

MINUTES OF THE MEETING OF THE HIGHWAYS AND TRANSPORTATION COMMITTEE
FEBRUARY 3, 1981

The House Highways and Transportation Committee convened in Room 437 of the Capitol Building on Tuesday, February 3, 1981, at 12:30 p.m. with CHAIRMAN PAUL KROPP presiding and fourteen members present (REP. BRAND was excused and REP. WINSLOW was absent).

CHAIRMAN KROPP opened the hearing on SB 168.

SENATE BILL 168 SENATOR HEALY presented the bill which he said faced no opposition in the Senate. See Exhibit 1.

JIM BECK, chief counsel of the Department of Highways, spoke as a proponent of the bill. This bill would remove the conflict between two statutes, one of which states that monies received from the counties shall be deposited in the Federal Aid Private Revenue Fund and one that says monies shall be deposited in the Earmarked Revenue Fund.

There were no opponents.

SENATOR HEALY closed on the bill.

The hearing closed on SB 168 and opened on SB 157.

SENATE BILL 157 SENATOR GRAHAM presented the bill. See Exhibit 2.

BILL ROMINE, representing the Montana Automotive Dismantlers and Recyclers Association, spoke as a proponent. See Exhibit 3.

There were no opponents.

During questions from the committee, REP. WALLIN questioned the statement that there is currently no law covering this problem. MR. ROMINE replied that there is not. Statute says how to transfer the title and that whoever has the title owns the vehicle.

REP. ZABROCKI asked if this bill makes the insurance company trade their check for the title. The answer was yes.

SENATOR GRAHAM closed on the bill.

The hearing closed on SB 157 and opened on HB 522.

HOUSE BILL 522 REP. CHRIS STOBIE presented the bill which would allow gross vehicle weight fees to be paid for one-month or three-month periods. This is a problem especially for loggers who may operate for a couple of months and then shut down for a period of six to eight weeks. They must have a license even though they are not using the vehicles. This would apply to grain farmers also who need certain vehicles only part of the time. If the time they

Highways and Transportation Committee
February 3, 1981
Page 2

need the vehicle runs from one quarter into the next, they must license the vehicle for both quarters.

Speaking as a proponent for the bill was CLYDE SMITH of Smith Logging, Inc., Kalispell, who said the loggers are taxed the same for GVW as someone who uses the vehicle all of the time.

KEITH OLSON of the Montana Logging Association said this bill would be beneficial to his membership.

BEN HAVDAHL of the Montana Motor Carriers spoke in support of the bill.

DON COPLEY, Administrator of the GVW section of the Department of Highways, explained that his primary concern with this bill is that the revenue impact would be quite significant. He felt it would be quite a loss to the state.

There were no other opponents.

During questions from the committee, REP. FABREGA asked if the fee required is a user fee or a tax. Answer was user.

REP. FABREGA asked what the cost is for the paperwork needed to change the law. The cost of one dollar in the law would not be enough to cover the increased expense. MR. COPLEY replied it would probably cost about five dollars to do the extra work.

MR. SMITH explained that it depends on the type of work and the location whether work will shut down for a matter of a few weeks or months. MR. COPLEY said that is why it is difficult to project revenue loss.

EXECUTIVE SESSION SENATE BILL 168 Motion of DO PASS by REP. OBERG with a second from REP. SHONTZ. PASSED UNANIMOUSLY. REP. OBERG was appointed to carry the bill for the Senate.

SENATE BILL 157 received a DO PASS motion from REP. MEYER.

Some discussion regarding dealing with insurance companies and how a person can obtain a title. Sometimes people elect to take a lesser amount of money and keep the car and title after an accident. REP. METCALF felt this bill would put the burden on the insurance company.

Bill PASSED with REP. HEMSTAD opposing. REP. MEYER will carry.

HOUSE BILL 522 REP. FABREGA moved DO PASS on amending the bill as necessary in the title and changing the fee to five dollars. PASSED UNANIMOUSLY.

Highways and Transportation Committee
February 3, 1981
Page 3

REP. HARP moved DO PASS AS AMENDED. PASSED UNANIMOUSLY.

REP. HARP informed the committee as to what the sub-committee has been doing. See Exhibit 4. The sub-committee has issued a press release informing the public of hearings that will be held in regard to the Department of Highways. See Exhibit 5.

The meeting was adjourned at 1:30 p.m.

Respectfully submitted,


PAUL KROPP, CHAIRMAN

Ellen Engstedt, Secretary

HOUSE HIWAYS AND TRANSPORTATION COMMITTEE

Date 2/3/81

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HOUSE HIWAYS AND TRANSPORTATION COMMITTEE

Date 2/3/81

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Senate Bill No. 168 was introduced at the request of the Department of Highways. The Gross Vehicle Weight Division of the Department of Highways collects fees at both the Department and County levels. Section 61-10-226, Montana Code Annotated requires in part that "Moneys received from the counties...shall be deposited in the Federal ^N and Private Revenue Fund to the credit of the department." Section 61-3-502, MCA, conflicts with that law, as it states that new car sales taxes, which are collected by the counties, shall be deposited in the Earmarked Revenue Fund. The counties regularly deposit sales tax moneys as well as Gross Vehicle Weight fees in the Earmarked Revenue Fund.

Section 1 of this bill amends subsection (3) of 61-10-226, Montana Code Annotated to remove the requirement that moneys received from counties be deposited in the Federal ^N and Private Revenue Fund. A subsection (5) has been added to 61-10-226, Montana Code Annotated to state that moneys received from counties are to be deposited in the Earmarked Revenue Fund to the credit of the Department of Highways.

This bill was prompted by a recommendation from the legislative auditor in his Audit of the Department of Highways.

TO: SENATOR GRAHAM

FROM: BILL ROMINE (442-2220-office; 442-4239-home)

SUBJECT: SENATE BILL 157

The purpose of SB157 is to clear up a small problem that has occurred with some insurance companies and some adjusters. It has two basic provisions, both in Section 1.

First of all, it provides that where an insurance company has possession of a motor vehicle because of a total loss, and it wishes to sell that motor vehicle to a third party, it must deliver a signed, notarized title to the buyer at the time of the sale.

Secondly, it also provides that if there is a lien on that title, the insurance company or its adjuster must also secure the release of the lien at the time it sells the automobile.

Most insurance companies already follow the above procedure. However, some insurance companies or some adjusters will merely sell the vehicle and require the buyer to get ahold of the former owner so that the buyer can get a good clear title. Many times the original owner has left the area, or otherwise cannot find his title, and the buyer is stuck with an automobile that he cannot do anything with. Under this Bill, the insurance company at the time it pays off the former owner will demand from that owner a signed, notarized title, and will also make sure that the bank releases the lien. If there is a lien on the title, the insurance company is going to make the check payable both to the owner and to the bank. Since both the owner and the bank will want their money, the insurance company is in a very good position to make sure that the properly released title is delivered over.

Under the present system, sometimes the buyer has to wait months before he can finally get a clear title, since the former owner already has his money, and generally is not too interested in going to a lot of work to clear up the title. This Bill should not cause any problems for the insurance companies, and really places no additional burden upon them.

In final analysis, if the insurance company cannot give a good clear title from the former owner, it should not be trying to sell the vehicle to an innocent third party.

NAME: William L. Rorive DATE: ~~2-2-81~~ 2-3-81ADDRESS: P.O. Box 1691 HelenaPHONE: 442-2220REPRESENTING WHOM? Mont. Automotive Disputes & Recyclers Assn.APPEARING ON WHICH PROPOSAL: S.B. 157DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: the Assn. supports SB 157. When an insurance co. settles with the owner in a total loss situation, it is in the best position to get the owner to sign the auto. title & to get the release of the lien from the bank. Since the owner & the bank want their money, they will make sure the proper documents are signed. However, if the person who buys the auto from the insurance company has to get the title cleared, he will have many more problems. The original owner will not be too interested in helping because he already has his money. If the insurance company failed to pay off the bank, it won't give a release. Most insurance companies already follow this procedure, and there is no reason all of them shouldn't.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

*The Big Sky Country*

MONTANA STATE HOUSE OF REPRESENTATIVES

January 30, 1981

Mr. Gary Wicks, Director
Department of Highways
Highway Building
2701 Prospect Avenue
Helena, MT 59601

Dear Mr. Wicks:

This letter is to inform you that the House Highways and Transportation Committee has formed a sub-committee. The purposes of the sub-committee at this time are to:

1. Determine the roles of the department and the Highway Commission in decision making.
2. Investigate possible realignment of Highway Commission and financial districts.
3. Contact other states to determine the methods of operation used in highway matters. - Greg -
4. Receive public testimony concerning highway matters.

The sub-committee would appreciate the cooperation of the department and the commission in these matters.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Harp".

JOHN HARP, SUB-COMMITTEE CHAIRMANA handwritten signature in dark ink, appearing to read "John Shontz".

JOHN SHONTZA handwritten signature in dark ink, appearing to read "Andy Hemstad".

ANDY HEMSTAD

cc: Wilfred LeRoux
Commission Secretary

The Big Sky Country



MONTANA STATE HOUSE OF REPRESENTATIVES

John M. Shontz
 District 53
 Capitol Station
 Helena, Montana 59620
 Route 1, Box 129A
 Sidney, Montana 59270

Committees:
 Appropriations,
 Highways & Transportation

Patricia Cremer
 Legislative Aide

February 2, 1981

FOR IMMEDIATE RELEASE

John M. Shontz
 449-4800
 443-0389

LEGISLATURE COMMITTEE TO REVIEW HIGHWAY COMMISSION

(HELENA) - A subcommittee of the Montana House of Representatives will explore re-alignment of the Montana Highway Commission boundaries.

The Subcommittee, appointed by Highway Committee Chairman Paul Kropp (R-Malta), will also look at the roles of the Commission and the Department in the road construction decision-making process.

Members of the subcommittee are Rep. John Harp (R-Kalispell), Chairman, Rep. Andrea (Andy) Hemstad (R-Great Falls), and Rep. John Shontz (D-Sidney).

According to Harp, the subcommittee plans to provide a forum for airing problems Montanans are having with the Highway Department and look at possible changes in the commission system. Harp said, "We need to give Montanans a chance to input their feelings about

NEWS RELEASE
February 2, 1981
John M. Shontz

Page 2

improving the Highway Department. The subcommittee feels the Commission and Department can improve the use of highway dollars in the State. We hope to offer the Legislature and the Governor ideas to get more efficient use of our small pot of highway tax dollars."

The subcommittee plans to begin hearings in February.

-- 30 --