

MINUTES OF THE MEETING  
HIGHWAYS AND TRANSPORTATION COMMITTEE  
MONTANA STATE SENATE

March 17, 1977

The twentieth 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: Senator Hager arrived at 9:37. All members were present.

CONSIDERATION OF HOUSE BILL 373: Representative Harrison Fagg, chief sponsor of the bill, told the committee that this bill had a confused background that resulted in several compromise amendments that are so indicated in this printing of the bill. Last session a bill was passed that required all of the planes in Montana to be registered and a \$100 fine for not registering the plane. This bill changes the deadline for registration from February 1 to March 1. It also exempts nonfliable planes from this registration and the subsequent taxes. The problem now is that there are several planes that leave the state for the short periods of time while the registration fee is being assessed. Some of the other changes in the bill, Representative Fagg explained, were simply house-keeping measures to make the statutes more workable. Representative Fagg added that this bill should correctly reflect the fact that it is an administration bill, not a personal bill.

Senator Graham asked what the \$100 fine was for. Representative Fagg answered that the fine was assessed for failure to register the plane. Senator Graham asked if the fee was proportioned out for only the time that the plane spent in Montana with planes such as the crop dusters. Representative Fagg responded that the type of plane is specified on the registration and that if the plane was only in the state for a portion of the year, then they would pay a portion of the taxes. The fee is only \$5 or \$10. There has been a problem with the big planes disappearing to Texas or elsewhere during the registration period and there are therefore a lot of property taxes that are avoided. Representative Fagg added that there is now a decal on the planes and that there are surveys of the planes at an airport to check to see what planes without the decals are spending a lot of time in Montana. The County Attorney handles the investigations in Billings and he in turn delegates his power to the Airport Commission.

Senator Aber asked how much the decals cost. Representative Fagg responded that it depends on the type of plane. The decal shows that you have paid the taxes on the plane for the year. Representative Fagg's own plane taxes were about \$800.

Senator Hazelbaker asked about the mention of real property on page 3, lines 13 & 14. Bob Person stated that it is a means of

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whereby farmers pay taxes on special properties at the same time that they pay the real property taxes. Senator Lockrem stated that it is the same type of delay as he gets with his boat to just pay the boat taxes with the regular property taxes.

Senator Graham asked if a plane was registered in Wyoming but spent the best part of the year in Montana would it have to pay Montana taxes. Representative Fagg answered that the purpose of the decal is so that the authorities can check and keep close count on the planes on the field. If there are some parked there constantly with no Montana decal, then a \$100 fine would be imposed and they would be forced to buy a Montana decal. Representative Fagg elaborated that in addition to the fine, the violator would have to pay Montana taxes on the plane and would also be required to pay an additional fine if they waited beyond the allowed time period to pay the taxes and get the decal.

Senator Lockrem asked about the possible violations by taking the plane in for the overhaul about March 1 and having it be classified as nonflyable under the bill. Representative Fagg stated that he did not think that it would be worth it to the fliers to take their planes out of the flyable category because of the hassles with the certifications of the plane as being flyable. Senator Etchart confirmed that there would likely be no problem with that because of the red tape involved in keeping the license to fly the plane; the pilots would not want to take the plane out of the flyable category. Also, it is not economically feasible to keep the plane in the nonflyable category long because of the capital investment in the plane to begin with.

DISPOSITION OF HOUSE BILL 373: Senator Etchart moved that SB 373 be concurred in. Senator Graham seconded the motion. The motion carried unanimously. Senator Etchart will carry the bill.

DISCUSSION OF HOUSE BILL 650: Senator Smith explained to the committee members that were absent on Tuesday that there was much criticism in the committee over the requirements that the bill put on the used car dealers. He suggested that lines 13 to 17 be deleted on page 4.

Senator Graham commented that he saw no problem with the permanent sign provision, but he did have problems with the permanent building and the lot. Some individuals already sell out of a trailer and that should not be denied under this bill.

Senator Smith moved to delete lines 13 through 17 on page 4. Senator Lockrem seconded the motion.

Senator Graham commented that there was nothing wrong with requiring a sign, at least that indicated to the public that it was a place of business. Senator Smith asked Senator Graham about the person who is operating out of a service station and can't have a sign.

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Senator Smith cited an example of a man in Columbia Falls that has an office in a bulk station and cars on the lot, but the bulk station won't let him have a sign advertising his used car business. Senator Etchart explained that the property is owned by the oil company. He added that the problem with this bill is that it will cut down on competition. It is supposed to take care of abuses, but will in effect be driving people out of the business.

Senator Aber said that he agreed to an extent. There are those fly-by-night dealers that leave town over night and this bill is trying to get a handle on that problem. He said that he did not favor making it too difficult on the legitimate dealer, but there were problems with those that were here one day and gone the next.

Senator Lockrem stated that Mae Jenkins, the County Treasurer in Yellowstone County, used the abuses of the dealer plates as a campaign tactic in her last election. Maybe the abuses are not as many as the dealers would have us believe, but they seem to have come in the back door with this attempt to cut down the competition. Senator Lockrem added that even if we amend this bill to be a good bill, there will still be those few who will abuse the dealer plates.

Senator Aber asked what qualifies a dealer as being a bona fide dealer. Senator Bergren stated that for a used car dealer it would have to be either paying the \$150 fee or selling 12 cars in the previous year.

Senator Graham stated that if we don't get a handle on this thing, then a dealer can come in and be gone the next day. He said that he didn't like the provisions requiring the permanent building and the lot, but that the sign requirement seemed reasonable to him. Perhaps the sign should only have to be visible for 50 feet. Senator Smith said that if we amend the sign to be readable at 50 feet then the fly-by-night operator could take a cardboard and a stick and still be legal.

Senator Lockrem stated that he supported deleting the sign requirement because that really was only needed on high density streets. Advertising by other means could be more effective for other areas. We don't want to force used car dealers into the more expensive lots.

Senator Aber commented that it was all right with him to take out the sign requirement, but that he favored leaving the \$150 fee requirement in the bill. If a person is required to pay that much money to get into the business, then he will probably stay in town.

The question was called for on Senator Smith's motion to amend on page 4, deleting lines 13-17. Senator Graham voted no, Senator Etchart was absent and the rest of the committee voted aye. The motion carried.

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Senator Smith moved that the bill be amended on page 4 beginning on page 21 continuing down to line 1 on page 5 before the word who and that all of the material inbetween be deleted. He stated that a person could still be a used car dealer even if he only worked for a few months out of the year.

Senator Bergren clarified that this paragraph dealt with the meaning of this bill for the used car dealer. It requires the paying of a \$150 fee or the selling of 12 cars in the previous year.

Senator Graham stated that if we make it easy to qualify as a used car dealer then we would have a lot of dealer plates loose and the abuses would continue.

Senator Lockrem noted that we may be creating problems for the equipment dealers who under certain circumstances take trade ins, but are not usually in the used vehicle business. They will need dealer plates in certain circumstances, but would not be dealing in as many as 12 vehicles each year. This bill would either penalize the heavy equipment dealer by making him pay the fee each year or by forcing him to actively be in the used vehicle business.

Both Senator Graham and Chairman Manning commented that Senator Lockrem had a point there and that it probably would be a problem.

Senator Graham commented that the real teeth of this bill were in the reporting of the use of the dealer plates. He further stated that he felt that all dealers should be required to purchase at least one personal plate for their own cars.

Senator Lockrem stated that this dealer abuse of plates was not as big a problem as the committee had been led to believe. Senator Smith said that they had figured it amounted to about \$30,000 each year. Senator Lockrem stated that if we want to take care of the abuses it was fine, but we should not be giving tenure to those dealers already in business and penalizing those who want to get into business.

Senator Smith amended his motion to amend to delete everything after the word license on line 23, page 4 to and including the word license on line 1, page 5. Senator Aber asked that all of the rest of the intended amendments be made at this time. Senator Smith added that he also wanted to delete lines 11-16 on page 5.

Senator Lockrem suggested that if we really are serious about limiting the used car dealer plates to legitimate businesses, we could put the \$500 fee back in.

Senator Aber stated that he thought that the \$500 fee would be too steep especially for the little town dealers. Senator Lockrem noted that this is a one time expense that might stop the fly-by-nighters and some of the abuses in the larger areas.

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Senator Smith asked that the \$500 provision be included in his motion to amend.

Senator Hager stated that this reminded him of a bill about 10 years ago that raised the fee for eggmen from \$20 to \$50 in an attempt to get at the Butte runners. A few years later the Department of Agriculture was back asking to put the fee back to where it was before because it hadn't worked in stopping the fly-by-nighters. This bill probably won't solve that problem either in the car dealer business.

Senator Bergren commented that he favored making it difficult to get the dealer plates to begin with by charging the \$500 fee.

Senator Lockrem suggested that if the person who was not a bona fide dealer did not want to pay the \$500 fee, then he would be forced to pay the taxes on all of the cars that he owned. That should be a deterrent.

Senator Healy said that he did not think that the \$500 fee was necessary and that it was perhaps too much.

Senator Smith suggested that he would compromise and put the fee at \$300.

The committee voted unanimously to change the \$150 fee to \$300 and the motion to amend page 4, lines 23 through line 1 on page 5 also carried unanimously.

Senator Smith moved that the bill be further amended on page 5, deleting lines 11 through 16 and renumbering subsequent subsections.

Senator Lockrem commented that this would be a way to find out whether or not the auto dealers were really concerned about the abuses of dealer plates.

Senator Aber commented that there have always been qualifications set up for getting the dealer plates, but the plates have always been given out anyway.

Senator Lockrem commented that the legitimate dealers are really doing a good job of taking care of the dealer plates and not abusing them.

The committee voted unanimously to accept the final amendments offered by Senator Smith.

Senator Lockrem commented that perhaps it would work well to give the dealers two free sets of plates and make a nominal charge for each additional set. Senator Aber commented that it is that way presently with the first two sets costing \$35 and each additional set costing \$5 each.

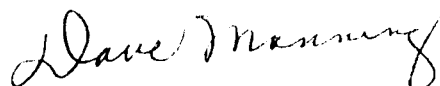
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DISPOSITION OF HOUSE BILL 650: Senator Smith moved that HB 650 as amended be concurred in. Senator Hazelbaker seconded the motion. Senator Etchart voted no, the rest of the committee voted aye. The motion carried. Senator Smith will carry the bill on the floor, Senator Aber will assist.

DISPOSITION OF HOUSE JOINT RESOLUTION 10: Senator Smith moved that HJR 10 as amended be concurred in. Senator Graham seconded the motion. Senator Hager asked for a restatement of the amendments. Senator Smith stated that the resolution had been amended to include Highway 93 to the Flathead County line, about 22 miles above Polson.

Senator Hager voted no, Senator Etchart was absent. The rest of the committee voted aye. The motion carried. Senator Smith and Senator Himsl will carry the resolution on the floor.

ADJOURNMENT: There being no further business, the meeting was adjourned at 10:40 a.m..

  
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DAVE MANNING, CHAIRMAN



# STANDING COMMITTEE REPORT

.....March 17..... 19 77.

MR. President.....

We, your committee on HIGHWAYS AND TRANSPORTATION.....

having had under consideration HOUSE..... Bill No. 373.....

Respectfully report as follows: That HOUSE..... Bill No. 373.....

BE CONCURRED IN

DIXPASS



# STANDING COMMITTEE REPORT

March 17

77

MR. President

We, your committee on HIGHWAYS AND TRANSPORTATION

having had under consideration HOUSE JOINT RESOLUTION Bill No 10

Respectfully report as follows: That HOUSE JOINT RESOLUTION Bill No 10,  
third reading, be amended as follows:

1. Amend the title, line 10.

Following: "WITH"

Strike: "STATE HIGHWAY 35 SOUTH"

Insert: "FLATHEAD COUNTY LINE NORTH"

2. Amend page 2, line 20.

Following: "with"

Strike: "State Highway 35 south"

Insert: "the Flathead County line north"

AND AS SO AMENDED, BE CONCURRED IN  
DO PASS

# STANDING COMMITTEE REPORT

March 17

1977

MR. President

We, your committee on **HIGHWAYS AND TRANSPORTATION**

having had under consideration **HOUSE**

Bill No. **659**

Respectfully report as follows: That **HOUSE** Bill No. **659**,  
third reading, be amended as follows:

1. Amend page 4, section 1, line 11.

Following: "(i)"

Strike: ", " —

Insert: "and"

Following: "(ii)"

Strike: ", and (iv)"

2. Amend page 4, section 1, line 12.

Following: "provide"

Strike: ":",

3. Amend page 4, section 1, lines 13 through 17.

Following: line 12

Strike: subsection (i) in its entirety

4. Amend page 4, section 1, line 18.

Strike: "(ii)"

~~NO PAGE~~

Chairman.

5. Amend page 4, section 1, lines 23 through line 1 on page 5.

Following: "license"

Strike: "shall certify under oath that the applicant sold in excess of 10 12 used motor vehicles during the previous calendar year. In lieu of this requirement, a new applicant for a used motor vehicle dealer license,"

6. Amend page 5, section 1, line 6.

Strike: "\$150"

Insert: "\$300"

7. Amend page 5, section 1, lines 11 through 16.

Following: line 10

Strike: subsection (2) in its entirety

Renumber: subsequent subsections

AND AS SO AMENDED, BE CONCURRED IN

DAVE MANNING, CHAIRMAN