

# STANDING COMMITTEE REPORT

March 4

19 77

MR. **President**

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

having had under consideration **HOUSE** Bill No. **196**

Respectfully report as follows: That **HOUSE** Bill No. **196**,  
third reading bill be amended as follows:

1. Amend title, lines 7 and 8.

Following: "1947"

Strike: " ; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

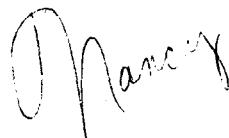
2. Amend page 5, section 2, lines 13 and 14.

Following: Line 12.

Strike: Section 2 in its entirety.

AND AS SO AMENDED, BE CONCURRED IN

**EXPLAN**



# STANDING COMMITTEE REPORT

March 4

1977

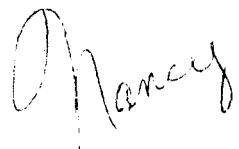
MR. President

We, your committee on Business and Industry

having had under consideration HOUSE Bill No. 337

Respectfully report as follows: That HOUSE Bill No. 337

WITHOUT RECOMMENDATION



DOXASSA

STATE PUB. CO.  
Helena, Mont.

  
**FRANK W. HAZELBAKER.**

Chairman.

# STANDING COMMITTEE REPORT

March 11

77

MR. President

We, your committee on Business and Industry

having had under consideration HOUSE Bill No. 476

Respectfully report as follows: That HOUSE Bill No. 476, third reading bill, be amended as follows:

1. Amend page 3, section 3, lines 14 and 15.  
Following: "appropriate"  
Strike: "board within the department of professional and occupational"  
Following: "licensing"  
Insert: "authority".
2. Amend page 3, section 3, line 17.  
Following: "particular"  
Strike: "board"  
Insert: "profession or facility"
3. Amend page 3, section 3, line 17.  
Following: Line 17.  
Insert: "Section 4. Codification. Sections 1 through 3 of this act shall be codified in Chapter 28, Title 40, RCM 1947, as sections of the insurance code."

AND AS SO AMENDED, BE CONCURRED IN

~~DOXAS~~

*Exhibit 21*

AMERICAN NATIONAL INSURANCE COMPANY

JEROME M. KOHN, CLU, GENERAL AGENT  
P O BOX 1923  
BILLINGS, MONTANA 59103  
406/245-4197

March 1, 1977

Hon. Frank Hazelbaker  
Senator from Beaverhead County  
Capitol Building  
Helena, MT 59601

Dear Senator Hazelbaker:

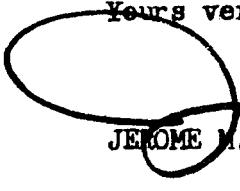
While I realize the press of legislative business you are working under, I want to bring to your attention HB171, which has been passed by the House, and referred to your Business and Industry Committee. The bill was sponsored by the Montana Association of Life Underwriters and was ably guided through the House by Howard Porter, one of our representatives from Yellowstone County. The purpose of the bill is to amend the Insurance Consultants Licensing Act which was passed in 1975.

Section 40-3340 (2) of the act needs amending because the words "for a fee" were inadvertently omitted, and the way the law is presently worded makes it illegal for an insurance agent not licensed as a consultant to make recommendations or give advice with regard to any insurance policy, annuity, or pension contract, plan or program, even though he charged no fee for so doing. Since this is the way insurance agents make their living, we felt it should not be against the law unless a fee is charged.

Section 40-3346 needs amending because it prohibits a licensed consultant who renders advice for a contractually agreed fee from selling his client any insurance for a period of 12 months following the consultation. We feel that as long as the consulting service is performed under an arm's length, written contract, the client should be at liberty to purchase insurance from anyone he pleases, including his consultant.

The House passed this bill 83-8. I hope your committee will approve it and help it get through the full Senate. If I can provide any additional information, please let me know.

Yours very sincerely,

  
JEROME M. KOHN

JMK:cle



*Ervin A. H.*

3 MAR 77

HOUSE BILL NO. 171

HEARING SENATE COMMITTEE ON BUSINESS AND INDUSTRY

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

INDEPENDENT INSURANCE AGENTS OF MONTANA LEAN HEAVILY TO PROPERTY AND CASUALTY FORMS OF INSURANCE ALTHOUGH ALMOST ALL OF US HAVE LIFE AND DISABILITY FACILITIES. WE HAVE HAD LITTLE OBJECTION TO THE LEGISLATION PROPOSED BY THIS BILL AS UP TO THIS TIME, WE HAVE HAD ONLY TWO OF THE EIGHT LICENSED CONSULTANTS IN OUR RANKS. NOW, HOWEVER, ALL INFORMED THAT THIS LEGISLATION IS SPONSORED BY THE MONTANA ASSOCIATION OF LIFE UNDERWRITERS. IN SO DOING, THE LEGISLATION WILL SUBJECT US, PROPERTY AND CASUALTY AGENTS, TO CONSULTING ACTIVITIES WE DO NOT ENTIRELY SUPPORT. WE HAVE ALWAYS RECOGNIZED THE POSSIBLE NEED FOR OUTSIDE EXPERTISE FOR WHICH A REASONABLE FEE IS MOST JUSTIFIED. WHEN IT COMES TO PLACING THE INSURANCE, HOWEVER, WE FEEL THAT THE COVERAGE SHOULD FIRST, LAST AND ALWAYS, BE PLACED THROUGH A MONTANA RESIDENT AGENT.

THE WAY THIS BILL IS WRITTEN NOW, FOR A \$100 FEE A NON-RESIDENT AGENT CAN OBTAIN A LICENSE TO WRITE BUSINESS IN MONTANA AND FOR ANOTHER \$50 HE CAN OBTAIN A CONSULTANT'S LICENSE. UNDER THIS ARRANGEMENT, THIS NON RESIDENT AGENT-CONSULTANT CAN SOLICIT AND PLACE ANY AND ALL FORMS OF INSURANCE FROM ANY LOCATION OUTSIDE OF MONTANA. THIS SIMPLY IS NOT FAIR TO THE RESIDENT PEOPLE WHO DO BUSINESS IN MONTANA, BUY BUILDINGS AND EQUIPMENT, HIRE HELP AND PAY TAXES TO MONTANA AT EVERY TURN AS WELL AS ON EVERY DIME OF PREMIUM DEVELOPED. FURTHER, WE FEEL THAT THE MONTANA CONSUMER IS BETTER SERVED WITH LOCAL REPRESENTATION RATHER THAN SOME DISTANT ENTITY.

OUR PEOPLE DO NOT FEEL THE COMPELLING NEED FOR THE LICENSING OF CONSULTANTS AS DO THE LIFE ASSOCIATION. IF WE COULD DO SO, WE WOULD JUST AS SOON BE SEPARATED OUT. SINCE THIS DOES NOT APPEAR TO BE PRACTICAL AT THIS TIME, THE LEAST WE CAN RECOMMEND IS AN AMENDMENT REQUIRING ANY INSURANCE RECOMMEND IS AN AMENDMENT REQUIRING ANY INSURANCE RECOMMENDED BY A CONSULTANT BE PLACED THROUGH A RESIDENT

NAME Arthur W. Clarkson

BILL NO. HB 196

ADDRESS Helena, MT

DATE 3/3/77

WHOM DO YOU REPRESENT BOARD OF PLUMBERS

SUPPORT

OPPOSE

XX

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I, Arthur W. Clarkson, Chairman of the Board of Plumbers, speak in opposition to HB 196 for the following reasons:

- 1) A state plumbing code must have adequate inspection to insure protection of the health of the people. Faulty plumbing can cause contamination of a whole water system and may cause severe illness.
- 2) Inspections of plumbing installation have increased since the Board has contracted with 10 local and 1 state-wide inspectors to assist the state in its enforcement of the code.
- 3) The permit fees are the primary source of revenue for the board to carry on the inspections necessary to insure compliance with the State Plumbing Code.
- 4) Cities and towns with public water and sewer systems were invited to negotiate contracts with the State to help police the plumbing industry by making plumbing inspections within their jurisdictional limits, thereby eliminating joint inspection. Several refused to enter into an agreement because the State Law exempted homeowners from the code whereas the city ordinances required inspection of all plumbing.
- 5) At the present time, only practicing plumbers are required to take out a permit. In a way, this may be discriminatory, but the plumbers themselves suggested the permit and fee system as the best means of controlling the industry and enforcement of the code. It was the support of the master and journeyman plumbers that helped enact Senate Bill 265 in the last session of the legislature.
- 6) If the permit fees and inspection requirements are eliminated from municipalities and counties with plumbing codes, it may open the way for violation of the code and jeopardize the health and welfare of the people in Montana, because state inspectors will not be making check inspections to insure that local compliance with the code is adequate.
- 7) The Board receives a number of requests from persons, who have had plumbing done, for inspections to determine if the work is in compliance with the code. Spot check inspections have revealed violations of the code even after local inspectors have been on the site.

A case in point; A new building in Billings designed by the author of this bill was found in violation of the code by installation of plastic in a structure over 2 stories in height. This structure was approved by the Billings local inspector and the violation was found during a check inspection by the state inspector. Most local inspections are for rough-in plumbing only and the installation of the household fixtures and the completed job is seldom given a final inspection.

Exhibit 4

NAME David Emerson BILL NO. 196  
ADDRESS 317 22nd Ave. Nico DATE 3/3/77  
WHOM DO YOU REPRESENT NEW YORK STATE PLUMBING BUREAU  
SUPPORT  OPPOSE X AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*See ATTACHED News Paper Clippings*

NAME Roy Prussing BILL NO. HB 196ADDRESS Billings, MT DATE 3/3/77WHOM DO YOU REPRESENT Board of PlumbersSUPPORT  OPPOSE XX AMEND 

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## Comments:

\* I wish to take this opportunity to express my objection to House Bill 196, based upon the following:

- A. Objections have been made to the present state permit system on the basis that this constitutes a double inspection and that the owner is being charged twice for the same service.
  - (1) This is not the case due to the fact that in those cities and counties that have local inspections a 50% credit is given by the state plumbing board for the state permit in recognition of the local permit or fixture fee, thus the state plumbing permit becomes supplemental to the local permit or fixture fee.
- B. A study conducted by the state Plumbing Board reveals that of the 58 cities and towns having a population of 1000 people or larger only 14 have arrangements for local plumbing inspection.
- C. Statements have also been made to the effect that the State plumbing permits that are issued, no follow-up inspections are made by the State Plumbing Inspectors or his deputies.
  - (1) This is not a true statement as it is the policy of the State Plumbing Board to have the projects inspected that have been issued state plumbing permits.
- D. Spot checks are also made by the state inspectors as a quality control of the work performed by the local inspectors.

NANCY ELMER LAZURE MELISSA BOYD 196

ADDRESS: 4477 Hart Lane DATE: 3/2/17

WHOM DO YOU REPRESENT? Board of Plumbers

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: I oppose this bill as amended. It sets no local basic minimum code requirements, for the municipalities to enforce.

This bill does not mention the plumbing code, it mentions only the building code, and the plumbing code is not part of the building code. Therefore it would make the plumbing code impossible to enforce.

This bill makes no mention of plumbing inspections but says plumbing inspection procedures only.

In 1975 the state legislature passed into law the plumbing permit system, because there is a definite need for public protection. It seems that a professional person and legislator had been caught violating the state plumbing code. It now seems that he is out to abolish this plumbing law.

I have made several inquiries on plumbing permits and plumbing inspections around the state. At the present time, we have 14 cities issuing plumbing permits and making inspection. We also have 44 cities that depend solely on the state plumbing board for inspections.

The state plumbing board has on many occasions been asked to aid in inspections of plumbing to determine if there are code violations. One suit was in the town of Dillon. This lady was being sued by her contractor. The plumbing here had many code violations which was settled out of court with a settlement of more than \$11,000 in her favor.

Another suit was filed in Bozeman against a plumber, and again there were several violations. This suit was also settled out of court.

Since this permit system has been in effect we have found that 5 out of 6 permits taken need some type of changes due to code violations.

With these types of violations that exist I am asking you not to support this bill.

City of .....  
 City Permit No. .....  
 Building Permit No. .....  
 Sec. .....  
 Blk. .....  
 Lots .....  
*Exhibit #7*

CITY OF HELENA  
 MONTANA

STATE PLUMBING PERMIT NO. ....  
 \$ 1976 MPC

Building Department  
 Date .....  
 Owner .....  
 Master Plumber .....  
 Business Name .....  
 Address .....  
 Lic. No. .....  
 Owner's Address .....  
 Address .....  
 Date .....  
 19.....

## APPLICATION FOR PERMIT TO DO PLUMBING WORK

I hereby make application for a permit to do plumbing work in accordance with Title 66, Chapter 24, Section 66-2427 R.C.M. 1947 of the State of Montana in a building as hereinafter described.

**DESCRIPTION**  
 B. S. P. O. M. 3

Owner .....  
 Master Plumber .....  
 Business Name .....  
 Address .....  
 Lic. No. .....  
 Owner's Address .....  
 Address .....  
 Date .....  
 19.....

### Physical Location of Premises

#### For issuing each permit

..... @ \$5.00

**Total  
5.00**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

## Repeal Floater Liquor License

Every city in the State of Montana is now at least 125% of quota on bars per capita...quota being the number of bars per thousand people as determined by the legislature. Before the imposition of this 125% in the 1975 session, Montana ranked fourth in the nation in bars per capita. This is a rather dubious distinction and I doubt if many Montanans would aspire to being number one. The states having more bars per capita are Wisconsin, Nevada and Alaska.

Unless this particular section of the liquor laws is repealed...and this bill does just that...we may find ourselves with more bars than we figured on after the 1980 census is taken. The more people we have...the more bars are allowed and a large increase is predicted.

In the 1975 session this legislature passed what was known as Senate Bill # 1. It was a complete re-write of the liquor laws but it contained, among other things, a new section allowing a liquor license to float into an area that was under 125% of quota from an area that was over 125% of quota. At the time, Bozeman needed additional licenses as well as did Libby. Neither could wait until the 1980 census to correct the condition. This floater section adequately took care of the situation in both cities but although Billings needed another liquor license like at needed another hole in the head, three more licenses floated into Billings.

It is this floater section that this bill repeals. It does not change the quota system this legislature has decided is adequate. As the population increases the quota system adequately provides for an increase in the number of bars. The last census was taken in 1970. The next will be taken in ~~YEAR~~ 1980. It has been projected that we will have a terrific

NAME: Mitchell Mihalovich DATE: 3-3-77

ADDRESS: 1900 Elm - Butte

PHONE: 792-1944

REPRESENTING WHOM? Mont Stars Plumbers

APPEARING ON WHICH PROPOSAL: HB 196

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? X

COMMENTS: Our Association believes  
that this Bill if passed  
would not enable the Plbg  
Board to have sufficient  
revenue to employ inspectors  
to protect the public from  
improper plumbing installations

NAME:

Joseph J. Martin

DATE: March 3, 1977

ADDRESS: 2421-6<sup>th</sup> Ave. North - Great Falls, Mont.

PHONE: 452-1973

REPRESENTING WHOM? Montana licensed journeymen

APPEARING ON WHICH PROPOSAL: H. B. 196

DO YOU: SUPPORT? \_\_\_\_\_

AMEND? \_\_\_\_\_

OPPOSE?

COMMENTS: This Bill would take away the fund of the State Plumbing Board, by deleting the permits within a city limits. There would not be any funds to hire State Plumbing Inspectors to assure the public of a proper installation of plumbing and would not protect anyone outside the city limits. It may be true that the people having plumbing installed are helping to support proper plumbing inspections, but the cities also support many other service in the counties by paying for services outside of the city limits through the county tax. There is no

NAME John J. Foss BILL NO. 174  
ADDRESS 1087 Falls DATE 10/10/68  
WHOM DO YOU REPRESENT Plumbing Pipefitter's Union  
SUPPORT 4 OPPOSE 4 AMEND 4

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: