

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

January 17, 1983

The meeting of the Business and Industry Committee was called to order by Chairman Allen Kolstad on January 17, 1983, at 10:03 a.m., in Room 404, State Capitol.

ROLL CALL: All members of the Committee were present with the exception of Senator Regan who was excused.

CONSIDERATION OF HOUSE BILL 20: Representative Fabrega, sponsor of the bill, asked that Ken Neill, Great Falls, present the bill as he would be unable to due to another commitment.

PROPOSERS OF HOUSE BILL 20: Kenneth R. Neill, Attorney, representing Fidelity Savings and Loan, stated the purpose of House Bill 20 is to permit savings and loan associations to be capital stock associations, for purposes of capital growth. Savings and loan associations were established as mutual associations where the ownership is vested in the people that deposit their money in it. There are no independent shareholders as there are in a corporation. You can obtain a charter to operate a savings and loan under federal or state law. They have a state chartered corporation. There are two in Montana, the other being in Kalispell, and they are regulated by the Legislature and the Department of Commerce.

In the 1970's there was a rapid movement to allow capital stock associations. As of the beginning of 1980, stock associations existed in 30 states. This trend continues to grow and they would like to have this in Montana.

The bill is somewhat lengthy; however, the first 27 sections are devoted to simply making the language adaptable to a stock charter. The old code referred to depositors who were the owners interchangeably as shareholders. The requirements for establishing a savings and loan would not change. Beginning at section 27, it then provides separately for a formation of a mutual association and at section 30, they provide for a separate organization of capital stock association and then the conversion process starts at section 35.

John D. Buchanan, President, Fidelity Savings and Loan, Great Falls, stated they feel it would be in the customers best interest to allow them to convert to a stock corporation. This would protect their depositors. Their deposits are insured at \$150,000 per account. They are a new organization and have had some rapid growth. They think the State of Montana needs a savings and loan which is governed by Montana. He feels they have provided the necessary funds for growth in Great Falls and a safe haven for their customers.

There were no further proponents and no opponents.

ACTION ON HOUSE BILL 20: After questions and discussion from the Committee, Senator Lee made a motion that House Bill 20 Be Concurred In. Senator Dover seconded the motion. The Committee voted unanimously, with the exception of Senator Regan, who was excused, that HOUSE BILL 20 BE CONCURRED IN.

ADJOURN: There being no further business, the meeting adjourned at 11:45 a.m.



ALLEN C. KOLSTAD, CHAIRMAN

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STANDING COMMITTEE REPORT

January 17

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MR. President

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE Bill No. 20

Fabrega (Lee)

Respectfully report as follows: That HOUSE Bill No. 20

~~DO PASS~~ BE CONCURRED IN

A.C.

DATE:

COMMITTEE ON

BUSINESS & INDUSTRY

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

NAME :

DATE : _____

ADDRESS:

PHONE :

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS :

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME :

DATE: 1-12-83

ADDRESS :

ADDRESS:

PHONE :

PHONE :

REPRESENTING WHOM?

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS :

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.