

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

January 19, 1983

The meeting of the Business and Industry Committee was called to order by Chairman Allen Kolstad on January 19, 1983, at 11:05 a.m., in Room 404, State Capitol.

ROLL CALL: Roll was called with Senator Severson being excused.

CONSIDERATION OF SENATE BILL 125: Senator Chet Blaylock, sponsor of Senate Bill 125, presented the bill stating the amendments to this bill would revitalize the Development Credit Corporation and give it greater flexibility for future retained earnings.

PROPOSERS TO SENATE BILL 125: Dick Bourke, Vice President, Development Credit Corporation of Montana stated this corporation is designed to make risk capital loans. They have 110 member banks statewide. They have no loans outstanding and all the borrowings have been repaid. He stated the following amendments, as shown in the bill, were supported by the Executive Committee and their Board of Directors.

The first amendment, page 2, line 25, deletes the word "credit" to let the business community know that this is not simply a credit company. Page 8, line 11, is the first principal amendment to the legislation and simply brings the loan limit up to 1982. It increases their ability to borrow from their member banks and gives them access to more money. Page 9, line 2, inserts a new section. This would give them the ability to draw upon a depositor institution at once and would allow them to reduce paperwork. At the end of page 9, they have stricken some language on interest rates on unsecured commercial loans. They have deleted the language and simply inserted the word "time". It will allow their Board of Directors to determine what the prime interest rate is. The last amendment, page 10, line 5, reduces slightly the requirement to put future retained earnings into the capital account.

Frank Shaw, Vice President, Northwestern Bank, stated he supported the bill and feels it is a vital piece of legislation.

Mike Fitzgerald, President, Montana International Trade Commission, stated he also supported the bill.

Forrest H. Boles, Montana Chamber of Commerce, stated he supported the bill. As a board member of the Private Industry Council he stated that that organization studied the need for venture and risk capital in Montana and identified a revitalized organization such as the Development Credit Corporation of Montana as the best vehicle to help meet that need.

Gary Buchanan, Director, Department of Commerce, stated they support Senator Blaylock's bill with no reservations. They think it meets an important need in the State.

John Cadby, Montana Bankers Association, stated on behalf of the banks in Montana they wanted to support this bill.

There were no further proponents and no opponents.

After questions and discussions from the Committee, hearing on Senate Bill 125 was closed.

NO EXECUTIVE ACTION WAS TAKEN ON SENATE BILL 125.

ACTION ON SENATE BILL 62: The proposed amendments on Senate Bill 62 were distributed to the Committee and explained by Staff Attorney, Greg Petesch. (Exhibit No. 1) He stated these were the amendments that were proposed by the Department of Revenue and would reinsert the restriction on a member of the applicant's immediate family being involved with a license except for applicants for on-premises all beverage licenses. He pointed out to the Committee that immediate family is defined as the applicant, his or her spouse, children and dependent parents, if any. These restrictions would only apply to them.

Senator Regan made a motion that the proposed amendments to Senate Bill 62 Be Adopted. Senator Goodover seconded the motion. The Committee voted unanimously by voice vote, with the exception of Senator Severson who was excused, that the proposed amendments to SENATE BILL 62 BE ADOPTED.

Senator Goodover made a motion that Senate Bill 62 Do Pass As Amended. Senator Fuller seconded the motion. The Committee voted unanimously by voice vote, with the exception of Senator Severson who was excused, that SENATE BILL 62 DO PASS AS AMENDED.

ACTION ON SENATE BILL 54: This bill was sent out of Committee with a DO NOT PASS. However, it has been brought back into Committee for further consideration.

Senator Regan distributed the proposed amendments to the Committee on Senate Bill 54, which were prepared by Staff Attorney, Greg Petesch. (Exhibit No. 2) She also distributed a revised Senate Bill 54 (Exhibit No. 3) She stated this considerably narrows the focus of the bill and allows the liquor stores to be open on Mondays but clearly indicates that they shall be closed on Sundays and legal holidays. She thought it was only reasonable that the liquor stores, in order to show a profit, be allowed to be open six days a week. We are only one of two states that are not open six days a week. Michigan has the power to be open on Monday, but chooses to be open only five days per week. This bill would give the liquor stores the power to either have a five or six day week.

Senator Lee stated he was against the amendments for the same reason they killed the bill in the first go round. He felt to expand their involvement was a bad decision. The package liquor stores

spent good money to provide a convenience to the consumers. What they are doing is taking business away from the taverns. He stated to keep some consistency, the Committee should go ahead and leave the status quo as it is now and reject the amendments.

Senator Gage also spoke against the amendments. He stated recently he had an opportunity to read a series of statements regarding the affects of liquor on crime and broken homes. He is wondering if they are just creating more problems.

Senator Goodover suggested that they delay action on the amendments.

Senator Regan stated whether the State should be in the liquor business or not is not the issue before them. The issue is that the Department is a retail outlet and is providing service to the public and should be allowed to be open six days a week closing on Sundays and holidays. She knows of no package store that is a bottle shop only. She suggested that maybe the bill should be further amended regarding the hours.

After further discussion, Senator Regan stated they should allow Senate Bill 54 to remain in committee until Senator Crippen's bill, which takes the State out of the retail liquor business, comes through Committee. If, however, the bill is killed, the Committee should agree to amend this bill.

Senator Lee made a motion that Senate Bill 54 Be Tabled with the understanding that a simple majority would be able to bring it up again.

Senator Regan stated they should put it under Business No. 4 and report, on the floor, why they are not acting on it within seven days.

Senator Lee again made the motion that Senate Bill 54 Be Tabled. Senator Gage seconded the motion. On a Roll Call Vote the Committee voted 8-1, with the exception of Senator Severson who was excused, that SENATE BILL 54 BE TABLED.

ADJOURN: There being no further business, the meeting adjourned at 11:55 a.m.


ALLEN C. KOLSTAD, CHAIRMAN

STANDING COMMITTEE REPORT

January 19 19 83

MR. President

We, your committee on BUSINESS AND INDUSTRY

having had under consideration SENATE Bill No. 62

Respectfully report as follows: That SENATE Bill No. 62
introduced bill, be amended as follows:

1. Page 1, line 23.

Following: "has"

Strike: "does"

Insert: "will"

2. Page 1, line 24.

Following: "in"

Strike: "any other"

Insert: "more than one"

3. Page 2, line 2.

Following: "family"

Insert: "or any member of his immediate family"

~~XXXXXX~~

J.C.

4. Page 3, line 8.

Following: "has"

Strike: "does"

Insert: "will"

5. Page 3, line 9.

Following: "in"

Strike: "any other"

Insert: "more than one"

6. Page 3, line 12.

Following: "family"

Insert: "or any member of his immediate family"

7. Page 4, line 14.

Following: "(i)"

Insert: "neither"

Following: "applicant"

Insert: "nor any member of his immediate family"

Following: "has"

Strike: "no"

Insert: "an"

8. Page 4, line 17.

Following: "(ii)"

Insert: "neither"

Following: "applicant"

Insert: "nor any member of his immediate family"

Following: "has"

Strike: "no"

And, as so amended

DO PASS

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 1/19/83 SENATE Bill No. 54 Time _____

NAME	YES	NO
PAUL F. BOYLAN	✓	
B. F. CHRIS CHRISTIAENS	✓	
HAROLD L. DOVER	✓	
DAVID FULLER	✓	
DELWYN GAGE	✓	
PAT M. GOODOVER	✓	
GARY P. LEE, VICE CHAIRMAN	✓	
PAT REGAN		✓
PAT M. SEVERSON		
ALLEN C. KOLSTAD, CHAIRMAN	✓	

Mimi Fancher

Secretary

ALLEN C. KOLSTAD

Chairman

Motion: Senator Lee made the motion that they table Senate Bill 54.

Senator Gage seconded the motion.

(Include enough information on motion -- put with yellow copy of committee report.

January 19, 1983

Senate Bill No. 62, introduced bill, be amended as follows:

1. Page 1, line 23.

Following: "has"

Strike: "does"

Insert: "will"

2. Page 1, line 24.

Following: "in"

Strike: "any other"

Insert: "more than one"

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Insert: "nor any member of his immediate family"

Following: "has"

Strike: "no"

Proposed Amendments to SB 54

1. Title, line 7.

Following: "STORES;"

Insert: "AND ALLOWING THE DEPARTMENT TO OPEN STATE LIQUOR STORES
ON MONDAYS;"

2. Page 1, line 11.

Following: "{1}"

Insert: "(1)"

3. Page 1, line 17.

Following: "~~rule-~~"

Insert: "The stores shall be closed for the transaction of
business on legal holidays and between the close of normal
business Saturday p.m. up to the opening of normal business
Monday a.m. as set by department rule."

4. Page 1, line 23.

Following: "~~direct-~~"

Insert: "(2) No sale or delivery of liquor shall be made on or
from the premises of any liquor store nor shall any store be
open for the sale of liquor:

(a) on any holiday recognized by state law;

(b) during such other period and on such other days as the
department may direct."

48th Legislature

SENATE BILL NO. 54

INTRODUCED BY GALT

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE
DEPARTMENT OF REVENUE TO OPEN STATE LIQUOR STORES
ON MONDAYS; AMENDING SECTION 16-2-104, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 16-2-104, MCA, is amended to read:

"16-2-104. Hours. State liquor stores shall remain open
on such days and during such periods of the day as the department
considers advisable. The stores shall be closed for the transaction
of business on legal holidays and between the close of normal business
Saturday p.m. up to the opening of normal business Monday a.m. as set
by department rule.

(2) No sale or delivery of liquor shall be made on or from the
premises of any state liquor store nor shall any store be open for
the sale of liquor:

(a) on any holiday recognized by state law;

(b) during such other period and on such other days as the
department may direct."

TESTIMONY

in support of SB 125

by

F. H. Boles
Montana Chamber of Commerce

The Montana Chamber supports this legislation to help make the Development Credit Corporation of Montana (or the Development Corporation of Montana if you pass this) a more effective tool for economic growth and job creation in Montana.

As a board member and past chairman of the Private Industry Council I can state that that organization studied the need for venture and risk capital in Montana and identified a revitalized organization such as the DCCM as the best vehicle to help meet that need.

1/19/83

DATE:

COMMITTEE ON

BUSINESS & INDUSTRY

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
EH BOLES	MONTANA CHAMBER	SB125	✓	
Jessie Fullan	Montana Chamber			
David G. Goss	Billings Chamber of Commerce			
Stephen Lee	Montana Bankers Assn			
Ann Mulrooney	League of Women Voters			
Joseph P. O'Toole	Missoula Chamber			
Howard Hoffelinger	Mont. Liquor Division			
Dale Smith	OCCM	SB125	✓	
Frank W. Simon	OCCM	SB125	✓	
Willie Fitzgerald	Mont. Trade Commission	SB125	✓	

(Please leave prepared statement with Secretary)

NAME: GILK BOURKE DATE: JAN 19 '83

ADDRESS: DYN. CREDIT CORPORATION

PHONE: 442-8350

REPRESENTING WHOM? DECM

APPEARING ON WHICH PROPOSAL: 53 (25)

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: FRANK W. SITAU DATE: 1/19/83

ADDRESS: NORTHWESTERN BANK OF HELENA.

PHONE: 442-5050

REPRESENTING WHOM? DEVELOPING CREDIT CORP. OF HOUSTON

APPEARING ON WHICH PROPOSAL: SB 125

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.