

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

February 5, 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 Hager and Senator Kolstad who were excused.

SENATE BILL 230: Chairman Hazelbaker introduced Senator Lloyd Lockrem, sponsor of SB 230, who explained the bill.

Senator Lockrem stated this bill is an act to allow banks to maintain three detached drive-in and walkup facilities without limitation on the maximum distance from the main banking house to the detached facility.

This bill allows banks to compete with credit unions and savings and loan institutions.

He suggested an amendment to SB 230.

Senator Thiessen, co-sponsor of SB 230, stated this bill is also a conservation measure. He left an exhibit for the Committee which is attached. Senator Thiessen also presented an amendment to SB 230 which is attached.

OPPONENTS TO SENATE BILL 230: Mr. Harold Pitts, representing the Montana Bankers Association, spoke in opposition to SB 230. His testimony is attached.

There were general questions and discussion from the Committee on branch banking. Mr. Pitts stated there is definitely not branch banking in Montana.

Senator Lockrem made closing comments in support of SB 230.

SENATE BILL 255: Senator Thiessen stated he did not realize Senate Bill 255 was to be heard today and asked the Committee if the hearing on SB 255 could be postponed. The Committee agreed.

ADJOURN: There being no further business, the meeting was adjourned at 10:45 a.m.



Sen. Frank Hazelbaker, Chairman

Senate Bill No. 230 - Amendment by Senator Thiessen

1. Title, line 5.

Following: "ALLOW"

Insert: PRINCIPAL

2. Title, line 7.

Following: "FACILITY"

Insert: "AND WITHOUT LIMITATION ON THE MAXIMUM DISTANCE FROM ANY
OTHER BANK OR SERVICES PROVIDED"

3. Page 1, line 11.

Following: "32-1-372"

Insert: "Principal bank-defined,

4. Page 1, line 12.

Following: line 11

Insert: "The words "principal bank" as used in this section
include the commercial bank, savings bank, trust company,
investment company, or the facility carrying on the business
of banking, trust company, or investment company under the laws
of this state or doing business in this state under the national
banking laws of the United States, which is designated by a
bank corporation, corporation or individual which owns or
controls more than one such facility in the state of Montana.

5. Page 1, line 17.

Following: line 16

Insert: principal

6. Page 1, line 23 through line 16 on Page 2.

Strike: The remainder of line 23 through 16 on page 2 in their entirety.

STEVE ADAMS GROUP - MINNEAPOLIS

<u>NAME</u>	<u>LOCATION</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
United State National	Red Lodge	\$ 14,279,000.
Security State Bank	Harlem	8,069,000.
Bank of Bridger	Bridger	6,794,000.
First National	Twin Bridges	6,725,000.
Security Bank	Three Forks	<u>4,542,000.</u>
5 Units		\$ 40,409,000.

Steve Adams Group - Minneapolis

JOHN VUCUREVICH - OWNED - SOUTH DAKOTA

<u>NAME</u>	<u>LOCATION</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
First Citizens	Billings	\$ 28,429,000.
Western Bank, NA	Chinook	14,873,000.
* United National	Libby	9,346,000.
Bank of Sheridan	Sheridan	<u>7,443,000.</u>
4 Units		\$ 60,091,000.

* Sold to James Edmiston

WESTERN BANCORPORATION - LOS ANGELES

<u>NAME</u>	<u>LOCATION</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
Montana Bank	Great Falls	\$ 77,572,000.
Conrad National	Kalispell	74,245,000.
Bank of Glacier County	Cut Bank	<u>24,145,000.</u>
3 Units		\$ 175,962,000.

BANCORPORATION OF MONTANA - GREAT FALLS

<u>NAME</u>	<u>LOCATION</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
Citizens Bank	Havre	\$ 41,102,000.
First Security Bank of Mt. NA	Glasgow	36,733,000.
Miners Bank of Montana, NA	Butte	27,196,000.
Central Bank	Great Falls	17,044,000.
Liberty Bank	Chester	15,341,000.
Bank of Montana	Helena	14,999,000.
Missoula Bank of Montana	Missoula	14,705,000.
First State Bank	Thompson Falls	14,585,000.
Northern Bank	Big Sandy	13,641,000.
Eastside Bank	Great Falls	13,495,000.
Blaine Bank	Chinook	12,626,000.
Pondera Bank	Conrad	9,086,000.
Farmers Merchants	Rudyard	7,017,000.
Valier Bank	Valier	5,417,000.
Trust Corporation	Great Falls	121,000.
Midstate Bank	Lewistown (new)	<u>-0-</u>
16 Units		\$ 243,108,000.

S.T.S. CORPORATION (SCOTT'S) - BILLINGS

<u>NAME</u>	<u>LOCATION</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
Security Bank, NA	Billings	\$ 208,642,000.
Big Horn Bank	Hardin	31,896,000.
Security Bank	Colstrip	5,156,000.
Rimrock Bank	Billings (new)	<u>4,303,000.</u>
4 Units		\$ 249,997,000.

NORTHWEST BANCORPORATION - MINNEAPOLIS

<u>NAME</u>	<u>LOCATION</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
First Northwestern National	Billings	\$ 126,955,000.
Northwestern National	Great Falls	117,984,000.
Northwestern Bank	Helena	89,230,000.
First National	Anaconda	68,710,000.
First Northwestern National	Kalispell	59,074,000.
Northwestern Bank	Lewistown	39,392,000.
First Northwestern National	Dillon	21,267,000.
Northwestern Union Trust Co.	Helena	<u>745,000.</u>
8 Units		\$ 523,357,000.

FIRST BANK SYSTEM - MINNEAPOLIS

<u>NAME</u>	<u>LOCATION</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
Midland National	Billings	\$ 194,254,000.
First National	Great Falls	156,127,000.
Western Montana National	Missoula	106,696,000.
First Metals	Butte	82,605,000.
First National	Helena	72,646,000.
First National	Bozeman	72,433,000.
First National	Miles City	58,554,000.
First National	Lewistown	50,064,000.
First Westside National	Great Falls	51,815,000.
First National	Havre	43,995,000.
First National	Livingston	35,287,000.
Southside National	Missoula	33,210,000.
Valley State	Billings	29,130,000.
First State Bank	Fort Benton	26,388,000.
First State Bank	Forsyth	25,263,000.
First Trust Co.	Helena	<u>379,000.</u>
16 Units		\$ 1,038,851,000.

BANKS NOT INDIVIDUALLY OWNED

<u>NAME</u>	<u># UNITS</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
First Bank System	16 (10.2%)	\$ 1,038,851,000. (25.9%)
Northwest Bancorporation	8 (5.1%)	523,357,000. (13.1%)
S.T.S. Corporation (Scotts')	4 (2.5%)	249,997,000. (6.2%)
Eldon Kuhn's Group	15 (9.5%)	260,906,000. (6.5%)
Bancorporation of Montana	16 (10.2%)	243,108,000. (6.1%)
Western Bancorporation	3 (1.9%)	175,962,000. (4.4%)
John Vucurevich Owned	4 (2.5%)	60,091,000. (1.5%)
Steve Adam's Group	5 (3.2%)	40,409,000. (1.0%)
TOTALS	71	\$ 2,592,681,000.
% of Montana Totals	<u>45.2%</u>	<u>64.7%</u>

OUT OF STATE OWNERSHIP

<u>NAME</u>	<u># UNITS</u>	<u>TOTAL RESOURCES</u> <u>DECEMBER 31, 1977</u>
First Bank System	16 (10.2%)	\$ 1,038,851,000. (25.9%)
Northwest Bancorporation	8 (5.1%)	523,357,000. (13.1%)
Eldon Kuhns' Group	15 (9.5%)	260,906,000. (6.5%)
Western Bancorporation	3 (1.9%)	175,962,000. (4.4%)
John Vucurevich Owned	4 (2.5%)	60,091,000. (1.5%)
Steve Adam's Group	5 (3.2%)	40,409,000. (1.0%)
TOTALS	51	\$ 2,099,576,000.
% of Montana Totals	<u>32.5%</u>	<u>52.4%</u>

3 OUT OF STATE HOLDING COMPANIES

First Bank System	16 (10.2%)	\$ 1,038,851,000. (25.9%)
Northwest Bancorporation	8 (5.1%)	523,357,000. (13.1%)
Western Bancorporation	3 (1.9%)	175,962,000. (4.4%)
TOTALS	27	\$ 1,738,170,000.
of Montana Totals	<u>17.2%</u>	<u>43.4%</u>

MEMBERS OF THE BOARD OF DIRECTORS
OF CERTAIN BANKS IN MONTANA
ACCORDING TO THE LATEST INFORMATION AVAILABLE

Security Bank, N.A.
Billings, Montana (as of 1/78)

R.C. Clark	R.A. Kjoss
R.A. Campbell	George Richards
J.M. Dietrich	Dan Scott
M.E. Eddleman	H.A. Scott
A.M. Fulton	H.A. Scott, Jr.
W.P. Hall	T.W. Scott
J.W. Heath	R.M. Waters
O.M. Jorgenson	J.B. Woods

Security State Bank of Colstrip
Colstrip, Montana (as of 1/25/79)

Ed Garding	James R. Scott
Wallace McRae	Thomas W. Scott
Jerry Pospisil	Terry M. Sheahan
Homer Scott, Jr.	Martin A. White
Homer Scott, Sr.	

Proposed People's Bank
Billings, Montana
(Proposed Directors)

David R. Calahan	David L. Wendte
William R. Getter	Douglas G. Wilson
James R. Scott	Rae F. Young
Thomas W. Scott	

Rimrock Bank of Billings
Billings, Montana (as of 1/78)

Dan Barz	Noel Meisner
Rodger Bell	R.L. Nance
John Bohlinger	James Scott
Don DuBeau	John Odogaard
Joel Long	Tom Scott

Big Horn State Bank
Hardin, Montana (as of 1/16/79)

Everett Bullis	Tom Scott
George C. Miller	J. Wm. Smith
Dan S. Scott	Charles Sweeney
Homer Scott, Jr.	Alvin Torske
Homer Scott, Sr.	Leroy Wallin

NAME: Frank P. Thi DATE: 2-5-79

ADDRESS: Helena, Montana

PHONE: 445-7109

REPRESENTING WHOM? Montana Bankers Assoc

APPEARING ON WHICH PROPOSAL: S.B. 230

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

COMMENTS: _____

MONTANA SENATE BILL 230

POSITION OF THE MONTANA BANKERS ASSOCIATION

* * * * *

Senate Bill 230 would liberalize the detached facility provision of the Montana banking law to allow three detached facilities without regard for the distance from the principal office of the bank.

The Montana Bankers Association is an association of all 160 banks in the State of Montana. These banks are large and small, both state and national. Because of the divergent views in banking industry in Montana the Montana Bankers Association has and continues to maintain a position of neutrality with respect to any legislation which involves the question of whether or not the banks should be allowed to maintain more than one place for the transaction of some or all of the business of such bank.

Therefore, without expressing any views one way or the other with regard to the merits or demerits of Senate Bill 230 the Montana Bankers Association does not recommend this legislation at this time. The reason for taking this position is that the Montana Bankers Association feels that the banking industry and the legislature should take a comprehensive look at all possible alternatives before any consideration is given to any further change in Montana's law with respect to maintaining places of business within the banking industry.

NAME: Larry Klein DATE: 2/5/75

ADDRESS: 151 7th Ave

PHONE: 442-8070

REPRESENTING WHOM? Massachusetts Independent Contractors Association

APPEARING ON WHICH PROPOSAL: SB 250

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

