

HOUSE BUSINESS & INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on February 18, 1983, in The Governor's Reception Room, State Capitol Building, Helena, at 8:00 a.m. All members were present.

HOUSE BILL 553

REP. KATHLEEN McBRIDE, District 85, sponsor, opened by saying this legislation is the result of the Sunset Audit Committee Board of Horseracing. It basically terminates the board unless there is not positive action to reestablish the board. The bill creates a Horseracing Advisory Council consisting of five members, three of whom are breeders or owners of race horses, one a member of an independent horseracing association and one a member of a county fair board that conducts pari-mutuel betting, and all of whom are appointed by the governor for terms of three years. The bill provides detailed rules of conduct for all persons engaged in racing.

PROPONENTS:

SENATOR HIMSL, Chairman of the Audit Committee and co-sponsor of HB 553: Horseracing business is big business in the State of Montana and it is tremendously complex. The committee decided that the state would be best served by having an independent commissioner, referred to as a "czar", who would make all the decisions after advice from his council.

OPPONENTS:

LINDA KING, Public Member of the Board of Horseracing: The Sunset pointed out some glaring problems with the administration and set the stage for addressing these issues. People within the industry see problems with the single commissioner form of regulation. The audit committee pointed out one problem was certain people in the industry trying to control board members. It would be much simpler to control one commissioner than five individuals. You can rarely get five to agree on one issue. The cost of a single commissioner form would be prohibitive. A commissioner would cost no less than \$27,000 and would need administrative support.

DALE MAHLUM, Western Montana Fair in Missoula: I would not like to see a czar established in this state.

REP. McBRIDE: HB 553 is the result of a great deal of compromise within the industry. Please consider the recommendations of the audit committee. Please hold questions until after HB 853 is presented.

HOUSE BILL 853

REP. RON MILLER, District 42, sponsor, opened by saying this bill will authorize the position of Executive Secretary of the Board of Horseracing by statute and set limits on the authority of the position, preventing the creation of a "racing czar." This bill represents a total group effort on the part of Montana's racing community. (Exhibit #1)

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PROPONENTS:

BERT BOUGHTON, President, Montana Horse Council: We support this bill very strongly. We are not satisfied with HB 553.

BILL NOONEY, Fair Board, Missoula: This bill attempts to satisfy the requirements of the Sunset committee. Our first responsibility is to the public, secondly for the safety of the jockey and safety of the horse and the owner and trainer coming after that. Everyone does not agree with everything in HB 853 but they felt it satisfied the requirements needed to promote racing in Montana.

STEVE PILCHER, Horseman's Benevolent Association: The audit committee did an outstanding job of assessing the problems in the industry but they became a bit over zealous in trying to solve those problems. All of the factions involved in racing came together to produce HB 853 and it represents alot of hard work and compromise from within the industry.
(Exhibit #2)

SEN. DICK MANNING, Big Sky Horse Racing Association: I want to go on record as supporting HB 853.

(Chairman Metcalf asked all those in favor of HB 853 to stand. The majority of those present stood)

OPPONENTS:

REP. KATHLEEN MCBRIDE: I don't rise as an opponent. There are three things that I want to raise as questions. Is there a prohibition of employees of the track and employees of the board from betting? This was included in the audit committee's recommendations but was inadvertently left out of this bill. There is also the requirement on bonding that you might want to take a look at.

QUESTIONS:

REP. PAVLOVICH: Linda King, you don't specify who you would want on the board. Linda King: In HB 853, the members would be five public members who could not have any interest in race horses or race meets. They are set geographically and appointed by the governor with the consent of the Senate.

HOUSE BILL 834

REP. JOE BRAND, District 28, sponsor, opened by saying there is a problem in the real estate business and this bill is an attempt to help that situation. This bill is presented to stimulate the economy. People who are selling out today because of the economy will be able to have more of an equity from their business so they will not have to go on welfare. The real estate agent only gets the buyer and seller together. Selling a \$50,000 home at a 7% commission the broker would receive \$3,500 and at 4.5% in this bill, the commission of the broker would be \$2,250.

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Business & Industry Committee

Many make additional income by acting as rental agents and appraising property. Are we talking about price fixing? I don't believe this bill is price fixing. If we want a better economy and if we want people to buy more homes, I think we should tighten our belts and that includes realtors.

PROPOSERS: NONE

OPPOSERS:

DENNIS REHBERG, Montana Association of Realtors: We have people who have come from all over the state to give you an argument. This bill imposes a ceiling, it does not state the fee should be at a set level, just that it not exceed that level. Policing power falls with the state. Usually under an act of this type there would have to be some kind of a preamble to that effect. Which consumer index does this bill refer to? There are many of them. CPIW has been the same for 20 years... it's changing this month. 20% of what they figure CPIW is housing and they are now taking that factor out. What will this do to the commission structure that he had put in this bill?

MIMI PARKES, President, Montana Association of Realtors: No doubt, Rep. Brand's motivation for sponsoring this legislation stems from a desire to reduce the cost of housing. We would argue, however, that the brokerage commission is not the proper target for such concern. Some people believe that there is a "standard price" for a real estate broker's services. That is not the case. The most efficient system for determining fees for goods and services is the marketplace. Vigorous competition between brokers that guarantees the consumer the greatest service for their dollar is the most efficient system. (Exhibit #3)

DR. P. J. HILL, Professor of Economics, MSU: Written testimony submitted and read during hearing. (Exhibit #4)

SHEILA WILSON, Butte realtor: Many of the homes in our area sell for from \$20,000 to \$40,000. Taking into account advertising and the costs of running our office, we lose between \$500 & \$600 on a \$20,000 sale. Under this bill we would lose \$900. To break even we will have to look at homes of \$40,000 and up. This is not helping the working people of Butte.

TOM MATHER, Broker, Great Falls: 6% and 7% is the minimum we can charge so our office can stay in business. To reduce that commission would be to kill the industry. I have been in business for 25 years and I will stay in business if we have a free enterprise system.

REP. KITSELMAN: I wish to go on record as opposing HB 834.

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DENNIS BERGVALL, Executive Director, Republican Party: Setting a rate does a good job of doing away with competition. These people are concerned because it goes to the livelihood of their business. I would ask you to reject this bill.

REP. BRAND, in closing, the industry is regulated by a board and an examination and license. The free enterprise system is not regulated. I see Mr. Bergvall is an opponent to this bill. Let me point out that the PAC money spent in Montana was more for the republican candidates than the democrats by 8 to 1. This bill is designed to help the small income family who wants to buy that first house - the dream of all Americans. With that in mind, I hope we can do something to help America get back on the right road.

QUESTIONS:

REP. SCHULTZ: Mr. Rehberg, if I had a house worth \$100,000 could I get a realtor to sell it for 8%? Rehberg: Yes. Schultz: 6%? Rehberg: Yes. Schultz: 5%? Rehberg: I'm sure you could.

HOUSE BILL 838

REP. JAN BROWN, District 32, sponsor, opened by saying this bill regulates sales by transient merchants, establishes license requirements, and provides controls for auction sales and liquidation sales, and provides for an immediate effective date. The City of Helena did pass an ordinance against people setting up on the side of the road but they can go just outside the limits and do it. This may be a little restrictive but it will provide controls.

PROPOSERS:

BLAKE WORDAL, Montana Hardware and Implement Association: People have no recourse from transient merchants. By requiring them to buy a bond, the consumer is protected. It will be of use to law enforcement to trace questionable goods. The bill does not regulate any state resident.

DON ENGLES, Montana Chamber of Commerce: We are in support of HB 838.

GEORGE ALLEN, Montana Retail Association: Competition is good for business. Retail is an up and down business and if a transient comes and skims the cream off it hurts. The bill requires prior application - they can't come in and sell that day.

MIKE WALL, Power Townsend, Helena: The local merchant supports everything within the city and the state should support these businesses.

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OPPONENTS: none

QUESTIONS:

REP. HARPER: Jan, what do you think is too restrictive? Rep. Brown: Perhaps the itemized inventory and the fact that they are limited to coming only one time per year. I would not like to see them kept out totally. Forty-eight hours may be too restrictive.

REP. ELLERD: I think you're going to eliminate them completely. I don't see how it can be enforced or policed. Mr. Wordal: It works in Wisconsin but perhaps we should address it more to Montana. Rep. Ellerd: Who would make the settlement? Mr. Wordal: It speaks to the Clerk of Court as being responsible for settling these claims.

REP. KADAS: In Missoula three or four times a year, people come in selling pottery, etc. from different parts of the northwest. Would it affect them too? Mr. Wordal: Yes. Any sales by non-residents are covered.

HOUSE BILL 827

REP. DAN HARRINGTON, District 88, sponsor, opened by saying this bill requires that a company which lays off 60% or more of its employees, during a closure of 90 days or more, must pay the affected employees severance pay and benefits to which they would be entitled if the closure were permanent. This bill does have a few problems but I feel we should address this situation. When Anaconda closed in 1971, they were given severance and benefits but in the latest lay off this was not the case.

JOE ROSSMAN, Teamsters Union: We favor this bill in the interest of focusing attention on these people.

DON JUDGE, AFL-CIO: This bill brings the legislature the problems of the state. We are in concurrence with Mr. Rossman that this is perhaps not the best choice to address the problems. We must do something to assist communities, workers and the state. As an example of such costs to the state, ARCO's laid off employees drew \$971,623.70 more in unemployment benefits than paid in taxes in the 1982 rating period and \$3,920,634.91 more in Unemployment benefits than paid in taxes in the 1983 rating period. (Exhibit #5)

REP. PAVLOVICH: I would like to go on record as a proponent of HB 827.

OPPONENTS:

MR. HELDING, Attorney - Montana Wood Producers Association: What happens when the Missoula County Fair hires several hundred people and then lays them off after the fair is over? Would we have a severance pay problem? We are dealing with contract negotiations here. How many times could an employee be hired back and paid severance pay? I think this is a very poor choice of legislation.

Business & Industry Committee

BEN HAVDAHL, Montana Motor Carriers Association: With the economy like it is, the motor carriers are subject to manufacturer layoffs. Many of our carriers are on layoff because of the economy.

DAVE GOSS, Billings Chamber of Commerce: If a business employs three or four people but for short periods of time hires 20 employees, are they subject to this bill? We need to attract new business in Montana, not hold captive those that we have.

GEORGE ALLEN, Montana Retail Association: We have peaks and valleys in our businesses and during slow periods, we may lay off 60% of the work force. Will this affect us?

DON ENGLES, Montana Chamber of Commerce: We oppose this bill.

REP. HARRINGTON, in closing, said I don't feel the small business down the street who has problems at Christmas time compares with the person who has worked 20 years on the job and is still in his early 50's and who has put his life into the job. I feel if you can't put this bill into workable shape, then I suggest you table it.

QUESTIONS:

REP. FABREGA: Are severance pay benefits part of the negotiated contract right now? Rep. Harrington: Mr. Rossman: Most contracts have the 75/80 pension. When your years of work and your age total 75-80 years, you are entitled to pension pay. Rep. Fabrega: If there is not a contractual agreement, what would this bill enforce? Rep. Harrington: We were trying to accomplish that when operations closed that severance pay would be granted to long-time employees who were not old enough for pension.

HOUSE BILL 814

REP. MIKE KADAS, District 95, sponsor, opened by saying this bill would revise Montana's banking laws to require that the annual meeting of stockholders of a bank be held on any business day before April 15. Before they had to meet on Tuesdays.

PROPONENTS: none

OPPONENTS: none

EXECUTIVE SESSION

HOUSE BILL 814

REP. FAGG: I move DO PASS HOUSE BILL 814.

Question: Motion carried unanimously.

HOUSE BILL 827

REP. FABREGA: I move we TABLE HOUSE BILL 827.

REP. PAVLOVICH: The intent was there but the bill was drafted real poorly. What's happened before is the company has given the employees severance pay but they labeled this closure as a suspension and they have given no severance pay.

QUESTION: Motion carried with Rep. Pavlovich voting no.

HOUSE BILL 701

REP. FAGG: They took out the fee schedule that the small banks complained about. There will be a semi-annual assessment that the department will establish through rule-making. The computation of the total fee shall be based on the assessments the company has shown in the last consolidated report. In addition, trust companies shall pay \$200 per day for each examiner. I think it's a fair compromise and I will move the amendments.

QUESTION: Motion carried unanimously.

REP. FAGG: I move DO PASS AS AMENDED HOUSE BILL 701. (Exhibit #6)

QUESTION: Motion carried unanimously.

REP. FAGG: I move the Statement of Intent. (Exhibit #7)

QUESTION: Motion carried unanimously.

HOUSE BILL 838

REP. FABREGA: I move we TABLE HOUSE BILL 838. We need time to study this bill and it needs alot of work.

QUESTION: Motion carried unanimously.

HOUSE BILL 834

REP. FABREGA: I move we TABLE HOUSE BILL 834.

QUESTION: Motion carried unanimously.

HOUSE BILL 553

REP. FAGG: I move we TABLE HOUSE BILL 553.

QUESTION: Motion carried unanimously.

HOUSE BILL 853

REP. FAGG: I move DO PASS HOUSE BILL 853.

REP. HARPER: I have a number of amendments to offer. Page 5, line 21 - Insert: "No member of the board may wager on any licensed racing meet in this state."

REP. PAVLOVICH: How are you going to stop it? Someone can place a bet for them.

REP. HARPER: I move the amendment.

QUESTION: Motion carried unanimously.

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Business & Industry Committee

REP. HARPER: On Page 8, line 18 - Insert: "Fair boards". I move the amendment.

QUESTION: Motion carried unanimously.

REP. HARPER: Page 8, line 21 following horses, insert: "under saddle." I move the amendment.

Chub Askin: There will be testimony that there are no standard bred horses raised in Montana. The commission should be allowed if they want to permit it, but it shouldn't be made illegal.

REP. SCHULTZ: I think the option should be left open. It's not coming right now but we shouldn't put up a barrier.

REP. METCALF: I believe we should leave this alone so Montana people can breed harness horses if they want to.

QUESTION: Motion failed with Reps. Pavlovich, Harper, Lybeck, Kadas and Ellison voting yes.

REP. HARPER: Page 8, line 22 - Insert: "Appointed by the board" I move the amendment.

QUESTION: The motion carried unanimously.

REP. HARPER: Page 9, line 1 - Insert: "(a) "Board of stewards" means a board composed of three stewards who supervise racing meets." I move the amendment.

QUESTION: Motion carried unanimously.

REP. HARPER: Page 11, line 4 - Insert: "No racing official hired by the department or approved by the board may wager at a racing meet at which he presides." I move the amendment.

QUESTION: The motion carried unanimously.

REP. HARPER: Page 13, line 22 - Strike the bonding and insert "setting aside of up to 2% of wagering to be used as a bonus for owners pursuant to 23-4-304(2) and to defray administrative costs." I move the amendment. This is a better way to fund this. Instead of taking it out of the public's take, you take it from the high rollers who bet the exotic races.

Linda King: In order to fund the owners award, there is not sufficient money collected. The 1% that goes to the state is the only money available to administer the programs and it is now declining. We are also asking that the uncashed winning tickets go to the tracks for capital improvements. As regards the exotic wagering...there are many, many problems with this that the board will want to look at very carefully. If you tie in to exotic wagering an important program like owner's awards, we will not be able to say no to exotic wagering. The biggest scandals in racing are tied to exotic wagering so it is something we want to be careful with.

BILL NOONEY: I want to make sure you understand that for every dollar bet at the race track, 20% of that comes to the track. From that 80% goes to the bettors, 1% goes to the commission. Out of the 19% left that the track has to operate this plant, we generally have been in a contract situation with the horse people and they take 9 1/2% so the track ends with 8 1/2% to pay its bills. We don't have the money to pay the bonus and we want it to come from the bettor's portion at 1%.

REP. HARPER: I am under the impression that 21% is one of the highest percentages that the track takes in the nation. 1% raises \$100,000 state-wide.

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Business & Industry Committee

REP. HARPER: Linda, do you doubt that exotic racing is going to come to this state? Linda King: We do have some now.

Rep. Harper: I am going to put this under rulemaking authority so you can adopt it or not. You have offered this to the legislature for a number of years and they have turned it down. This will offer the board an option so if they want to do it, they can.

Linda King: Rep. Harper, are you talking about that 2% coming out of the 20% or an additional 2% for exotic races?

REP. HARPER: It's in addition - it's keyed strictly to exotic racing.

QUESTION: Motion carries with Rep. Schultz voting no.

REP. HARPER: Page 15, line 16 - insert: "and in the race meet grounds or enclosure where a race is being held."

Linda King: The way it's worded, it would not permit any off track wagers. It would allow Butte to bet on Helena if they were running simultaneously. You cannot wager in a bar or anywhere but in a licensed race track.

REP. HARPER: If this language is reinstated her statement is true, if it's not, it's not true. It would be a big mistake to pass this bill out with that language deleted. It would be a major expanse of parimutual betting in the state.

REP. HARPER: I move the amendment to reinstate the language and add the insert.

QUESTION: Motion carried with 9 voting for and 5 opposed.

REP. HARPER: Page 15, line 22 - strike 21% and insert 20%.

I move the amendment.

QUESTION: Motion carried with Reps. Schultz, Pavlovich voting no.

REP. HARPER: Page 16, line 14 - Strike lines 14 through 19 and renumber subsequent sections. This was inserted into exotic wagering. I move the amendment.

QUESTION: Motion carried unanimously.

REP. HARPER: Page 16, line 21 - Strike: "subsection (2)" and insert: "23-4-202(4)(d)."

QUESTION: Motion carried unanimously.

REP. HARPER: Page 16, line 25 - Strike: "remainder of line 25" Insert: "under 23-4-202(4)(d)."

QUESTION: Motion carried unanimously.

QUESTION: Motion of DO PASS AS AMENDED HOUSE BILL 853 carried unanimously.

REP. HARPER: I move the Statement of Intent.

QUESTION: Motion carried unanimously.

The hearing adjourned at 11:30 a.m.



REP. JERRY METCALF, CHAIRMAN



Linda Palmer, Secretary

STANDING COMMITTEE REPORT

FEBRUARY 19

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MR. SPEAKER

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE Bill No. 814

first reading copy (white)

"AN ACT TO AUTHORIZE FINANCIAL INSTITUTIONS TO HOLD ANNUAL MEETINGS
ON ANY BUSINESS DAY BEFORE APRIL 15 OF EACH CALENDAR YEAR; AMENDING
SECTIONS 32-1-322 AND 32-2-208, MCA."

Respectfully report as follows: That HOUSE Bill No. 814

DO PASS

STANDING COMMITTEE REPORT

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February 13

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MR. **SPEAKER:**.....

BUSINESS & INDUSTRY

We, your committee on

HOUSE

having had under consideration Bill No. **701**

first reading copy (**white**)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FEES FOR
THE SUPERVISION AND EXAMINATION OF BANKS; AMENDING SECTION
32-1-213, MCA; AND PROVIDING AN EFFECTIVE DATE."**

HOUSE

Respectfully report as follows: That Bill No. **701**

BE AMENDED AS BOLLOWS:

1. Title, line 6

Following: **"AN"**

Insert: **"IMMEDIATE"**

2. Page 1, line 6

Following: **"MCA;"**

Insert: **"PROVIDING FOR RULEMAKING AUTHORITY:"**

3. Page 1, line 11

Following: **"(1)"**

Strike: the remainder of line 11 and through **"1,000"** on line 15

Insert: **"On or before January 31 and July 31 of each year,**

each bank, trust company, or investment company under the

supervision of the department shall pay to the department a

semi-annual assessment fee. The department shall establish

such assessment fee by rule on or before June 1 of each year.

The funds so collected shall be deposited in an earmarked revenue

XXXXX FUND fund with the state treasurer to the credit of and

**for the use of the department in the administration of this
chapter"**

4. Page 1, line 16

Following: "(2)"

Strike: the remainder of line 16 and through line 10 on page 2.

Insert: "The computation of the above assessment fee shall be based on the total assets of the bank, trust company, or investment company as shown in the last consolidated report of condition published prior to the January 31 or July 31 assessment dates."

5. Page 2, line 11

Following: "(3)"

Strike: line 11 and line 12 through "examination"

Insert: "In addition to the above assessment, trust companies shall pay to the department an examination fee of \$200 per day for each examiner involved in examining the trust assets under the control, safekeeping, or fiduciary responsibility of the trust company. Such fees shall be deposited by the department in the earmarked revenue fund as described in [Section 1]"

6. Page 2, line 14

Following: "effective"

Strike: "July 1, 1993"

Insert: "upon 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. 701, FIRST READING COPY WHITE, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT
HOUSE BILL 701

A statement of intent is required for House Bill 701 because it grants rule-making authority to the department of commerce to set assessments for state banks, trust companies, and investment companies.

It is the intention of the legislature that in the promulgation of the rules, the department will conduct hearings in an attempt to assure that the affected institutions will have the opportunity to voice their views. It is the intention of the legislature that the department should attempt to create rules for assessment which provide equitable treatment of institutions insofar as possible, while maintaining the mandate of the bill.

STANDING COMMITTEE REPORT

February 1

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MR. SPEAKER

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE Bill No. 853

first reading copy (white)

"AN ACT REESTABLISHING THE BOARD OF HORSERACING UNDER EXISTING
STATUTORY AUTHORITY AND RULES; CHANGING THE COMPOSITION OF THE
BOARD; PROVIDING FOR AN EXECUTIVE SECRETARY TO THE BOARD AND
DEFINING HIS DUTIES; REQUIRING THE BOARD TO ESTABLISH A FUND FOR
RECOGNITION OF MONTANA-BRED HORSES; REVISING AND CLARIFYING
PROVISIONS RELATING TO HORSERACING; AMENDING SECTIONS 2-8-103,
2-15-1881, 23-4-101, 23-4-104, 23-4-105, 23-4-201, 23-4-202,
23-4-204, 23-4-301, 23-4-302, 23-4-304, AND 23-4-305, MCA; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 853

BE AMENDED AS FOLLOWS:

1. Page 5, line 21

Following: "board."

Insert: "No member of the board may wager on any licensed racing
meet in this state."

2. Page 8, line 18

Strike: "local government units"

Insert: "fair Boards"

3. Page 8, line 22

Strike: "appointed by the board"

Insert: "hired by the department"

4. Page 9, line 1

Following: line 25 on page 8

Insert: "(a) "Board of stewards" means a board composed of three
stewards who supervise racing meets."

ENDPSSX

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5. Page 11, line 4

Following: line 3

Insert: "No racing official hired by the department or approved by the board may wager at a racing meet at which he presides."

6. Page 13, line 22

Following: "(d)"

Strike: remainder of line 22 through "complaints" on line 24

Insert: "setting aside of up to 2% of wagering to be used as a bonus for owners pursuant to 23-4-304 (2) and to defray administrative costs"

7. Page 15, line 16

Following: "held"

Insert: "and in the race meet grounds or enclosure where a race is being held"

8. Page 15, line 22

Strike: "21%"

Insert: "20%"

9. Page 16, line 14

Following: line 13

Strike: lines 14 through 19 in their entirety

Renumber: subsequent subsections

10. Page 16, line 21

Following: "under"

Strike: "subsection (2)"

Insert: "23-4-202(4)(3)"

11. Page 16, line 25

Following: "collected"

Strike: "remainder of line 25"

Insert: ~~xxxxxx~~ "under 23-4-202(4)(d)"AND AS AMENDEDDO PASS

STATEMENT OF INTENT ATTACHED.

MR. SPEAKER:

WE YOUR COMMITTEE ON BUSINESS & INDUSTRY, HAVING HAD UNDER CONSIDERATION HOUSE BILL NO. 853, FIRST READING COPY WHITE, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT
HOUSE BILL 853

A statement of intent is required for this bill because it expands the existing rulemaking authority of the Board of Horse-racing granted under a previous act.

It is contemplated that the rules shall address the following:

1. absolute responsibility of trainers for the condition of horses, regardless of the acts of third parties;
2. refusal to license persons whose licenses have been suspended or revoked by another horse racing jurisdiction;
3. exclusion from race courses in this state persons considered detrimental to the best interests of racing;
4. standards to be applied in determining conditions under which a license may be renewed if it has been suspended;
5. summary ruling during race meets by stewards, stay of imposition of summary penalties, and assessment of interest and penalty on late payment of fines; and
6. retention of purses pending final disposition of complaints, protests or appeals; allowing and regulating exotic wagering, and providing for the disposition of the 2% wagering share allocation under 23-4-202(4)(d) and for the other purposes specified.

Chairman Metcalf, and members of the Committee on Business and Industry.

Thank you for the opportunity to present to you HB 853, A Bill Reestablishing the Board of Horse Racing.

In contrast to Representative McBride's Bill on behalf of the Sunset Review Committee, this Bill would reestablish the Board of Horse Racing for six years. However, a significant change in Board composition has been designed into this bill. In order to address the concerns of the legislative auditors, the Sunset Review Committee, and the horse racing industry, itself, this bill would mandate a 5-member public board, with each member representing a specific geographical district.

In addition, this bill will authorize and describe the authority, duties and responsibilities, by statute, of the Executive Secretary of the Board of Horse Racing. As the Committee may know, the Department of Commerce hired an Executive Secretary to the Board of Horse Racing one year ago. Previous to this time, the administrative functions were met with one half-time secretary and by various other administrative and secretarial staff of the Department of Professional and Occupational Licensing. Those having reviewed the Sunset Audit Report on the Board of Horse Racing will know that there were many problems with the day-to-day administration of horse racing in Montana, prior to the installation of the current Executive Secretary. This bill will not only authorize this position by statute, but even more importantly, will set limits on the authority of this position, preventing the creation of a "racing czar." This bill will provide for comprehensive, day-to-day administration of this important industry without vesting too much authority in any one person.

Another area of concern identified by the Legislative Auditor was the lack of statutory authority to suspend licenses or levy fines by the Board of Stewards. This had been an authority which was delegated to the Stewards by the Board of Horse Racing. HB 853 sets forth, by statute, the powers and authority of the Board of Stewards.

The appearance of a "Conflict of Interest," was noted in that there were charges that various racing officials, whether they were employed by the State or by the individual race meet, were placing bets on the races which they officiated. HB 853 prohibits any member of the Board, its Executive Secretary, the Board of Stewards, the State Security Director, and the State Veterinarian from wagering on races at meets at which they

officiate. Employees of the individual meets are prohibited from wagering at their own race meets by this bill, as well.

Finally, it was noted that the appearance of a Conflict of Interest also existed when State or track officials held official positions at race meets when either they, or members of their immediate families, owned, trained, or had a financial interest in a race horse. This bill specifically defines "immediate family" and then goes on to prohibit the employment of racing officials if they, or members of their immediate families, own, train, or have any financial interest in a race horse at that race meet. In addition, no member of the Board of Horse Racing may be a member of a County Fair Board which conducts race meets, nor may they have any financial interest in a private racing association or meet, nor may they be an owner, trainer or breeder of race horses.

It is important to note, at this point, that this bill is a somewhat extraordinary document. It represents a total group effort on the part of Montana's racing community. It is a consensus of opinion between the horsemen (owners and trainers), the breeders, the county fair committees, the independent race meets, and members of the board of horse racing. While each group does not agree 100% with every part of the bill, they have agreed to compromise with each other and have come up with a bill which they can support. In addition, we feel this is a bill which will fully address the concerns of the Legislative Auditor and the Sunset Review Committee.

Besides meeting the concerns listed in the Sunset Review report, this bill addresses additional concerns of Montana's racing industry.

First, the bill provides for an Owners Award which will be paid to the owners of Montana-bred horses "finishing in the money" at licensed race meets in Montana. The fund for this award will come from an additional 1% of the "handle" at each race meet. Currently, 80% of the dollars wagered on each race is returned to the public; this bill would cause 79% of the dollars wagered to be returned to the bettor, with the additional 1% being withheld being transferred to the Board of Horse Racing for distribution to the owners of Montana-bred horses using a formula which is defined by statute.

Second, HB 853 allows the individual county fair or racing association report and retain the money left in the betting pool from "Uncashed Winning Tickets." This money will be available to the fair boards and racing associations for capital improvements to their race facilities, upon approval of the Board of Horse Racing.

Finally, any mention of specific breeds of race horses or any specific type of racing has been eliminated from this bill. The committee should note that there is currently a difference of opinion within the racing industry as to whether or not the Legislature intended to allow "harness racing" in Montana. This bill will not answer that question; however, ~~this question must be answered.~~

→ The legislature will need to address this issue with a specific attachment of "Legislative Intent."

In closing, I must restate the obvious. If HB 553 or HB 853, or some combination of the two, does not pass the 48th Session of the Montana Legislature, pari-mutual betting on horse races in Montana will not be legal. If that happens, a multi-million dollar industry will be lost to this state. Besides the unthinkable financial hardship this will cause to the hundreds of people taking part in this industry, directly, such a situation will cause problems to the citizens of Montana to whom racing is an integral part of their county fair, to Montana's growing tourism industry, to the economies of the cities and towns which derive substantial benefit "when the races come to town," and, finally, to Montana's General Fund. While the General Fund does not gain revenue directly from a "tax" on horse racing, the General Fund has benefited not only from the "interest on the Board of Horse Racing's Earmarked Revenue Fund," but also from the personal and farm state income taxes paid by the breeders and owners of these valuable animals.

I urge the Committee's careful scrutiny of these two bills, and your favorable consideration of the industry's bill -- HB 853.

Thank you.

HORSEMAN'S BENEVOLENT AND PROTECTIVE ASSOCIATION

Montana Division

P. O. Box 901

Livingston, Montana 59047

TESTIMONY IN SUPPORT OF HB 853

Mr. Chairman and members of this committee, my name is Steve Filcher and I would like to testify in support of HB 853. I am a licensed race horse owner and trainer in Montana and Sec./Treas. for the Montana Division of the Horsemen's Benevolent & Protective Association which has approximately 800 race horse owner/trainer members.

As has been previously explained to you, the Board of Horse Racing underwent Sunset Audit Review during 1981 and 1982. The Legislative Auditor's office did a commendable job in assessing the regulatory control of the horse racing industry and identifying problem areas. If they can be faulted at all it is in the somewhat overzealous recommendations to correct the problems. The issues identified for legislative consideration have already been discussed by Rep. McBride. Many of the same people who are here today participated in the public hearing process associated with that review and supported the findings of the Auditor's office.

While they agreed on the problems it was apparent at the audit committee hearings that the industry was not, at that time, in total agreement as to how the problems should be corrected. The Audit Committee recommendations, as outlined in HB 553 which was discussed earlier, did however meet with resistance throughout the industry as you have seen by the show of opposition here today. On December 15, 1982 representatives of the groups who are gathered here today met in Great Falls to discuss the matter. A copy of the minutes of that meeting are being provided to you for your use. The outcome of that meeting was a unified commitment to work together to develop an alternative to the audit committee recommendations. Starting with a rough draft of a bill at that meeting

representatives of those groups continued to meet and work out details of the bill that is now HB 853.

This bill represents the thoughts, ideas, and hard work of a lot of people in the industry but most importantly represents a unified position of all groups associated with horse racing in Montana.

In summary I would only say that the Sunset Review process provided us with an opportunity to identify problems associated with the industry and the audit report to the legislature contains several valid issues. We feel that HB 853 deals appropriately with those important issues and contains provisions to address other program weaknesses that will be discussed by others. Most importantly, it has the unified support of the horse racing industry in Montana. Your favorable consideration of HB 853 will be an important step in allowing this industry to develop in a way in which we can all take pride.

On behalf of our 800 members I would ask for your support of this important legislation.

Thank You.

MINUTES

MEETING OF THOSE INTERESTED IN HORSE RACING IN MONTANA

DECEMBER 15, 1982 HERITAGE INN - GREAT FALLS, MONTANA

Mr. Bill Nooney called the meeting to order at approximately 1:45 PM. The following groups were represented:

- Rocky Mountain Fair Assoc.
- Montana Quarterhorse Assoc.
- Montana Horse Breeders Assoc.
- Montana Appl. Assoc.
- Montana Paint Horse Assoc.
- Horsemen's Benevolent & Protective Assoc.
- Montana Board Of Horse Racing
- Last Chance Racing Inc.
- Program Data Inc.
- Numerous other individuals

Mr. Nooney introduced a representative from Program Data Inc. who had asked to meet with the group. He wanted to assure the group that even with the death of Keith they planned to continue the service that they have in the past. They will be meeting with track management in the very near future to discuss contracts for the coming year.

Mr. Nooney then explained that the purpose of the meeting was to get all of the organizations concerned with the horse racing industry together to discuss the need for legislation to recreate the Board of Horse Racing in light of the recent Sunset review and to pull together on any proposed legislation for the upcoming legislative session.

He asked Steve Meloy, Executive Secretary for the Board, to review the Sunset Audit process and bring the group up to date on Board action in response to the audit. Steve explained that the purpose of the audit was to evaluate the performance of the Board and to ensure the the original goals and purpose of the Mt. Law on Horse Racing was being met. He indicated that the Board looked at the review as a good critique of their operation. He explained that the Board was proposing legislation which would recreate the Board as it now exists and also include several other minor changes. He stated that the Board preferred a 5 member Board with 1 member representing track management, 1 member representing horsemen and 3 members at large.

Mr. Askin, representing HBPA, said his group recommended a 5 member Board with no conflict of interest.

Mr. DeNittis, representin the Montana Horse Breeders Assoc., stated that they would prefer a public board over the current board. He felt that horsemen had not received fair treatment on several occasions in the past by the board.

Mr. Brewer, representing Last Chance Racing, recommended a 5 person board with representation from different geographic areas.

Mr. Carruthers, representing the Montana Quarterhorse Assoc., recommended a 5 member independent board.

Considerable discussion then took place with regard to the make-up of the Board. Their was concern over a lack of interest on the part of public members. A concern was also expressed over the fact that a bias exists on the current Board in that the horsemen's representative is prohibited from racing horses in the state but Board members can have financial interest in a race track.

Following the discussion it was evident that a majority of the people present were in agreement that the Board should be a 5 member independent board.

Mr. Chiesa suggested that a recommendation be made which would allow existing at large members of the board to be re-appointed in order to allow a smooth transition to the new board.

Several other items which might be addressed in proposed legislation were then discussed. Mr. Shelhamer discussed off-track betting and wanted to ensure that the proposed legislation did not prohibit that activity should it be considered at some time in the future.

The proposed also includes provisions to use revenue from uncashed winning tickets to establish a fund to be distributed to the owners of Montana bred horses. The Montana Horse Council will be proposing legislation to increase the amount withheld from the pari-mutual handle by 1% with that money being used to establish a program for a bonus for the owners of Montana bred horses.

Discussion then took place regarding the use of revenue from uncashed winning tickets for track management purposes. There did not appear to be major objection to that change.

The group then decided that due to the urgency of the matter a committee should be appointed with representation from all segments of the racing industry. This committee would review the legislation being proposed by the Board of Horse Racing and work toward revisions which would hopefully result in legislation which could be supported by all of the groups. This would present a united front to the legislature and should be better received by them.

The committee was scheduled to meet on December 20, 1982 at 1:00 PM in Helena to begin review and revision of the proposed legislation. The committee consists of the following representatives:

Bill,

*Here are minutes
from the Dec. 15th
meeting. Hope they
are adequate for
your use.*

The meeting adjourned at approximately 4:15 PM.

Steve Filchen



REALTOR®

MONTANA
ASSOCIATION
OF REALTORS®

EXECUTIVE OFFICE
600 NORTH PARK
HELENA, MONTANA 59601
TELEPHONE:
(406) 443-4032

Statement of

MIMI PARKES, PRESIDENT
MONTANA ASSOCIATION OF REALTORS®

before the

HOUSE BUSINESS AND INDUSTRY COMMITTEE

of the

MONTANA 48TH LEGISLATIVE SESSION

February 18, 1983

SUBJECT: HB834, a act limiting the amount of commissions paid to real estate brokers and salesmen on the sale of real property; providing for increases no greater than consumer price index increases.

Mr. Chairman, and members of the Business and Industry Committee. Thank you for the opportunity to appear before you today. Please accept my apology for any overly zealous communications you may have received from my constituency -- but the real estate people in this state are extremely upset over this bill.

I am Mimi Parkes. I am the owner of Parkes Company, REALTORS® in Billings. My small firm specializes in the brokerage of residential sales in the Billings area. I am the current 1983 President of the Montana Association of REALTORS® - our membership consists of approximately 1,800 REALTORS®. In this instance, I am also speaking in behalf of the approximate 2,500 additional licensees whose livelihoods would be affected by this bill. We estimate that these brokers and

salespeople participate in over 80% of the real estate transactions consummated in Montana each year.

On behalf of my 4,000 plus real estate colleagues, I would like to record our vigorous opposition to House Bill 834 - a bill which would legislate real estate brokerage fees.

No doubt, Representative Brand's motivation for sponsoring this legislation stems from a desire to reduce the cost of housing. REALTORS® -- the professionals in real estate brokerage -- certainly share that concern. We would argue, however, that the brokerage commission is not the proper target for such concern. Further, we strongly believe that the market place, not the chambers of the State House, is the proper place for establishing the level of these fees for professional services.

In Montana, real estate brokerage has always been a highly competitive business. There is a significant freedom of choice for those seeking the services of a real estate broker. Sellers and buyers seeking the services of a real estate professional have ample opportunity to select on the basis of personality, reputation, and level and cost of service.

In fact, the organizations of real estate professionals - the National Association of REALTORS®, the Montana Association of REALTORS®, and the 19 local boards of REALTORS® here in Montana -- strongly encourage those seeking the services of a broker to "shop and compare" before they sign a listing agreement or otherwise retain such services. Different brokers provide different levels of service and have different strategies for showing and advertising a property. Sellers are encouraged to talk to several brokers about their approach to marketing their property before they sign any agreement for professional services. Sellers should be comfortable with the personality, scope of service, AND PRICE before they retain

the services of a broker.

It is extremely unfortunate, but some people believe that there is a "standard price" for a real estate broker's services. THAT SIMPLY IS NOT THE CASE. Real estate commissions are negotiable. Real estate commissions vary from broker to broker -- as do the services they provide to the consumer. The most efficient system for determining fees for goods and services is the marketplace. It is the vigorous competition between brokers that guarantees the consumer the greatest service for their dollar. The Bill of Rights has guaranteed each and every business, no matter how small, the freedom to compete for his share of the market.

The unfortunate aspect of HB834 is that it would promote a "standard price" for these services. If it ever becomes law, it would destroy all opportunity for negotiation between sellers and brokers on the subject of the cost of service.

It must also be remembered that real estate brokerage is a "high risk" business for those engaged in it. Nothing is earned until something is produced. No commission is due until the property is sold. I can assure you that today's real estate market conditions underscore the "high risk" nature of my business. There are properties for sale -- many of them. And, there are many people who want to buy. But, it is extremely difficult, given high interest rates, to bring the buyers and sellers together. The broker has to be imaginative and innovative in order to earn his or her commission.

Again, I want to emphasize the fact that the real estate broker is not always compensated for services rendered. Yet, the cost of providing the services which do not result in actually earning a commission must still be paid. Every individual broker must, therefore, price his or her services in such a way that those commissions which are actually earned pay all of the costs of being in business and --hopefully -- produce a profit for the business.

As you are all aware -- these past few years have been difficult economically for everyone. The Real Estate Industry has suffered considerably. The sales force in Billings alone, has decreased over 13% -- because these people simply could not afford to stay in business. The cost of advertising, rent, telephone, gas, secretarial help, supplies, etc. has increased a disproportionate 20%. The huge decrease in sales volume coupled with the increased cost of providing services, and increased competition has made it most difficult for the average real estate person to pay his bills.

The passage of this legislation would destroy the Real Estate Industry as we know it. The marketing of properties affects many industries in our State -- the lumber industry, the carpenters, plumbers, electricians, truckers, newspapers, advertisers, bankers, lenders, title companies, attorneys, supply houses, printers, glaziers, automobile dealers, computer suppliers, gas stations, and on and on.

This legislation would undermine one of our basic freedoms in this wonderful country -- the freedom to compete openly and freely in the marketplace. I urge you to give HB834 a "do not pass" recommendation. On behalf of the Montana Association of REALTORS® and all 4,000 real estate licensees in Montana, I thank you again for the opportunity to appear before you today.

Statement of Dr. P. J. Hill, Professor of Economics, Department of Agricultural Economics and Economics, Montana State University, relative to House Bill 834.

Disclaimer: Professor Hill's statement in no way represents Montana State University or the Department of Agricultural Economics and Economics at Montana State University.

House Bill 834, designed to regulate the rates of real estate agents, is part of a long tradition of striving for a "just" price through legislative edict. All across medieval Europe governments attempted to set appropriate prices for bread, wine, housing, and services. In 17th Century France, the king was actively involved in price regulation. Colonial governments in America also established maximum prices for numerous items. In every case these price setting attempts failed to achieve their stated objectives and in most cases actually harmed the very people they were designed to help.

I am sure that the authors of this bill are well-intentioned individuals who desire nothing more than to improve the real estate market, particularly for lower income people. However, I predict that, if passed, this bill will seriously impair the availability of information to real estate purchasers and sellers, restrict the opportunity for mutually profitable transactions, and, in general lower the economic well-being of Montana citizens.

People enter into agreements with other individuals because they expect to be made better off. Market trades are mutually beneficial; the parties to a trade agree to it only because they expect to improve their position. If an individual wants to hire a realtor to sell property or wants to use a realtor in the purchase of property it is because he or she values that realtor's services. The only relevant question in terms of the price of the

February 18, 1983

service is what is the level of competition? If that person has other alternatives, i.e. other realtors to go to, or has the option of selling property without the services of a realtor, then there is every reason to expect the price to be fair and reasonable.

Therefore, the basic question the legislature should be concerned with is "how competitive is the real estate business in Montana?" My answer, as a professional economist, to that question is "very competitive." Entry, while not completely open, is relatively easy as evidenced by the large number of people who become licensed every year. Fee negotiation is open and prevalent. The alternative of selling one's own property without the service of a realtor presents a very real check on the ability of any realtor to charge excessive fees. I am aware of no empirical evidence whatsoever that indicates monopoly price-setting exists in the Montana real estate industry.

Let me close by again stating that the people who will be significantly harmed by this legislation are the residents of Montana who buy and sell property. ~~The~~ realtors will adjust and simply offer fewer services for their fees. However, the homeowners, farmers and ranchers, and buyers and sellers of commercial property will have their opportunities drastically reduced. Information is a valuable commodity and realtors are engaged in the production of that information. No individual is forced to purchase that information. The fact that many do indicates it is worth the price to them.

As a professional economist, it is always nice to have examples, for my classes, of foolish attempts to repeal the basic laws of supply and demand. Therefore, it might be advantageous to have such legislation on the books so

February 18, 1983

we can once again illustrate that people really do not learn from history.

However, as a Montana resident who cares deeply about the welfare of his

fellow residents, the cost of such legislation to those residents far

outweighs the benefits I might gain from having a relevant, "down-home" case

study of laws that are misguided, counter-productive, and based on ignorance

of basic economics.

WITNESS STATEMENT

Name Don Judge Committee On Business & Industry
 Address Helena Date 2/18/83
 Representing mt State AFL-CIO Support X
 Bill No. HB 827 Oppose _____
 Amend X

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. we applaud the efforts of Representative Harrington to attempt to offset the impacts of plant closures. Although, as
2. he has pointed out, there are problems with the bill, we would like to take this opportunity to use HB 827
3. as a vehicle to address the problems of workers and communities affected by major closures.
4. This legislature should begin to address the problems related to closures in communities, and the problems suffered by workers as a result of such closures. We must do something to assist communities, workers & the state. As an example of such costs, to the state, ARCO's ^{laid off} employees drew \$971,623.70 more in unemployment benefits than paid in taxes in the 1982 rating period and \$3,920,634.91 more in UI benefits than paid in taxes in the 1983 rating period.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

PROPOSED AMENDMENTS

HOUSE BILL 701

1. Page 1, line 6.
Following: "MCA;"
Insert: " PROVIDING FOR RULEMAKING AUTHORITY;"
2. Page 1, line 11.
Following: "(1)"
Strike: the remainder of line 11 and lines 12 through 15 in their entirety
Insert: "On or before January 31 and July 31 of each year, each bank, trust company or investment company under the supervision of the department shall pay to the department a semi-annual assessment fee. The department shall establish such assessment fee by rule on or before June 1 of each year. The funds so collected shall be deposited in an earmarked revenue fund with the state treasurer to the credit of and for the use of the department in the administration of this chapter."
3. Page 1, line 16.
Following: "(2)" *and*
Strike: the remainder of line 16 and lines 17 through 25 ~~in their entirety as well as~~ lines 1 through 10 *on page 2*
~~in their entirety on page 2~~
Insert: " The computation of the above assessment fee shall be based upon the total assets of the bank, trust company or investment company as shown in the last consolidated report of condition published prior to the January 31 or July 31 assessment dates."
4. Page 2, line 11.
Following: "(3)"
Strike: the remainder of line 11 and line 12 in its entirety
Insert: "In addition to the above assessment, trust companies shall pay to the department an examination fee of \$200 per day for each examiner involved in examining the trust assets under the control, safekeeping or fiduciary responsibility of the trust company. Such fees shall be deposited by the department in the earmarked revenue fund as described in [Section 1]."
5. Page 2, line 14
Following: "effective"
Strike: " July 1, 1983 "
Insert: "upon passage and approval"

48TH LEGISLATURE

1 STATEMENT OF INTENT

2 HOUSE BILL 701

3

4 A statement of intent is required for House Bill
5 701 because it grants rulemaking authority to the
6 department of commerce to set assessments for state
7 banks, trust companies and investment companies.

8 It is the intention of the legislature that in
9 the promulgation of the rules, the department will
10 conduct hearings in an attempt to assure that the
11 affected institutions will have the opportunity to
12 voice their views. It is the intention of the legis-
13 lature that the department should attempt to create
14 rules for assessment which provide equitable treatment
15 of institutions insofar as possible, while maintaining
16 the mandate of the bill.

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Dear Mr. Metcalf:

My husband and I are Horse Breeders and Raise Thoroughbreds, and Racing Quarter Horses. We would respectfully urge your favorable consideration of House Bill #853. And urge you to not do not pass of House Bill #553. Our reasons are as follows for House Bill # 853:

1. Reestablishes a board. It consists of a 5 member board, which requires broad representation from throughout the state, yet insures against conflict of interest as has been alleged of the current board make up.
2. Establishes an executive secretary to supervise day to day activities but still insures that the executive secretary is not "all powerful". It might be noted that this is a constant practice in our state.
3. On the other hand the powers and duties of the executive secretary are very well delineated.
4. Sub. section 2, page 16, line 14. (Owners Bonus) Is a necessary and commendable step to insure a continuation of this valuable industry.
5. Section 14, line 11, page 17 (Unclaimed Tickets). Is an important first step in ensuring Capital Improvements shall be secured for the betterment of racing.

This section should be significant
help to small Counties.

6. Section 3, page 8, line 11. The
"Defining of Immediate Family" goes
a long way in defining conflict of interest

Our reasons for opposition to House
Bill # 553 are as follows:

1. Puts far too much power in one
person's hands.
2. The salary necessary to secure an
individual competent enough to
administer a commission form
is highly prohibitive.
3. Section 6, page 9. The qualifications
of the commissioner are far too narrow.
Needs no knowledge of the industry.
Prohibits any actual involvement.
4. Section 8, page 10. It seems rather
ridiculous that it addresses race
meets instead of races, in excluding
who can get. This will be the only
state in the United States that will have
this bill. It will also eliminate 60%
of the handle.

We as lawmakers do appreciate all your
very hard work, and wish to thank you
for your generous cooperation.

Sincerely yours.
Mr. & Mrs. Albert E. Lake

2560 Country Club Avenue
Helena, Montana 59620

February 4, 1983



House Business & Industry Committee
Capitol Building
Helena, Montana 59620

Dear Committee Members:

We strongly object to the language on Section 8, Page 10, of HB 553, prohibiting owners and trainers from paramutual betting. The owners and trainers contribute a large part of handle at any race meet, and are the background of horse racing in this State. We feel that by penalizing those of us who are owners and trainers may cause us to look at nearby States to race our horses in. We fail to see the necessity of this type of discrimination against the people who race horses in the State of Montana. We also oppose abolishing the Board of Horse Racing as we feel a regulatory body with diversified talents can better administer and enforce horse racing than one individual as proposed in this bill. We therefore strongly urge a DO NOT PASS on this bill.

Sincerely yours,

John and Beverly Tomaskie

BEAVERHEAD COUNTY BOARD OF REALTORS

ATTN: Honorable Jerry Metcalf
Chairman Business and Industry Committee

Re: House Bill 834
Regulation of Real Estate Commissions

Dear Mr. Metcalf,

Please be advised that the Beaverhead County Board of Realtors is on record in opposition to the regulation of real estate commission. This bill should be killed at the earliest possible time for the following reasons:

1. restricts free enterprise - the American System
2. is in direct conflict with public interest in eliminating negotiated commission on the basis of service provided.
3. is in direct conflict with business and industry by further restricting free enterprise through regulation and red tape.
4. limits the public interest by limiting the services provided to obtain the highest and best return on their real estate investments. IE limits advertising and sales promotion.

The forementioned are major reasons for defeat of House Bill 834, but should not be considered the exclusive reasons.

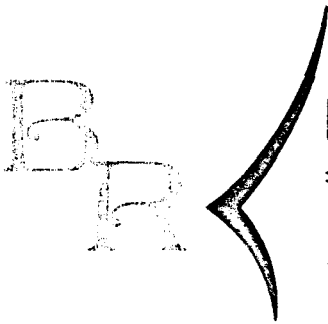
Best Regards,

McKee Anderson

Beaverhead County Board of Realtors
McKee Anderson; President

* I am in opposition to House Bill 834.

James A. McKeown
John T. Colburn
Patricia M. Colburn
Jack R. Eason
Donald K. Allen
Jim V. Friend
Donna L. Spangler
William H. Kellogg
Leith Taylor
Phil Taylor
Karen K. Styrud



BUTTE REALTY

3235 HARRISON AVENUE

BUTTE, MONTANA 59701

(406) 494-5672

February 17, 1983

To our Honorable Legislators, and to whom this may concern:

Re: H. B. 834

Please refer to Montana Code: 30-14-205, in particular, subparagraph D and E, Unlawful restraint of Trade.

Fact: In reference to the above mentioned Montana Code, it is unlawful for Real Estate Brokers and Agents to fix or otherwise set a limit on fees for selling real estate. How can the state disregard laws now in effect?

Fact: The consumer has the freedom of choice as to whether he wishes to dispose of his own property, or to hire a Real Estate Broker.

Fact: In reference to fact above mentioned: If H. B. 834 were to become law, it would create another financial burden on the taxpayer by creating another Board to maintain in Helena. Remember, the tax payer has the freedom of choice, to sell his own property, or to hire a Real Estate Broker.

Fact: By affixing a ceiling to the fees a Real Estate Broker may charge, the state would make it impossible for Real Estate Firms to compete. Many would have to close their doors. Is that the intent of our legislators? Where is our system of free enterprise?

We, the below signed, respectfully submit that H. B. 834 be "killed" in committee for the above stated reasons.

DORIS SNELL, Broker/Owner, REALTOR
MARY LOU WEIS, Sales Associate, REALTOR
ELLEN CONWAY, Sales Associate, REALTOR
B. F. FROEHLICH, Broker Associate, REALTOR
JOY BARRETT, Sales Associate, REALTOR
BETH GRAY, Broker Associate, REALTOR
MARY JOHNSTON, Sales Associate, REALTOR
KATHERINE BROWN, Sales Associate, REALTOR
HAROLD ERICSON, Sales Associate, REALTOR

Doris Snell
Mary Lou Weis
Ellen Conway
B. F. Froehlich
Joy Barrett
Beth Gray
Mary Johnston
Katherine Brown
Hal Ericson



**MONTANA
HARDWARE &
IMPLEMENT
ASSOCIATION**

3087 N. Montana Avenue
P.O. Box 4459
Telephone 406/442-1590
Helena, Montana 59604

advocate for Montana and Northern Wyoming retail hardware and farm implement dealers

TESTIMONY ON HOUSE BILL 838

Chairman and members of the House Business and Industry Committee. I am Blake Wordal, managing director of the Montana Hardware and Implement Association. Our association represents retail hardware and farm implement dealers throughout Montana.

We strongly support House Bill 838 for several important reasons. In fact, our association first approached Representative Brown about this legislation. To be honest with you, our interest in this legislation is from the point of view of the main street small businessman and woman. Transient merchants are competitors and in many significant ways, they have unfair advantages over small businesses which pay taxes and are an integral part of the community. This legislation seeks to minimize some of that unfair competition.

Much more importantly, this bill is a consumer bill. Presently, a customer has no recourse if he or she find that merchandise bought through a transient merchant is defective. The truck could be 100 miles down the road and the consumer is left holding the bag. By requiring transient merchants to post a bond to cover defective merchandise or warantee work, the consumer is guaranteed a fair deal.

This bill helps to insure that merchandise offered for sale by transient merchant is unencumbered and not stolen. The reporting requirements contained in this bill provide an important tool for law enforcement agencies to trace questionable goods. The additional requirement for copies of the application to be forwarded to the Department of Revenue will allow that Department access to information for tax reporting purposes. The license fee should cover any costs incurred by local government agencies.

One of the most attractive features of this bill is its experience. The bill you have before you has been state law in Wisconsin since 1967. It has proven its effectiveness there for over 16 years and according to my counterpart in that state, has had no bad effects.

I believe it is important to point out what the bill does not do. It does not regulate any state resident or business; only those which are not residents or do not become residents within one year. It does not apply to farm auction sales conducted by or for a resident farmer. Nor does it apply to resident sales of produce or perishable foods.

This bill is a reasonable attempt to regulate transient merchants. I urge your favorable consideration. Thank you.

VISITOR'S REGISTER

HOUSE 834 B & G

COMMITTEE

BILL HB 834

DATE 2-18-83

SPONSOR Joe Brand

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Bus. & Ind.

COMMITTEE

BILL

HB 834

DATE

2-18

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Glady's Greenwood	Billings, Mt.	Realtors Assn.		✓
Joan Anderson	" "	" "		✓
Jeff Wilson	Butte Mt.	C-21 Shiola Realty		✓
Pat Sumner	Butte Mt.	C-21 Shiola Realty		X
Shirley Wilson	Butte Mont	C-21 Shiola Realty		X
Patricia Johns	Butte, Mt.	Butte Board of Realtors		X
Heini Parker	Billings, Mt.	Mont. Assn. Realtors		X
Donna Gordon	Billings, Mt.	Mont. Assn. Realtors		X
Tom Supala	Billings Mt	Mont Assn Realtors		X
Diane Floberg	" "	" "		X
Dennis Ross	" "	" "		X
Robert Payne	Livingston, MT	" " "		X
Al Halberg	Missoula, MT	" " "		X
E. Ducker	Livingston, MT	" "		X
Monty Jones	Missoula MT	Mont. Assn Realtors Trans Agency Inc		X
Gayle White	Billings, MT.	Mont. Assn Realtors		X
Karen Trefan	Livingston Mt	" " "		X
Vera Johnson	Livingston, MT.	Mont. Assn Realtors		X
Pete Dahlberg	Great Falls Mt.	Cal Missouri River		X
Shirley Anderson	#7404er Great Falls MT	BVC Realty		X

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Bus. & Ind.

COMMITTEE

BILL

HB 834

DATE

SPONSOR

Joe Brand

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
W. P. Ryan	Red Lodge	Billing. Bd. Realtors		X
Russell Hansen	Great Falls	MONTANA REAL ESTATE INST.		X
John H. Holloway	Helena	MT Home Builders		X
BILL SPILKER	HELENA	SELF		X
Mike Casey	HELENA	SELF		X
Tom Dommie	Helena	Self		X
Len Reed	Great Falls	C. Falls Board of R.		X
Glenn Korber	Billings	Billings Board of Realtors		X
Jimmy Finkel	Helena	Helena Bd of Realtors		X
Mike Hudson	Dillon	Beaverhead County Board of Realtors		X
Aelo Lutz	Helena	Mont. Assn. Realtors		X
Marcia Allen	Helena	Helena Board Realtors		X
Woody Hamud	Billings	Billings Bd of R.		X
Sam Berger	Billings	Billings Bd of R.		X
Alta Hannah	Billings	Self		X
Martha Jackson	Helena	Self		X
Karen Roche	Helena	Self		X
Shirley Cole	Helena	Mont. Assn. of Realtors		X
Laurie Clapper	Helena	Mont. Assn. of Realtors		X
DENNIS BERGVAL	HELENA, MONTANA	MONTANA REPUBLICAN PARTY		X

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HOUSE

AB-762

BILL

HB-762

DATE _____

2/18/83

SPONSOR

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WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Bus. & Ind.

COMMITTEE

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SPONSOR

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HOUSE *Bus. Incl* COMMITTEE

DATE 21.8

SPONSOR

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COMMITTEE

AB 838

2-18

SPONSOR

Frz. Ellen
von Ingels

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VISITOR'S REGISTER

HOUSE

Bus. & Ind.

COMMITTEE

BILL

HB 853

DATE

2-18

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Rosemary Goh	Helena	Mt. Horse Breeders	X	
Mr. Hummer	Helena	Self	X	
Bill Chene	Great Falls	State Fair	X	
Bob Hoagwer	Belling Mt	Yellowstone Exhibition	X	
Francis Nelson	Belt Mt	Mt. Horse Breeders Assn.	X	
Charles Nelson	Belt, Mt.	owner, trainer, breeder	X	
Bob Crawford	Helena	" " "	X	
Evelyn Crawford	Helena	owner & breeder	X	
David Brown	Roscoe	O.T.B.	X	
Jim Branger	Roscoe	owner Trainer Breeder	X	
Reis McNickles	Helena	L.C.R.	X	
Deanna Mubole	Helena	Last Chance Racing	X	
Bonnie Mager	Helena	O.T.B.	X	
Dorcas W. Quinn	Great Falls	MONTANA R.E. INST	X	
Mrs. Eghart	Helena	Owner MONTANA Director	X	
Ted Fusting	Molt	Mt. Horse Council	X	
Quibster	Livingston	Pres HBPA	X	
Sydney Askin	Helena	horse owner	X	
Bert Boughton	Miles City	owner Trainer, Breeder	X	
L.W. DeKetter	Laurel Mt.	O.B.	X	

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VISITOR'S REGISTER

HOUSE

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COMMITTEE

BILL

HB 553

DATE

2-18

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Rosemary Link	Helena	Mt. Horse Breeder		X
John Thumate	Helena	Self		✓
B. E. Cheri	Archa Valley	State for		X
Bob Shogren	Billings	Yellowstone Exhibition		X
Thomas Nelson	Belt Mt	Mt. Horse Breeder		X
Charles Nelson	Belt Mt.	owner, trainer, breeder		X
Bob Crawford	Helena	" " "		X
Ernest Crawford	Helena	owner, breeder		X
David Branger	Roscoe	owner Trainer Breeder		X
Jim Branger	Roscoe	owner Trainer Breeder		X
Lois M. Michaelson	Helena	LCR		X
Vernon Michaelson	Helena	Last CHANCE RACING		X
Bonnie Moran	Helena	Owner/Trainer/Breeder		X
John Egbert	Helena	Owner / MCHA Director		X
W. H. H. H.	Red Lodge	Owner / Breeder		X
Club B. B.	Livingston	H B P R		X
Sydney Askin	Helena	owner		X
Ed. E. E.	small	owner		X
Bob Hollow	Helena	Board of Directors Mt. O. H. Race Owners of MT		X
Bert T. Boughton	Miles City, MT	Owner, Trainer, Breeder		X

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HOUSE *Bus + Ind* COMMITTEE

DATE 2-17

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