

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

March 23, 1981

The Senate State Administration Committee was called to order by Senator Pete Story, Chairman, on the above date in room 442 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present except Senator Johnson.

CONSIDERATION OF HOUSE BILL 796:

AN ACT REQUIRING THE ISSUANCE OF A CERTIFICATE OF OWNERSHIP FOR CERTAIN WATERCRAFT AND CHANGING THE EXPIRATION DATE OF A CERTIFICATE OF NUMBER TO JANUARY OF EACH YEAR

Rep. Richard Manning, sponsor, said this is an act requiring licensing for certain watercraft and providing a new expiration date. He submitted two sets of amendments.

PROPOSERS: Ken Hoovestal, Montana Marine Trade Assn., enclosed testimony and explained the amendments. Bud Schoen, Motor Vehicle Division, went through their amendments.

OPPOSERS: None.

Questions: Sen. Hafferman asked the cost of this license, and the answer was \$3.00. He then asked why it was eleven feet instead of the common twelve-foot size. Mr. Hoovestal answered that it is the size that is in the original bill, which was eliminated by the house. It is changed now to include all motorboats. This bill coincides with present law that requires all to be registered.

The committee discussed the following: the inclusion of canoes, rafts, etc., that might have little worth; boats that are not strictly motorboats but motors could be attached; the price of boats; placement of the registration number; the lien; the serial number of the boat matching the one on the title; Coast Guard reciprocity with other states; vulnerability as to theft; present registration laws required; the difference between those and this bill. The bill is a titling act, and the registration slip is to prove that they paid their taxes. Sen. Towe remarked that it probably does warrant a title certificate because it protects the person who owns the boat.

A subcommittee was appointed by Sen. Story with Sen. Towe desiring to make sure the UCC does not foul up the liening process. Sen. Hafferman suggested excluding twelve-foot and under watercraft. This was agreeable to the committee, but it should be checked with the present law.

Rep. Manning pointed out that this bill passed the house unanimously without the amendments. In closing he said they do not want one set of laws to be in conflict with another. This bill would be proof of ownership.

Sen. Towe reopened the hearing with another question regarding the lien. The boat must be filed in the county if it is a consumer good, and he felt that they should spell out if the lien is good whether it is filed or not. The proponent agreed.

The hearing was closed.

CONSIDERATION OF HOUSE BILL 792:

AN ACT TO PROVIDE A METHOD FOR RELIEVING SEVERE ECONOMIC IMPACTS TO COMMUNITIES RESULTING FROM MAJOR INDUSTRIAL PLANT CLOSURES; PROVIDING THAT THE GOVERNOR MAY DECLARE SEVERE LOCAL ECONOMIC IMPACTS; PROVIDING FOR LOCAL COMMUNITIES FOR DISBURSEMENT OF FUNDS AND FOR REPORTS TO THE LEGISLATURE

Rep. W. Menahen said the purpose of this bill is to provide a speedy mechanism and an economical way for providing state funds for an economic disaster if an industrial plant closes. He agreed to amending it to include other disasters if the committee desired. The basic purpose is a new way for the state to come to the aid of the community. In this system companies could give backing to businesses in that community through the Department of Revenue to keep them alive until the economy gets turned around. The purpose is to get the government to set up local impact development corporations to assist some businesses in the community and retrain people for other jobs.

There were no proponents, opponents, so questions were opened to the committee.

Sen. Story asked Rep. Menahan if he had another bill in to fund this one. He replied yes, but it is not out of the general fund. It is a direct appropriation for about five million dollars. Another is a tax credit for those who pay major corporate licenses in the state after the governor has declared an economic disaster area.

Sen. Towe remarked that without one or both of these appropriations this bill will be ineffective. Rep. Menahan agreed because money cannot be given to private individuals, and this gives the mechanism that would allow it.

Sen. Towe asked how the tax structure is set up, and Rep. Menahan said the only ones who get a decrease is the factory. The empty buildings are still taxed.

The hearing was closed.

Sen. Kolstad arrived at the meeting at this time, and Sen. Towe left for a short time.

CONSIDERATION OF HOUSE JOINT RESOLUTION 41:

A JOINT RESOLUTION OF THE SENATE AND THE
HOUSE OF REPRESENTATIVES OF THE STATE OF
MONTANA URGING THE MONTANA CONGRESSIONAL
DELEGATION TO SUPPORT THE SOVEREIGNTY OF
THE STATE OF MONTANA

Rep. Aubyn Curtiss sponsored this bill by the request of Ron Marlenee.

There were no proponents, opponents, or questions of the committee. She was asked if it is related to the Senate resolution and to clarify the fact that it does not go in the opposite direction.

ACTION ON HOUSE JOINT RESOLUTION 41: Sen. Hammond moved DO PASS; motion carried by those present. Sen. Hafferman will carry it on the floor.

The committee discussed House Bill 796 and its problems. The question was asked regarding the advantage of getting a title, and Sen. Story said it would be harder to steal the boats and would be easier for the banks to lend money.

Sen. Kolstad's opinion was that it falls in the category of unnecessary legislation.

Sen. Towe returned to the meeting, and he said the bill does have some merit.

The committee discussed whether to include only inboards and to amend it to make it necessary upon request. There were pros and cons regarding both suggestions. The suggestion of making optional without penalties was suggested by Sen. Story. The committee agreed that the bill has been presented for the benefit of those who sell boats.

CONSIDERATION OF HOUSE JOINT RESOLUTION 23:

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF STATE-OPERATED LABORATORY FACILITIES TO DETERMINE THE FEASIBILITY OF CONSOLIDATING CERTAIN STATE-OPERATED LABORATORY FACILITIES AND COORDINATING FUNCTIONS WITH THE VARIOUS PRIVATE, FEDERAL, AND LOCAL LABORATORY FACILITIES IN MONTANA

Rep. Gene Donaldson said this bill requests an interim study of state-operated laboratories. The problem is that they did not recognize the capabilities of the various labs around the state. There is an appropriations bill that will follow this resolution for \$25,000. He stated there may be possible lab consolidation in the future.

PROPOSERS: Walter Jankowski, from the Department of Health, supported the bill and said this would be an objective committee to find out what the state has and what can be done in the future to make it most potent to the state.

There were no opponents, so questions were opened up to the committee. Sen. Hammond indicated he is opposed to the study because studies show what the people want them to show.

Rep. Donaldson said it is important because of the fact they do not know what the state has, and they need people who understand laboratory facilities.

Sen. Ryan asked Rep. Donaldson why the legislative council was put in authority. He was answered that the session would be over, but he would not object to changing it to members of the legislature. Sen. Towe asked if there were any reason he wanted others than legislators, and he replied that the last committee was legislators, but this time people with expertise should be involved.

It was brought out that the state has approximately twelve laboratories, located in Helena, Butte, Missoula, Bozeman, Warm Springs, Boulder, etc.

Sen. Ryan asked Mr. Jankowski if the technicians in the laboratories are specialized. He answered that the training of personnel in various labs makes them capable of functioning in any of the labs. Sen. Ryan then asked if the hospital labs could be used. He was answered affirmatively, but the need is obvious that a study should be done on the local, state, and federal labs.

Sen. Kolstad returned to the committee hearing.

Sen. Hammond confirmed that this will address consolidation of labs and political problems that might resolve. He reaffirmed his own personal view that studies never seem to do anything, and he wondered if a work force could say they are going to be consolidated. He was answered that they need people who know labs to make the study.

Sen. Towe asked if it would be paid for by the legislative council, and Rep. Donaldson said no because they have asked for \$25,000 to be appropriated. If the appropriation does not pass, this bill will be killed.

The hearing was closed.

Chairman Story announced the bills which have to be acted upon by the committee by transmittal deadline, March 25.

The committee discussed house bill 796 with the idea of applying it to motor boats only and to include boats with detachable motors only. The staff attorney suggested they check with the Coast Guard. Sen. Towe asked John Hollow to draft up an amendment to apply to inboards. Sen. Kolstad thinks it is a problem bill, and he suggested it could be voluntary.

Chairman Story announced the remainder of the boards and the governor's appointments would be assigned on Thursday, and there would be no meeting on Wednesday.

ADJOURNMENT: 11:40.



PETE STORY, CHAIRMAN

ROLL CALL

STATE ADMINISTRATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 3-23

NAME	PRESENT	ABSENT	EXCUSED
Senator Pete Story, Chairman	✓		
Senator Allen Kolstad, V. C.	✓		
Senator William Hafferan	✓		
Senator H. W. Hammond	✓		
Senator Jan Johnson		✓	
Senator Patrick Ryan			
Senator Thomas Towe	✓		

Each day attach to minutes.

3-23
796

Testimony in Favor of HB 796

Submitted by Ken Hoovestol representing The Montana Marine Trade Association

This bill is important for two reasons based on one simple fact. Presently there is no proof of ownership on boats in Montana. This is the point I do not want publicized because I don't want the general public to realize they only have a few more months to safely steal boats. The only deterrent now is man's basic honesty. I will illustrate with this scenario: A person could simply go and hook on to somebody's boat, go down to the courthouse and register it in his name since no proof of ownership is required for registration. That person now has more current documentation than the rightful owner. It becomes simply his word against theirs.

The second major reason for this bill is to make it easier, and in some cases possible, for the consumer to buy boats. Since there is no proof of ownership, financial institutions cannot use the boat itself as collateral. A loan to buy a boat boils down to nothing more than a signature loan.

We have met with Bud Shoen of the Department of Motor Vehicles to get his help in the wording of this bill to insure that it will easily adapt to their present system. Mr. Shoen assures us that the wording of House Bill 796 will not require any significant change in his operation.

HB 796 also changes the registration date from April 1 to January 1. This is done for two reasons: First it is better to have the registration date at some point between seasons. Presently those people that buy a boat prior to April 1 need to register it at the time of purchase and then re-register it on April 1. We feel this date change will just eliminate this hassle. The second reason, and also the reason for the effective date of this bill being January 1, 1982, is that Mr. Shoen from the DMV stated he would need a few months to implement requirements of this bill and to get the proper forms, etc.

HB 796 provides a 20 day grace period the same as that currently allowed on automobiles, from time of purchase to time of registration and title application. As the law now stands, a person buying a boat late Friday afternoon cannot legally use that boat that week-end since the courthouse will not be open until Monday so they can properly register it.

For the above reasons we strongly urge your support of HB 796.

Proposed Amendments to H.B. 796

1. Page 4, lines 24 and 25.
Following: "county treasurer"
Strike: remainder of line 24 and line 25 in its entirety

2. Page 5.
Following: line 9
Insert: " (6) If an instrument documenting a lien on a vessel required by this title to have a certificate of ownership has been filed with a county clerk and treasurer prior to [the effective date of this act], refiling of the lien instrument with the division is not required."
Re-number: subsequent subsections

3. Page 7, line 10.
Following: line 9
Strike: "division"
Insert: "county treasurer"

4. Page 8, line 3.
Following: "the"
Strike: "county treasurer"
Insert: "division of motor vehicles"

PROPOSED AMENDMENTS HB 796

1. Page 4, line 6.
Following line 5
Strike: line 6 in its entirety
2. Page 4, line 7
Following line 6
Strike: "canoes and kayaks,"
Insert: "No motorboat, or sailboat over 1,000 pounds in weight"
3. Page 4, line 10
Following: "The owner of"
Strike: "the"
Insert: "a"
Following: "vessel"
Insert: "subject to the provisions of subsection (1)"
4. Page 4, line 20
Following: "vessels"
Insert: "subject to the provisions of subsection (1)"
5. Page 5, line 20
Following: "vessel"
Strike: "under 11 feet in length or a canoe or kayak"
Insert: "not subject to the provisions of subsection (1)"
6. Page 5, line 25
Following: "ownership"
Strike: "to a registered vessel"
Insert: "as required by [section 2]"
7. Page 6, line 7
Following: "resides"
Strike: "and"
Insert: ". In the case of a motorboat, the transferee must"
Following: "registration"
Strike: "of" Insert: "pursuant to 23-2-512."
8. Page 6, line 8
Following: Line 7
Strike: "the vessel."
9. Page 6, line 18
Following: "vessel"
Insert: "subject to the provisions of [section 2]"
10. Page 6, line 20
Following: "to"
Strike: "register the vessel"

11. Page 6, line 21

Following: "ownership"

Insert: ", and in the case of a motorboat, to register it"

12. Page 7, line 2

Following: "vessel"

Insert: "subject to the provisions of [section 2]"

13. Page 8, line 1

Strike: line 1 in its entirety

14. Page 12, line 15

Following: "chapter 2,"

Insert: "parts 1 and 5,"

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Bud Scham	Motor Vehicle Division	H.B. 796	neutral	
Ken Hoovests	Nat. Marine Trade Assn	HB 796	✓	
Tom Dowling	Mt. R.L. Assn	792		
John Kirkpatrick	Sen. Tom Jura			
Jan. Brown	Mt. Assn Churches	792		
Wm. Cadby	Mt. Bankers Assn	796	✓	
John Jankowski	Health & Environ. Sci	HJR 23	✓	
George C. Hill	He. It & Environ. Sci.	HJR 23	✓	

(Please leave prepared statement with Secretary)

STANDING COMMITTEE REPORT

MARCH 23 19 81

MR. **PRESIDENT**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE JOINT RESOLUTION** Bill No. **41**
CURTISS (HAFFERMAN)

HOUSE Joint Resolution 41

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

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