

February 24, 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.

CONSIDERATION AND DISPOSITION OF HOUSE BILL 71. "An Act To Apply The Specified Interest Rate In The Case Of Retail Installment Sales To The End Of The Month Balance As Well As The Average Daily Balance And To Change The Penalty For Certain Violations Of The Retail Installment Sales Act From A Criminal To A Civil Classification."

Representative G. C. Feda, District #4, stated he was the chief sponsor of HB 71. He went through the bill stating what had been deleted and what had been put in. He stated a lot of businesses cannot figure a daily balance.

There being no proponents or opponents to the bill, Senator Kolstad made a motion that this bill Be Concurred In. Senator Lowe seconded. All were in favor with the exception of Senators Goodover and Regan who voted "nay."

CONSIDERATION OF HOUSE BILL 214. "An Act Authorizing A Central Credit Union With Corporate Shareholdings Equal To Or In Excess Of 95% Of Its Total Assets To Elect Exemption Of Insurance On Share Accounts."

Representative Rex Manuel, District #11, stated he was chief sponsor of this bill. He stated it is a corporate central bill for credit unions.

PROPOSERS:

Herbert Walberg, Jr., Montana Credit Unions League spoke in favor of the bill. His testimony is attached. (Exhibit #1)

Representative Manuel stated if this bill passes, he would like to make a motion that Senator Regan carry it on the floor.

Hearing Closed on House Bill 214.

CONSIDERATION OF HOUSE BILL 308. "An Act To Amend And Revise  
The Laws Relating To Motor Vehicle Wrecking Facilities."

Representative James Mular, District 35 stated he was chief sponsor of this bill. He introduced Mr. William L. Romine representing Montana Automotive Dismantlers and Recyclers Association.

Mr. William Romine spoke in favor of the bill. His testimony is attached. (Exhibit #2)

There being no opponents, Representative Mular made a motion that if this bill passes, Senator Blaylock will carry the bill on the floor.

Hearing closed on House Bill 308.

HOUSE BILL 42.

Senator Regan presented an amendment. (Exhibit #3) Senator Lowe will carry the bill on the floor if it comes out of Committee and wanted to check with Representative Kvaalen to see what he thought about the amendments before making any motions.

HOUSE BILL 41.

Senator Regan asked that we hold this for awhile. She may have an amendment to the bill.

ADJOURN: There being no further business, Chairman Hazelbaker adjourned the meeting at 11:45 a.m.

  
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FRANK W. HAZELBAKER, CHAIRMAN

HB 11  
244  
245

SENATE

B + P

COMMITTEE

BILL 308

VISITORS' REGISTER

DATE 2-24-77

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
Mona Rose	Thyrl Rose Garage MADRA Helena	308	✓	
Nola Jean	Madra's Auto Recycling	308	✓	
Jackie Crum	MADRA - AC Auto Recycling	308	✓	
Kimber Schlegel	MADRA Chuck's Auto & Truck	308	✓	
Jim Nelson	MADRA Nelson Truck	308	✓	
Kenell Baker	MADRA Baker's Auto	308	✓	
Herbert Walberg	Montana Credit Union League	314	✓	
Nancy Jenner	4-4			
Carol Mallgren	Great Security Bank	71	✓	
Harold V. Kansier	Mt Emp. Sec. Dir	245	✓	
James Miller	Dist 85	308	✓	
William L. Benning	MADRA	308	✓	
Henry P. Lehman	MADRA Hart's Edge & Scrap	308	X	



# STANDING COMMITTEE REPORT

February 24

1977

MR. President

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE

Bill No. 71

Respectfully report as follows: That HOUSE

Bill No. 71

BE CONCURRED IN

~~DO NOT WRITE~~

HOUSE BILL 214

TESTIMONY OF HERBERT WALBERG, JR., MANAGING DIRECTOR

MONTANA CREDIT UNIONS LEAGUE

BEFORE THE SENATE BUSINESS AND INDUSTRY COMMITTEE ON THURSDAY, FEBRUARY 24, 1977

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

MY NAME IS HERBERT WALBERG, JR., AND I AM MANAGING DIRECTOR OF THE MONTANA CREDIT UNIONS LEAGUE. WE ARE THE TRADE ASSOCIATION REPRESENTING 131 MEMBER CREDIT UNIONS IN MONTANA.

I BELIEVE THAT YOU WILL FIND HOUSE BILL 214 A NON-CONTROVERSIAL BILL, CERTAINLY SOMETHING DIFFERENT THAN THAT WHICH WE USUALLY PROPOSE WHICH BRINGS OPPOSITION FROM OUR FINANCIAL COLLEAGUES. HOUSE BILL 214 PASSED THE HOUSE OF REPRESENTATIVES ON A 95 - 0 VOTE.

HOUSE BILL 214 PROPOSES TO LEAVE TO THE DISCRETION OF CREDIT UNION BOARD OF DIRECTORS THE INSURANCE ON SHARE ACCOUNTS OF A CENTRAL CREDIT UNION WHOSE CORPORATE SHARE HOLDINGS EQUAL OR EXCEED 95% OF ITS ASSETS. (EXAMPLE: A \$1 MILLION DOLLAR CREDIT UNION WOULD HAVE TO HAVE AT LEAST \$950 THOUSAND DOLLARS OR MORE IN CORPORATE FUNDS BEFORE THE BOARD OF DIRECTORS COULD ELIMINATE THE INSURANCE ON ITS SHARE ACCOUNTS)

A CORPORATE CENTRAL CREDIT UNION IS A CREDIT UNION'S CREDIT UNION. IT IS ANALOGOUS TO THE FEDERAL RESERVE BANK FOR BANKS AND THE FEDERAL HOME LOAN BANK FOR SAVINGS AND LOAN ASSOCIATIONS. THE FEDERAL RESERVE BANKS DO NOT PROVIDE THEIR DEPOSITORS WITH FDIC DEPOSITOR INSURANCE, NOR DO THE FEDERAL HOME LOAN BANKS PROVIDE THEIR DEPOSITORS WITH FSLIC DEPOSITOR INSURANCE. BECAUSE A CORPORATE CENTRAL CREDIT UNION IS IN ALL SERVICE ASPECTS AN EQUAL TO FEDERAL RESERVE BANKS OR FEDERAL HOME LOAN BANKS, WE SEEK THE SAME TREATMENT

House Bill #306

Mr. Chairman and members of the Committee, my name is William J. Rosine, and I represent the Montana Automobile Dealers and Buyers Association, MADBA for short. The MADBA has been working yard facilities throughout the State. I am here today in support of the passage of House Bill 306.

To begin with, I must acknowledge that the members of the Association do not necessarily support the idea that wrecking yard facilities should be required to be licensed and screened. This thing can be quite expensive, and of course, no businessperson is to be regulated by a governmental agency.

However, it is the position of the Association that if licensing and screening is going to be required, all similar businesses should be treated equally. As it now stands, many dealers who probably are not covered under the present law. If the bill were taken court action to interpret the present definition, the bill would basically provide that scrap dealers would be required to come under the present act. The bill merely provides a classification for the sale of second hand parts of motor vehicles, not controlling. Scrap dealers buy and sell automotive components, transmissions, rear ends, frames and on occasion even engines. They store these items on their property for a long period of time. When a scrap processor comes through and removes them. They then take them to not come under the provisions of the present law. They buy and sell these parts on a weight basis. Some dealers will buy and sell on a piecemeal basis, not based on the weight. The Association does not feel that the sale price classification is controlling at all. Scrap yards can be just as unsightly as a wrecking yard, and if a wrecking yard should be screened, why not scrap dealers.

The second part of the bill, at the bottom of page three, simply provides that if the county decides to contract for the operation of its motor vehicle graveyard, it must do so with a licensed facility. This is to make sure that the Department has some control over the operations, and also to make sure that there is equal treatment among the various facilities. Presently, counties can contract for the operation of the graveyard, and the graveyard itself is considered a licensed facility, but the operator need not be a licensed facility.

The last part of the bill, beginning at the bottom of page three and all of page four, concerns totaled vehicles. If an insurance company settles a claim on the grounds that the motor vehicle is a total loss, less salvage, this amendment would provide that the first company will then resell that totaled automobile to a licensed wrecking facility which is licensed under the provisions of the bill. There are two exceptions, first being to allow the owner of the motor vehicle to keep it if the settlement so provides. The second

PROPOSED AMENDMENT

*Legis.*  
*Exhibit # 2*

1. Amend the title, page 1.

Following: "LICENSING"

Insert: "; ADDING SUBSTANTIVE CHANGES RELATING TO REGISTRATION OF APPRENTICES."

2. Add 3 new sections at end of bill reading as follows:

"66-2406. Apprentices -- rules -- record. This act does not prohibit a person from working as an apprentice in the trade of plumbing with a plumber licensed by the department under the supervision of a licensed journeyman plumber. Only those apprentices registered with the state department of labor and industry will be recognized by the department. However, any rule or standard of the board or the department of labor and industry imposing a ratio of apprentices to licensed masters or journeymen greater than one to one is invalid for apprenticeship in the trade of plumbing, and may not be grounds for denial of registration applications."

"66-2817. Apprentices -- rules -- record kept by department. This act does not prohibit a person from working as an apprentice in the trade of electrician with an electrician licensed under this act, and under rules made by the {board}. The name and residence of each apprentice, and the names and residences of their employers, shall be filed with the department, and a record shall be kept by the department, showing the names and residences of these apprentices. The board may require registration of apprentices with the Montana apprenticeship council. However, any rule or standard of the board or the department of labor and industry imposing a ratio of apprentices to licensed masters or journeymen greater than one to one is invalid for apprenticeship in the trade of electrician, and may not be grounds for denial of registration applications."

"66-3508. Requirements for licensure. The following requirements shall be met by applicants for a state license:

(1) Masters shall furnish evidence of five (5) years' experience in warm air heating, ventilation, and air conditioning work satisfactory to the board.

(2) Journeyman mechanics shall furnish evidence of four (4) years' experience in warm air heating, ventilation, and air conditioning work which is satisfactory to the board. This experience requirement may be fulfilled by working four (4) years in any major phase of the warm air heating, ventilation, and air conditioning business, or by completing an apprenticeship program meeting the standards set by the Montana state apprenticeship council or United States department of labor, bureau of apprenticeship, and credit towards this experience requirement shall be given for time spent in attending trade or other schools specializing in training in the warm air heating, ventilation, and air conditioning business and approved by the board.

(3) For apprentice mechanics:

(a) registration by the board and the Montana apprenticeship council as an apprentice;