

STANDING COMMITTEE REPORT

March 14

19 77

MR. President

We, your committee on Business and Industry

having had under consideration HOUSE JOINT RESOLUTION Bill No. 59

Respectfully report as follows: That, HOUSE JOINT RESOLUTION Bill No. 59

BE CONCURRED IN

~~DO PASS~~

STANDING COMMITTEE REPORT

March 14

19 77

MR. President

We, your committee on Business and Industry

having had under consideration HOUSE Bill No. 171

Respectfully report as follows: That HOUSE Bill No. 171,

third reading, be amended as follows:

1. Amend page 2, section 1, line 20.

Following: "licensed"

Insert: "as a resident agent"

AND AS SO AMENDED, BE CONCURRED IN

~~DO PASS~~
~~XXXXX~~

STANDING COMMITTEE REPORT

March 14

19 77

MR. President

We, your committee on Business and Industry

having had under consideration HOUSE Bill No. 685

Respectfully report as follows: That HOUSE Bill No. 685,
third reading, be amended as follows:

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

Following: "ACTUAL"

Insert: "and necessary"

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

Following: "OR"

Strike: "THEIR"

Insert: "his"

3. Amend page 3, section 2, line 8.

Following: "CLEANING"

Strike: "EXPENSE"

Insert: "charges"

Following: "BE"

Strike: "COLLECTED"

Insert: "deducted"

4. Amend page 3, section 2, line 9.

~~DEPAYS~~ Following: "TENANT."

Strike: "SAID"

Insert: "The"

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5. Amend page 3, section 2, line 10.
Following: "INCLUDE"
Strike: ";

6. Amend page 3, section 2, line 11.
Following: Line 10.
Strike: "(I)"
Following: "TENANT"
Strike: ";"
Insert: " , and"

7. Amend page 3, section 2, line 12.
Following: Line 11.
Strike: "(II)"

8. Amend page 3, section 2, line 14.
Following: "OF"
Strike: "THEIR"
Insert: "its"

AND AS SO AMENDED, BE CONCURRED IN

STATEMENT IN SUPPORT OF HOUSE BILL 685

The purpose of House Bill 685 is to clarify and correct certain problems with existing statutes on tenant security deposits which was enacted in 1974. The two changes made by this bill are as follows:

1. To eliminate the requirement for verification of the list of damages given by the landlord to the tenant when the tenant moves out.
2. To clarify the existing statutes by making it certain that a landlord can deduct reasonable cleaning charges from a security deposit and insuring that the tenant is protected from abuse of the right to deduct such damages.

Our research has indicated that Montana is the only state that requires a list of damages to be verified. Less than 1 per cent of the landlords in Montana know what it means to require a list of damages to be "verified." Since the landlords do not know what this means they cannot comply with it. To require that a list of damages be verified means that there must be certain technical legal language at the end of the statement which states that the person preparing the list has read the list and the contents of the list are true. The verification must then be notarized by a Notary Public. This means that every time someone moves out having caused damage or without paying the full amount of the rent, a landlord must find a Notary Public to notarize his signature on the statement. This is an unreasonable and highly impractical requirement which should be eliminated.

The use of cleaning deposits in Montana is almost universal among all landlords and tenants. Over 90 per cent of the landlords in Montana have no idea that the law prohibits them from deducting cleaning charges from a security deposit. Montana attorneys are divided in their opinion as to whether or not the existing statute prohibits deduction of cleaning charges

*Copy to
Exhibit #2*

HJR 56

GOVERNMENT IS MONTANA'S FASTEST GROWING AND LARGEST SINGLE EMPLOYER. THE INTENT OF THIS RESOLUTION IS TO REDUCE THE COST OF GOVERNMENT AND AVOID DUPLICATION OF SERVICES AMONG STATE AGENCIES. THIS CAN BE DONE BY CONTRACTING JOBS TO THE PRIVATE SECTOR AND ELIMINATING THE EXPENSE OF EMPLOYING YEAR ROUND WORKERS WHOSE ACTUAL JOBS MIGHT BE SEASONAL OR SHORT TERM.

OBSERVATION OF GOVERNMENT INDICATES THAT EMPLOYEES ARE OFTEN HIRED WHEN A NEED ARISES, BUT ARE SELDOM DISMISSED WHEN THE JOB OR JOBS ARE COMPLETED.

ANYONE KEEPING ABREAST OF TRENDS IN OUR STATE THE PAST TWO YEARS MUST CONCLUDE THAT THE COST OF STATE GOVERNMENT IS INCREASING AT A FRIGHTENING RATE AND THAT NO ONE SEEMS TO KNOW QUITE WHAT TO DO TO REVERSE THE TREND. IN 1975, ONE IN FIVE OF THE 305,000 MONTANANS HOLDING JOBS DERIVED THEIR INCOME FROM THE TAX DOLLAR.

AGRICULTURE, STILL MONTANA'S NUMBER 1 INDUSTRY, AND THE PRIVATE SECTOR'S TOP EMPLOYER, SUPPLIED JOBS TO ABOUT 35,000 PERSONS IN THAT YEAR.

ACCORDING TO THE GREAT FALLS TRIBUNE, JAN. 22, 1976, THERE WERE 68,100 MONTANANS WORKING FOR FEDERAL, STATE, LOCAL, AND SCHOOL GOVERNMENTS, COMPARED TO 44,600 TEN YEARS BEFORE--MORE THAN A 33 1/3 % INCREASE. FIGURES USED BY THE TRIBUNE FOR THEIR SERIES ON "THE GROWTH OF GOVERNMENT AND PUBLIC SPENDING," WERE OBTAINED FROM THE EMPLOYMENT SECURITY DIVISION AND THE GOVERNOR'S BUDGET OFFICE.

IN THE BEFORE MENTIONED ARTICLE, GOVERNOR JUDGE WAS QUOTED AS PROPOSING THAT STATE GOVERNMENT SHOULD FOLLOW THE PRINCIPLE THAT "FREE MARKET SOLUTIONS WILL BE PREFERRED TO GOVERNMENT ACTION."

WE RECOGNIZE THAT ELECTED OFFICIALS SUPPORT THE FREE ENTERPRIZE SYSTEM AS MUCH AS ANYONE ELSE, BUT BELIEVE DIRECTING GOVERNMENT AGENCIES TO ECONOMIZE ON PERSONNEL WOULD DO AS MUCH GOOD AS ASKING THE PROVERBIAL FOX TO GUARD THE HEN HOUSE. I FEEL THAT A SPECIAL EFFORT IS NEEDED AT THIS TIME TO ENSURE THAT FREE ENTERPRISE IS GIVEN THE CONSIDERATION IT MERITS, IN ORDER THAT IT CAN CONTINUE AS A WAY OF LIFE WHICH CONTRIBUTES INGENUITY, STABILITY, AND PROSPERITY TO OUR STATE.

March 12, 1977

Testimony in opposition to House Joint Resolution No. 58

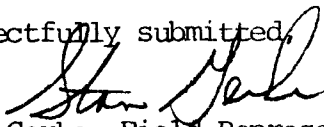
No one can denounce or oppose efficiency in state government, or any governmental body for that matter. Sound programs that provide needed services to the public must be designed with a minimum cost factor in mind.

Our concern with House Joint Resolution No. 58 is the missing language which would make the criteria for considering contracting-out any service now performed by the state related to a savings to the taxpayers. State government, I believe, has the responsibility to provide the demanded services at the least cost. From past experience, AFSCME and the State of Montana have found that contracting out services are more costly when considering the total picture. For example, at a past Legislative session contracting out laundry services at the institutions were being considered. A cost study proved that the State would enjoy a savings for the first four or five years of using a private sector laundry; but the State would suffer with higher laundry costs after the five year period. The front-end savings--the first five years--were nearly immaterial when considering the long-term factor.

HJR 58 could possibly be amended to reflect cost factors. On page 2, line 7, after the word "service" insert the words "with a savings to the state for the duration of such service."

We believe that upon investigation little or no savings will be enjoyed by the State when contracting out services. We urge your unfavorable consideration of HJR 58.

Respectfully submitted,


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