

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

March 28, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on March 28, 1985 at 8:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

SENATE BILL 350: Hearing commenced on Senate Bill 350. Senator Bruce Crippen, District #45, sponsor of the bill, explained this provides for imposition of fines when the Securities Act has been violated and after suspension of a license. A \$500 per violation fine is included.

Proponent Kim Schulke, Staff Attorney, Office of the State Auditor, Securities Department, explained this will give the department the opportunity to recoup some of their expenses spent investigating.

Representative Schultz asked Kim Schulke what recourse the purchaser may have. Ms. Schulke explained the department may issue an order to get the purchasers money returned.

There being no further discussion by proponents and no opponents, all were excused by the chairman and the hearing on Senate Bill 350 was closed.

ACTION ON SENATE BILL 350: Representative Kitselman moved DO PASS on Senate Bill 350. Second was received, Senate Bill 350 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 129: Representative Howe stated the subcommittee did meet and were waiting to hear Senate Joint Resolution 31. Representative Driscoll moved to amend on the statement of intent, line 23, and explained the financial statement should be enough. Representative Bachini added that the clerk and recorders are against the bill due to the loss of money and the fee must be adjusted to make this work. Representative Bachini moved DO NOT PASS on Senate Bill 129. Representative Brandewie stated this is not a clerk and recorder bill and that they did get a raise in filing fees this session. Representative Ellerd offered a substitute motion that Senate Bill 129 DO PASS and moved the amendments attached hereto as Exhibit 1 and 2. He added there is no protection

for farmers, this bill is for grain people and lending institutions. Representative Howe stated that on the first amendment, you can not segregate livestock from a lien. Representative Schultz added that there is no way sheep and hogs can be identified and that a banker will not loan on anything that is not branded and less than 1/2 of 1 percent of all cattle are unbranded. Representative Thomas explained that it is possible to mortgage unbranded cattle. Representative Keller offered his support of the first amendment. Question being called to the amendments moved by Representative Ellerd, the first amendment received 9 yes votes and 11 no votes. A voice vote defeated the second set of amendments. Representative Ellerd withdrew his DO PASS motion. Representative Bachinis DO NOT PASS motion received 9 yes votes and 11 no votes. Representative Driscolls amendment received a unanimous vote. Representative Brandewie moved DO PASS AS AMENDED. A roll call vote resulted in 11 members voting yes and 9 members voting no. Senate Bill 129 will BE CONCURRED IN AS AMENDED.

ACTION ON SENATE BILL 349: Representative Kadas moved DO PASS On Senate Bill 349 and moved to strike the amendment that was put on previously and moved the amendment as shown on Exhibit 3 attached hereto. A unanimous vote was received in favor of stripping the prior amendment. Representative Thomas stated the \$2 million dollar figure cuts out a lot of business. Representative Pavlovich did agree. Representative Simon stated this could eliminate a lot of projects that would create Montana jobs. Representative Kadas added small business' are economically and politically more stable and they are better for the state. The board is in favor of this amendment. A roll call vote resulted in 4 members voting yes and 16 members voting no. Representative Hansen moved to amend as shown on the standing committee report attached hereto. Dale Harris explained this deals with stand alone projects and is not part of the pool. The amendment did pass with Representatives Kitselman, Simon, Jones and Brandewie voting no. Senate Bill 349 will BE CONCURRED IN AS AMENDED by unanimous vote.

ACTION ON SENATE BILL 208: Representative Schultz moved DO PASS on Senate Bill 208. Representative Glaser added this puts limits on where the money may go and that this is a small handout but is better than nothing. Representative Thomas moved to amend the statement of intent, on page 3, line 4 changing the percentages to 30% and 60%. Representative Schultz did agree and stated this would help those in lower positions. The amendment did pass

with Representatives Hansen, Kadas and Nisbet voting no. Senate Bill 208 will BE CONCURRED IN with Representatives Ellerd, Hansen and Thomas voting no. Representative Simon moved to reconsider action on Senate Bill 208. The motion did carry with Representatives Ellerd, McCormick, Nisbet, Thomas and Glaser voting no. Representative Schultz suggested the bill be left in its original form and moved to strip all previous amendments. The motion did carry with Representatives Ellerd, Hansen and Thomas voting no. Senate Bill 208 will BE CONCURRED IN with Representatives Ellerd, Hansen and Thomas voting no.

ACTION ON SENATE BILL 399: Representative Brandewie moved DO PASS on Senate Bill 399. Representative Glaser moved the amendment proposed. The motion did fail with a voice vote being taken. Senate Bill 399 will BE CONCURRED IN with Representatives Keller, Jones, Glaser and Ellerd voting no.

ACTION ON SENATE BILL 402: Representative Driscoll moved DO PASS on Senate Bill 402. Representative Kitselman moved the amendments which did pass by unanimous vote. Senate Bill 402 will BE CONCURRED IN AS AMENDED by unanimous vote.

ACTION ON SENATE BILL 447: Representative Driscoll moved DO PASS on Senate Bill 447 and added this is a federal requirement. Second was received, Senate Bill 447 will BE CONCURRED IN by unanimous vote.

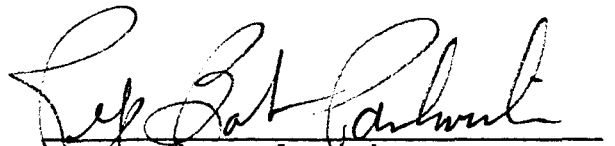
ACTION ON SENATE BILL 409: Representative Thomas moved DO PASS on Senate Bill 409. Representative Kadas moved to amend on page 3, line 19, to reinsert the stricken language as this is fairer to those injured. Representative Kadas then withdrew his motion. Senate Bill 409 will BE CONCURRED IN with all but Representative Kadas voting yes.

ACTION ON SENATE BILL 440: Representative Driscoll moved DO PASS on Senate Bill 440 and moved the amendment as proposed by the Department of Labor. Representative Thomas stated this takes away from the intent of the bill. Representative Kadas stated the department has the authority to check out self insureds and this does not fall under the title of the bill. Representative Schultz added this will effect those already insured. A voice vote defeated Representative Thomas' motion. Senate Bill 440 will BE CONCURRED IN by unanimous vote.

Business and Labor
March 28, 1985
Page 4

ACTION ON SENATE BILL 250: Representative Brandewie moved DO PASS on Senate Bill 250. Representative Kadas added this will allow consumers the same protection as do bonds and this will make it easier on the consumer. He then moved and explained the amendment. Representative Brandewie added this is just intended to replace the bond which is a fund of the last resort. Representative Kadas' motion received a voice vote in favor of the amendment. Representative Kadas then moved to amend on page 4, following however, striking the remainder of subsection (3). A voice vote adopted the amendment. Senate Bill 250 will BE CONCURRED IN AS AMENDED with all but Representative Thomas voting yes.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 10:00 a.m.


Rep. Bob Pavlovich,
Chairman

DAILY ROLL CALL
 BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 28, 1985

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 McCormick	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

March 23

85

19.....

SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

SENATE

349

having had under consideration Bill No.

third

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color

AUTHORIZE ECONOMIC DEVELOPMENT BOARD TO GUARANTEE BONDS OR LOANS

Respectfully report as follows: That **SENATE** Bill No. **349**

BE AMENDED AS FOLLOWS:

1. Title, line 9
 Following: "FUND;"
 Insert: "ALLOWING TO SET TERMS TO FINANCE CERTAIN PROJECTS;"
 Following: "SECTIONS"
 Insert: "17-5-1505,"
2. Page 1, line 13
 Following: line 12
 Insert: "Section 1. Section 17-5-1505, MCA, is amended to read:
 "17-5-1505. Financing programs of the board. (1) The board may:

- continued -

XXXXXX
DO PASS

(a) invest in, purchase or make commitments to purchase, and take assignment from financial institutions of notes, mortgages, loan agreements, and other securities evidencing loans for the acquisition, construction, reconstruction, or improvement of projects located in the state, under terms and conditions determined by the board;

(b) acquire, by construction, purchase, devise, gift, lease, or any combination of methods, from financial institutions, projects located in the state and lease such projects to others for such rentals and upon such terms and conditions as determined by the board; or

(c) make loans to financial institutions, under terms and conditions determined by the board, requiring the proceeds to be used by the financial institution for the purpose of financing the acquisition, construction, reconstruction, or improvement of projects located in the state; or

(d) finance projects located in the state upon such terms and conditions as determined by the board.

(2) The board may not operate any project as a business or in any other manner except as the lessor thereof or as may be necessary for a temporary period through the enforcement of its rights under a lease, loan agreement, or other security agreement."

Renumber: subsequent sections

BE CONCURRED IN
as amended

STANDING COMMITTEE REPORT

March 20

85

19

MR. **SPEAKER**

We, your committee on **BUSINESS AND LABOR**

having had under consideration **SENATE**

Bill No. **402**

third reading copy (blue)
color

AUTHORIZE CERTAIN WORKERS' COMPENSATION LUMP-SUM SETTLEMENTS

Respectfully report as follows: That **SENATE**

Bill No. **402**

BE AMENDED AS FOLLOWS:

1. Page 1, line 21
Following: "receiving"
Strike: "either"
Following: "total"
Strike: "or permanent total"

~~DO PASS~~
BE CONCURRED IN AS AMENDED

STANDING COMMITTEE REPORT

March 27

85

19

~~March 27~~

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 74

third reading copy (blue color)

INCREASE HIGHWAY PATROL ARREST AUTHORITY

Respectfully report as follows: That SENATE Bill No. 74

BE AMENDED AS FOLLOWS:

1. Title, line 10
Strike: "THROUGH 44-1-1003"
Insert: "and 44-1-1002"
2. Page 2, line 6
Following: "SAFETY"
Insert: "within that jurisdiction"
3. Page 2, line 23
Following: "in"
Strike: "44-1-1003"
Insert: "44-1-1001 (1) (d) when the request is made directly to the attorney general or his designee, and he shall authorize the highway patrol chief to take appropriate action"
4. Page 3, line 4
Strike: Section 3 in its entirety

UNCLASSIFIED

WITHOUT RECOMMENDATION
AS AMENDED

STANDING COMMITTEE REPORT

..... March 29 19 85

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE

Bill No. 399

third reading copy (blue)
color

GENERAL REVISION OF SECURITIES LAWS

Respectfully report as follows: That SENATE

Bill No. 399

DO PASS

BE CONCURRED IN

STANDING COMMITTEE REPORT

March 29 19 85

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 440

third reading copy (blue)
color

ALLOW EMPLOYERS TO OPERATE AS SELF-INSURED UNDER WORKERS' COMPENSATION ACT

Respectfully report as follows: That SENATE Bill No. 440

~~DO BASS~~
RE CONCURRED IN

STANDING COMMITTEE REPORT

March 28

35

19.....

MR. SPEAKER.....

We, your committee on BUSINESS AND LABOR.....

having had under consideration SENATE..... Bill No. 409.....

third reading copy (blue)
color

WORKERS' COMPENSATION MEDICAL EXAMS AND EXPENSES

Respectfully report as follows: That SENATE..... Bill No. 409.....

~~DO PASS~~
BE CONCURRED IN

STANDING COMMITTEE REPORT

March 28 19 85

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 447

third reading copy (blue)
color

SUITABLE WORK FOR UNEMPLOYMENT COMP. PURPOSES, CONFORM
STATE TO FED. LAW

Respectfully report as follows: That SENATE Bill No. 447

**DO PASS
BE CONCURRED IN**

STANDING COMMITTEE REPORT

March 28 19 35

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration senate Bill No. 208

third reading copy (blue)
color

LOAN GUARANTY PROGRAM - AGRICULTURAL LOAN AUTHORITY

Respectfully report as follows: That SENATE Bill No. 208

DO PASS
BE CONCURRED IN

STANDING COMMITTEE REPORT

March 29

19 85

MR. **SPEAKER**

We, your committee on **BUSINESS AND LABOR**

having had under consideration **SENATE**

Bill No. **359**

third reading copy (blue)
color

IMPOSITION OF FINES FOR VIOLATIONS OF MONTANA SECURITIES ACT

Respectfully report as follows: That **SENATE**

Bill No. **359**

UNPASSES
BE CONCURRED IN

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE March 28, 1985 BILL NO. 129 TIME _____

NAME	AYE	NAY
Bob Pavlovich	✓	
Les Kitseiman		✓
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 9-11

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE March 28, 1985 BILL NO. 129 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: amend. # 1 9-11

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE March 31, 1985 BILL NO. 129 TIME _____

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitseiman	✓	
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 11-9

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE March 28, 1985 BILL NO. 349 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: 4-16
amend. by Kadas

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE March 28, 1985 BILL NO. 250 TIME _____

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitseiman	✓	
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: 9-10 amend. by Brandewie

Exhibit 1
3/28/85
SB 129
Submitted by:
Rep. Eller

Amendment to Senate Bill No. 129.

1. Page 18.

Following: Line 4

Insert: " NEW SECTION. Section 8. Construction.

Nothing contained in 30-9-403 may be construed to limit the authority of the department of livestock to accept and file notices of security agreements covering branded livestock. All liens on any livestock bearing a recorded brand must be filed with the department of livestock as provided for in 81-8-301."

Renumber: subsequent sections

2. Page 18, line 6.

Following: line 5

Strike: "Section"

Insert: "Sections"

Following: "6"

Strike: "is"

Insert: "and 8 are"

3. Page 18, line 8.

Following: "to"

Strike: "section"

Insert: "sections"

Following: "6"

Insert: " and 8"

4. Page 18, line 10.

Following: "6"

Insert: " and section 8"

Handwritten annotations on the right side of the page include several sets of tally marks (groups of three vertical lines with a diagonal cross) and a large, stylized signature that appears to be 'NO' or 'NOO' written over a horizontal line. Below the signature, the number '9-11' is written and underlined.

Exhibit D
3/28/85
SB 129
Submitted by
Rep. Eller

Amendments to Senate Bill No. 129.

1. Title, line 5.

Following: "AN ACT"

Strike: "TO ESTABLISH"

Insert: "RELATING TO THE FILING OF SECURITY INTERESTS;
ESTABLISHING"

@. Title, line 8.

Following: "COMPUTERS;"

Insert: "EXEMPTING BUYERS IN THE ORDINARY COURSE OF BUSINESS
FROM SECURITY INTERESTS IN UNBRANDED LIVESTOCK BOUGHT;
EXEMPTING SELLING AGENTS FROM LIABILITY TO THE HOLDER OF A
SECURITY INTEREST FOR UNBRANDED LIVESTOCK SOLD IN THE
ORDINARY COURSE OF BUSINESS;"

3. Title, line 11.

Following: "7-4-2631,"

Insert: "30-9-307,"

4. Page 2, line 6.

Following: "7"

Strike: "6"

Insert: "7"

5. Page 5.

Following: line 2

Insert: "Section 3. Section 30-9-307, MCA, is amended to read:
"30-9-307. Protection of buyers of goods. (1) A buyer in
ordinary course of business (subsection (9) of 30-1-201)
other than a person buying farm products from a person
engaged in farming operations takes free of a security
interest created by his seller even though the security
interest is perfected and even though the buyer knows of its
existence.

(2) In the case of consumer goods and in the case of farm
equipment having an original purchase price not in excess of
\$2,500 (other than fixtures, see 30-9-313), a buyer takes
free of a security interest even though perfected if he buys
without knowledge of the security interest, for value and
for his own personal, family or household purposes or his
own farming operations unless prior to the purchase the
secured party has filed a financing statement covering such
goods.

(3) Notwithstanding subsection (1) and the meaning of farm
products as defined in 30-9-109, a buyer, in the ordinary
course of business, who buys livestock not bearing a
recorded brand or mark takes such livestock free of a
security interest in the livestock even though the security
interest is perfected and even though the buyer knows of its
existence.

Amendments to SB 129

(4) A selling agent who sells for another for a fee or commission livestock that does not bear a recorded brand or mark is not liable to the holder of a security interest in the unbranded or unidentifiable livestock even though the security interest is perfected and even though the selling agent knows of its existence if the sale is made in the ordinary course of the selling agent's business."

Renumber: subsequent sections

6. Page 11, line 14.

Following: "SECTION"

Strike: "6"

Insert: "7"

7. Page 12, line 17.

Following: "SECTION"

Strike: "7"

Insert: "8"

8. Page 13, line 21.

Following: "SECTION"

Strike: "6"

Insert: "7"

9. Page 15, line 25.

Following: "SECTION"

Strike: "7"

Insert: "8"

10. Page 18, line 6.

Following: "7"

Strike: "6"

Insert: "7"

11. Page 18, line 8.

Following: "7"

Strike: "6"

Insert: "7"

12. Page 18, line 10.

Following: "through"

Strike: "6"

Insert: "7"

13. Page 18, line 11.

Following: "Sections"

Strike: "7"

Insert: "8"

Following: "±"

Strike: "9"

Insert: "10"

Exhibit 3
3/28/85
SB 349
Submitted by:
Rep. Kaba

AMENDMENTS SB 349, THIRD READING BILL

1. Page 5, line 8

Following: "section."

Insert: "(4) The portion of a project guaranteed by the board under sections 17-5-1501 through 17-5-1529 may not exceed \$2,000,000 and the project must be included in a pooled bond issue."

STANDING COMMITTEE REPORT

March 28

19 35

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 129

third reading copy (blue)
color

CENTRALIZED FILING SYSTEM FOR SECURITY INTERESTS COVERING AGRICULTURAL GOODS

Respectfully report as follows: That SENATE Bill No. 129

BE AMENDED AS FOLLOWS: - STATEMENT OF INTENT

- 1. Line 23**
Following: "statement"
Strike: remainder of line 23 and line 24 through "necessary"

~~DO PASS~~

**BE CONCURRED IN
STATEMENT OF INTENT, AMENDED**