

February 15, 1979

The House Committee on Highways and Transportation convened on February 15, 1979 at 12:30 p.m. in room 20 of the Capital Annex, with Chairman Baeth presiding and sixteen members present (Rep. Lien absent) to hear testimony on the following bills:

HOUSE BILL 685 REPRESENTATIVE JERRY METCALF, District 31, the chief sponsor, said this bill would remove the Driver's Education Program and the Victims of Crime Program (which are now funded from fines and forfeitures from city and justice of the peace courts) from being funded from these city monies. He said since these are state programs, they should be funded out of state funds.

DAVE HUNTER, city of Helena, spoke next in support and a copy of his testimony is exhibit 1 and part of the minutes. He also left a copy of some suggested amendments which is exhibit 2 and part of the minutes.

LARRY GRAHL, city of Billings, spoke in support. A copy of his testimony is exhibit 3 and part of the minutes.

REP. DAN HARRINGTON spoke in opposition. He said he has been a driver's education instructor for eight years. He said to remove this funding would destroy that program.

CURT HAHN, Office of Public Instruction, said they oppose the bill. He submitted a copy of a court decision that showed this type of funding has been shown to be unconstitutional, exhibit 4. A copy of his testimony is exhibit 5 and part of the minutes.

JAMES MANION, Montana Automobile Association, said they strongly favor the driver education program and so strongly oppose the bill.

EDWARD W. NILSON, Traffic Education in Schools, Anaconda School System, said this was a "killer bill" because some schools will no longer be able to finance driver education. A copy of his testimony is exhibit 6 and part of the minutes.

JOHN FRANKINO, Montana Catholic Conference, spoke on the Victims of Crimes Act. He said this was legislated just the past session and at the time the possibility of funding through the general fund was considered but it was decided this was the better approach. He said they oppose the bill but would favor the proposed surcharge provided it didn't have a termination date.

JAMES J. MURPHY, Division of Worker's Compensation, said they oppose the bill. They are responsible, he said, for the Victims of Crime Act and have been operating for only one year. He said the program has taken off slowly. As people have become more aware of the program, the use of it is increasing. He said the surcharge is fine but there should not be a termination date.

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REP. FRATES spoke as an opponent. He said the purpose of driver education is to make better drivers and this tax is coming from violators. He said this bill could destroy the very thing we set out to do. He said funding another way could just increase our school taxes which are already the highest.

Rep. Metcalf in closing said he strongly objected to the bill being considered a killer bill. He said they do not oppose the programs--they endorse them. He said the purpose of the bill is to fund them in a fair and proper way. He said the cities have statutory mill levy limits and currently the city of Helena is spending more money on these two programs than it costs them to run their whole police court system. He said it is only fair to look at some other way of trying to fund these programs. He said currently 46 states have revenue sharing programs where state monies go to pay for local programs, but this is the only time local monies are used to pay for state programs. He said he thought we could generate enough money through surcharges or our state fines.

During questions from the committee, a committee member asked why such a difference in costs in different school systems. Mr. Hahn responded that it depended on whether the program was during school hours or after, the type of equipment (did they use simulators); and he said the program has been running for ten years.

Rep. Feda asked why this wasn't two separate bills as it deals with two separate programs. Rep. Metcalf said they started with two bills and the Legislative Council combined them. In response to another question by Rep. Keyser as to where the students primarily come from--city or rural--Mr. Hahn said the 13 largest cities have 54% of the students that complete driver's education. In response to another question, Mr. Al Thielen, Helena City Manager, said the city has the authority to establish a fee and the judge determines what the fee will be. Mr. Thielen said the legislature which approves a program should assume the responsibility financially for that act. He said this way it is like one person spending the other person's money. In response to a question of where the schools get their cars, Gerald F. Raunig, Montana Auto Dealer's Assoc., said that generally the cars are loaned to the schools for the driver's program. Rep. Keyser questioned what is wrong with the cities paying the driver education out of fines when so many students are participating in the program. Rep. Metcalf said this is earmarking city funds to pay for state programs.

D. B. Tooley, Montana Highway Patrol, signed as opposing HB 685.

HOUSE BILL 708      REP PAUL G. PISTORIA, District 39, the chief sponsor, said compulsory liability insurance is being demanded by the people. He said he had copied the Idaho law as they had one that seemed to work very well. He said there are two suggested amendments and a copy of these is exhibit 7 and part of the minutes. He passed around a copy of the law of Idaho and this is exhibit 8 of the minutes. He left a copy of a statement

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explaining automobile liability insurance (exhibit 9) and samples of forms used by Idaho. Rep. Pistoria read an explanation of compulsory auto insurance and a copy of this is exhibit 10 and part of the minutes.

PAT MELBY, Alliance of American Insurers, said he was also speaking for Glen Drake, American Insurance Association, as Mr. Drake had a conflict and was unable to be present. He indicated their support of this bill. He said they like this bill better than the previous one heard in the committee because of its simplicity. He said this bill places the burden where it properly belongs--on the owner of the automobile. Liability insurance must be had before an automobile is registered.

JIM MANION, Montana Automobile Association, said they have contacted their counterparts in Idaho and have found they think this is a very workable bill, and are very happy with it. He said he thought the people of Montana are ready for this.

W. BOYCE CLARK, Independent Insurance Agents of Montana, spoke in support and a copy of his testimony is exhibit 11 and part of the minutes.

JIM BURNHAM, Mountain Bell, said they are neutral on the bill. He suggested some amendments which would clarify self insured exemption. A copy of these amendments is exhibit 12 and part of the minutes.

Rep. Pistoria said he was in accord with that amendment.

DUANE TOOLEY, Montana Highway Patrol, said they are strongly proponents. He said there is a definite need for some action in the insurance field on this as our present laws are pretty well toothless for doing something for someone that suffers damage from an uninsured driver--only recourse is to successfully sue.

RITA M. THEISEN, Montana Insurance Department, said they are not taking a position but felt they would be better left out of it and suggested the bill be so amended on page 1, line 22.

REP. TROPILA spoke his support of the bill. REP. FABREGA said he would like to appear as a proponent. He said he had sent questionnaires to his constituents and 336 had replied for and 23 against. REP. MEYER said he also rises in support and had also sent out questionnaires of which 309 replied for and 18 against.

There were no opponents.

In answer to a question from Rep. Frates, Mr. Clark said he felt the bill is not likely to change the overall cost of insurance.

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Rep. Fabrega asked if it would be possible on line 22, page 1, to replace the office of insurance commissioner with the division of motor vehicles. Mr. Majerus said they would not object to this. Rep. Keyser felt on page 3, numbers 4 and 5 were very vague. He said who is going to decide what kind of implement that is. He said he didn't see any need for that to be in. Mr. Melby responded that most implements of husbandry would not be licesned and so there is no need for insurance. Rep. Wood said there is no provision for enforcing. He asked how can you tell who has insurance and who hasn't. Mr. Melby said if it is found through just normal checking that a person doesn't have the insurance, he is guilty of a misdemeanor. The highway patrol would not be constantly checking nor would the insurance company be constantly sending pieces of paper to the motor vehicle division.

Mr. Tooley said there is no provision in the act that he could see that we must be notified when the insurance is cancelled. If we do determine that the vehicle is not insured we can pick up the plates right then and we don't have to go looking for them.

Also signing as favoring the legislation was:

J. Mayo Ashley, Independent Insurance Agents of Montana  
Genevieve S. Adair, National Association of Retired Teachers  
and American Insurance of Retired Persons

HOUSE BILL 704 REP. HARRISON FAGG, District 63, the chief sponsor, said that he personally feels that mass transit is needed. He said the problem has been not enough money and this bill would clarify the allocation of state funds for public transportation and revise the allocation formula. He said the DCA distributes the funds into the various mass transportation systems.

BARBARA GARRETT, Department of Community Affairs, said they are responsible for administering these funds. She said they were neutral on the bill.

LARRY GRAHL, City of Billings, said they were very much in support and a copy of his testimony is exhibit 13 and part of the minutes.

A representative of the City of Great Falls also said they support the bill.

DAVID ASHLEY, City of Helena, said they support the bill.

Fagg closed and there were no questions from the committee.

#### EXECUTIVE SESSION

House Bill 704 Rep. Tropila voted do pass. Motion carried with Rep. Kropp voting no (absent Rep. Line).

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House Bill 708      Rep. Feda moved to put on line 22, page 1  
"division of motor vehicles" instead of  
"director of insurance"; and on page 2, line 14 to insert "to  
the county treasurer" following "certify." The amendments  
carried unanimously with those present (Rep. Lien absent).  
Rep. Fabrega moved that HB 708 as so amended do pass. Motion  
carried unanimously with Rep. Lien absent.

House Bill 685      Rep. Tropila moved do not pass. This motion  
carried unanimously with Rep. Lien absent.

Meeting adjourned at 2:20 p.m.

Respectfully submitted,

  
WILLIAM R. BAETH, Chairman

Emelia Satre, Secretary