

HOUSE BUSINESS & INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on February 14, 1983, in Room 420 of the Capitol Building at 9:00 a.m. All members were present except Rep. Fagg who was excused.

EXECUTIVE SESSION:

HOUSE BILL 638

REP. HANSEN: If the insurance company has a problem with an insurance company they report to the insurance commissioner and they investigate and impose the penalties.

PAUL VERDON: This makes the bill apply only to insurance companies that are not paying promptly.

REP. KITSELMAN: There are many questions involved here. The 18% per year, when to start counting the 20 days, co-ordination of benefits, providing forms...

REP. HANSEN: If there is a hold up, the insurance company has to inform the hospital that there is a problem but they just can't let it go for 30 days without an explanation.

REP. METCALF: Do the companies usually provide the forms to the hospital? Rep. Kitselman: Whoever requests them always gets them. The UB82 form may be convenient to the hospital but you will require every company to rewrite their soft ware.

REP. METCALF: If the UB82 form is adopted throughout the industry, wouldn't everyone be using it eventually? If we strike section 2 out of the bill it will happen anyway?

REP. KITSELMAN: I move that we strike section 2 and where it appears in the title.

REP. FABREGA: We amount to 1/2 of 1 percent of the nation and it is hard for us to mandate a requirement for the rest of the country.

QUESTION: The motion carried unanimously.

REP. HARPER: It seems section 3 deals with administrative penalties but they have an out with proof of loss.

REP. FABREGA: There are all those possible variations. The commissioner has the power to say he is placing a company on a one year reporting basis and if he doesn't pay within 20 days, he will have to pay the interest. He will investigate the complaints.

REP. METCALF: We will postpone the executive session until after the hearing today.

SENATE BILL 53

REP. FABREGA (presenting the bill in Sen. Galt's absence) opened by saying this is at the request of the Revenue Oversight Committee. The bill strikes from law the provision requiring that each package of liquor sold bear an official seal of the state.

PROPOSERS:

HOWARD HEFFELFINGER, Administrator - Liquor Division: In 1982 the Liquor Division sold about 8,700,000 bottles of spirits

and wine. Every bottle had to be affixed with an official label. The process is extremely time consuming and costly. The overwhelming amount of states have discontinued use of these seals. I don't believe the department has ever made a single case on the basis of the stamps. If this is passed there will still be some stamping on those sold in stores. It would completely eliminate the process for licensee sales which is about 50% of our business. We could save \$75,000 a year.

OPPONENTS: none

QUESTIONS: none

SENATE BILL 75

REP. FABREGA (presenting the bill in Sen. Turnage's absence) opened by saying this bill is at the request of the Revenue Oversight Committee. This bill changes the law regarding the quota limit on retail beer licenses by clarifying the basic allocation to a town or city of more than 2,000 people. Such a town would have a quota of four retail beer licenses for the first 2,000 residents, plus two more for the next 2,000 persons or major fraction thereof, plus one more license for each additional 2,000 residents.

PROPONENTS:

HOWARD HEFFELFINGER, Administrator - Liquor Division: We would like to change the word "first" to "next" on line 16. By using the word first it appears that in both instances, you are referring to the same first 2,000 increments.

OPPONENTS: none

QUESTIONS: none

SENATE BILL 151

REP. FABREGA (presenting the bill in Sen. Turnage's absence) opened by saying at the present time when you apply for an all-beverage license in a city of 10,000 or more you must make a \$20,000 deposit. Under SB 151 each prospective applicant will provide an irrevocable letter of credit to guarantee his ability to pay the \$20,000 which must be paid in full if the license is granted.

PROPONENTS:

HOWARD HEFFELFINGER, Administrator - Liquor Division: In considering a licensee, the state requires a rather substantial fee. The money goes into a state interest sharing fund and the state receives all the interest. The entire problem could be solved by a letter of credit guaranteeing they will be loaned \$20,000 in the event they are approved.

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OPPONENTS:

QUESTIONS:

REP. METCALF: The money is due if the applicant receives the license? Rep. Fabrega: Yes.

HOUSE BILL 695

REP. MIKE KADAS, District 95, sponsor, opened by saying this bill requires the owner of a residential dwelling unit to provide each prospective renter or buyer with analysis of the energy consumption in the building for the previous 24 months. A \$50 fine is provided for violations. The basic reason for this bill is that energy costs are going up 10 to 15 percent and we are trying to give the consumer a change to see what he is buying.

PROPONENTS:

JIM McNAIRY, AERO: This is a simple way for the consumer to compare the energy efficiency of homes or apartments they buy or rent, if the buyer requests the information. We show two years as a time frame so we have a comparison over two heating seasons. A building owner can comply with this bill if he keeps his utility bills and shows them to someone who is interested. They can ask the utility to supply this information. Utilities currently provide this information to the bill payer. Montana law says it's up to the utility to guarantee the right to privacy but when they release the information with no name attached, the privacy is protected. The PSC is interested in this bill and suggested we use this approach. If there is going to be an added cost to the utility then we think the person requesting the information should pay for it. There are disadvantages: Utility bills do not take into account the person's lifestyle as to how warm they keep their home. Another drawback is the bill does not cover fuel oil, propane and wood because there are no accurate records kept for them. The advantages outweigh the disadvantages and for these reasons, we support HB 695.

DON REED, Montana Environmental Information Center: In the last 10 years we have seen a real conservation move in Montana. It's taken place in the free market. Consumers know that it's to their advantage to conserve. Renters who have their utilities paid don't have the incentive to conserve like home owners.

JIM SMITH, Region Eight Community Action Agency Association: Most renters in Montana are low income people. Since 1967 the Community Action Agencies in this region have winterized approximately 12,000 dwellings. 25% of them have been rental units for incomes that fall near the official poverty level. This bill offers those people a chance to make a sound decision on where they live. We live in unstable times when the utility

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bill might exceed the mortgage payment or a person's total social security income. This is a constructive attempt to deal with the times we find ourselves in. We also publish mileage and gasoline info for automobiles, and appliance efficiency ratings on home appliances. In both of these cases the consumer gets an accurate picture on what kind of energy costs are associated with a product.

OPPONENTS:

GENE PIGEON, Montana Dakota Utilities: Because of the cost of paper work and preparing this information over a 24 month period, we oppose this bill. We are on microfilm for a 13 month time and after that, we would have to hand billing. In Billings, any person is given this for a 13 month period of time. My lifestyle is different from another person's. We had 15,364 cut-ins and cut-outs last year. You can imagine how much time and cost this would mean.

GENE PHILLIPS, Pacific Power & Light: Our bill would show the bi-monthly usage on it and also the temperature for now and what it was 12 months ago. For us to go back an additional 12 months would cost alot. The landlord does not have access to a particular renter. We only give this information to the bill payer.

REP. KADAS, in closing, said he would not object to changing from 24 months to 12 months. It does seem reasonable to him that energy information should be available when questioned on it.

QUESTIONS:

REP. FABREGA: Lifestyle is the problem here. Often I show an apartment when the people are still living there and then their identity would be revealed.

REP. BACHINI: Who would handle the fine? Rep. Kadas: It would be a civil procedure.

REP. HANSEN: We take care of 100 rental units. We have no way of knowing what was spent on each apartment for heat. We do ask tenants at different times what their bills run.

REP. ELLISON: If I am selling a \$100,000 home that is an energy waster, I'm just going to pay the \$50 and get rid of it. Aren't we trying to mandate something that the market place will take care of itself?

REP. WALLIN: A person with wood heat could supply a very low heating figure.

REP. PAVLOVICH: What would happen if someone gave you the wrong figures - would you take them to court? Rep. Kadas: If the person was a nice landlord, I probably wouldn't.

REP. KITSELMAN: Mr. Smith, you said most renters are low income.. I rent many units for \$750 per month. Mr. Smith: I should have said low income people are usually renters.

REP. HARPER: According to this bill, you must give this information to anyone requesting it. It doesn't have to be in writing.

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REP. METCALF: If a bill payer calls up and wants to know he paid in the month of November, would you give that information over the phone? Mr. Phillips: If they had the account number.

EXECUTIVE SESSION:

SENATE BILL 53

REP. PAVLOVICH: I move DO PASS SB 53.

QUESTION: Motion carried unanimously.

SENATE BILL 75

REP. PAVLOVICH: I move DO PASS SB 75.

QUESTION: Motion carried unanimously.

SENATE BILL 151

REP. PAVLOVICH: I move DO PASS SB 151.

QUESTION: Motion carried unanimously.

HOUSE BILL 695

REP. FABREGA: I move we TABLE HB 695. It's a good idea but it needs work. Rep. Kadas: I think the table motion is good.

QUESTION: Motion carried unanimously.

HOUSE BILL 638 (re-opened)

REP. HANSEN: I move we adopt the amendments prepared by Paul Verdon.

QUESTION: Motion carried unanimously.

REP. KITSELMAN: I move we eliminate section 3, page 3 through line 5, page 4. I think this should be handled in a penalty clause. Rep. Fabrega: The commissioner right now has the right to levy a \$10,000 fine. I don't see anything wrong with making someone pay the 18% and be placed on probation because of always paying late. We have deleted Workmen's Compensation auto health. Rep. Kitselman: Now you are beginning to set certain groups out of the law. Sounds prejudicial. Did you address the coordination of benefits? They take longer.

Rep. Fabrega: The commissioner can judge if there's a good reason for always being late.

REP. HARPER: The guts of this bill is in section 4. The commissioner has to have a hearing for the violators. If the rulemaking authority isn't there, I don't see how it's going to work.

REP. FABREGA: I oppose the amendment.

QUESTION: The amendment motion failed.

REP. KITSELMAN: I move to amend the bill in section 3 to say we restrict the 18% to those hospitals that had to take it out of their savings to make up for late payment.

QUESTION: The motion failed.

REP. HANSEN: I move DO PASS HOUSE BILL 638 AS AMENDED.

REP. HARPER: You are falling into a hornet's nest. You should have a bill with a statement of intent setting rulemaking authority to the commissioner and then you would probably get some sympathy from the Senate. I can't see putting this bill into statute.

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REP. FABREGA: I would agree with Harper that the commissioner could adopt this kind of rule but remember that the people who come to rule making hearings are the people affected.

REP. HARPER: Nothing is going to happen until after the hearing so it's totally administrative.

REP. KITSELMAN: I would support raising to \$50,000 or \$100,000 the fine to be imposed. It will get their attention more quickly than \$10,000.

REP. ELLISON: I make a substitute motion that HB 638 go back into subcommittee. The insurance commissioner has been good about protecting the people and I think we should give him the rulemaking authority.

QUESTION: Motion carried with Rep. Fabrega voting no.

Sub-Committee: Rep. Harper, Rep. Kitseleman and Rep. Hansen.

The hearing adjourned at 11:30 a.m.



REP. JERRY METCALF, CHAIRMAN



Linda Palmer, Secretary

STANDING COMMITTEE REPORT

February 14

19 53

MR. **SPEAKER:**

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

having had under consideration **SENATE** Bill No. **151**

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color

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE AN IRREVOCABLE
LETTER OF CREDIT IN LIEU OF THE \$20,000 APPLICATION FEE FOR
CERTAIN ALL-BEVERAGES LICENSE APPLICATIONS; AMENDING SECTIONS
16-4-402 AND 16-4-501, MCA."

Respectfully report as follows: That **SENATE** Bill No. **151**

DO PASS

STANDING COMMITTEE REPORT

February 14

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19.....

SPEAKER:

MR.

BUSINESS & INDUSTRY

We, your committee on.....

having had under consideration ~~HOUSE~~ **SENATE** Bill No. **75**

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**A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE LAW
RELATING TO THE DETERMINATION OF THE NUMBER OF AVAILABLE
RETAIL BEER LICENSES IN A CORPORATE CITY QUOTA AREA;
AMENDING SECTION 16-4-105, MCA."**

Respectfully report as follows: That..... **SENATE** Bill No. **75**

DO PASS

STANDING COMMITTEE REPORT

February 14

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MR. Speaker:

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE

Bill No. 53

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color

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
OFFICIAL SEAL ON LIQUOR PACKAGES; PROHIBITING ANY OPEN
LIQUOR CONTAINERS IN A STATE LIQUOR STORE; AMENDING SECTIONS
16-1-303, 16-2-107, AND 16-6-104, MCA; REPEALING SECTIONS
16-2-102 AND 16-3-102, MCA."

SENATE

53

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

DO PASS

Bus. + Ind.

COMMITTEE

DATE 2-14

SPONSOR Kadas

GENE PIGEON	Glenview	M. D. U.		✓
GENE PHILLIPS	KALISPELL	PP&L		✓
Jim McRaney	Helena	AERO	✓	
DON REED	Helena	MEIC	✓	

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VISITOR'S REGISTER

HOUSE Bus. + Ind.

COMMITTEE

BILL SB 151

DATE 2-14

SPONSOR Turnage

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Bus. & Incl.

COMMITTEE

SB 75

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Turnage

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VISITOR'S REGISTER

HOUSE

Bus. Ind.

COMMITTEE

BILL

SB 53

DATE _____

2-14

SPONSOR

Galt

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