

MINUTES OF THE MEETING
HIGHWAYS AND TRANSPORTATION COMMITTEE
MONTANA STATE SENATE

March 15, 1977

The nineteenth meeting of the Highways and Transportation Committee was called to order by Chairman Manning on the above date in Room 404 of the State Capitol Building at 9:30 a.m.

ROLL CALL: Senators Hazelbaker and Graham were excused, Senator Lockrem was absent, Senator Etchart arrived at 10:00 a.m. All other members were present.

Those present to testify included the following:

Duane Tooley	Montana Highway Patrol
Ted Stollfuss	Montana Highway Patrol
Larry Huss	Montana Auto Dealers Association
Gerald Raunig	Montana Auto Dealers Association
Luther Glenn	Department of Administration
Dawn A. North	League of Women Voters
Larry Majerus	Division of Motor Vehicles

CONSIDERATION OF HOUSE BILL 52: Representative Polly Holmes, chief sponsor of the bill, testified that she would prefer that the committee table the bill as it had already accomplished its purpose. The bill deals with the issuing of identification cards to senior citizens and the disabled. The Bureau of Motor Vehicles has agreed to take care of the problem by administrative rule. They will issue cards similar to the drivers license, but will instead read senior citizen or disabled individual. It is probably better that this does not clutter up the statutes, so if the committee could table the bill rather than killing it outright and getting the public all upset with the action it would be best.

DISPOSITION OF HOUSE BILL 52: Senator Aber moved that HB 52 be tabled. Senator Bergren seconded the motion. The motion carried unanimously with Senators Graham, Hazelbaker, Lockrem and Etchart absent.

CONSIDERATION OF HOUSE JOINT RESOLUTION 60: Representative Dorothy Bradley, chief sponsor of the resolution, testified that this resolution would direct the Department of Administration to make energy efficiency a consideration in the purchasing of cars for the motor pool fleet. That is not done now as they consider almost everything but fuel efficiency. Originally the resolution read a primary consideration, but that was amended in the House to read a consideration. If it would please the committee, Representative Bradley said that she would prefer that primary be put back in the bill. This is one of the package of energy conservation bills.

Chairman Manning noted that the committee had previously killed a bill by Senator Blaylock, but that bill had considered more than HJR60.

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Senator Smith asked the representative of the Department of Highways what the bill did and what was the procedure now. Mr. Jim Beck of the Department of Highways answered that the bill was amended in the House to address the Department of Administration who does all of the purchasing. The departments order from the DOA and the DOA sets specifications and purchases the cars. Mr. Beck suggested that Mr. Luther Glenn from the Purchasing Division of the Department of Administration would be more qualified to answer questions that the committee might have, but he might note that most of the cars purchased in the past few years have been compacts.

Mr. Luther Glenn of the Purchasing Division of the Department of Administration testified that there is no great difference between this resolution and the established policy. There are already programs in effect that are geared to the purchasing of compacts and smaller cars unless the agency can justify a larger vehicle for pursuit purposes. The resolution is considered by the department to be compatible with the existing policies on purchasing.

Chairman Manning asked if there was any discussion on the proposed amendment. Representative Bradley pointed out that if "a primary" is reinserted, it will not be the only consideration used but the fuel efficiency would be given some priority.

Senator Smith asked where the amendment was made. Representative Bradley responded that the amendment was made in committee because there was concern that it might force the state to purchase foreign cars. Representative Bradley added that nothing in the resolution would do that.

Senator Bergren asked if the Department of Administration cared if the word "primary" were reinserted. Mr. Glenn stated that the department had no problem with the inclusion of primary. They are geared right now to compacts with six cylinders or less. They do prefer the resolution route to the route SB 208 would have taken. The resolution still allows competitive bidding while the bill might not have.

Senator Smith moved that the resolution be amended on page 1, line 7 by reinserting the word primary.

Representative Bradley commented that even some of the compacts don't get good gas mileage.

Senator Aber commented that he objected to the resolution. He said that he would hate to have to ride around in a Honda while on the road with state business. If the word primary is reinserted, then the department will feel compelled to adhere to the fuel efficiency specifications and there would be problems. There are lots of other things to consider in addition to the gas mileage. We could save much more energy by keeping the teenagers in one night a week. There are lots of ways to conserve energy without punishing the state employees in those small cars. Personal choice in riding in a compact car is another thing, but the employees should not be forced

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to conduct the business of the state in those things.

Chairman Manning noted that the resolution would read a primary consideration, not the primary consideration.

Ms. Dawn North of the League of Women Voters stated that she owned a Fiat that got 40 MPG. If a person picks the right small car, then they are just as comfortable as they would be in a larger car. There are now many American small cars that are getting over 40 miles per gallon. We are talking about the state getting into a program of conservation of energy to set an example for the people of the state, and that is vastly different than keeping the teens from wasting gas cruising main.

Mr. Beck of the Highway Department suggested that the bill be further amended for consistency. Since the state motor pool buys only about 1/3 of all the vehicles used in the state, the entire problem is not being addressed in the body of the bill when the title reads state vehicles. The amendment would be on page 2, line striking the words "motor pool".

Senator Smith moved that the resolution be amended as Mr. Beck suggested. Senator Bergren seconded the motion. The motion carried with Senators Smith, Bergren and Healy voting aye, Senators Graham and Hazelbaker absent and the remainder of the committee abstaining.

Senator Healy moved to amend page 1, line 24 reinserting the word "primary" to correspond with the amended title. Senator Smith seconded the motion. The motion carried with Senators Smith, Healy and Bergren voting aye, Senators Graham and Hazelbaker absent and the remainder of the committee abstaining.

DISPOSITION OF HOUSE JOINT RESOLUTION 60: Senator Smith moved that HJR 60 be concurred in as amended. Senator Aber commented that if this bill passes we will have the Highway Patrol in compacts.

Senator Bergren asked the Highway Patrol to comment on the resolution. Ted Stollfuss of the Highway Patrol responded that they do not want to be forced to use compacts and if the bill includes them, they are opposed to it. But it didn't appear to Sgt. Stollfuss that the bill would affect them.

Chairman Manning asked Mr. Beck how much of a mandate this resolution would be. Mr. Beck answered that this was simply a suggestion to the Department of Administration and that where there was an overriding concern, as with the Highway Patrol, other factors than fuel efficiency would be primary.

Mr. Glenn commented that the Department of Administration is inclined to operate off of the previous programs that have been established. If the division requesting a new vehicle can justify exceptions to the use of the compact cars, then other sized cars will be provided. Page 2 of the resolution leaves room for discretion on the part of the Purchasing Agent. Where pursuit vehicles are needed,

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then larger vehicles would have to be purchased, but the larger cars would only be purchased when documentation was provided of the need for the vehicle. Mr. Glenn stated that it would be easier to administer the implementation of the resolution if the word primary was left out of it, but the department would continue to operate as it is now with regard to the purchase of the smaller cars.

Senator Hager commented that it is difficult to get the small foreign cars repaired. Would the resolution leave enough leeway for the department to be able to get quick and good service on the compacts. Mr. Glenn answered that SB 208 would not have left that leeway. The reason that the department has not gone to the sub-compacts is that there are limitations on the parts and the repairs. The intermediate and the compacts are more durable, and are thus a better buy for the state. Maintenance, costs, manufactures' bids, etc., are all taken into consideration and would still be with the resolution.

Senator Hager commented that he had had a problem with a breakdown in a compact and most service stations would not work on the car, forcing him to have it towed back to Billings. He wouldn't want the state to have to pay for such extravagancies. Senator Hager said that he had liked Senator Blaylock's bill, but with the problems that had resulted, it was best that the bill was killed.

Senator Bergren seconded the motion of Senator Smith. The motion carried with Senators Smith, Bergren, Healy and Manning voting aye, Senators Aber, Hager and Etchart voting no and Senators Hazelbaker, Lockrem and Graham absent. Senator Smith will carry the resolution on the floor.

CONSIDERATION OF HOUSE BILL 650: Representative John Scully, chief sponsor of the bill, testified that this bill was an attempt to clear up the abuses that occur with dealer plates. The main types of abuses include the use of dealer plates by those who are not legitimately in the business, plates are passed around, and plates are generally used for purposes other than taking the economic burden off of the dealers. Representative Scully went through the bill section by section, noting the amendments and changes in the law.

Representative Scully said that one of the complaints that has been received is that dealers plates are found on college campuses and have been sent to school on cars that are not really for sale. This bill tightens the law and requires that the dealers submit quarterly reports as to where the plates are. There would be no justification to cross the county lines and therefore those plates on college campuses would not be in legitimate use.

Representative Scully said that there are also abuses of mobile home and motor cycle plates, with a small dealer having too many plates. Another bill was introduced to deal with the problems of dealer plate abuses by Representative Day. Both bills went into a subcommittee and this bill is the result.

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Mr. Gerald Raunig of the Montana Auto Dealers Association testified that he had worked with Representative Scully on this bill. This bill will strengthen the law enforcement over the use of dealer plates, will clean up the language in the law and will take care of some of the abuses of dealer plates. Mr. Raunig stated that in preparing the bill he had had several discussions with law enforcement people to work out the best approach and that this bill is the result.

Mr. Larry Huss, legal counsel for the Montana Auto Dealers Association, gave a brief overview of the bill. He stated that the statutes had been amended often and were really unclear and messy. This bill takes care of some of those problems by striking all of the requirements and reenacting those requirements in different categories.

Some of the new requirements of the bill, Mr. Huss testified, include new auto dealers to have a bona fide service department. For used car dealers, a permanent building, a lot for display and a fixed identifiable sign that is visible at 100 feet are required. In order to qualify for the licenses, a used car dealer must have sold 12 vehicles in the previous year or must pay \$150 in addition to the other fees required by the bill.

Mr. Huss stated that the bill restricts the use of the dealer plates so that a motorcycle dealer plate could not be used on cars, etc. The bill also requires the dealer to justify the number of plates that he requests and that dealer must certify quarterly who does use the plates. Dealer plates are restricted to use in the principle counties of business and may be used only on vehicles held for bona fide sale.

Mr. Huss continued that the amendments to the statutes will cure the abuses of dealer plates in that only bona fide dealers will have access to the plates. New dealers will be required to have a franchise to sell new cars and used car dealers will get plates on the basis of a fee or selling 12 cars or more. By allowing use of plates in the county, abuses of pleasure trips and college students with dealer plates will be eliminated.

Mr. Larry Majerus of the Motor Vehicle Division of the Justice Department testified that the computer print outs that he held showed the excessive number of dealers in the state. The Motor Vehicle Division receives approximately 700 complaints per year about people having dealer plates that weren't actually in the business. The response of the Division has been that the law does not now require the person to be in business in order to have the dealer plates. Missoula County has recently successfully prosecuted some cases of abuse of the dealer plates on the University campus. This bill will give teeth to enforcement, but will not preclude people who are really in the business from selling cars. Even students who may be working part time for a dealer would not be precluded from using dealer plates, but the burden of proof would rest on the person using

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the dealer plates to prove that he was a bona fide dealer.

Senator Aber asked how with this bill you could prove that a person was not selling cars even though the car with the dealer plates was always parked on a college campus. Representative Scully responded that the teeth of this bill were in the reporting system. The actual sales had to be substantiated; if a person had never sold a car and did not work at a franchise or a bona fide dealer, then the plates could be refused. Mr. Huss added that the law would require active involvement in the selling of cars and that the plates would be restricted to the area of the dealership.

Senator Aber asked how the state could prove that a college student was a salesman if he said that he was trying to sell the car, but his friends just didn't have the money at the time. Mr. Huss responded that if the state said they could find no proof that the person was involved in the selling of cars, then the burden of proof would be on the student to prove that he was. Mr. Majerus added that such a thing had actually happened in Missoula at the University of Montana and that the law enforcement officials often will offer to test drive the car. If the person with the dealer plates refuses to allow him to do so, then he is charged with the misuse of the dealer plates. The Missoula County Attorney successfully prosecuted the case in court.

Senator Aber asked about the \$150 fee for used dealers and if this would apply only the first time the used dealer applies for the dealer plates. Mr. Huss responded that in subsequent years if the used car dealer has not sold 12 vehicles, then he will have to pay the fee again. This makes it no longer economically feasible to cheat on the taxes by getting dealer plates. With new dealers, a franchise is necessary.

Senator Aber asked if the recording of the name, make, distributor, etc. was an attempt to cut down on the boot leg dealers. Mr. Huss stated that all that was taken care of in the MSO bill that was previously handled by this committee and that this bill does not really address that problem.

Sergeant Ted Stollfuss of the Montana Highway Patrol testified in support of the bill stating that this would be a big step forward in curbing the abuse of dealer plates.

Senator Aber commented that he felt that quarterly reports on the location of the dealer plates would be a hardship on the smaller dealers. Most of the small dealers do not have the plates assigned as they do not have many full time salesmen. So the plates might circulate among several salesmen. He suggested that this quarterly report might only apply to those dealers with 15 or more plates. Representative Scully responded that he didn't think there was a problem with this reporting for the small dealer because the language of the bill reads the "primary" user of each plate. If you sign the plate out to a number of different people, then you would put yourself down as the primary user. The state would want to know who to check

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with if the plate was reported as being abused. The computer print outs indicate that the biggest abusers of the dealer plates are the small dealers. This bill attempts to make someone responsible for the direction of the use of the plates assigned to him.

Chairman Manning asked how detailed the reports that must be filed are. If they are very detailed reports, the smaller dealers might have problems filing them so often. Mr. Raunig answered that it was his understanding that the quarterly report would include such information as the number of plates and who they were assigned to. The plates that were just in the box and were not assigned would be recorded as being assigned to the dealer and he would be responsible for them. Mr. Huss added that an extra advantage to the quarterly reporting is that the reporting system will be an indication of whether or not we have gotten a handle on the abuses of the dealer plates and to see what further changes would be necessary in future legislatures.

Senator Etchart asked how much tax money was being lost through the abuses of the dealer plates. Representative Scully answered that the Yellowstone County Treasurer had given an estimated figure for that county, but that he would have to check his files for the quoted figure. Senator Aber commented that he thought there were about 80 or 90 dealers in Billings with the dealers plates that were not really in the business. Representative Scully added that by looking at the computer print outs it is really amazing at the number of dealer plates out. Mr. Raunig stated that about 1 1/2 years ago the Yellowstone County Treasurer suspected that there were about 86 plates in effect that she considered not to be bona fide dealers. An estimated 300 plates state wide are considered not to be bona fide.

Senator Hager asked what would be done with the report once it was filed. Mr. Majerus answered that the report regulations would be drawn up by the Division and that he foresaw the same type of report that Mr. Raunig did. It will not be a complicated report. A dealer that was at one of the House hearings did the same type of thing that the report will require off the top of his head in about five minutes time and he had 30 to 40 plates. After the report is filed, if there is a complaint then the Division will call the dealer and will provide a way to trace down the plates. If the complaint is valid, then the report is on file and ready for use by the Highway Patrol. If it is in the box of a dealer, then the dealer is on the spot.

Senator Hager commented that if abuses are reported now on plates assigned to a dealer, then the dealer is on the spot. What is the advantage of the report. Representative Scully answered that it is a help to the dealer in that he knows who has which plates and will therefore know who is abusing the plates. The County Treasurer can also pin down dealers who have few salesmen and many plates that are assigned to the box. It would also be a help in places like Bozeman in which the personnel in the dealerships has shiften between the three dealerships back and forth in the last 8 months with 12 people.

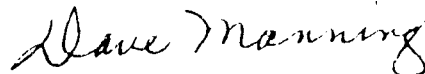
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Senator Hager asked if the reason for the reporting was to force the dealers to keep track of their plates. Representative Scully answered that it would be a help to the dealers and to the Highway Patrol.

DISPOSITION OF HOUSE BILL 650: Senator Healy moved that SB 650 be concurred in. Senator Aber seconded the motion. The motion carried with Senators Graham, Hazelbaker and Lockrem absent and Senators Etchart and Bergren voting no.

An informal discussion took place about the effect of HB 650 and the reasons for the no votes. Senator Smith moved that HB 650 be reconsidered. Senator Hager seconded the motion. The motion to reconsider carried unanimously with Senators Lockrem, Healy, Hazelbaker and Graham absent.

ADJOURNMENT: There being no further business, the meeting was adjourned at 10:57 a.m.



DAVE MANNING, CHAIRMAN

ROLL CALL

HIGHWAYS AND TRANSPORTATION COMMITTEE

45th LEGISLATIVE SESSION - - 1977

Date 3/15

[illegible]

SENATE Highways & TRANSPORT COMMITTEE

FILE HJR 60, HB 52, HB 373 VISITORS' REGISTER
HB 650

DATE 3/15

NAME	REPRESENTING	BILL #	(check for SUPPORT)	DATE
D.B. Tooley	MHP	HB52		✓
TED STOLLHUS	M.H.P.	HB650	✓	
LARRY HUSS	MADA	HB650	✓	
GERALD F. RAUNIG	MADA	HB650	✓	
Luther Lalann	Dept. Admin.	HJR60	✓	
Dawn A. North	League of Women Voters	HJR60	✓	
POORING BRADLEY	State Rep.	HJR60	✓	
John Sully	Dist. 76	650	✓	
LARRY MAJERUS	Administrator, Div. of M.V.	52/650	✓	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

NAME: David A. North DATE: _____

ADDRESS: 914 Buckenridge, Helena, Montana 59601

PHONE: 443 4284

REPRESENTING WHOM? The League of Women Voters

APPEARING ON WHICH PROPOSAL: House Joint Resolution "H"

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: One of the major aims of the League of Women Voters is energy conservation. The cause of energy conservation is advanced when both government purchasing policy encourages the manufacture and purchase of more efficient motor vehicles, and when state employees drive more efficient vehicles in state business. Also, a desirable side effect is saving of tax dollars. For all these reasons, the League of Women Voters supports House Joint Resolution "H".

SENATE COMMITTEE HIGHWAYS AND TRANSPORTATION

Date 3/15 House Bill No. HJR 60 Time 10:40

NAME	YES	NO
Larry Aber, Vice Chairman		✓
Tom Hager		✓
Frank Hazelbaker		
Lloyd Lockrem		
Mark Etchart		✓
Carroll Graham		
John Healy	✓	
Richard Smith	✓	
Russell Bergren	✓	
Dave Manning, Chairman	✓	

Susan Brown
Secretary

Dave Manning
Chairman

Motion: Senator Smith moved that HJR 60 be concurred
in as amended. Senator Bergren seconded the motion.
Motion carried 4-3.

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

STANDING COMMITTEE REPORT

March 15 1977

MR. President

We, your committee on HIGHWAYS AND TRANSPORTATION

having had under consideration HOUSE JOINT RESOLUTION Bill No. 60

Respectfully report as follows: That HOUSE JOINT RESOLUTION Bill No. 60,
third reading, be amended as follows:

1. Amend title, line 7.

Following: "PRIMARY"

Insert: "PRIMARY"

2. Amend page 1, line 24.

Following: "A"

Insert: "primary"

3. Amend page 2, line 1.

Following: "state"

Strike: "motor pool"

AND AS SO AMENDED, BE CONCURRED IN
UNANIMOUSLY