

## HOUSE BUSINESS & INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on March 10, 1983, in Room 420 of the Capitol Building, Helena, Montana at 9:00 a.m. All members were present except Rep. Ellison, who was excused.

### SENATE BILL 117

SEN. DOVER, District 24, sponsor, opened by saying the frequency coordination between statewide users is poor. There is a need for better spectrum management in order to avoid overuse and overcrowding of frequencies, particularly since more and more users are in need of new frequencies each year. This bill authorizes the Dept. of Administration to develop a plan for land mobile public safety radio frequency utilization and to make rules to implement the plan. If properly carried out, it will, a.) expedite the issuance of licenses; b.) lessen interference to operators; c.) provide a workable statewide emergency land mobile communications system; d.) provide better communication for local government and state agencies, and e.) reduce the cost of communication. (Exhibit #1)

### PROPOSERS:

CHUCK O'REILLY, Sheriff of Lewis & Clark County, representing the Montana Sheriff's and Peace Officer's Association: We agree with the bill. We feel there should be a neutral agency making the allocation of frequencies and that the Dept. of Administration is the proper agency for this. In addition to the six groups that work toward obtaining frequencies from the FCC, each individual sheriff and police chief in the state can go direct to the FCC and ask for radio licensing. The problem is we don't know what any other agency is asking for and the delays because of cross-overs are great. We need coordination. A good part of the bill is on line 17, page 2 that states the department shall obtain input from all state and local users. This will enable the department to know the problems that exist and try to alleviate them.

LARRY PETERSON, Chief of Research & Planning, Board of Crime Control: Many law enforcement agencies are unable to communicate with each other or their own units at times. A radio or land mobile communications system is essential for law enforcement and other public safety users as many of their personnel are constantly on the move or located at work sites that vary from day to day. (Exhibit #2)

BILL WARE, Chief of Police, Helena: The Montana Chiefs of Police are in support of this bill. I hope you will give a favorable do pass to this legislation.

JOHN NORRIS, Director, State Communications Division, Dept. of Administration: We are in support of this bill. This is an effort to take positive action in the area of land mobile radio communications in the state. There are a limited amount of frequencies assigned to a community so it necessary to manage their allocation.

OPPONENTS: none

QUESTIONS:

REP. SCHULTZ: Is there any fiscal impact on this? Sen. Dover: No.

SENATE BILL 353

SEN. CHRISTIAENS, District 19, sponsor, opened by saying the primary thrust of this bill is the changes in the amounts of capital investment required for credit life and disability insurers. Currently, \$600,000 is required in capital investment for any company to come in and operate with life insurance. This would be lowered for resident insurers to a total of \$150,000. It would be safe to lower it to that amount because most of the credit life written is for \$12,000 and under. It will allow Montana companies to become participants in this particular type of market.

PETE RICE, Rice Motor, Great Falls: We have written credit life and accident and health insurance on retail installment contracts in Montana for some time. We would like the income generated from the premiums to stay in Montana. The small amount of business that would be written in the retail operations does not justify the \$600,000 capital investment. This allows you to write all aspects of life insurance, not just credit life and accident and health. This would be exclusively credit life and accident and health. It does generate a considerable amount of premium which now all leaves the state - with this it would stay within the State of Montana.

OPPONENTS: none

QUESTIONS:

REP. METCALF: Rep. Wallin, will you carry this bill to the floor? Rep. Wallin: Affirmative.

SENATE BILL 389

SEN. TURNAGE, District 13, sponsor, opened by saying the Council of Co-Operatives requested this bill and what it does is create a presumption of abandonment of property credited or issued to members of agricultural or rural cooperatives but not claimed within seven years. The property would revert to ownership by the cooperative instead of the State of Montana.

PROPOSERS:

DONALD KIMMEL, Mid-Rivers Telephone Co-Op: Every year we allocate any profit as a refund to our co-op members. We are as current in paying back these dividends as any co-op in the state. We paid in one lump sum the dividends from 1961-68 which was paid in 1978 and of the unclaimed amount it's running about

1 percent of what we paid. As we get more current, the percentage increases a little bit but as the claims get older, the percentage drops back toward the 1 percent. This should be going back to the co-ops to avoid increased rates.

ROD HANSEN, Montana Rural Electric Co-Ops: The present law is a nuisance. In 1977 one electric co-op paid the State of Montana 196.77 and that's the largest amount in the last five years; in 1978 - \$17.84; in 1979 - \$8.40; in 1981 - we didn't pay anything and in 1982 we paid \$20.00. We have to maintain the records for a 7 year period and it's just a nuisance.

OPPONENTS:

DOROTHY McCARTER, ASSISTANT ATTORNEY GENERAL: Title 70, Chapt. 9, MCA, provides that property not claimed by its true owner is kept in permanent custody by the State. SB 389 arbitrarily singles out certain cooperative associations. The owners of property under these associations will no longer have the rights to claim their property. This raises questions of constitutionality. (Exhibit #3)

SEN. TURNAGE, in closing, said he would like to respectfully disagree with the Attorney General's office. There are very specific notice requirements as to the abandoned property laws. The State of Montana will keep other property. The bill will stand a constitutional inquiry if the policy of the legislature is to treat cooperative dividend credits as a class. I request you consider this measure on behalf of all of Montana's cooperative members.

QUESTIONS:

REP. JENSEN: The state doesn't take possession until after seven years. Has there ever been anyone after their property is taken opting to reclaim it? Ms. McCarter: Yes.

REP. LYBECK: Aren't you regulated to a certain degree to find the owners? Mr. Hansen: We have records of all the unclaimed accounts. If someone comes after the seven years, we would not have any problem with giving them their money.

REP. SCHULTZ: When this money comes into the state is it put in some special interest account? Ms. McCarter: It's put into a state educational trust fund. It is proportioned back to the school districts.

REP. METCALF: Who is carrying this bill to the floor?  
Rep. Lybeck volunteered.

SENATE BILL 392

SEN. ELLIOTT, District 8, sponsor, opened by saying he is a certified public accountant. This bill has to do with the educational requirements of certified public accountants and licensed public accounts. The bill is directed toward the two classes other than public accounts - those employed by private industry or the government. In 1980 the profession passed by law a requirement that all CPA's and LPA's have 120

hours of continuing education before they can have their license renewed. This bill will remove that requirement from those accountants working in private corporations and government. The profession does not see the need for continued education if they are not serving the public.

PROPOSERS:

GEORGE ANDERSON, Immediate Past President, American Institute of Certified Public Accountants: This is an interesting bill because you have a profession asking you to relax the requirements instead of tightening them up. We don't feel it's fair that we tie the CPA certificate to the license to practice. If they go into private industry that has nothing to do with accounting and they fail to take the continued education, we ask them to turn in their certificate. The purpose is to separate the right to practice from the right to retain your certificate.

PAT DEVRIES, State Board of Accountants: We have stacks of excuses from CPA's on why they were not able to continue their education, especially from those who are not practicing at this time. Some people cannot find their certificates to send in - some have left the state. The bill also states that the firm calling for an investigation must pay for it. This has cost the board a lot of money in the past.

MIKE HOLLAND, Montana Society of CPA's: The Montana society supports this legislation as it will simplify administration for the state board.

TOM HARRISON, lobbyist, Montana Society of CPA's: The major feeling among CPA's is that their certificate was earned and they want to be able to keep it whether their license is renewed or not.

OPPOSERS: none

SEN. ELLIOTT, in closing, said there are about 1500 CPA's in the state and about 100 LPA's.

QUESTIONS:

REP. FAGG: What would happen to a person who drops out for 15 years and then wants to come back in? Sen. Elliott: The board would determine if he has met the continued education requirements. The board has the right to waive the certificate if he is not qualified. The board may also allow you to practice if you show you are taking continuing education.

REP. SCHULTZ: I have two letters from CPA constituents who are upset about the investigative powers in the bill. They said they were not informed about it. Mr. Anderson: I will be very happy to talk to these men. Rep. Schultz: They felt they would support this bill if the enforcement section was watered down.

EXECUTIVE SESSION:

SENATE BILL 117

REP. FAGG: I move SENATE BILL 117 BE CONCURRED IN.  
QUESTION: The motion carried unanimously.

SENATE BILL 353

REP. FAGG: I move SENATE BILL 353 BE CONCURRED IN.  
QUESTION: The motion carried unanimously.

SENATE BILL 392

REP. METCALF: We will postpone action on SB 392 until tomorrow.

SENATE BILL 389

REP. SCHULTZ: I move SENATE BILL 389 BE CONCURRED IN.  
QUESTION: Motion carried unanimously.

SENATE BILL 432

REP. FAGG: There should be something in the bill so a sloppy retailer will not stick the wholesaler. Rep. Wallin: There are people who are sloppy operators. This provides an option to allow him to market and get rid of his merchandise. The people who sell the parts to a franchise dealer have a stake in that business and will advise the retailer on sales.

REP. FAGG: I am concerned about the retailer treating the wholesaler poorly. This allows the retailer to drop out at any time causing the wholesaler alot of problems.


REP. WALLIN: I move the prepared amendment on page 2, line 22.  
QUESTION: Motion carried unanimously.

REP. WALLIN: I move SENATE BILL 432 BE CONCURRED IN AS AMENDED.  
QUESTION: The motion carried with Rep. Fagg, Jensen and Hart voting no.

REP. KITSELMAN: I move we reconsider action on Senate Bill 353. I have a problem with car dealers and retail clothing stores all getting into the insurance business. Rice Motors will create insurance and offer it as an incentive for an automobile loan. Rep. Wallin: It's going to be available. The bill says we can set up an insurance company and we will keep the premiums inside the state instead of sending them out.  
QUESTION: Motion failed.

The hearing adjourned at 10:15 a.m.

  
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REP. JERRY METCALF, CHAIRMAN

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

# STANDING COMMITTEE REPORT

MARCH 10

19.....83

SPEAKER:  
MR. ....

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

having had under consideration.....**SENATE**..... Bill No. **117**.....

second reading copy ( blue )  
color

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPARTMENT  
OF ADMINISTRATION TO DEVELOP AND MAINTAIN A LAND MOBILE PUBLIC  
SAFETY RADIO FREQUENCY UTILIZATION PLAN; AND PROVIDING AN  
EFFECTIVE DATE."

Respectfully report as follows: That.....**SENATE**..... Bill No. **117**.....

BE CONCURRED IN

~~DO PASS~~

# STANDING COMMITTEE REPORT

MARCH 10 19 33

SPEAKER:  
MR. ....

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE Bill No. 353

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color

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CAPITAL OR SURPLUS FUNDS FOR CREDIT LIFE AND DISABILITY INSURERS; DEFINING "RESIDENT DOMESTIC INSURER" AND "RESIDENT IN MONTANA" FOR THE PURPOSES OF THE INSURANCE CODE; AMENDING SECTIONS 33-1-201, 33-1-202, AND 33-2-109, MCA."

Respectfully report as follows: That SENATE Bill No. 353

BE CONCURRED IN

XXXXX  
DO PASS

# STANDING COMMITTEE REPORT

MARCH 10

19 33

MR. SPEAKER:

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE Bill No. 339

third reading copy ( blue )  
color

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A PRESUMPTION OF ABANDONMENT OF PERSONAL PROPERTY CREDITED OR ISSUED TO MEMBERS OR PATRONS OF COOPERATIVE ASSOCIATIONS FORMED UNDER THE PROVISIONS OF TITLE 35, CHAPTER 15, AGRICULTURAL ASSOCIATIONS FORMED UNDER THE PROVISIONS OF TITLE 35, CHAPTER 16, COOPERATIVE AGRICULTURAL MARKETING ASSOCIATIONS FORMED UNDER TITLE 35, CHAPTER 17, OR RURAL COOPERATIVE UTILITIES FORMED UNDER THE PROVISIONS OF THE RURAL ELECTRIC AND TELEPHONE COOPERATIVE ACT, TITLE 35, CHAPTER 18; PROVIDING FOR THE COOPERATIVE TO ACQUIRE OWNERSHIP OF SUCH PROPERTY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That SENATE Bill No. 339

BE CONCURRED IN

EXCASS



# STANDING COMMITTEE REPORT

MARCH 10

19 83

SPEAKER:

MR. ....

BUSINESS & INDUSTRY

We, your committee on .....

SENATE

432

having had under consideration .....

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING WHOLESALERS,  
MANUFACTURERS, AND DISTRIBUTORS OF FARM IMPLEMENTS, INDUSTRIAL  
AND CONSTRUCTION EQUIPMENT, AND VEHICLES TO REPURCHASE SUCH  
ITEMS FROM RETAIL DEALERS UPON CANCELLATION OF DEALERSHIP  
CONTRACTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

SENATE

432

Respectfully report as follows: That .....

BE AMENDED AS FOLLOWS:

1. Page 1, line 24

Following: "parts"

Insert: "sold by an automobile or truck dealer as defined  
in 61-1-314"

2. Page 2, line 10

Following: "written"

Insert: "dealership"

3. Page 2, line 22

Following: "part"

Insert: "carried on the most recent price list or catalog  
provided by the manufacturer or distributor and"

AND AS AMENDED

BE CONCURRED IN

SENATOR HAROLD L. DOVER

SENATE BILL 117

Last session we appropriated funds for a pilot project for a state-wide land mobile communications system - to be used by Highway Patrol, Highway Commission, National Guard, Fish and Game, and other state agencies - as well as local agencies - sheriff, police, etc.

The present state land mobile radio network is a relatively fragmented area of communications. We must depend on Mont. Highway Patrol, Highway Maintenance, <sup>high</sup> ~~town~~ operators, etc. No single agency has the statutory authority and responsibility for overseeing the development of a comprehensive land mobile radio management program. They are now managed autonomously by individual state and local agencies. There are also some problems with Canada and neighboring states, there often is a lot of interference from outside sources - and this problem can only get worse as more users come on line.

Frequency coordination between statewide users is poor. There is a need for better spectrum management in order to avoid overuse and overcrowding of frequencies, particularly since more and more users are in need of new frequencies each year.

Frequency coordination is a major issue, and often a controversial one. Jurisdictions using land mobile radio

service are highly protective of their ability to use the airwaves, while at the same time resent interference which may be caused by users adjacent to them.

It is therefore imperative that someone be responsible for a plan - and assignment of radio channels so it can function properly without outside interference.

SB 117 would give the communications division of the Mont. Dept. of Administration the responsibility for developing and maintaining a frequency allocation plan for the purpose of coordinating emergency public safety land-mobile communications. The communications division will function as the Federal Communications Commission (FCC) contact agency for the coordination of emergency public safety allocations in the State of Montana.

Establishment of mutual aid frequencies is an important step in developing a coherent statewide radio communications network and in enabling an effectual response among cooperating agencies to disaster and emergencies.

The main function of frequency utilization planning is to enable the allocation of frequencies on an orderly basis and make public safety radio communications a more valuable tool. It can prevent detrimental interference between systems as well as provide the capability of inter-agency communication for coordination purposes.

If the Dept. of Administration properly carries out its function, it can:

1. Expedite the issuance of licenses.
2. Individual operators will get less interference.
3. We can have a workable state-wide emergency land mobile communications system.
4. Local government and state agencies will be able to communicate better.
5. Costs of communication will be reduced.

FREQUENCY COORDINATION

(SB 117)

- ASSIGNS RESPONSIBILITY
- DEVELOPS A FREQUENCY PLAN
- ESTABLISH MUTUAL AID FREQUENCIES
- LICENSING ASSISTANCE
- PROVIDE FCC COORDINATION

MANY LAW ENFORCEMENT AGENCIES ARE UNABLE TO COMMUNICATE WITH EACH OTHER OR THEIR OWN UNITS AT TIMES.

A RADIO OR LAND-MOBILE COMMUNICATIONS SYSTEM IS ESSENTIAL FOR LAW ENFORCEMENT AND OTHER PUBLIC SAFETY USERS AS MANY OF THEIR PERSONNEL ARE CONSTANTLY ON THE MOVE OR LOCATED AT WORK SITES THAT VARY FROM DAY TO DAY. IN ORDER TO DISPATCH INFORMATION TO THESE PERSONNEL A COMMUNICATIONS LINK MUST BE ESTABLISHED WHICH IS RELIABLE AND NOT SUBJECT TO INTERFERENCE FROM OUTSIDE SOURCES.

PUBLIC SAFETY AGENCIES NEED THE ABILITY TO COMMUNICATE WITH ONE ANOTHER DURING EMERGENCY SITUATIONS, INTERAGENCY COOPERATION IN APPREHENDING CRIMINALS AND IN THE EVENT OF SEVERE DISASTERS.

DUE TO THE LARGE NUMBER OF PUBLIC SAFETY COMMUNICATIONS USERS AND THE LICENSING REQUIREMENTS PLACED ON THEM BY THE FEDERAL COMMUNICATIONS COMMISSION IT IS VIRTUALLY IMPOSSIBLE FOR A SINGLE OR EVEN A GROUP OF PUBLIC SAFETY AGENCIES TO MEET THE NEEDS OF ALL CONCERNED. THEREFORE THE MONTANA BOARD OF CRIME CONTROL RECOMMENDS THAT THE STATUTORY AUTHORITY OF THE MONTANA DEPARTMENT OF ADMINISTRATION BE AMENDED TO INCLUDE RESPONSIBILITY FOR DEVELOPING AND MAINTAINING A FREQUENCY ALLOCATION PLAN FOR THE PURPOSE OF COORDINATING EMERGENCY PUBLIC SAFETY LAND-MOBILE COMMUNICATIONS.

THE BOARD ALSO RECOMMENDS THAT A SERIES OF EMERGENCY MUTUAL AID FREQUENCIES BE ESTABLISHED BY THE DEPARTMENT OF ADMINISTRATION FOR USE BY LAW ENFORCEMENT AGENCIES, FIRE DEPARTMENTS, AND LOCAL GOVERNMENT.

Senate Bill No. 389      OPPOSITION

by Dorothy McCarter, Assistant attorney general

representing the Attorney General

- I. Title 70, Chap.9, MCA, is the Unclaimed Property Act and it governs unclaimed property of all business associations, including cooperative associations.

This act provides that property not claimed by its true owner is kept in permanent custody by the State. The owner can claim the property at any time. This act is designed with the primary purpose to protect the owner's right to the property forever. It contains strict procedures for record keeping and advertising.

- II. Senate Bill 389 arbitrarily singles out certain cooperative associations. The owners of property under these associations will no longer have the rights accorded to them under the unclaimed property act. Their rights to claim their property will be limited to a few months after the property is determined to be abandoned. This raises several questions of the constitutionality of this bill, particularly under the Equal Protection clause.

- III. Senate Bill 389 will cost, not save, cooperative associations money. Under the unclaimed property act the State assumes the responsibility of advertisement through publication. Under this new bill, this responsibility lies with the cooperative associations.

Bus. v Ind.

COMMITTEE

5B 392

Date 3-10

SPONSOR

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



Bus. & Ind.

COMMITTEE

SB 353

DATE \_\_\_\_\_

310

SPONSOR

OP  
POS

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Bus. & Ind.

COMMITTEE

SB 389

Date 3-10

SPONSOR

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## HOUSE

COMMITTEE

BILL

Date \_\_\_\_\_

SPONSOR

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name Donald E. Kimmel Committee On B+I  
Address Roundup, Mt. 59072 Date Mar. 10, 1983  
Representing Mid-Rivers Tele. Co-op. Support ✓  
Bill No. S.B. 389 Oppose \_\_\_\_\_  
Amend \_\_\_\_\_

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

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

WITNESS STATEMENT

Name Red Hanson Committee On B+I  
Address Fairfield, Mt Date 3-10-83  
Representing Mont. Assoc. Utilities Support X  
Bill No. S.B. 389 Oppose \_\_\_\_\_  
Amend \_\_\_\_\_

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

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