderson, Attorney from Billings. He is appearing in support of the bill. He stated he has practiced before the PSC since 1952. His firm has probably handled more cases than any-

other legal firm in Montana. They have had constant problems. They do not have an administrator for the motor carrier department at the present time. They need an overall Commission that consists of a Chairman and two appointed people rather than five executives.

Dale Meader stated there should be a three member board and there should be a sufficient amount of money appropriated for a sufficient staff. He stated they should establish a procedure and require the PSC to report back the progress and work before them which they are handling in much the same manner as the Supreme Court does.

Gordon McGowan, Montana Railroad Association, stated he supported SB 370.

Ronald Watterman, Attorney, Burlington Northern Railroad, stated he supported SB 370.

OPPONENTS:

Jimmy Shea, Public Service Commissioner, District #4, stated he opposed the bill. His testimony is attached. (Exhibit #7)

P. J. Gilfeather, stated he is one of the Commissioners on the present five-man Commission. He is not appearing as a Commissioner or for the Commission but is appearing as a citizen. He opposes this bill. He believes that any board that deals directly with the problem of the people should be a board that should be close enough to the people. He thinks the five-man board allows that. He stated the Commission deals with business that affects everyone in the State of Montana. A few years ago you only had the question of whether or not you were going to give the rate of return on a certain matter of rate base or cost of capital. Now you have the question of who is going to get gas, and other problems. He stated he has been both appointed and elected. There is less pressure on an elected official than an appointed official. He thinks the present Commission is well qualified. He thinks the people should have the right to vote.

Gordon Bollinger, Chairman of the Public Service Commission stated he worked long and hard for the PSC before he ran for office. He wants to make this PSC the best. As far as elected or appointed, he feels this does not make a good Commission. He stated Oregon has only one Commissioner and it works very well. One of the things that bothers him is he doesn't see any qualifications in this bill that would make it a better Commission. He stated they asked for 12 new employees and they were awarded one.

Tom Schneider, Public Service Commission, stated he wanted to address only one issue - the question of expertise on the Commission. His background is a petroleum engineer. He feels they haven't tested the five-man Commission.

Robert J. Muntzenrider, stated he is opposed to this bill. He thinks we should continue with the elected public officials.

Kenneth Clark, Miles City, United Transportation, stated he uses the Commission as much as other people do. A few years ago they went from a three-man to a five-man Commission. Now they want a three-man elected Commission and soon they will be asking for a one-man Commission. He opposed the bill.

Ernie Post, AFLCIO, stated he opposed SB 370.

Senator Devine closed. Hearing closed on SB 370.

CONSIDERATION OF SENATE BILL 428. "An Act To Require Lending Institutions Loaning Money On New Residential Construction To Withhold 5% Of The Cost Of Construction From The Contractor For A Period Of 1 Year, Unless The Contractor Posts A Bond."

Senator Tom Hager, District 30, stated he was the chief sponsor of this bill. He stated the reason for this bill was he recently moved into an area building new homes, many of the people are having trouble getting the builder to come back and do the little things that need to be done. This would require the Savings and Loans Institutions to deposit 5% to be held for one year or until all the warranty work has been done. The lending institutions would also need to pay interest on this account.

OPPONENTS:

Dick Fossum, Vice President, First National Bank, Helena. He feels the construction contracts are usually very small and some contractors are not eligible for performance bonds. The bill presents an alternative and that is a 5% cash escrow to be held for one year. However, he thinks this would work an undue hardship on contractors as 5% would be some of their profit on that home.

Terry Bass, Montana Contractors Association, stated he endorses what Dick Fossum said.

John Cadby, Montana Banker's Association, stated the best way would be to require a performance bond and leave lending institutions out of it entirely.

Harold Pitts, Independent Banker's Association stated he thinks the responsibility is being place on the wrong party. This would place an undue burden on them.

Ross Cannon stated he was opposed to the bill.

Senator Hager closed. Hearing closed on SB 428.

CONSIDERATION OF SENATE BILL 437. "An Act To Establish A Joint Underwriting Association For Medical Liability Insurance."

Senator Frank Dunkle, District 15 stated he was chief sponsor of this bill. He stated this bill is one that addresses a critical

problem and that is the high cost of medical liability insurance. The problem is the patient pays this. He is trying to come up with something to solve some of these problems.

Gerald Neely, Montana Medical Association, stated he supported this bill. He stated at the present time there are ten companies that sell medical liability insurance. Aetna sells medical liability insurance. The two problems are: (1) Ever increasing cost of it. (2) Availability of it. There has to be some substitution in case Aetna pulls out of Montana. To his knowledge, there has been no opposition to this bill. He stated they have had communication with Aetna Life Insurance Company. They did offer an amendment which provides for an additional means of recouping of any losses. This amendment is attached. (Exhibit #8) He stated he has no objection or preference to the amendment. He stated they did not insist that it be included but they wanted to let the Committee see it.

Senator Dunkle closed. Hearing closed on SB 437.

DISPOSITION OF SENATE BILL 428.

Senator Regan made a motion that Senate Bill 428 Do Not Pass. Senator Devine seconded. Senator Kolstad voted "nay."

DISPOSITION OF SENATE BILL 437.

Senator Devine made a motion that Senate Bill 437 Do Pass. Senator Goodover seconded. Roll Call Vote. Every one was in favor except for Senator Hazelbaker.

DISPOSITION OF SENATE BILL 433.

Senator Regan made a motion that Senate Bill 433 As Amended, Do Pass. Senator Goodover seconded. Roll Call Vote. Everyone in favor except for Senator Kolstad.

DISPOSITION OF SENATE BILL 205.

Senator Regan made a motion that Senate Bill 205, As Amended, Do Pass. Senator Kolstad seconded. Roll Call Vote. All in favor except Senator Goodover, Senator Lowe, Senator Devine, and Senator Peterson. Therefore, SB 205 came out of Committee Without Recommendation, As Amended.

DISPOSITION OF SENATE BILL 328.

Senator Devine made a motion that Senate Bill 328 Do Not Pass. Senator Mehrens seconded. Roll Call Vote. All in favor except Senator Kolstad, Senator Goodover, Senator Lowe and Senator Hazelbaker. Tie Vote. Came out of Committee Without Recommendation.

DISPOSITION OF SENATE BILL 282.

Senator Regan made a motion that SB 282 Do Not Pass. Senator Kolstad made a substitute motion that we defer action for the day. All were in favor except Senator Regan and Senator Hazelbaker.

DISPOSITION OF SENATE BILL 206.

Senator Lowe stated that since this bill had already passed Committee as a Do Pass, they had returned the bill for amendments. His amendments had already been approved. He stated there would be a new set of amendments. Without objection, the committee amendments were considered revised.

DISPOSITION OF SENATE BILL 258.

Senator Devine made a motion that SB 258 Do Pass. Senator Peterson seconded. Roll Call Vote. All in favor except Senator Regan who abstained.

DISPOSITION OF SENATE BILL 328.

Senator Regan made a motion that SB 328 Do Not Pass. Senator Devine seconded. Roll Call vote. Regan, Devine, Mehrens, and Peterson in favor. Goodover, Kolstad, Lowe and Hazelbaker against. Went to the floor Without Recommendation.

DISPOSITION OF SENATE BILL 370.

Senator Devine made a motion that SB 370 Do Pass. Senator Goodover seconded. Senators Kolstad, Goodover, Devine and Hazelbaker in favor. Senators Regan, Lowe, Mehrens and Peterson against. Went out Without Recommendation.

ADJOURN: There being no further business, Chairman Hazelbaker adjourned the meeting at 11:00 p.m.



FRANK W. HAZELBAKER, CHAIRMAN

1:00 P.M.
Doc Rec. Lm
BILL SB 370
433
437
428

SENATE

B. L.

COMMITTEE

VISITORS' REGISTER

DATE 2-16-77

NAME	REPRESENTING	BILL #	(check one) SUPPORT	OPPOSE
John Goulet	Consumer Counsel			
Dennis R. Lopach	PSC	SB 370	X	
P.J. Gilfeather	PSC	SB 370	X	
Chuck Osler	Osler's HTG & A/C	SB 433	X	
Marvin Osler	Osler's HTG & A/C	SB 433	X	
Eric Marconi	Mountain Gas Service	SB 433	X	
Edwin Wilson	Michigan Refrigeration	SB 433	X	
Joe J. Drye	National HTG & A/C	SB 433	X	
D. J. Beeler	BEAVER A/C + HTG	SB 433	X	
Dick Schul	Schulz Refrig.	SB 433	X	
Russ Crowder	J.E. BERESFORD REFRIG.	SB 433	X	
David Holz	ACE Refrigeration	SB 433	X	
GARY HAMILTON	C4H REFRIG HTG.	SB 433	X	
KATHY TAYLOR	BELL MFG	SB 433	X	
Val Ketchum	american P+H	SB 433	X	
Cliff Hahn	americain plumbing co	SB 433	X	
Norman J. Olson	Olson Refrigeration	SB 433	X	
Harry Hartung	W/A Board	SB 433	X	
GUY RUSTAD	GALLATIN HOMES	SB 433	X	
LARRY HART	BELL MFG CORP	SB 433	X	
Robert Patterson	Boards of Warm Air	SB 433	X	
Charles Lottier	Lottier Sales	SB 433	X	
GARRY L. HART	MMHA	SB 433	X	
William J. Duvak	Change Homes Corp	SB 433	X	

DATE

COMMITTEE ON BILL NO.

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
Mark Johnson	Kober Modular Housing	AS AMENDED	
James Hesby	Jim's Registration	SB 433	X
Don Fullerton	Thermo Quartz Heating & Repair	SB 433	X
Erica Neely	Minerva Indus. Assoc.	SB 437	

SENATE

COMMITTEE

BILL

VISITORS' REGISTER

DATE

NAME	REPRESENTING	BILL #	(check one) SUPPORT	OPPOSE
Mike Carroll	Mont Dept of Ag	SB 370	✓	
Terry Whiteside	Mont Dept of Ag	SB 370	✓	
Ralph D. Baudin	Mont I.P. Co.	SB 433	✓	
Eric Cummiskey	Mont I.P. Co.	SB 433	✓	
Robert J. Manganaro	Self	SB 370	✓	
Steve Hudman	Self	SB 370	✓	
Steve Hudman	Mont-Fla. Auto. Co.	SB 433	✓	
John A. Bannister	Mont Dept. of Motor Vehicles	SB 433	✓	
Gordon McHowan	Mont R.R. Assn	SB 370	✓	✗
John C. Calkin	Mont. Bankers Assoc.	SB 433	✓	
Robert W. Schaff	Schaffers Motor Prod.	SB 433	✓	
Robert W. Schaff	Mont. Bankers Assoc.	SB 433	✓	
Robert W. Schaff	Mont. Bankers Assoc.	SB 433	✓	
Charles Hamilton	C-H Htg & AC	SB 433	✓	
Lloyd Grayson	Grayson Dr. Agency	SB 433	✓	
Dick Fossen	Mont. Bankers, Mtg Comm	SB 433	✓	
Oliver H. Woods	Police Officer	SB 433	✓	
Donald F. Wolesman	M.P.A.	SB 370	✓	
Neil J. Lynch	Montana Motor Carrier	SB 370	✓	
Robert L. Mitchell	H.F. Johnson Inc.	SB 370	✓	
Lesley Gray	Montana Motor Carrier	SB 370	✓	
D. W. Carlson	"	SB 370	✓	
Don Johnson	"	"	"	
Jeanne Smith	St. Paul	SB 433	✓	

SENATE

COMMITTEE

BILL

VISITORS' REGISTER

DATE

NAME	REPRESENTING	BILL #	(check one) SUPPORT OPPOSE
Senator Richard Smith	State Senate	SB 433	X
Tom Schreyer	P. S. Commissioner D. St. 2	SB 370	X
Patrick Flaherty	M.C.C.	370	
James R. Shea	P. S. Commissioner Dist 4	370	X
Gene Earl	Trailer Heating & Cooling Sales	SB 433	X
Don B. Earl	Mobile Home Heating + Air Cond.	SB 433	X
Vincent J. Marzino	Mountain Gas Services	SB 433	X
Lawrence J. Richard	Richard & Leib Mfg	SB 433	X
Benelli P. Clark	United Transportation	SB 370	X
Cal J. Knutson	Gov. Motor Corp	SB 370	X
Tom Hugo	Senator - Spouse	SB 428	X
Ernest Doest	Wk State AFL-CIO SB-370		X
James M. Mayer	Retail Clerks Union	SB 370	X
David Parks	Mont. Independent Bankers	SB 428	X

ROLL CALL

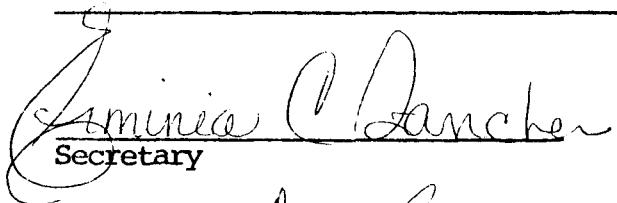
Business & Industry COMMITTEE

45th LEGISLATIVE SESSION -- 1977

Date 2-16-77
7:00 PM

SENATE COMMITTEE Business & IndustryDate 2-16-77 Senate Bill No. 205 Time _____

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



Secretary

Chairman

Motion:

No Pass as Amended
W/out Sec.

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

SENATE COMMITTEE Business & Industry

Date _____ Bill No. 358 Time _____

Connie C. Jancher President
Secretary Chairman

Motion: Do Pass

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

SENATE COMMITTEE Business & Industry

Date _____ Senate Bill No. 328 Time _____

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

Secretary Do not pass Chairman
Motion: Without Rec.

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

SENATE COMMITTEE Business & Industry

Date 2-16-77 Senate Bill No. 370 Time

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

Secretary

Chairman

Motion: No Pass - Wait List.

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

SENATE COMMITTEE Business & Industry

Date _____ Bill No. 4/30 Time _____

Secretary

Chairman

Motion: To Pass the Amendment

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

SENATE COMMITTEE Business & Industry

Date 2-16-77 Senate Bill No. 437 Time

Secretary

Chairman

Motion: No Pass

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