

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 24, 1985

The meeting of the Business and Labor Committee was called to order by Vice-Chairman Les Kitselman on January 24, 1985 at 8:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

HOUSE BILL 273: Hearing commenced on House Bill 273. Representative Paul Pistoria, District #36, sponsor of the bill, stated that the purpose of this bill is to amend the law of food establishments by defining vending machines and to prohibit the sale of both food products and cigarettes through the same vending machines. Exhibit 1 was distributed to committee members by Representative Pistoria.

Proponent Jerome Anderson, representing the Tobacco Institute, explained that the cigarette manufacturers do not want children to smoke and they restrict the use of tobacco by children. Having cigarettes in the same vending machine as food is inviting to children, added Mr. Anderson.

Proponent Tom Maddox, representing the Tobacco and Candy Distributors, offered his support of House Bill 273. Mr. Maddox supplied written testimony which is attached hereto as Exhibit 2.

In closing, Representative Pistoria stated that this law will not interfere with the present vending machines that offer cigarettes only.

Representative Brown asked Mr. Anderson how many vending machines are currently offering both food and cigarettes. Mr. Anderson known of approximately five in the Great Falls area.

Representative Brandewie asked Mr. Anderson if he is against vending machines. Both Representative Pistoria and Mr. Anderson stated that they are not against vending machines, but do not want to see food and cigarettes offered in the same machine.

Representative Pavlovich asked Mr. Anderson if the passing of House Bill 273 would make the present machines that offer both products obsolete. Mr. Anderson explained that it would not, other food products would replace the compartments that currently hold cigarettes.

There being no further discussion by proponents or opponents, all were excused by the vice-chairman and the hearing on House Bill 273 was closed.

HOUSE BILL 221: Hearing commenced on House Bill 221. Representative Rodney Garcia, District #93, sponsor of the bill explained that this bill would extend the law on tenants' security deposits to commercial property as well as residential property and provides that any security deposit held for six months or longer accrues interest at the rate of five percent a year.

Proponent Louise Kunz, representing the Montana Low Income Coalition offered her support of House Bill 221.

Proponent Teri England, representing the Montana Public Interest Research Group, submitted written testimony which is attached hereto as Exhibit 3. Ms. England also submitted Exhibit 4, which is attached hereto.

Proponent Joanne Peterson, representing the Bozeman Housing Coalition, submitted written testimony which is attached hereto as Exhibit 5. Ms. Peterson also submitted Exhibit 6 attached hereto, which is a letter in support of House Bill 221, from Phyllis A. Bock, Director and Staff Attorney of Associated Students in Bozeman.

Proponent Ralph Lewis, Vice President of the Montana Landlord's Association, submitted written testimony which is attached hereto as Exhibit 7.

Opponent Jerry Carmody, representing the Montana Association of Realtors was in opposition of House Bill 221. This would increase the workload to property management companies. This increase would then be reflected in the management fee, which would in turn be adjusted back into the rent being charged. Mr. Carmody suggested to the committee that they consider this point.

In closing Representative Garcia, stressed that this 5% interest belongs to the tenant and is not the landlords money.

Representative Kadas asked Representative Garcia why the interest will not be paid until a tenant has resided on premises for six months. Representative Garcia explained that landlords like to see tenants stay, the time and paperwork involved in paying interest for one month would not be economical and this may be an incentive to tenants.

Representative Brandewie asked Mr. Lewis what the average deposit is. Mr. Lewis explained that it usually varies from 1/2 to one months' rent.

Representative Ellerd asked how this would affect the government subsidy rentals. Representative Garcia explained that HB 221 does not apply to government subsidy properties.

Representative Wallin asked Ms. Peterson if the dormitories on the Bozeman campus require a deposit and if they would be liable for paying this 5% interest. Ms. Peterson stated that there is a \$100.00 deposit charged and the interest would be paid.

Representative Brandewie raised several questions regarding the reporting of this interest to the Internal Revenue Service. Representative Driscoll explained that interest need not be reported unless it is over \$10.00 per year and that this is not a bookkeeping item.

Representative Schultz added that in some instances, tenants may not always pay their rent on time, and interest is not charged to the tenant until such time as the rent is received which might possibly be a trade-off.

There being no further discussion by proponent or opponents, all were excused by the vice-chairman and the hearing on House Bill 221 was closed.

HOUSE BILL 223: Hearing commenced on House Bill 223. Representative Jack Ramirez, District #87, sponsor of the bill stated that House Bill 223 would allow a landlord to collect rent and advertising costs for a period, not over 30 days, after a tenant vacates without giving notice. If a tenant vacates, after an eviction notice, prior to the date on which vacancy was required, he is entitled to the refund of rent paid in advance for time the premises were not occupied. House Bill 223 would apply to month to month tenancies only, added Representative Ramirez.

Proponent Ralph Lewis, Vice President of the Montana Landlord's Association, submitted written testimony which is attached hereto as Exhibit 8.

Proponent Jerry Carmody, representing the Montana Association of Realtors offered his support of House Bill 223.

Representative Kadas questioned Representative Ramirez as to the reasoning for the advertising costs that would be assessed to the tenant. Representative Ramirez explained that this is a benefit to the tenant, it will help the landlord rent the unit and will relieve the tenant from further liability once the unit is rented.

Representative Kadas added that the landlord is covered for 30 days and that it is the responsibility of the landlord to advertise, not the tenant. Representative Ramirez responded that the only time this would apply is when the tenant vacates early and doesn't abide by the agreement, thus placing the burden on the landlord. Representative Kadas stressed that the landlord should pay for advertising and the tenant for rent. A tenant could be liable for 30 days rent plus 30 days advertisement under House Bill 223.

There being no further discussion by proponents or opponents, all were excused by the vice-chairman and the hearing on House Bill 223 was closed.

HOUSE BILL 184: Hearing commenced on House Bill 184. Representative Ted Schye, District #18, sponsor of the bill, stated that this bill was at the request of four organizations in Glasgow. The Senior Citizens, Knights of Columbus, Elks and the Veterans of Foreign War House Bill 184 would allow the option of paying bingo prizes in cash as well as in merchandise, not to exceed \$100.

Proponent Bob Durkee, representing the Montana Tavern Association offered his support of House Bill 184.

Proponents Ben Albertson, Rose Albertson and Raymond Wattreid of Glasgow offered their support of House Bill 184. They explained that bingo is a form of entertainment to the senior citizens and that does help their senior citizen center financially. By passing House Bill 184, it would also be assisting senior citizen members financially.

Opponent Kathy Campbell, representing the Montana Association of Churches, stated that their association is against all gambling. By passing House Bill 184, it will encourage all forms of gambling. Ms. Campbell is afraid that electronic machines will come into existence with House Bill 184. Ms. Campbell proposed an amendment to House Bill 184, which was the Senate bingo bill from last session in its entirety.

Representative Schye, in closing, stated that the proceeds from bingo help to offset costs to these organizations. These centers are used for many other functions besides bingo. Bingo should not be restricted to non-profit organizations, anyone who wants to play bingo should be able to play.

Representative Ellerd asked Ms. Campbell if the reasoning for her amendment was for the sole purpose of excluding mechanical machines. Ms. Campbell answered yes.

Representative McCormick stated that the bill says "bingo cards" not "mechanical machines", he did not see where the problem was.

Representative Hansen commented that gambling laws are hard to enforce. Every city in Montana operates differently, regardless of the law.

There being no further discussion by proponents or opponents all were excused by the chairman and the hearing on House Bill 184 was closed.

ACTION ON HOUSE BILL 263: Representative Pavlovich made a motion that House Bill 263 be RECONSIDERED. Second received and the motion PASSED unanimously. Representative Kadas moved to retract his motion made on January 23, 1985 which moved all amendments except the amendment that would change the 30 days to 45 days. Second was received and PASSED unanimously. House Bill 263 DOES PASS AS AMENDED. It was discovered that the amendment proposed on January 23, 1985 which would add a new subsection (6) was redundant.

HOUSE BILL 175: Representative Kadas made a motion that House Bill 175 DO PASS. Representative Kadas moved the proposed amendments. Representative Schultz asked if the department was satisfied with the title to House Bill 175, to which the answer was yes. Question being called for, the amendments did PASS with all but Representative Bachini voting yes. Representative

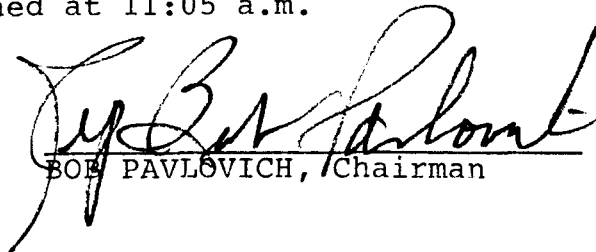
Kadas' motion that House Bill 175 DO PASS AS AMENDED resulted in 10 members voting yes and 10 members voting no. House Bill 175 will go to the house floor AS AMENDED WITHOUT RECOMMENDATION.

HOUSE BILL 189: Representative Kitselman made a motion that House Bill 189 be placed in a sub-committee, due to the concerns of Representative Wallin. Representative Wallin added that he had checked into this and House Bill 189 would not effect crop sprayers or airplanes as he had mentioned in his discussion. Representative Kadas made a substitute motion that House Bill 189 DO PASS. Second was received and House Bill 189 was PASSED unanimously.

HOUSE BILL 273: Representative Driscoll made a motion that House Bill 273 DO PASS. Representative Brown made a substitute motion that House Bill 273 DO NOT PASS. Representative Glaser made a motion for all motions pending that House Bill 273 be TABLED. Following discussion, Representative Kitselman moved that the committee move to the previous question. A roll call vote resulted in 12 members voting yes and 8 members voting no. House Bill 273 is TABLED.

HOUSE BILL 221: Representative Driscoll made a motion that House Bill 221 DO PASS. He felt that asking 5% is a reasonable request. Representative Wallin stated that the interest amount is too small an amount to be concerned with. Representative Kadas proposed an amendment that the interest be paid only when a person vacates. Representative McCormick added that most persons would vacate upon death and then it would be too late. Representative Ellerd made a substitute motion that House Bill 221 DO NOT PASS. Representative Kitselman made a motion for all motions pending that House Bill 221 be postponed.

There being no further business before the committee, the meeting was adjourned at 11:05 a.m.


BOB PAVLOVICH, Chairman

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 1-24-85

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

January 23

85

19

SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

HOUSE

having had under consideration Bill No. **263**

first

reading copy (**white**)
color

● **LOCAL GOVERNMENTS AND SCHOOL DISTRICTS TO PAY
INTEREST ON OVERDUE ACCOUNTS**

HOUSE

Respectfully report as follows: That Bill No. **263**

BE AMENDED AS FOLLOWS:

- 1) Page 3, line 17
Following: "within"
Strike: "30"
Insert: "45"

AND AS AMENDED,

DO PASS

Rep. Bob Pavlovich

Chairman.

STANDING COMMITTEE REPORT

January 24

1935

SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

HOUSE

175

having had under consideration Bill No.

FIRST

WHITE

reading copy (.....)
color

INCREASING MEMBERSHIP OF BOARD OF PRIVATE SECURITY
PATROLMEN

HOUSE

175

Respectfully report as follows: That Bill No.
BE AMENDED AS FOLLOWS:

1. Title, line 7
Strike: "PROPRIETARY SECURITY ORGANIZATION"
Insert: "PRIVATE INVESTIGATOR"
2. Page 1, line 21
Strike: "two"
Insert: "one"
3. Page 1, line 22
Strike: "organizations"
Insert: "organization"

XXXXXXXXXXXXXXXXXX

ANNEXES

Rep. Robert Pavlovich

Chairman.

4. Page 2, line 3
Strike: "a"
Insert: "two"
5. Page 2, line 3
Strike: "investigator"
Insert: "investigators"

WITHOUT RECOMMENDATION

~~AS~~ AS AMENDED

STANDING COMMITTEE REPORT

January 24

85

19.....

SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

HOUSE

having had under consideration Bill No. 189

FIRST

WHITE

..... reading copy (.....)
color

HAZARDOUS WASTE TRANSPORTER AND GENERATOR RULES

HOUSE

189

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

DO PASS

STANDING COMMITTEE REPORT

Page 1 of 4
HB 127

January 23 19 95

MR. Speaker:

We, your committee on Business & Labor

having had under consideration House Bill No. 127

first reading copy (white)
color

REVISE LAW ON PRIVATE INVESTIGATORS AND SECURITY PATROLMEN

Respectfully report as follows: That House Bill No. 127

BE AMENDED AS FOLLOWS:

1. Title, line 7.
Strike: "PROVIDING COVERAGE FOR SECURITY ALARM SYSTEMS;"
2. Title, line 13.
Following: "37-60-105."
Insert: "37-60-207."
3. Page 1, line 23.
Following: "signals."
Strike: the remainder of line 23 and lines 24 and 25 in their entirety.
4. Page 1, line 3.
Following: "guard,"
Strike: "security"

DO PASS

CONTINUED

January 23 1985

5. Page 3, line 4.
Strike: "alarm system."
6. Page 5, lines 10 through 21.
Strike: subsection (17) in its entirety
ReNUMBER: subsequent subsections
7. Page 6, line 13.
Following: "Exemptions."
Strike: the remainder of line 13 and line 14 through "thin"
Insert: "This"
8. Page 6, line 19.
Following: "is"
Insert: "guarding"
9. Page 8, line 6.
Strike: "Except as provided in subsection (4), any"
Insert: "Any"
10. Page 9, lines 8 and 9.
Strike: subsection (4) in its entirety
11. Page 10, line 7.
Strike: "25"
Insert: "21"
12. Page 10, line 18.
Following: "business;"
Insert: "or"
13. Page 11, line 2.
Following: "(3)"
Strike: the remainder of line 2, lines 3 and 4 in their entirety, and line 5 through "(2)(g)"
Insert: "Up to one-half of the experience required by (2)(g) may be met by a combination of education and training as accepted by the board"
14. Page 12, line 13.
Following: "manager"
Strike: the remainder of line 13 and lines 14 and 15 in their entirety and line 16 through "state"
15. Page 12, line 19.
Following: "he"
Strike: "notify"
Insert: "send written notification to"

CONTINUED

January 23, 1985

16. Page 13, line 1.
Following: "may"
Strike: "perform the duties of"
Insert: "be employed as"
17. Page 13, line 10.
Strike: "name of the business"
Insert: "type of employment"
18. Page 14, lines 10 and 11.
Strike: subsection (5) in its entirety
19. Page 14, line 16.
Strike: "performs the duties of"
Insert: "be employed as"
20. Page 15, line 2.
Following: "board"
Insert: ", "
21. Page 15, line 2.
Following: "and"
Insert: "applicants for identification cards as unarmed investigators"
22. Page 15, following line 4.
Insert: "Section 8. Section 37-60-202, MCA, is amended to read:

"37-60-202. Rulemaking power. The board shall adopt and enforce reasonable rules:

(1) specifying the form of and procedure to be used in granting, denying, suspending, or revoking any license, registration, or identification card;

(2) fixing the qualifications of resident managers, qualifying agents, licensees, registrants, and holders of identification cards, in addition to those prescribed in this chapter, necessary to promote and protect the public welfare;

(3) establishing, in accordance with 37-1-134, application and examination fees for original or renewal licenses, registrations, and identification cards, and providing for refunding of any such fees;

(4) prohibiting the establishment of branch offices of any licensee, except a proprietary security organization, without approval by the board, establishing qualification requirements and license fees for those offices;

(5) for the certification of private investigator and private security guard training programs, including the certification of firearms training programs and firearms instructors;

CONTINUED

January 23 1995

- (6) for the approval of weapons;
- (7) requiring the maintenance of records;
- (8) requiring licensees to maintain such insurance coverage as the board considers necessary;
- (9) defining "unprofessional conduct" for the purposes of removal from the board and suspension or revocation of licenses, registrations, and identification cards;
- (10) establishing the expiration and renewal periods for licenses, registrations, and identification cards; and
- (11) for the temporary employment of persons without the required registration or identification cards; and
- (12) providing for the issuance of probationary and temporary licenses for contract security companies and private investigators; and
- (13) providing for the issuance of probationary registration and identification cards for private investigators who do not meet the requirements for age, employment experience, and written examination."

Reambers: subsequent sections

AND AS AMENDED,
DO PASS

hb127.gcr
pc2/kjp

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE January 24, 1985 BILL NO. 195 TIME _____

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitselman	✓	
Bob Bachini		✓
Ray Brandewie	✓	
Jan Brown		✓
Jerry Driscoll	✓	
Robert Ellerd		✓
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart	✓	
Ramona Howe	✓	
Tom Jones	✓	
Mike Kadas	✓	
Vernon Keller		✓
Lloyd McCormick		✓
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon		✓
Fred Thomas		✓
Norm Wallin	✓	

Secretary Debbie Aquil

Chairman Bob Pavlovich

Motion: Do PASS As Amended

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE January 24, 1985 BILL NO. 273 TIME _____

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitselman	✓	
Bob Bachini		✓
Ray Brandewie	✓	
Jan Brown	✓	
Jerry Driscoll		✓
Robert Ellerd	✓	
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart		✓
Ramona Howe	✓	
Tom Jones	✓	
Mike Kadas		✓
Vernon Keller	✓	
Lloyd McCormick		✓
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon	✓	
Fred Thomas	✓	
Norm Wallin	✓	

Secretary Debbie Aquil

Chairman Bob Pavlovich

Motion:

TABLED

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE January 24, 1985 BILL NO. 221 TIME _____

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitzelman	✓	
Bob Bachini		✓
Ray Brandewie	✓	
Jan Brown	✓	
Jerry Driscoll		✓
Robert Ellerd	✓	
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart		✓
Ramona Howe		✓
Tom Jones	✓	
Mike Kadas		✓
Vernon Keller	✓	
Lloyd McCormick		✓
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon	✓	
Fred Thomas		✓
Norm Wallin	✓	

Secretary Debbie Aquil

Chairman Bob Pavlovich

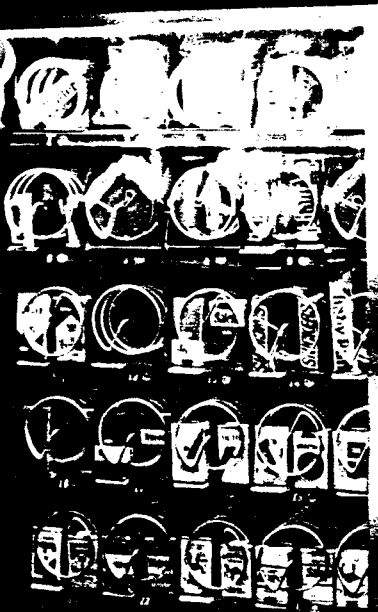
Motion: Do Not Pass

Exhibit 1, January 24, 1985

HB 273, Submitted by:

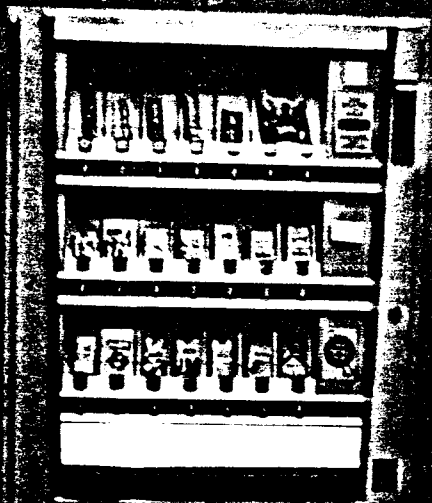
Representative Pistoria

Taken of food & cigarette
Machines in Great Falls
Wed - Nov. 14, 1984
for H.B. 273
Paula Pistoria



0000
0000
0000
0000
0000
0000

000



CSV

FOR H.B. 273
HERRING IN B&L.
Com - 8:00 AM
Thurs - Jan, 24, 1985
Paul & Patricia

Imitation is the sincerest form of flattery. If this is true, Polyvend is extremely flattered by the industry-wide move to Cooperative Service Vending—a concept and equipment package we originated in the early 1970's.

Through the years, we've made CSV work. And we've stayed in the lead with design improvements that make our machines your customers' choice for CSV installations that are easier to understand, load and live with.

We've proven the profitability of CSV whether through leasing or the pro forma method. And we're ready to share our experience with you. Start your CSV program with Polyvend and discover a perfect fit in the future of vending.



Polyvend INC.

24 January 1985

Exhibit 2

January 24, 1985

HB 273

Submitted by: Tom Maddox

Mr. Chairman, Representative Pavlovich; members of the Business and Labor committee:

My name is Tom Maddox. ~~I~~ I represent the Montana Tobacco and Candy Distributors.

The cigarette vendors with whom we have communicated have some reservations on House Bill 273. However, they do not object to the main thrust of this bill as we understand it -- that is to prohibit cigarettes in vending machines in those machines which are too close to schools.

We would like to use this opportunity to acquaint our legislators with a national program in which the tobacco industry has joined with education officials in a program for youth. This is called "Helping Youth Decide." This is offered parents of young people to help youngsters face the decisions which youth face daily, including the decision to defer decisions on such adult behaviors as cigarette smoking.

When this was announced in Washington, D. C., the spokesman for the Tobacco Institute, Walker Merryman, stated this action is being supported because -- quoting him -- "we do not want youngsters smoking."

The program was announced by the National Association of State Boards of Education. When it was announced, the Tobacco Institute asked to assume the expense of the program.

On the specific problem which HB273 seeks to treat, we are observing a trend of fewer cigarette smokers overall. We believe this is due, to a considerable degree, to fewer young people starting to smoke cigarettes in their teens. The statistics for the United States show that fewer and fewer smokers are paying the increasing federal-state taxes. Taxes and news media articles are a part of an educational process which may ultimately destroy tobacco as a viable revenue source for government.

The news media has in several recent stories published as an unqualified statement that Montana state proposals for a 24 cents tax for a pack of 20 cigarettes would simply shift to the state 8 cents of the federal tax, AND THIS IS NOT A TRUE STATEMENT.

U. S. Senate Finance Committee Chairman Robert Pack ^{wood} (R-OR) has stated publicly of the federal tax:

"I don't think that anybody really thinks it's going to come off. They know full well we'll extend it (the full 16 cents a pack federal tax)."

U. S. Senator John Heinz III (R-PA) has introduced a bill to increase federal cigarette tax to 32 cents a pack of 20 cigarettes.

Three proposals for increases in the Montana cigarette tax if enacted would assess smokers 24 cents state tax for a pack of 20 cigarettes, and 28 cents for a pack of 25 cigarettes. Twenty-five cigarette packs are already being sold in Montana on Indian reservations without state tax—as are all cigarettes being sold without state tax.

If pending state-federal legislation is enacted, the federal-state tax on a sale of a pack of 20 cigarettes in Montana would be 56 cents, or \$5.60 a carton. For a 25 cigarette pack the tax would total 60 cents a pack, or \$6 a carton.

What other tax is so great on a product costing so little?

How high are cigarette taxes? If all goods and services were taxed at the same rate as cigarettes, the retail price that consumers pay for them would be one and one-half times greater. For example, if taxed as cigarettes are, a \$10,000 automobile would cost \$15,000, a \$500 television set would cost \$750 and a 40 cent candy bar would cost 60 cents.

Tobacco is one of the most heavily taxed consumer products. Federal-state taxes in the latest fully reported year accounted for 33 per cent of the retail price of smokes and government units reaped a total record tax take of more than \$9 billion (b) (1983).

Exhibit 3
January 24, 1985
HB 221

Submitted by: Teri
England

Montana Public Interest Research Group

729 Keith Avenue • Missoula, MT. 59801 • (406) 721-6040
532 N. WARREN HELENA, MT. 59601 443-5155



TESTIMONY BEFORE THE BUSINESS
AND LABOR COMMITTEE OF THE
MONTANA HOUSE OF REPRESENTATIVES

JANUARY 24, 1985

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS TERI ENGLAND. I AM SPEAKING ON BEHALF OF THE MORE THAN 7000 MONTANA PUBLIC INTEREST RESEARCH GROUP MEMBERS. MONTPIRG IS A NONPROFIT, NONPARTISAN RESEARCH AND ADVOCACY ORGANIZATION FUNDED AND DIRECTED BY UNIVERSITY OF MONTANA STUDENTS. WE HAVE COMPLETED RESEARCH IN THE LANDLORD-TENANT AREA AND SUPPORT HB221, ESPECIALLY THE PROVISION FOR INTEREST ON SECURITY DEPOSITS. MONTPIRG HAS OPERATED A CONSUMER HOTLINE IN MISSOULA SINCE 1982. THROUGH THIS HOTLINE WE RECIEVE 10-15 CALLS PER WEEK. MANY CONSUMER COMPLAINTS INVOLVE LANDLORD-TENANT AGREEMENTS. MONTPIRG RESEARCHED AND PUBLISHED A LANDLORD-TENANTS' RIGHTS HANDBOOK IN 1983. THE PUBLICATION HAS BEEN USED BY BOTH LANDLORDS AND TENANTS AS A REFERENCE TO BOTH PARTIES' RIGHTS AND RESPONSIBILITIES. ONE AREA OF RESPONSIBILITY FOR A TENANT AND LANDLORD CONCERNS SECURITY DEPOSITS.

SECURITY DEPOSITS ARE MONEY IN ESCROW TO ENSURE A LANDLORD THAT A TENANT WILL COMPLY WITH THE RENTAL AGREEMENT. MONTPIRG BELIEVES THAT SINCE THE SECURITY DEPOSIT MONEY IS PAID BY THE TENANT, INTEREST EARNINGS SHOULD BELONG TO THE TENANT AND NOT THE LANDLORD. UTILITIES REGULATED BY THE PUBLIC SERVICE COMMISSION ARE REQUIRED TO GIVE 12 PERCENT INTEREST ON SECURITY DEPOSITS, WE BELIEVE LANDLORDS SHOULD TAKE THE SAME RESPONSIBILITY. MONTPIRG HAS ONE CONCERN WITH HB221, ON PAGE 5 LINE 7 "...FOR ANY TENANCY THAT CONTINUES FOR A PERIOD OF 6 MONTHES OR LONGER." INTEREST EARNINGS ARE

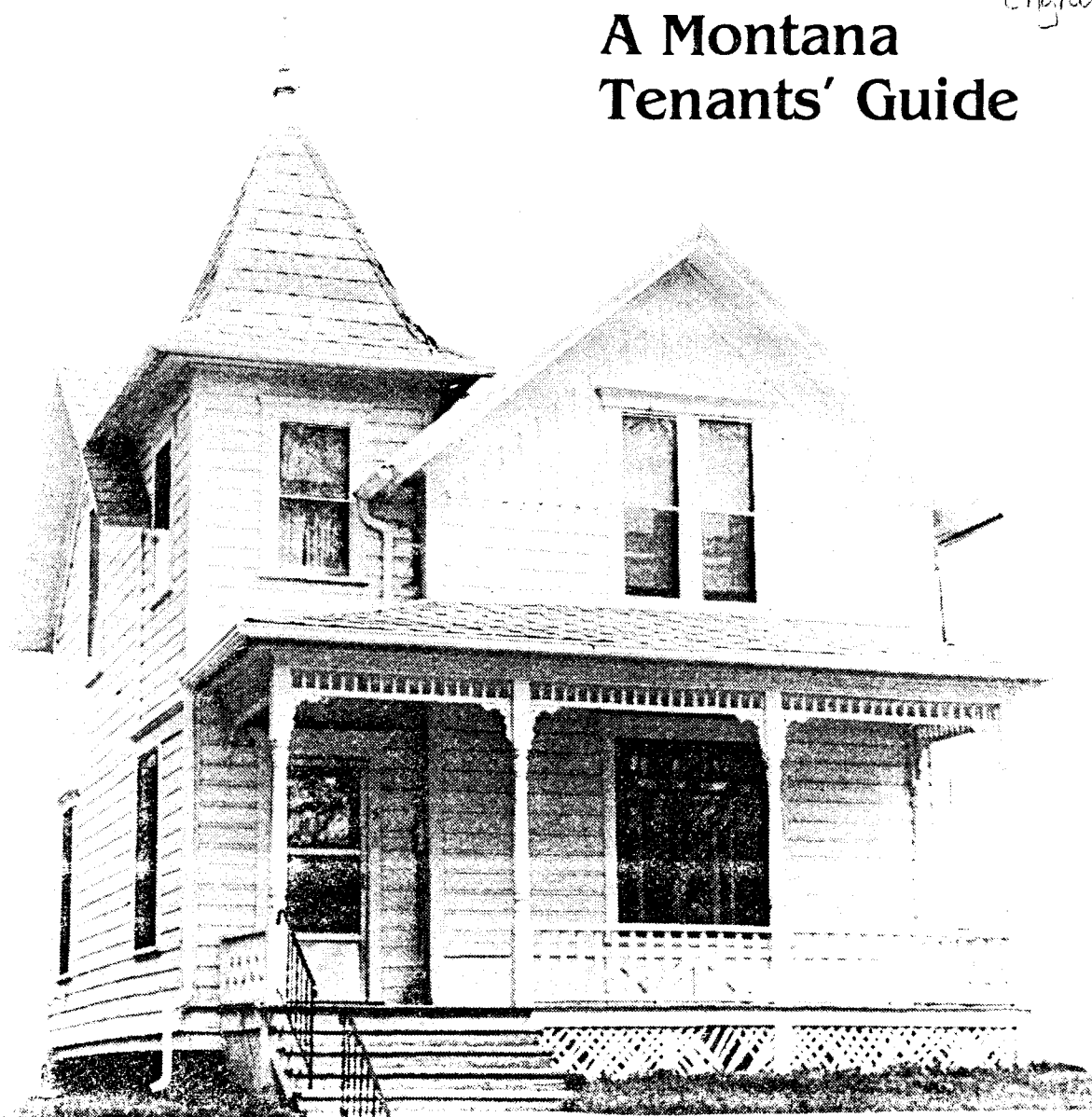
ACCURED ON ANY SECURITY DEPOSIT. THERFORE, TENANTS SHOULD
RECIEVE ALL OF THE INTEREST EARNED, REGARDLESS OF THE LENGTH
OF TENANCY.

HB221 RECOGNIZES A VERY BASIC RIGHT OF TENANTS, MONTPIRG
SUPPORTS HB221 AND WE URGE YOUR SUPPORT ALSO. THANK YOU FOR
YOUR CONSIDERATION.

WHEN YOU RENT...

Exhibit 4
January 25, 1984
HB: JAL
Submitted by:
Tenn. 1982
England

A Montana Tenants' Guide



A Publication of the Montana Public Interest Research Group, Inc.

BOZEMAN HOUSING COALITION
PO Box 788
Bozeman, MT 59715

January 23, 1985

House of Representatives
Capitol Building
Helena, MT 59620

Dear Representatives:

The Bozeman Housing Coalition strongly supports House Bill 221, which would revise Montana law to include a provision for interest on security deposits paid by residential and commercial tenants.

Our organization was formed by local residents in 1981 to seek solutions to Bozeman's serious housing problems, particularly the scarcity, condition, and cost of housing for low and moderate income people. We have involved over 1,000 community members in our efforts, including low income tenants, homeowners, church leaders, business people, and government representatives.

One of our programs is a Tenant Legal Information Service. The top two problems tenants face in the Bozeman area are wrongful withholding of security deposits, and trailer court difficulties. We receive more calls about security deposits than any other issue. Landlords in many cases wrongfully keep security deposits at the end of tenancies when there are no damage or cleaning costs. We understand this is a problem in many parts of the state. In Bozeman, we have a high proportion of renters who are university students and have a particularly difficult time getting security deposits returned. Many of them leave Bozeman at the end of the school year and find it too difficult to sue a landlord who doesn't comply with the law because of the prohibitive time and travel expense to return to Bozeman for a trial.

We mention this because wrongful withholding is one of the reasons we support legislation regarding interest on security deposits. Landlords would find it in their best interests to bank the deposits, reducing the incidence of dissipation of the deposits. We believe tenants would be more likely to have their money returned to them when they move out, and wrongful withholding would hopefully diminish.

Landlords would benefit too: in the event of costs for cleaning or damage, the deposit, as well as the accrued interest, could be used.

We also support interest on security deposits because the deposits actually belong to the tenants and should be held in

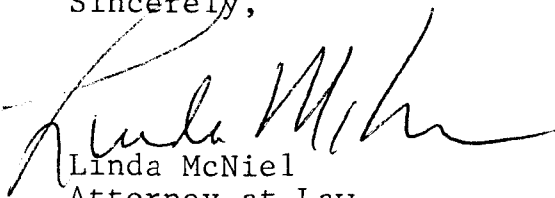
House of Representatives
January 23, 1985
Page 2

trust. Tenants who leave their rental dwellings in good condition deserve the simple interest that money can accrue. Presently, landlords who do bank security deposits keep the accrued interest, thus making a profit from their tenants' money. We do not believe this is appropriate.

In addition to supporting interest on security deposits, we are glad to support the proposed redefinition of rental properties in the statute to include commercial as well as residential dwellings. It seems sensible for commercial as well as residential property owners to be able to protect themselves through security deposits.

We are very pleased that Montana landlords asked that this bill be introduced. We had drafted an almost identical bill regarding interest on security deposits and are delighted to be able to join with landlords in support of this provision. Many other states have enacted legislation of this kind as part of their tenant-landlord laws and have found it to be effective and useful. We urge your support of House Bill 221.

Sincerely,



Linda McNeil
Attorney at Law
Board Member, BHC
Coordinator, Tenant Legal Information Service



Marcia Youngman
Coordinator, BHC

January 23, 1985

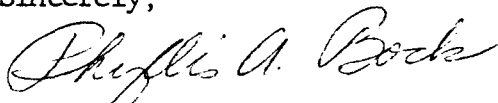
Phyllis A. Bock
Attorney At Law
915 S. Black Apt. o
Bozeman, MT. 59715

Re: Interest on Security Deposits bill

In my job as Director and Staff Attorney of Associated Students Legal Services for 11,000 students at M.S.U., 40% of my cases involve the non-return of security deposit to tenants. I support any bill which would require landlords to pay interest on security deposits. The requirement of paying interest should force landlords to maintain security deposits as a separate account or fund, rather than immediately commingling it with their own funds.

The utilities are required by the Public Service Commission to pay interest on utility deposits. The same rationale for that rule applies here. The money is to secure payment of rent, cleaning and damage at the end of the tenancy. It is held by the landlord for the tenant. The tendency is for landlords to consider it their money, to commingle it with their own funds and to spend it. Then, when it comes time to return it 30 days after the tenants move out the landlords do not want to part with it, because the money is already spent.

Sincerely,



Phyllis A. Bock

MONTANA LANDLORD'S ASSOCIATION, INC.
312 MOORE LANE
BILLINGS, MONTANA 59101

Submitted by:
Ralph Lewis

HOUSE BUSINESS AND LABOR COMMITTEE

HB 221

Mr. Chairman:

I am Ralph Lewis, state vice president and lobbyist for the Montana Landlord's Association.

We are in favor of this bill only with the acceptance of an amendment on the security deposit interest portion.

This bill deals with taking the grey area out of commercial rentals and bringing commercial and residential rentals together within the law. THIS WILL WORK FOR THE BETTERMENT OF THE LANDLORDS AND TENANTS ALIKE.

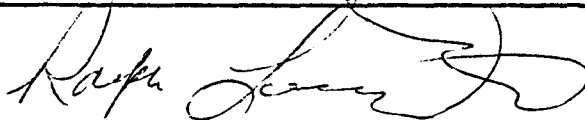
The amendment we are proposing is as follows:

That interest be payable or applicable to the deposit only upon the termination of the rental agreement--payable through the last full month of tenancy. This law will not be retroactive.

Even though this section of the bill will cost the landlords some time and money, we are in hope that it will make the landlords MORE COGNIZANT OF WHOSE MONEY THE DEPOSIT REALLY IS.



We have offered this amendment to try to simplify the paperwork and headaches to the landlord as the landlord could be responsible for interest statements at the end of each year. Also many have expressed much difficulty in computing daily interest. THIS WILL ALSO HELP MAKE THE TENANT MORE COGNIZANT OF HIS OR HER RESPONSIBILITIES.

A handwritten signature in cursive script, appearing to read "Ralph Lewis", written in dark ink.

Ralph Lewis
State Vice President

MONTANA LANDLORD'S ASSOCIATION, INC.

312 MOORE LANE
BILLINGS, MONTANA 59101

Exhibit 8
January 24, 1985
HB 223
Submitted by:
Ralph Lewis

HOUSE BUSINESS AND LABOR COMMITTEE

HB 223

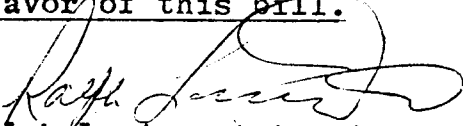
Mr. Chairman:

I am Ralph Lewis, state vice president and lobbyist of the
Montana Landlord's Association.

This bill is attempting to explain the grey areas in this law.

We of the Montana Landlord's Association have been advising
our members for years to handle their business in this way.

However, we feel it is time that it is spelled out as a matter of
law. We are definitely in favor of this bill.


Ralph Lewis, state vice president
Montana Landlord's Association



VISITORS' REGISTER

HOUSE BUSINESS AND LABOR COMMITTEE

BILL House Bill 273

Date January 24, 1985

SPONSOR Representative Pistoria

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR

COMMITTEE

BILL House Bill 221

Date January 24, 1985

SPONSOR Representative Garcia

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR COMMITTEE

BILL House Bill 223

Date January 24, 1985

SPONSOR Representative Ramirez

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR COMMITTEE

BILL House Bill 184

Date January 24, 1985

SPONSOR Representative Schye

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.