#### MINUTES OF THE MEETING STATE ADMINISTRATION COMMITTEE MONTANA STATE SENATE

#### March 2, 1983

The thirty-eighth meeting of the Senate State Administration Committee was called to order by Senator Pete Story, Chairman on March 2, 1983 at 10:00 a.m. in room 331 of the State Capitol Building in Helena, Montana.

ROLL CALL: Senator Tveit and Senator Stimatz were absent.

The meeting was called to order to hear H.B.167, H.B.173, H.B.346, H.B.487, H.B.557, H.B.107 and H.B.259.

#### CONSIDERATION OF HOUSE BILL 487:

"AN ACT CLARIFYING THE PAYMENT OF DEATH BENEFITS UNDER THE MUNICIPAL POLICE OFFICERS' AND THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT ACTS; DEFINING SURVIVING SPOUSE AND DEPEN-DNET CHILD; AMENDING ...."

REPRESENTATIVE O'CONNELL, District 34, introduced this bill and stated that it is presented so the police and firefighters can name their beneficiaries.

#### **PROPONENTS:**

LARRY NACHTSHEIM, Department of Administration, presented EXHIBIT 1 as an explanation to this bill and as a statement of his testimony.

Senator Story asked if it were Mr. Nachtsheim's feeling that this would be a savings rather than an increase to the system.

Mr. Nachtsheim said that it was.

MIKE WALKER, representing the Montana State Council of Firefighters spoke as a proponent saying that the change they were concerned with was the change of minor children to dependent children, thus this clause would apply to education beyond that child considered a minor.

#### **OPPONENTS:** None

#### QUESTIONS OF THE COMMITTEE:

SENATOR MARBUT asked if these changes fit in with the provisions in other areas.

MR. NACHTSHEIM said that he did feel they should get into civil areas.

ACTION ON HOUSE BILL 487: SENATOR MANNING MOVED THAT H.B.487 BE CONCURRED IN. MOTION PASSED. Senator Manning will carry this bill.

#### CONSIDERATION OF HOUSE BILL 107:

"AN ACT AMENDING SECTIONS 13-27-406 AND 13-27-407, MCA, TO REVISE THE DEADLINES FOR FILING BALLOT ISSUE ARGUMENTS AND REBUTTAL ARGUMENTS; AND TO CLARIFY THE RESULT OF NOT MEETING THE DEADLINE."

REPRESENTATIVE WALTER SALES, District 79, introduced H.B.107 and said that this deals with the ballot issues and sets a time the arguments and rebuttals must be presented to the Secretary of State's office.

#### **PROPONENTS:**

BILL CHRISTIAN representing the Secretary of State's office said that this bill tightens up the law and gives them the reason to refuse.

**OPPONENTS:** None

QUESTIONS OF THE COMMITTEE: None

ACTION ON H.B.107: SENATOR MANNING MOVED THAT H.B. 107 BE CONCURRED IN. MOTION PASSED. Senator Marbut will carry the bill to the floor.

#### CONSIDERATION OF HOUSE BILL 167:

"AN ACT TO AMEND AND GENERALLY REVISE THE LAWS RELATING TO THE FILING OF DUPLICATE ORIGINALS OF DOCUMENTS WITH THE SECRETARY OF STATE; AMENDING SECTIONS ..."

REPRESENTATIVE SANDS, District 68, stated that this bill was requested by the Secretary of State. This bill demands duplicate filing, one original and one copy of application for registration of an assumed business name shall be executed and delivered to the secretary of state. If a corporation wants to change it's registration office or agency now it must be signed by the president or vice-president of the corporation.

#### **PROPONENTS:**

CUFF

**BILL** CHRISTIAN of the Secretary of State's office said that this bill will reduce alot of red tape in the office.

OPPONENTS: None

#### QUESTIONS OF THE COMMITTEE:

SENATOR MANNING asked if this would cut costs.

MR. CHRISTIAN said it would.

The hearing closed on H.B.167.

ACTION ON HOUSE BILL 167: SENATOR MANNING MOVED THAT H.B.167 BE CONCURRED IN. MOTION PASSED. Senator Story will carry this bill to the floor.

#### CONSIDERATION OF HOUSE BILL 557:

"AN ACT TO AMEND AND GENERALLY REVISE THE LAWS RELATING TO THE REQUIREMENTS FOR EXECUTING CERTAIN DOCUMENTS FILED WITH THE SECRETARY OF STATE; PROVIDING PENALTIES FOR MAKING FALSE STATEMENTS; AMENDING SECTIONS...."

REPRESENTATIVE SANDS, District 68 introduced this bill and stated that notorization and verification was always the rule and many people did not realize this so instead of requirements of notorizing and verifying, there could be printed on the document that the person swears the information is true to the best of their knowledge. If the person signs this knowing that the information is false he is subject to perjury.

#### **PROPONENTS:**

ALAN ROBERTSON of the Secretary of State's office testified in favor of this bill and said that it is done in other states. He said that they have been taking about 2000 documents a year that must be rejected. This law is already in place in the statutes. Mr. Robertson presented copies of documents EXHIBITS 2 and 3. EXHIBITS 4 and 5 are varification statements.

BOB MURDO, representing the Business Law Section of the State Bar of Montana testified in favor of H.B.557 and expressed what the amendments in the bill are doing. It was his suggestion that Section 29 be deleted. EXHIBIT 6 is Mr. Murdo's testimony.

SENATOR MARBUT questioned him about the language on page 41 removing non-profit organization and what is non-profit.

BOB MURDO said you have to be non-profit under the non-profit laws.

ALAN ROBERTSON stated that they do concur in Section 29 being removed from the bill.

The record will note written testimony EXHIBIT 7, from Ward Shanahan to the Secretary of State.

QUESTIONS OF THE COMMITTEE: (H.B.557)

SENATOR TOWE asked what the penalty is for perjury.

REPRESENTATIVE SANDS said it was \$50,000 or 10 years in jail.

SENATOR TOWE commented that that was quite a change.

MR. MURDO stated that he is not sure that it is that much of a change.

SENATOR TOWE stated that the penalty for signing a false document now is a misdemeanor.

MR. ROBERTSON stated that that does not apply here. He said that he believes "swearing" in the statutes is \$500 or six months but that attorneys differ on this.

Mr.Robertsonsaid that section 29 shows consistency but the churches objected so they took it out.

REPRESENTATIVE SANDS stated the problem with Section 29 was just pointed out to him but that he has no problem with it either way.

The hearing closed on House Bill 557.

CONSIDERATION OF HOUSE BILL 346: "AN ACT TO DELETE THE REQUIREMENT THAT STATE AGENCIES AND THE GOVERNOR SUBMIT CERTAIN REPORTS; AMENDING SECTIONS ..."

REPRESENTATIVE NANCY KEENAN, District 89, introduced H.B.346 and said that this bill deletes the commissioner's report and the governor's report. She reviewed the sections and their changes and said that this will be a savings of about \$31,000.

#### **PROPONENT:**

DAVE LEWIS with Budget, Program and Planning testified that this goes way back and with the legislative staff now it is not necessary. He said no one he knows put out the reports.

#### OPPONENTS: None

#### QUESTIONS OF THE COMMITTEE:

SENATOR TOWE said that he receives the reports and looks them over but did agree the reports are not necessary and there is the information in the budget books but ask that they be a little more complete now.

The hearing closed on H.B.346.

ACTION ON HOUSE BILL 346: SENATOR TOWE MOVED THAT H.B.346 BE CONCURRED IN. MOTION PASSED. Senator Stimatz was selected to carry this bill.

CONSIDERATION OF HOUSE BILL 173: "AN ACT AMENDING SECTION 13-12-101, MCA, TO REQUIRE THAT THE ELECTION LAWS TO BE FURNISHED TO ELECTION PRECINCTS INCLUDE ONLY TITLE 13, MCA."

REPRESENTATIVE CLYDE SMITH, District 18, introduced H.B.173 and said that this was a cost letting bill. The passage of this bill will save over \$12,000.

#### **PROPONENTS:**

BILL CHRISTIAN of the Secretary of State's office testified that this was a result of a letter from Diana Dowling to Jim Waltermier, shown as <u>EXHIBIT 8</u>. It was suggested that an index was not quite the right thing. In addition to Title 13 they are printing 16 titles. Title 13 should be sufficient. A fiscal note shows a decrease of \$9,000 and this has been taken from the budget and if this is not accepted they would have to ask the money to be appropriated.

MARGARET DAVIS testified to H.B.173 as a proponent and offered an amendment: page 1, line 15: after "title" insert "and the Montana State Constitution". SEE EXHIBIT 9.

**OPPONENTS:** None

QUESTIONS OF THE COMMITTEE:

SENATOR MARBUT stated that Title 7 was not in the book.

MARIAN CAMPBELL stated that it was not included because of the extreme size.

The hearing closed on H.B.346.

#### CONSIDERATION OF HOUSE BILL 259:

"AN ACT TO PROVIDE FOR THE PAYMENT OF COMPENSATION AND EXPENSES TO ANY LEGISLATOR ATTENDING PRESESSION MEETINGS OF ANY COMMITTEE ALTHOUGH NOT A MEMBER THEREOF; CHANGING THE NUMBER OF ROUND TRIPS DURING A SESSION FOR WHICH A LEGISLATOR MUST SUBMIT A MILEAGE CLAIM IN ORDER TO BE REIMBURSED; AMENDING SECTIONS..."

REPRESENTATIVE RAMIREZ, District 64, introduced this bill by saying it deals with compensation for prelegislative sessions and events, specifically speaking of the special session in the first suggestion. The second suggestion is reimbursement of travel during the session to and from home. He stated that they now get two trips at the beginning and one additional trip during the session without vouchers. They would then get two additional if they submit claims. This bill would see that we would get another trip during the special session. He said that they had some trouble defining what a "presession meeting" is.

SENATOR STORY stated that last session the Appropriations Committee met a full week before session started and others choose to come and hear it and that should constitute compensation.

REPRESENTATIVE RAMIREZ said that they may want to amend something in this bill to define that.

**PROPONENTS:** None

**OPPONENTS:** None

QUESTIONS OF THE COMMITTEE:

SENATOR MARBUT asked if this bill was intended to apply to this session.

REPRESENTATIVE RAMERIZ said "no", but those that have not put in claims may be able to put in three.

It was suggested that it is possible that if there is a budget problem there could be a special session soon.

SENATOR STORY suggested that if an invitation was extended to a non-member of a committee then they could be paid.

The hearing closed on H.B.259.

ACTION ON HOUSE BILL 259: SENATOR TOWE MOVED THAT H.B.259 BE CONCURRED IN. MOTION PASSED. Senator Towe will carry this bill.

It was the decision of the committee to take EXECUTIVE ACTION on other bills.

HOUSE BILL 557 was discussed. SENATOR HAMMOND stated that the non-profit concerns should not be addressed in this bill.

SENATOR TOWE remarked that many non-profit organizations are donated time, such as the Search and Rescue.

ACTION ON H.B.557: SENATOR TOWE MOVED TO AMEND H.B.557 BY STRIKING SECTION 29 and include the title. MOTION PASSED. SENATOR TOWE MOVED THAT H.B. BE CONCURRED IN AS AMENDED. MOTION PASSED. Senator Towe will carry this bill.

ACTION ON H.B.173: SENATOR HAMMOND MOVED S.B.173 BE CONCURRED IN. MOTION PASSED. Senator Story will carry this bill.

ACTION ON H.B.36: SENATOR HAMMOND MOVED H.B.36 BE CONCURRED IN. MOTION PASSED.

ACTION ON H.B.37: Held

Discussion was held on this bill. SENATOR MARBUT presented his amendments. SENATOR STORY asked that this bill be held until Friday and that Senator Marbut present his amendments at that time.

ACTION ON H.B.47:

SENATOR TOWE presented amendments shown as <u>EXHIBIT 10</u>. SENATOR TOWE MOVED THE AMENDMENTS. MOTION PASSED. SENATOR TOWE MOVED H.B.47 BE CONCURRED IN AS AMENDED. MOTION PASSED. Senator Towe will carry this bill.

ACTION ON H.B.92:

SENATOR TOWE MOVED AMENDMENT TO SUBSECTION 2. MOTION PASSED

SENATOR TOWE MOVED THE AMENDMENT ON PAGE 2, LINE 9 thru 12. MOTION PASSED. Senators Hammond and Marbut voting "NO".

SENATOR TOWE MOVED AMENDING PAGE 2, LINE 9 & 10. MOTION PASSED. Senators Hammond and Marbut voting "NO".

SENATOR TOWE MOVED LINE 20 PAGE 2 CHANGING "shall" to "may". MOTION PASSED.

SENATOR TOWE MOVED H.B.92 BE CONCURRED IN AS AMENDED. EXHIBIT 11. MOTION PASSED.

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

CHAIRMAN, Senator Pete Story

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### ROLL CALL

### STATE ADMINISTRATION COMMETTEE

### 47th LEGISLATIVE SESSION -- 1983

### Date 3/2/83

AME	PRESENT	ABSENT	EXCUSED
SENATOR PETE STORY, Chairman	x		
SENATOR H. W. HAMMOND, Vice Ch	x		-
SÉNATOR REED MARBUT	X		
SENATOR LARRY TVEIT			
SENATOR R. MANNING	x		
SENATOR LAWRENCE STIMATZ			
SENATOR THOMAS TOWE	x		

Each day attach to minutes.

COMMITTEE ON

	VISITORS' REGISTER			
		DTTT 4	Check	One
NAME	REPRESENTING	BILL #	Support	Oppose
MICHAEL HUNT	MONT ST. FIREFIGHTERS	HB 487	K	·
BOB MURDO	BUSINESS LAW SECTION - STATE 41		<u> </u>	
Michael Walker	My St. Council Fine Fraille	15 487	~	
PLAN ROBERTSON	SEC OF ST	48557		
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Dane Laund	BBPP	HB 346	~ ~	·
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(Please leave prepared statement with Secretary)

EXHIBIT 1 State Admin. 3/2/83

HOUSE BILL 487- CLARIFICATION OF DEATH BENEFITS FOR POLICE OFFICERS AND FIREFIGHTERS -

O'Connell

#### Police System

Section 1 (beginning page 1, line 24). The definition of dependent children in the police system is the same as the definition enacted by the previous legislature in the firefighters' system.

(Page 4, line 22). This provides a legal definition of surviving spouse for retirement purposes.

Section 2 (beginning page 5, line 4). Provides police officers who do not have a surviving spouse who dependent child, the opportunity to elect a beneficiary to receive any residual left in the officers' retirement account at his/her death or have it paid to their estate.

Section 3 (pages 4, 5, and 6). These sections are amended to reflect the terms previously undefined in this act.

Had these amendments been in effect in 1975 when the system was consolidated, there would not have been an increase in any benefit payments. Had there been a situation similar to the case in the Unified Firefighters' System in 1981, it would have cost the system \$70,000 dollars.

#### Firefighters

<u>Section 5</u> (page 13, line 6). This provides a legal definition of surviving spouse for retirement purposes.

Section 6 (page 13, beginning on line 13). This section is amended to reflect changes in definition has been revised only for clarity. There is no overall change in the intention of the original section. There are no benefit changes.

This bill originated from a claim against the Unified Firefighters' System, by a lady who was a widow of a deceased firefighter and had her benefits terminated when she remarried. However, 10 years after her second marriage was terminated by divorce, she had her second marriage annulled in Court and by the annullment was made unmarried as of the date her benefits were terminated. She currently received \$674 dollars a month as a surviving spouse. Had the Board honored her original claim, she would have received about \$70,000 dollars in retroactive benefits, back to the date of the annullment.

In the bill we have tried to recognize a parity between the two systems in this area by using the same definition for dependent children of police officers that was enacted in 1981 as part of the Unified Firefighters' System. Currently, there are 340 recipients of monthly benefits in the police system of which 22 are surviving spouses.

In the Firefighters' System, there are currently 319 recipients of monthly benefits 34 of which are survivors.

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STATEMENT ON ELECTION For Limited Partnerships EXHIBIT 3 State Admin.

March 2, 1983 To Become Subject to the Provisions of the REVISED UNIFORM LIMITED PARTNERSHIP ACT

THE HONORABLE JIM WALTERMIRE MONTANA SECRETARY OF STATE STATE CAPITOL 59620 HELENA, MT

(For use by the Secretary of State only)

Foot	\$ 7	5.0	

Fee: \$ 7.50

For the purpose of bringing itself within the provisions of the Montana Revised Uniform Limited Partnership Act, Title 35, Chapter 12, MCA, the undersigned submits the following statements of fact to the Secretary of State of Montana:

FIRST: The name of the limited partnership is

(The name must contain the words LIMITED PARTNERSHIP in full)

ECOND: The certificate of limited partnership was filed in the office of the Secretary of State, State of Montana, under the laws of the State of Montana on \_\_\_\_\_, 19\_\_\_, for the duration of \_\_\_\_\_ years, and it is carrying on the business or conducting the affairs for which it was created.

THIRD: It elects to bring itself within the provisions of the Montana Revised Uniform Limited Partnership Act and make itself subject to its provisions.

FOURTH: It designates as its specified agent the following named individual resident, domestic corporation, or qualified foreign corporation:

FIFTH: It designates as its specified office the following:

(Street and number, City, State and Zip Code)

SIXTH: And it attaches an amended Certificate of Limited Partnership setting forth any and all information required by 35-12-601 which is not otherwise set forth.

Dated this day of , 19 .

(Name of Limited Partnership)

(Signature of General Partner)

NOTE: The execution of a certificate by a general partner constitutes an affirmation under the penalties of perjury that the facts stated therein are true, according to 35-12-604(3), MCA.

March 2, 1983 EXHIBIT 2 (For use by the Secretary of State only)

#### Prepare, execute and submit in duplicate original

TO: THE HONORABLE JIM WALTERMIRE Secretary of State **Montana State Capitol** Helena, MT 59620

### **FILED FOR RECORD**

Filing Fee: \$20.00

### **STATE OF MONTANA APPLICATION FOR REGISTRATION AND CERTIFICATE OF REGISTRATION OF MARK** (Trademark - Service Mark)

For the purpose of registering a mark in the State of Montana, according to the provisions of 30-13-311, MCA, the undersigned submits the following statements of fact to the Secretary of State:

The essential feature of the mark to be registered is 1.

and attached hereto is a specimen, facsimile or drawing of the mark. (Attach in the space below or if on another sheet, attach to this form).

The general description of the goods or services with which the

- 4. The name of the applicant is\_\_\_\_\_
- The business address of the applicant, including street and 5. number, if any, and city or town and state, is

(street number)	(street)	
 (city or town)	(state)	(zip code)

6. The applicant is (check one and complete when appropriate)

An individual

A partnership and the names and addresses of the partners are:

(name)

	(address including street, city or town, and state)
and the class for such goods and service is	(name)
The mode or manner in which the mark is used in connection	(address including street, city or town, and state)
with the goods and services is	(name)
	(address including street, city or town, and state)
	(name)
The applicant has heretofore adopted and used the mark and	
the date the mark was first used by the applicant or prede-	(address including street, city or town, and state)

cessor anywhere is\_

2.

3

mark is used is

and the date of first use in the State of Montana is

including street, city or town, and state) (attach schedule if necessary)

 $\Box$  A corporation organized and existing under the laws of

#### COMPLETE THE ONE AFFIDAVIT THAT IS APPROPRIATE.

#### • Affidavit if applicant is a corporation, partnership, or association.

	State of	)	
	County of	) SS.	
	I,(Name of Officer m		, being first duly swor
	(Name of Officer m	aking affidavit)	
	depose and say that I am		, 0
	(	President, Vice President or Secretary or a Partner)	
		e of Applicant)	, the applican
	herein, and make this affidavit in its behalf; that I have that the applicant is the sole owner of the mark sought to person has the right to such use in this state, either is calculated to deceive or might be mistaken for; and that	read the foregoing application; that the be registered and has the right to the use the identical form or in such near re	e of the same and that no othe semblance thereto as may b
	that I executed this document this day of		
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		X (Signatur	re)
	Subscribed and sworn to before me this		
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1.10	<pre>* * *it if applicant is an individual. State of County of</pre>	-	
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idav	State ofCounty of I,	My Commission expires	, being first duly sworn ) e owner of the mark sought to uch use in this state, either in be mistaken for; and that th ument this day o , A.D

30-13-331. Classification. (1) The following general classes of goods and services are established for convenience of administration of this part. This classification does not limit or extend the applicant's or registrant's rights. A single application for registration of a mark may include any or all goods or services comprised in a single class with regard to which the mark is actually being used. However, in no event may a single application include goods or services that fall within different classes of goods or services.

- The classes of trademarks are as follows: (2)
- (a) (b) raw or partly prepared materials; receptacles;
- baggage, animal equipments, portfolios, (c)
- and pocketbooks; abrasive and polishing materials; (d)
- adhesives; chemicals and chemical compositions; (e) (f)
- (g) (h)
- cordage; smokers' articles, not including tobacco products; explosives, firearms, equipment, and
- (i) projectiles;
- (j) (k) (l) fertilizers; inks and inking materials;
- construction materials; hardware and plumbing and steamfitting (m)
- supplies;
- metals and metal casting and forgings; oils and greases; (n)
- (o) (p) (q) (r) paints and painters' materials; tobacco products;
- medicines and pharmaceutical preparations;

- ehicles; (s) linoleum and oil cloth;
- (t) (u) electrical apparatus, machines, and
- supplies;
- games, toys, and sporting goods; cutlery, machinery, and tools, and parts (v) (w)
- thereof:
- laundry appliances and machines; locks and safes; measuring and scientific appliances; horological instruments; (x)
- (y) (z)
- (aa)
- jewelery and precious metal ware; brooms, brushes, and dusters; (bb)
- (cc) (dd)
- crockery, earthenware, and procelain; filters and refrigerators;
- (ee) (ff) furniture and upholstery;
- glassware (gg) (hh)
- heating, lighting, and ventilating apparatus; belting, hose, machinery packing, and nonmetallic tires; (ii)
- (jj) (kk) musical instruments and supplies;
- paper and stationery; (II) prints and publications;
- (mm) clothing;

- fancy goods, furnishings, and notions; canes, parasols, and umbrellas; knitted, netted, and textile fabrics, and substitutes therefore; (00)
- (pp)
- thread and yarn;
- (qq) (rr)
- dental, medical, and surgical appliances; soft drinks and carbonated waters; (ss)
- (tt) food and ingredients of foods;

(nn)

- (uu) wines;
- malt beverages and liquors; distilled alcoholic liquors; (vv)
- (ww)
- (xx) (yy) (zz) merchandise not otherwise classified;
- cosmetics and toilet preparations; detergents and soaps.

- (3) The classes of service marks are as follows:
- (a) (b)
- miscellaneous; advertising and business; insurance and financial; construction and repair; (c) (d)
  - communications:
  - transportation and storage;
- (e) (f) (g) (h) material treatment;
  - education and entertainment.

EXHIBIT 4 State Admin. March 2, 1983

TO: Alan

FROM: Florence RE: Notary Info

DATE: March 1, 1983

Attached are Limited Partnership Election forms (most others have a notary section) and Statement of Change forms as requested. We have no forms that require two signatures on any application as the applicant signature and verification are one.

During January and Februay 1983 we filed 8686 documents and rejected 2119 documents for 24.4%.

Approximately 27-30% of the rejects are rejected because of no notary or incorrect verification/acknowledgement - Using above ratio we woulhave rejected approx. 570 in Jan & Feb for this reason.

In 1982 we filed 34,184 documents. Using the above ratios we would have rejected 8340 documents total and 2251 for verification, etc.

Please know these are very rough estimates!!

TO: Cliff

FROM: Florence

DATE: February 7, 1983

RE: Notorization in other states

Prior to preparing legislation for my bureau, I sent a questionnaire to all the states to see how each of them handled the various issues we were addressing.

Forty four of the 50 states responded. I found the following concerning notorization of documents:

- 14 required all documents to be notorized (acknowledged or verified)
- 20 required no notorization (signed under penalty)
- 10 required notorization of only selected documents (could not see any one reason for selection of various documents as opposed to either all or none)

Cliff, if you need more, let me know. Thanks.

EXHIBIT 5 State Administration March 2, 1983

				EXHIBIT 6 State Admin	· · · · · · · · · · · · · · · · · · ·
NAME BOB	Murdo		BILL NO.	HB 557	3/2/83 '
ADDRESS 20	3 No. Ewing	HELENA	MT.	DATE $3/2$	183
WHOM DO YOU	REPRESENT Bush	NESS LAW S	ECTION - ST	ATE BAR OF	MONTANA
SUPPORT	OPPOSE_		AMEND	~	
PLEASE LEAVE	PREPARED STATE	MENT WITH S	ECRETARY.		
Comments:	,				
THE	GOVERNING	COUNCIL	OF THE	Businkss	LAW

SECTION OF THE STATE BAR OF MONTANA SUPPORTS HB 557 WITH THE AMENDMENT RECOMMENDED BY THE SECRETARY OF STATE - L.R. - DELETION OF SECTION 29.

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# STATE BAR OF MONTANA

2030 ELEVENTH AVENUE WASHINGTON PLAZA P.O. BOX 4669

HELENA, MONTANA 59604

State Admin. March 2, 1983

EXHIBIT 7a

HB 557

EXECUTIVE DIRECTOR Kent M, Parcell

(406) 442.7660

February 14, 1983

Hon. James Waltermire Secretary of State State Capitol Helena, MT 59620

Re: House Bill 557

Dear Mr. Waltermire:

I am a member of the Council of the Business Section of the State Bar of Montana and have been actively involved in the revision of the corporation laws of Montana for the last twenty years. I was a member of the Corporation Law Revision Commission which introduced the American Bar Association Model Business Corporation Act, and I was a member of the Business Section Committee which introduced the substantial amendments which were made in the Act in the 1981 Legislative Session.

House Bill 557 involves an amendment of the Business Corporation Act and the Montana Nonprofit Corporation Although laudible in purpose, it involves a rather Act. severe series of penalties with respect to documents filed in your office. Many documents that are filed in your office are those routinely handed to corporate officers. If false or incorrect information is inadvertently inserted, the penalty of House Bill 557 is quite severe. To subject an officer signing a document with the "penalties of perjury" when an inadvertent omission or statement might be involved goes far beyond any present needs that I know of. Have there been a great number of false and fraudulent documents filed with your office? Nonprofit corporations such as churches and fraternal organizations have officers who are not paid and who rely upon "volunteers" to prepare documents for filing in your office in most cases. Why should the penalty of perjury also be imposed upon them?

I am not aware that anybody involved in the revisions of the Model Business Corporation Act and the Model Nonprofit Corporation Act was ever consulted by your office

arge W. Huss 7 Pleasant Street os City, Montana 59301 EGATE ert Corontzos

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Hon. James Waltermire February 14, 1983 Page 2 EXHIBIT 7b State Admin March 2, 1983

with respect to these changes. The Business Section is composed of law professors and practitioners who work with these provisions of the law on a regular basis. At several times in the past we have invited the Secretary of State's Office to participate in the Business Section. Our section has worked long and hard to achieve careful integration of the various provisions of the Model Corporation Code and effect a desirable and uniform result.

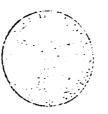
Unless it can be demonstrated that there is a flagrant and widespread abuse of truthfulness in the filing of documents with your office, I would have to recommend that the Business Section of the State Bar of Montana oppose House Bill 557, which amends Section 35-2-413 of the Nonprofit Corporation Act.

Very trul yourf STATE BAR OF MAN Ward A. Shanahan,

Council, Business Section

WAS/mje cc: Professor J. G. Wyse, Chairman, State Bar Business Section J. C. Weingartner, State Bar Legislative Liaison Kent Parcell, Executive Director, State Bar of Montana Senator Pete Story

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State Ad. March 2, 198

State Capital Helena, 3110, 52528 (110) 442-6135

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Deer Mr. Waltermire:

I understand that because of faulty records and/or changes in personnel, etc., your office had difficulty in budgeting for the 1981 publication of the election laws required by 13-12-101.  $\operatorname{At}$ its meeting December 15, 1981, the Legislative Council agreed to abrowb Council Staff wages and Department of Administration computer costs involved with this project, but requested that I let you know exactly what those costs were so that you can proposly budget for this in 1983. The members of the Council also suggested that the Legislature would be very interested in your opinion as to whether or not the publication is needed and, if so, worth the exorbitant price. One suggestion that struck me as perhaps worth pursuing, since the Code is widely available at county offices, libraries, etc., was that the Secretary of State morely list the section numbers and catchlines of the laws involved with perhaps an accompanying index.

In addition to the charges paid to the printer by your office, which I understand will be over \$14,000 this year, and the \$4,187.71 charged by Data Retrieval to produce camera-ready copy at \$6.42 per page, the following costs were incurred by this office and should be considered a cost of producing the election laws.

EXHIBIT 9 Form CS-34 State Admin - 79 March 2, 1983 NAME I HUNAMENT SICURED WILL NO. HO 14 DATE Z MALLES ADDRESSS Nelena WHOM DO YOU REPRESENT L'EUGLE of Urmen Utbers SUPPORT X OPPOSE AMEND X PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

amend: pager, line 15: after "Hitle" insert "and the Montana State Constitution"

The dection laws are a very valuable publication to which we and others refer often. The publishing of Title 13 is unquel to candidates parties and cetizens. The League answers incekley inquisies on absentee voting, election administration, etc. from U.S. Service academics, universitias montaniums turing out of State and from Citizens.

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EXHIBIT 10 State Adminis. March 2, 1983

#### AMENDMENT FOR HB 47

- 1. Page 1, line 13 and 14
  Strike: "PRIOR TO THE EFFECTIVE DATE OF THIS ACT"
  Insert: "or to be adopted"
- 2. Page 1, line 19 through 21. Strike: "WHERE" through "ACT" Insert: "Such statement must be placed in the ARM"

4. Page 1, lines 23 through page 2, line 1. Following: "(2)" Strike: "Upon" through "omitted." on line 1, page 2. Insert: "The administrative code committee may file with the secretary of state, for publication with any rule or portion thereof it considers to be adjective or interpretive, a statement indicating that it is the opinion of the administrative code committee that the rule or portion thereof is adjective or interpretive and therefore advisory only."

EXHIBIT 11 State Administration March 2, 1983

#### AMENDMENT HB 92

- 1. Title, line 10.
  Strike: "AWARDING"
  Insert: "ALLOWING"
- 2. Page 2, line 9. Following: "to the rule" Insert: ", provided an agency response must also be published if requested by the agency"
- 3. Page 2, line 10. Following: "objection" Insert: "and the agency response"
- 4. Page 2, line 20. Strike: "shall" Insert: "may"
  - 5. Page 3, line 5. Strike: "not"

. . . .

6. Page 3, line 8. Following: "intent" Insert: "with an arbitrary or capricious disregard for the purpose of the authorizing statute as evidenced by documented legislative intent, or was not"

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STATE PUB, CO,

SENATOR PETE STORY Chairman.

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thi	rd reading, be amended a	s follows:	
1.	Title, line 14. Strike: "35-2-413,"		
2.	Page 41, <b>li</b> ne 11. Strike: Section 29 in Renum <b>b</b> er: subsequent s	its entirety sections	

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SENATOR PETE STORY Chairman.

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PRESIDENT MR. ..... STATE ADMINISTRATION We, your committee on ..... HOUSE 47 having had under consideration ...... Bill No...... SCHULTZ (Towe) HOUSE Respectfully report as follows: That..... third reading, be amended as follows: Page 1, line 13 and 14. 1. "PRIOR TO THE EFFECTIVE DATE OF THIS ACT" Strike: "or to be adopted" Insert: 2. Page 1, line 19 through 21. "WHERE" through "ACT" Strike: "Such statement must be placed in the ARM" Insert: 3. Page 1, line 22. Following: "REPRINTING" Insert: "or upon request of the administrative code committee as provided in subsection (2)"

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STATE ADMINISTRATION - SENATE HOUSE BILL 47 PAGE 2

4. Page 1, lines 23 through page 2, line 1. Following: "(2)" Strike: "Upon" through "omitted." on line 1, page 2. Insert: "The administrative code committee may file with the secretary of state, for publication with any rule or portion thereof it considers to be adjective or interpretive, a statement indicating that it is the opinion of the administrative code committee that the rule or portion thereof is adjuective or interpretive and therefore advisory only."

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3. Page 2, line 10. Following: "obje Insert: "and the	ction" agency response"				
4. Page 2, line 20. Strike: "shall" Insert: "may"					
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SENATE STATE ADMINISTRATION H.B. 92 Page 2

- Page 3, line 5. 5. Strike: "not"
- 6. Page 3, line 9. Following: "intent" Insert: "with an arbitrary or capricious disregard for the purpose of the authorizing statute as evidenced by documented legislative intent, or was not"

And, as amended BE CONCURRED IN