

HOUSE BUSINESS & INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on January 27, 1983, at 9:00 a.m. in Room 420 of the Capitol Building, Helena, Montana. All members were present.

HOUSE BILL 363

REP. GLENN ROUSH, District 13, sponsor, opened by saying the Department of Commerce had requested him to sponsor this bill. It is a housekeeping bill to change the statute relating to bank holidays.

PROPOSERS:

Les Alke, Department of Commerce, said there is only one additional holiday mentioned in this bill that would permit banks to close on February 12 - Lincoln's Birthday. This does not mean they have to close on the mentioned holidays but it does permit them to close if they choose. This bill is designed to eliminate confusion.

Gretchen Tea, Montana Bankers Association, said this proposal has gone before a government relations meeting and everyone agreed to support it, as do the banks.

OPPOSERS: none

QUESTIONS:

REP. WALLIN: Are you aware that in my business we rely heavily on the banks being open so we can do credit checks and transact loans? When the banks are closed, we lose a day of business. Quick loan approval is very important in the automobile business. Mr. Alke: Many banks are countering this adverse effect by remaining open Saturdays, however, they cannot negotiate a loan on Saturday. Many banks may not observe the Feb. 12 holiday because it is not a Federal Reserve holiday.

REP. FAGG: Why does the state have to regulate when people can take a vacation? Mr. Alke: If a person could not get to his safe deposit he may have a cause of action against us. It eliminates liability.

HOUSE BILL 364

REP. GLENN ROUSH, District 13, sponsor, opened by saying the Department of Commerce had requested this bill to reduce the time period that time deposits may be held from 30 days to 14 days.

PROPOSERS:

Les Alke, Department of Commerce, said the practice of requiring 30 days before withdrawal from savings accounts has not been practiced for years and they would like to lower that to 14 days. We must keep reserves at the Reserve Bank but time deposits will require no reserve on deposit at the Federal Reserve Bank.

We want our law to coincide with the Federal Reserve requirements.

Gretchen Tea, Montana Bankers Association, said her organization is asking for the committee's recommendation on this bill.

OPPONENTS: none

QUESTIONS:

REP. FABREGA: What about the new interest paying savings accounts?

Mr. Alke: They are around seven days notice on those - this bill deals principally with the regular savings pass-book account.

Rep. Fabrega: Is that calendar days or business days? Mr. Alke: Business days.

REP. ELLERD: On regular savings accounts they can hold my money for 14 days? Mr. Alke: We cannot do it to one individual - it has to be the policy of the bank and notice given. Rep. Wallin: A lot of banks don't keep large sums of money on hand and this time period gives them time to get it.

EXECUTIVE SESSION:

HOUSE BILL 364

REP. FABREGA moved DO PASS ON HOUSE BILL 364.

Question: Motion carried by unanimous vote.

HOUSE BILL 363

REP. FABREGA moved DO PASS ON HOUSE BILL 363.

REP. WALLIN: It isn't just car dealers who suffer from banks being closed, although they have a substantial relationship with the bank - \$12 million worth of installment paper - there are also furniture stores, appliance stores and farm equipment that are affected.

REP. ELLERD: Agriculture is a \$50 billion business in this country and the industry has a real hard time on holidays and Saturdays when they can't sign anything. There is a lot of money involved.

REP. FAGG: I have a problem in that when banks close all my employees want a holiday and that's expensive.

REP. KITSELMAN: Every Saturday they are given off and five other days. Most businesses are off on these days anyway. The only one that we are giving them is Lincoln's Birthday. We are just clarifying that they will go with the state law with this bill.

REP. HARPER made the motion that the bill be passed on to the next Executive Session to give members a chance to ponder.

Question: Motion failed.

REP. HANSEN: The only thing to do is to pass the bill and then go home and give your banker your recommendations.

Question: Motion that HOUSE BILL 363 DO PASS carried 16 - 3, with Rep. Wallin, Rep. Harper and Rep. Ellerd voting no.

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Business & Industry Committee

HOUSE BILL 290

NORRIS NICHOLS, Administrator of Motor Fuels, said their licenses increased to 70 distributors when gasahol was allowed, and that includes the imports. They collect the money from the wholesalers and they have 25 days to give the money to the State of Montana. The wholesalers are trying to pass that on by not paying the tax at the front end. The problem is that it's going to need a fiscal note. If we are going to handle a couple hundred licenses instead of 70, it's going to create more work. When we were asked to present our budget, we asked for an increase of \$85,300 if such a bill as this were to pass. We would need another field auditor and two more girls. There was a suggested amendment that I think is right.

PAUL VERDON: The refinery has already passed the tax and he would have to pass it on to the distributor. The question is, could the refinery sell gasoline to wholesalers tax free? Mr. Nichols: Yes, they do it every day. The last person who is listed as distributor is the one who pays the tax. Mr. Verdon: That shouldn't be a problem if the department already has a means to do that. Mr. Nichols: The problem is that we do have a good law that is very easy to administer. We collect \$35 million at a cost of about \$35 thousand.

REP. FABREGA: Is there a license fee charged to a distributor?

Mr. Nichols: No, we do not charge a fee. It's a continuous license and is not issued annually. Rep. Fabrega: One possibility would be to charge a license fee to make up the \$85 thousand.

REP. METCALF: This tax is paid all down the line. If we remove it from the wholesaler, then we will have to remove it from the retailer.

REP. JENSEN: They get 25 days - if it's purchased in the middle of the month they get to the middle of the next month. Mr. Nichols: Let's say they pull from Exxon and they are unlicensed. It's a 9% tax. Exxon gets to use that money until the 25th day of the month, and they do use it. They send in post-dated checks and we don't get it until the last moment.

REP. FABREGA: There is no reason to lose \$85 thousand through this system but the wholesaler is looking at \$1,600 a month in interest by putting his money up front.

REP. METCALF: This bill does not solve the problem. We need another bill that reverses this chain.

REP. FAGG: I move DO NOT PASS.

REP. FABREGA: I move to TABLE the bill and tell the sponsors that we need another bill. If they are not supportive of that, I can tell them what will probably happen to this bill.

Question: The motion to TABLE HOUSE BILL 290 carried by unanimous vote.

HOUSE BILL 408

REP. KADAS moved DO PASS with the prepared amendment. (Exhibit #1) This amendment is to insure they don't need a caboose on a train working in the yard on routine switching, etc.

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Business & Industry Committee

REP. KITSELMAN: Are there cabooses on passenger trains?

REP. BACHINI: There is a full crew on a passenger train. There is not a caboose, it's usually an extra car at the end. He is in radio contact with the engineer.

Question: The motion on Rep. Kadas' amendment carried unanimously.

REP. ELLERD: I move a substitute motion of DO NOT PASS.

REP. HARPER: If the trains are carrying dangerous chemicals and it's a danger to the employees and the public, wouldn't that be enough to keep the railroads putting cabooses on when they need them?

REP. WALLIN: I don't know if we can handle this bill.

REP. METCALF: We can handle any bill, we write the state laws.

REP. FABREGA: The operators of the railroad have so much at stake...if the interest of safety is best served by having a caboose, I think that would know when they need one.

REP. FAGG: Every railroad is in the business to make money and if not using a caboose was proven to be a safety hazard, they would use them.

REP. BACHINI: They say 25% will be removed, but they will not say which trains they will be taken off of. I believe if the railroad would actually come out and state which trains are concerned for the safety of the employees and the public, then we wouldn't need this law.

REP. BACHINI: The detectors are not fail-safe; it has to be backed up by the employees. Rep. Fabrega: Employees are not fail-safe either; someone might fall asleep.

REP. KITSELMAN: There is a collective bargaining agreement that isn't three months old yet. Does this mean that we are going to next set salaries and work hours? I don't think the state should be the middleman between union and management.

REP. JENSEN: Any time a train goes down the track it is required to have a caboose, no matter how short it is? Rep. Bachini: A local may end up with 100 cars.

REP. HANSEN: I have a great many railroad people in my district and every one is concerned with railroad safety. If the company is so sure it's going to be safe, why don't the workers?

REP. KADAS: I have seen in the last decade a trend toward mechanism in safety and in many cases we have made the system safer. By now we should know it is better to have a human being handling several hundred tons of metal as it pulls down the line.

Question:

The motion that HOUSE BILL 408 DO NOT PASS failed 10 - 9.

REP. HANSEN: I move to reverse the vote. Carried unanimously.

HOUSE BILL 408 DO PASS AS AMENDED carried 10 - 9.

(Roll Call Vote Attached)

HOUSE BILL 213

The committee requested Paul Verdon to make amendments to HB 213 and return with a copy of the bill with the amendments inserted.

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Business & Industry Committee

The hearing adjourned at 11:00 a.m.

J. Metcalf

JERRY METCALF, CHAIRMAN

Linda Palmer

Linda Palmer, Secretary

STANDING COMMITTEE REPORT

January 27 19 83

MR. **SPEAKER:**

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration **HOUSE** Bill No. **363**

first reading copy (**white**)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT IN
ADDITION TO EMERGENCY CLOSINGS OF BANKS AS PROVIDED BY LAW,
BANKS MAY CLOSE DURING LEGAL HOLIDAYS IN THE STATE OF
MONTANA; AMENDING SECTION 32-1-481, MCA."**

Respectfully report as follows: That **HOUSE** Bill No. **363**

DO PASS

STANDING COMMITTEE REPORT

January 27 ,

83

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MR. **SPEAKER:**

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration **HOUSE**

Bill No. **364**

first reading copy (**white**)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO SHORTEN THE TIME
PERIOD WITHIN WHICH PAYMENT OF TIME DEPOSITS MAY NOT BE
REQUIRED: AMENDING SECTION 32-1-109, MCA."**

Respectfully report as follows: That.....**HOUSE**.....

Bill No. **364**

DO PASS

STANDING COMMITTEE REPORT

January 27

19 83

MR. **SPEAKER:**

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration **HOUSE** Bill No. **408**

first reading copy (white)
color

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT THE LAST CAR OF ANY FREIGHT TRAIN OPERATING WITHIN THE STATE BE AN OCCUPIED CABOOSE; AMENDING SECTION 69-14-232, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **408**

Be amended as follows:

Page 1, line 12

Following: "train"

Insert: "required by federal railroad administration rules to have its air system and cars inspected by qualified inspecting employees at any designated inspection point and between said inspection points and"

AND AS AMENDED

DO PASS

ROLL CALL VOTE ----- BUSINESS & INDUSTRY COMMITTEE COMMITTEE

1-27-83

HB 408

	Date: No:	Subst. Rate DO PASS	Date: No:	Date: No:	Date: No:	Date: No:
PAVLOVICH, Jerry Bob	no	yes	WALLIN, Norm	yes	no	
BACHINI, Robert	no	yes	METCALF, Jerry	no	yes	
ELLERD, Bob	yes	no				
ELLISON, Orval	yes	no				
FABREGA, Jay	yes	no				
FAGG, Harrison	yes	no				
HANSEN, Stella Jean	no	yes				
HARPER, Hal	yes	no				
HART, Marjorie	no	yes				
HOWE, Romona	no	yes				
JENSEN, William	yes	no				
KADAS, Mike	no	yes				
KITSELMAN, Les	yes	no				
LYBECK, Ray	no	yes				
NISBET, Gerald	no	yes				
SAUNDERS, Glenn	no	yes				
SCHULTZ, Jim	yes	no				

10- no

10- yes

19 yes

19- no

Amendments to House Bill 408, Page 1

Line 12, following "train",

Insert: "required by federal railroad administration
rules to have its air system and cars in-
spected by qualified inspecting employees
at any designated inspection point and between
said inspection points and"

VISITORS' REGISTER

HOUSE

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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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Date

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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.