

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

January 23, 1979

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present with the exception of Senator Bob Peterson who was excused.

SENATE BILL 82: Chairman Hazelbaker stated, "This bill is an act to allow the use of metric sizes for packaging and to provide rulemaking by the Department of Business Regulation."

Chairman Hazelbaker introduced Gary Delano from the Department of Business Regulation, Weights and Measures Division. He stated that the statutes make no provision for metrics. This bill is for those areas that require certain sizes of packaging. There is no requirement to package in metrics.

Robert Wood, attorney for the Department of Business Regulation stated his department has submitted a proposed amendment. A copy of the proposed amendment is attached.

Mr. Delano stated HB 228 addresses the same thing, but it is narrowed to bread only. The House will hold this bill until they see what disposition is made of SB 82.

QUESTIONS: Senator Blaylock asked Mr. Wood, "Will it be made very clear that the act will not demand the use of metrics, but that it is strictly voluntary." Mr. Wood replied, "the use of metrics is definitely voluntary."

Senator Dover to Mr. Delano, "Won't this lead to added confusion?"

Mr. Delano stated the Department is caught in the middle. They are neither proponents or opponents of the bill. It will allow people to use metrics if they want to use it. There will be some confusion for awhile. It will be easier to make price comparison.

Since there were no other questions on SB 82, the hearing was concluded.

SENATE BILL 117: Senator Matt Himsl explained the amendment on SB 117. The request comes from the Attorney General's office. There are problems where people make bequests to schools

such as The Deaf and Blind School and the portfolio included some common stock. Under this provision, they are not authorized to hold common stock. Retirement funds only may be invested.

The intent of this bill is to allow the State Board of Investments to pool these bequests and to hold common stocks in that form and not be forced to liquidate them.

Jim Howeth, representing the State Board of Investments, stated that most of the bequests are relatively small. He says it would be better to put all funds in one pool and each agency would own a percentage of the pool and, in this way, could more readily manage the investment.

QUESTIONS: Senator Blaylock questioned the reading of the bill. Senator Himsl said it involves retirement funds only. They are presently not authorized to hold common stocks.

Senator Blaylock to Mr. Howeth, "If you pool this in one fund, how is it allocated?"

Mr. Howeth replied, "If they don't have enough money to diversify themselves, we will allocate it."

Senator Himsl stated this is not a new procedure. This is done in the trust departments of many banks.

Hearing was concluded on SB 117.

SENATE BILL 108: Senator Lowe stated this bill is an act permitting the Department of Revenue to license the catering of alcoholic beverages off the premises of a tavern.

A fee of \$50 is charged for the catering endorsement and a fee of \$10 for each prior written approval.

Bill Groff from the Department of Revenue stated the amendments are for the purpose of policing it and enforcing it. The intent of the bill has not been changed at all.

Mr. Groff went through the amendments of the bill which are attached.

Mr. Phil Strobe representing the Montana Innkeepers Association said he agrees with Mr. Groff in their desire to restructure the language. He cited the Field House in Bozeman as having the legal right to cater the function.

Mr. Jack Anderson, manager of The Northern Hotel in Billings, stated that the law presently provides that they cannot cater

any alcoholic beverages off the premises. There is a need for this bill in order to complete the catering function. He said, "We should be able to serve cocktails at Metra and the Fairgrounds on certain occasions. It is needed to bring business into the community. Presently there is no catering service for cocktails."

Mr. J. D. Lynch, representing the Cascade Tavern Association, concurred with Mr. Anderson and supported the bill.

QUESTIONS: Senator Regan stated that she agrees Metra needs a liquor license, but she isn't certain the bill before the Committee is the approach which should be taken. "Why aren't we looking at a bill for an organization to get a one-day license to serve alcoholic beverages?"

Senator Lowe stated, "We are trying to put it in the hands of a business firm that is regularly doing this. The bill we are looking at here would go beyond the case of Metra which may be unique."

Senator Regan asked Mr. Groff what they were suggesting in the way of fees. He replied, "A minimum of \$20 to \$30 would be what it costs to get the job done."

Senator Regan asked if there would be any limit on how many events can be catered per week or per day?

Senator Lowe said this would be up to the Department.

Mr. Groff said you would have to have the approval of the people who are asking. It would not go on as a permanent thing.

Senator Dover asked, "Does this \$50 a year license entitle them to cater where they want to for a \$10 fee?" Senator Dover also asked about item "f" on this bill regarding churches and schools.

Senator Lowe said, "Item 'f' should be looked at very carefully."

There were no more proponents or opponents of this bill.

DISPOSITION OF SENATE BILL 82: Chairman Hazelbaker suggested we appoint a subcommittee and they get together with our attorney and an attorney from the Department of Business Regulation to be sure we have the right intent.

Senator Regan, "Why don't we suggest the researcher get together with the Department and submit to us the Statement of Intent about one-third its present size."

It was unanimously agreed to hold the bill until we get the Statement of Intent.

Senator Hager said, "If they write the Statement of Intent, they should know about it."

Senator Lowe said, "They should be able to explain it to us. We should see what they are doing with the bill."

Senator Kolstad said, "It is much better for them to write a Statement of Intent before we pass the law rather than afterwards."

Senator Regan said she would take the material down to the researcher and show it to the Department and then bring it back to the Committee for consideration.

Chairman Hazelbaker stated the Committee would then take further action on the bill when we hear from Senator Regan.

DISPOSITION OF SENATE BILL 117: Senator Blaylock moved that SB 117 DO PASS. The motion was seconded by Senator Dover. The motion carried unanimously.

DISPOSITION OF SENATE BILL 108: There was discussion of section "f" of the amendments which makes an exception to the 600 ft. radius mentioned in the statutes.

There was discussion of amendments to the Department's amendments. Section "f" shall be subject to the provision of that section unless the entities named in item "f" section 16-3-306 give their written approval.

The amendment to the amendment passed unanimously.

Senator Goodover questioned the fee of \$50 as an annual fee.

Chairman Hazelbaker said this was an annual fee.

Senator Dover questioned whether we want to call this an annual fee.

The question was submitted to the Committee on whether they wanted an annual fee. All were in favor.

Senator Regan thought it was sweeping in its scope.

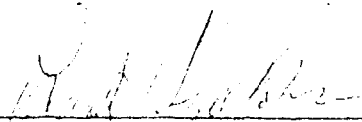
Senator Lowe made a motion that the fee be raised from \$10 to \$20. Senator Kolstad seconded the motion.

There was a roll call vote on the motion. The vote carried 7 to 2.

Senator Regan moved we raise the annual fee to \$250.00. The motion died for lack of a second.

Senator Lowe made a motion that the bill DO PASS as Amended. The motion was seconded by Senator Kolstad. The motion carried 6 to 3.

ADJOURN: The meeting adjourned at 11:20 a.m.


SENATOR FRANK W. HAZELBAKER

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

46TH LEGISLATIVE SESSION - - 1979

Date Jan. 23

NAME	PRESENT	ABSENT	EXCUSED
Pat Goodover, Vice Chairman	✓		
Chet Blaylock	✓		
Harold Dover	✓		
Tom Hager	✓		
Allen Kolstad	✓		
Bill Lowe	✓		
John Mehrens	✓		
Bob Peterson			✓
Pat Regan	✓		
Frank Hazelbaker, Chairman	✓		

SENATE COMMITTEE BUSINESS & INDUSTRY

Date January 23, 1979 Bill No. 108 Time 11 a.m.

NAME	YES	NO
Pat M. Goodover, Vice Chairman	✓	
Chet Blaylock	✓	
Harold Dover	✓	
Tom Hager		✓
Allen Kolstad	✓	
Bill Lowe	✓	
John Mehrens	✓	
Bob Peterson	absent	
Pat Regan		✓
Frank Hazelbaker, Chairman	✓	

Marjorie L. Nichols
Secretary

F. Hazelbaker
Chairman

Motion: The motion refers to subsection "c" of the
amendment on the Standing Committee Report. The motion
increases the fee for individual catering services of a
licensee from \$10 to \$20.

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

STANDING COMMITTEE REPORT

January 23,

19 79

MR. President:

We, your committee on Business and Industry

having had under consideration Senate Bill No. 117

Respectfully report as follows: That Senate Bill No. 117

DO PASS

Handwritten initials

Handwritten signature

Stem 407

January 24, 19 79

MR.President:.....

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

having had under consideration.....**Senate**..... Bill No. **108**.....

Respectfully report as follows: That.....**Senate**..... Bill No. **108**.....
introduced bill, be amended as follows:

1. Page 4, line 22 through line 6 on page 5.

Strike: subsection (7) in its entirety

Insert: "(7) (a) Any all-beverage licensee is, upon the approval and in the discretion of the liquor division, entitled to a catering endorsement to his all-beverage license to allow the catering and sale of alcoholic beverages to persons attending a special event upon premises not otherwise licensed for the sale of alcoholic beverages such beverages to be consumed on the premises where the event is held.

(b) A written application for a catering endorsement and an annual fee of \$50 must be submitted to the department for its approval.

(c) A written application for each event for which the licensee intends to provide catering services and a fee of \$20 must be filed with the department at least 10 days prior to the event

DQ:PASSX

(CONTINUED)

January 24, 1979

and shall describe the location of the premises where the event is to be held, the nature of the event, and the period during which the event is to be held. If obtained, the licensee shall display in a prominent place on those premises, the written approval from the department for each event which is catered pursuant to this subsection.

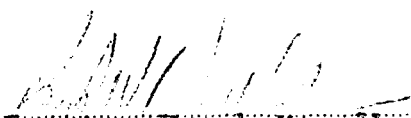
(d) The licensee shall file with each application for an event to be catered a written statement of approval of the premises where the event is to be held issued by the Department of Health and Environmental Sciences.

(e) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-6-103.

(f) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-3-306, unless entities named in 16-3-306 give their written approval.

P.A.

And, as so amended
DO PASS


.....
Senator Frank Hazelbaker Chairman.

BILLS TO BE HEARD BY
THE SENATE BUSINESS AND INDUSTRY COMMITTEE
JANUARY 23, 1979

Bill
SB 82

Sponsor
Regan

By request of the Department of Business Regulation.
Permits commodities to be packaged and sold using metric sizes.
The Department is given rulemaking authority to define the
permissible metric sizes. A statement of intent is required
for this bill; one will be proposed by the department.

Bill
SB 108

Sponsor
Lowe

Provides that the holder of an all-beverages license may
obtain an endorsement from the Department of Revenue authorizing
him to cater alcohol to gatherings off his tavern premises.
He must obtain prior written approval for each such gathering.
The fee for the endorsement is \$50 and the fee for each approval
is \$10 (p. 4, l. 22-25; p. 5, l. 1-6).

Bill
SB 117

Sponsor
Himsl

Provides that the fund provided for in 17-6-203(4) may
be invested in preferred and common stocks but under the same
restrictions applicable to retirement funds (p. 4, l. 6-7).
Section 17-6-203(4) relates to the fund consisting of contributions
made, by will or otherwise, to the state.

PROPOSED AMENDMENT

SENATE BILL NUMBER 82

Page 2

Following: Line 14

Insert: "Section 2. Codification. Section 1 is intended to be codified as an integral part of Title 30, Chapter 12, MCA, and the provisions contained in Title 30, Chapter 12, MCA, apply to Section 1."

STATEMENT OF INTENT RE: Senate Bill 82

Paragraph 1. A statement of intent is required for this bill in that it delegates authority to adopt rules in Section 1.

Paragraph 2. The bill is adopted in order to provide for the voluntary use of metric sizes in packaging. It is particularly directed at part 4 of Title 30, Chapter 12, and the following commodities: bread, butter, oleo margarine, and margarine, fluid dairy products, flour, corn meal, and hominy grits, as well as furnace and stove oil, and berries and small fruits. The purpose of providing rule-making authority for the department in allowing for metric sizes is that, for instance, in the case of bread, that commodity has been defined by statute as having to be sold in weights of one-half pound, one pound, one and one-half pounds, or multiple of one pound. In order to provide for the voluntary conversion to metric sizes of such commodities, this bill has been introduced. However, in order to provide for the fullest industry and consumer input into desirable sizes based on consumer need and industry requirements, it is submitted that rule-making authority granted to the department would provide the greatest opportunity of input. If metric sizes are defined by statute as under the current law, it is possible that either the industry or the consumer may be forced into a position of accepting sizes which are compatible with neither's needs. It is also submitted that Congress, while attempting to define the conversion of the United States to the metric system over the years, may in fact, either by statute or rule, define those packaging requirements of the commodities which this bill

purports to deal with. In such an instance, rather than returning to the legislature and requesting amendment to the statute, a more efficient and abbreviated method of change may be provided for. Thus, in the case of bread or fluid dairy products, or the other commodities mentioned, they may be packaged and sold either in the sizes currently provided for in the statutes, or in the sizes which would be defined by the department by rule with the assistance of the industries involved and the consumers. Thus, both consumer and industry needs will be better served by providing rule-making authority in this area.

NAME: Jim Hawkins DATE: _____

ADDRESS: Mitchell Bldg

PHONE: 449-2656

REPRESENTING WHOM? Board of Investments

APPEARING ON WHICH PROPOSAL: SB 117

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DATE Jan. 23, 1979COMMITTEE ON Business & Industry

BILL NO. _____

VISITOR'S REGISTER

NAME	REPRESENTING	B. H. No.	Check off	
			Support	Opp
ROBERT WOOD	DEPT. OF BUSINESS REG.	82	✓	
	Dept. of Bus. Reg.	82	✓	
Dr. Williams	Liquor Division	105		
Bob Durkee	MTA	108	amended	
Phil Strage	MT TOWNKEEPERS ASS	108	amended	
St. Jack Anderson	MIKA	108	"	
Robert Durkee	Mont. Tax. Assn	108	"	
Dr. [unclear]	Cascade TAX. ASSN	105	"	

(Please leave prepared statement with Secretary)

STANDING COMMITTEE REPORT

..... 19.....
Journal

MR. Chairman.....

We, your committee on Business & Industry.....

having had under consideration SB..... Bill No. 108.....

Respectfully report as follows: That..... SB..... Bill No. 108.....

SB 108, introduced bill, be amended as follows:

1. Pages 4 and 5, lines 22 through 6 on page 5

Strike: section 7 in its entirety

Insert: (7)(a) Any all-beverage licensee shall in the discretion of the Liquor Division be entitled to a catering endorsement to an all-beverage license to provide for the catering and sale of alcoholic beverage to persons attending a special event upon premises not otherwise licensed for the sale of alcoholic beverages, to be consumed within the premises wherein the event is held.

(b) The written application for catering endorsement and a fee of \$50.00 shall be submitted to the department for its approval.

(c) The written application for each event for which the licensee intends to provide catering services and a fee of \$10.00 shall be filed with the department at least 10 days prior to the event and shall describe the location of the premises where the event is to be held, the nature of the event, and the period during which the event shall be held. The licensee shall display written approval from

DO PASS

the department for each event which is catered pursuant to this section.

(d) The licensee shall file with each application for an event to be catered, written approval of the premises where the event is to be held by the Department of Health and Environmental Sciences.

(e) The sale of alcoholic beverages pursuant to a catering endorsement shall be subject to the provision of section 16-6-103, MCA.

(f) The sale of alcoholic beverages pursuant to a catering endorsement shall not be subject to the provisions of section 16-3-306, MCA.