

## HOUSE BUSINESS AND INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on February 3, 1983, at 9:00 a.m. in Room 420 of the Capitol Building, Helena, Montana. All members were present except Rep. Bachini who was excused and Rep. Fabrega <-

### HOUSE BILL 480

Les Alke, Department of Commerce, appeared to clarify the intent of HB 480 by changing "shall not be" to "shall be" required to keep customer accounts for "at least" 8 years. He also asked that the committee provide an effective date.

### HOUSE BILL 534

REP. JIM JENSEN, District 66, sponsor, opened by saying there is only one small change in this law. It qualifies the prohibition against a mortician being licensed as a life or disability insurance agent as one "operating in this state."

#### PROPOSERS:

ROLAND PRATT, Executive Director, Montana Funeral Director's Association, said when they wrote this bill last session, they overlooked one part that stated they could not be a funeral director, mortician or office representative and sell funeral insurance. With that the management company could not be licensed as a general agent in the state. They had to go directly to the Purple Cross Insurance Company and they did not have control. They had a contract with them and if their agents were doing something detrimental they could have that agent removed. The understanding they have with the parent company does not have that control. They want this bill to solve the problem.

#### OPPOSERS:

#### QUESTIONS:

REP. HARPER: Does "operating in this state" cover it, or should it be excluding anyone holding an interest in this state?

Mr. Pratt: The "operating in this state" was the language the Legislative Council suggested. We want it so a funeral director cannot be licensed to sell insurance in this state. We are trying to get the marketing arm of Purple Cross legal so they can operate.

REP. HARPER: Is it broad enough to cover someone who has a 10% interest in the business? Mr. Pratt: They cannot be a representative, owner or anything connected.

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Business & Industry Committee

HOUSE BILL 529

REP. HAL HARPER, District 30, sponsor, opened by saying this bill is at the request of the Department of Commerce. It is to double the fee charged for making examinations of consumer loan business.

PROPOSERS:

LES ALKE, Department of Commerce, said when the law passed in 1959, the rate charged per day for examinations was \$80; in 1971 it went to \$100 per day. Their department has been instructed by the Department of Administration to sustain all costs of the department. This is just one of the revenue increase bills that will be submitted. \$200 a day is an approach to that directive. The consumer loan licensee will not in every case experience a doubling of examination fees. It is our attempt to make the department effective and self-supporting.

OPPOSERS: none

QUESTIONS:

REP. SCHULTZ: How many institutions are we talking about in the state? Mr. Alke: Approximately 30. Rep. Schultz: Is this an annual audit? Mr. Alke: Yes. Rep. Schultz: How many people go in to examine? Mr. Alke: One.

EXECUTIVE SESSION:

HOUSE BILL 529

REP. FAGG moved DO PASS HOUSE BILL 529. Question: Passed unanimously.

HOUSE BILL 534

REP. FAGG moved DO PASS HOUSE BILL 534.

REP. HARPER: I would like to prohibit the conflict of interest totally. I move to insert "or hold an interest in such business" on Page 2, line 13. Question: Amendment passed unanimously.

Question: The motion that HOUSE BILL 534 DO PASS carried unanimously with Rep. Kitselman abstaining. (AS AMENDED)

HOUSE BILL 480

REP. ELLISON moved the amendments to insure at least 8 years and to provide an effective date. Question: Carried unanimously.

REP. HANSEN moved DO PASS AS AMENDED HOUSE BILL 480. Motion carried unanimously. REP. KITSELMAN moved DO PASS the Statement of Intent. Question: Carried unanimously.

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Business & Industry Committee

HOUSE BILL 523

Paul Verdon presented prepared amendments recommended by the Committee: REP. ELLISON moved DO PASS AMENDMENTS. Question: Motion carried unanimously. REP. ELLISON moved DO PASS HOUSE BILL 523 AS AMENDED. Question: Carried unanimously. REP. ELLERD moved DO PASS the Statement of Intent. Question: Motion carried unanimously.

The hearing adjourned at 9:45 a.m.

  
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JERRY METCALF, CHAIRMAN

  
\_\_\_\_\_  
Linda Palmer, Secretary

# STANDING COMMITTEE REPORT

February 3 19 83

## SPEAKER:

MR. ....

## BUSINESS & INDUSTRY

We, your committee on .....

## HOUSE

having had under consideration ..... Bill No. 534

first reading copy ( white )  
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE  
PROHIBITION AGAINST LICENSING UNDERTAKERS AS LIFE OR  
DISABILITY INSURANCE AGENTS APPLIES ONLY TO UNDERTAKERS  
OPERATING IN THIS STATE; AMENDING SECTION 33-17-203, MCA."

## HOUSE

534

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

## BE AMENDED AS FOLLOWS:

1. Page 2, line 13  
Following: "thereof"  
Insert: "or hold an interest in such business"

## AND AS AMENDED

DQ PASS

# STANDING COMMITTEE REPORT

February 3 19 83

MR. **SPEAKER:**

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

having had under consideration **HOUSE** Bill No. **490**

**first** reading copy (**white**)  
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
LAW RELATING TO THE REQUIRED RETENTION OF BANK RECORDS;  
AMENDING SECTION 32-1-491, MCA."**

Respectfully report as follows: That **HOUSE** Bill No. **480**

## **BE AMENDED AS FOLLOWS:**

1. Title, line 7  
Following: "MCA"  
Insert: "; AND PROVIDING AN EFFECTIVE DATE"
2. Line 12  
Strike: "shall not be"  
Insert: "are"
3. Line 13  
Following: "for"  
Strike: "a longer period than"  
Insert: "at least"
4. Following line 23  
Insert: "**NEW SECTION:** Section 2. Effective date. This act  
is effective on passage and approval."

## **AND AS AMENDED**

**DO PASS**

MR. SPEAKER:

WE YOUR COMMITTEE ON BUSINESS & INDUSTRY, HAVING HAD UNDER CONSIDERATION HOUSE BILL No. 480, FIRST READING COPY WHITE, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT  
HOUSE BILL 480

House Bill 480 requires a statement of intent because Section (2) of the bill provides that the Department of Commerce adopt rules with respect to retention schedules for bank records.

It is the intention of the legislature that the Department of Commerce review with banks and related interests, where possible, problems related to the retention of bank records. In promulgating the rules with respect to this act, the department should take into account the space and record retention limitations of the banks as well as the need to maintain records which may be of importance to bank customers.

# STANDING COMMITTEE REPORT

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19 83

**SPEAKER**

MR. ....

**BUSINESS & INDUSTRY**

We, your committee on .....

**HOUSE**

having had under consideration ..... Bill No. **529**

first

reading copy ( white )  
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE FEES  
FOR EXAMINING CONSUMER LOAN BUSINESSES; AMENDING SECTION  
32-5-403, MCA; AND PROVIDING AN EFFECTIVE DATE."**

**HOUSE**

**529**

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

DO PASS

# STANDING COMMITTEE REPORT

Page 1 of 2

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SPEAKER:  
MR. ....

## BUSINESS & INDUSTRY

We, your committee on .....

HOUSE

523

having had under consideration ..... Bill No. ....

first reading copy ( white )  
color

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE BOARD OF PRIVATE SECURITY PATROLMEN AND INVESTIGATORS; REQUIRING THE LICENSING OF PRIVATE SECURITY AND DETECTIVE BUSINESSES; REQUIRING THE REGISTRATION OF ARMED AND UNARMED PRIVATE DETECTIVES AND SECURITY GUARDS; AUTHORIZING THE BOARD TO ADOPT RULES; PROVIDING FOR THE SUSPENSION AND REVOCATION OF LICENSES, REGISTRATIONS, AND IDENTIFICATION CARDS; REQUIRING THE APPROVAL AND REGISTRATION OF ALL WEAPONS USED BY REGISTRANTS; REGULATING THE UNIFORMS AND INSIGNIA WORN BY EMPLOYEES OF LICENSEES; PROVIDING A PENALTY; AMENDING SECTIONS 37-60-101, 37-60-103 THROUGH 37-60-105, 37-60-201, 37-60-202, 37-60-301 THROUGH 37-60-310, 37-60-312, 37-60-314, 37-60-321, AND 37-60-402 THROUGH 37-60-405, MCA; AND REPEALING SECTIONS 37-60-102, 37-60-311, AND 37-60-313, MCA."

Respectfully report as follows: That ..... HOUSE ..... Bill No. 523  
BE AMENDED AS FOLLOWS:

1. Title, line 12  
Following: "APPROVAL"  
Strike: "AND REGISTRATION"
2. Title, ~~line 12~~  
Following: "MCA;" on line 17  
Strike: "AND" on line 18
3. Title, line 19  
Following: "MCA"  
Insert: "; and providing an effective date"
4. Page 9, following line 11  
Insert: "(1) any one person employed singly and exclusively by any one employer in connection with the affairs of such employer only and where there exists an employer-employee relationship and the employee is unarmed, does not wear a uniform, and has little contact with the public;"

DO-PASS

Renumber: subsequent subsections.



February 3

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5. Page 12, line 11  
Following: "the"  
Strike: "registration and"
6. Page 24, line 16  
Following: "Fees."  
Insert: "(1)"
7. Page 24, line 17  
Following: "board"  
Strike: "must be charged"  
Insert: "and collectd"  
Following: "department"  
Strike: "and"  
Insert: "must be"  
Strike: "paid"  
Insert: "deposited"
8. Page 24, Following line 19  
Insert: "(2) The department shall keep an accurate account of funds received and vouchers issued by the department.
9. Page 30, line 22  
Strike: "licensee"  
Insert: "employer"
10. Page 31, line 8  
Following: "29."  
Strike: remainder of line 8 through "employed" on line 12  
Insert: "Peace officers's casual employment. A peace officer, as defined in 46-1-201, or a reserve officer, as defined in 7-32-201, is not prohibited or restricted from accepting and engaging in employment as a security guard during his off-duty hours provided that he does not advertise his services or solicit employment and further provided that the chief of his department previously approves the off-duty employment. A peace officer or reserve officer so engaged in casual employment is exempt from the provisions of [this act]"
11. Page 31, line 19  
Following: "46-1-201;"  
Strike: "from a county sheriff of this state"
12. Page 32, line 9  
Following: "within"  
Strike: "30 days"  
Insert: "6 months"
13. Page 32, following line 23  
Insert: "NEW SECTION. Section 35. Effective date. This act is effective on passage and approval."

AND AS AMENDED  
DO PASS

Statement of Intent  
Attached

MR. SPEAKER:

WE YOUR COMMITTEE ON BUSINESS & INDUSTRY, HAVING HAD UNDER CONSIDERATION HOUSE BILL No. 523, FIRST READING COPY WHITE, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT  
HOUSE BILL No. 523

A statement of intent is required for this bill because section 7 requires the board to adopt administrative rules.

Subsection (1) of 37-60-202 requires the board to adopt rules specifying the form of various documents granted by the board and the method of taking various licensing actions on the same. The minimum standards for the documents are set out in section 37-60-309 but may include such other matters of identification, such as finger prints, as the board determines to be necessary. The procedures and standards for suspension and revocation of a license, registration or identification card are set out in 37-60-321. This section ~~facially~~ allows the board to suspend or revoke the registration of an individual for violations by his licensed employee or vice versa. As to those situations involving the suspension or revocation of the document of one party for the actions by another, it is the Legislature's intent that the board rules governing this matter should only require or allow the suspension or revocation of a document issued by the board if the person or entity whose document is in jeopardy had the right of control over the person or entity whose actions put the document in jeopardy and if the person whose document is in jeopardy knew or should have known of the actions of that other person.

Subsection (4) of 37-60-202 also requires the board to adopt rules prohibiting the establishment of certain branch offices without approval by the board and establishing requirements for board approval. The qualifications that may be required by the board under this subsection may not apply to proprietary security organizations, and may concern such matters as the supervision and management of the office but must not prescribe requirements for office size, equipment, etc.

Subsection (5) requires the adoption of training program rules. It is the intention of the Legislature that these rules specify a minimum curriculum and minimum standards for instructors used in all phases of the program, including firearms instructors.

Board rules adopted under subsection (8) relating to insurance may not require schools to carry insurance to protect themselves against civil liability for negligent or inadequate training incurred after students graduate from the training program.

Board rules defining "unprofessional conduct" under subsection (9) may include only that conduct which has a direct relationship to the ability of the board member or the licensee, registrant or

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Statement of Intent

HB 523

identification card holder to perform official duties or acts taken in the capacity of a licensee, registrant or card holder.

Under subsection (11), the board must adopt rules which, at a minimum, provide for a maximum period of time in which employees may be considered to be "on probation" with an employer and for that period only, excused from the requirements for identification or registration cards which would otherwise apply.

B & I

COMMITTEE

HB 534

DATE 2-3

J. Jensen

[illegible]

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.