

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 6, 1985

The subcommittee meeting of the State Administration was called to order by the selected Chairman, Senator John Mohar, at 2:00 p.m., Wednesday, February 6, 1985 in room 331 of the State Capitol.

ROLL CALL: The following members selected to this subcommittee were all present. Senator John Mohar, Senator William Farrell, Senator Ethel Harding and Senator Dick Manning.

The purpose of the meeting was to consider and review SB 210, statement of intent and any amendment. Others to be considered are SB 228 and SB 229.

Senator Mohar asked Valencia Lane, Staff Attorney, to explain the statement of intent of the licensing bill, which is SB 210 and what the committee can do in the committee's deliberation on the bill to effect rule making authority as far as they have intent.

Valencia Lane mentioned what the Committee has addressed and summarized various areas of the bill.

Senator Mohar stated that his concern was the smaller contractors, or any contractor, who would not have the slightest idea on what they would be tested on in applying for a contractor's license. He asked Barbara Martin if there would be any trouble in putting in certain guidelines saying that it is the intention of the legislature that those applying for contractor's licenses are notified and their intent is along with that notification that they will receive a reasonable amount of material on the test and sample questions on what they will be tested on.

Barbara Martin, Administrator of Buildings Council, stated that she does not have any trouble with that. She passed out pamphlets that showed what procedures other states have, such as Nevada and Utah.

Senator Mohar referred to the section of the bill that indicates a "written or oral exam".

Barbara Martin said that there is nothing in the bill that states the State must prepare the applicant for any licensing

or tests.

When asked if she thought if this should go into the Statement of Intent or the Bill itself, Valencia stated that she believed it should go into the bill.

Wayne Edsall with Edsall Construction and on the Governor's Council said that what he believes the bill to say is the contractor would be licensed in their discipline. Electrical contractors take a electrical test, bricklayers will take a bricklayers test and etc. You can take several tests and hold several licenses.

Senator Farrell referred to section 3, which talks about the 25% of the fee of the initial application and the fact that you must pay a fee but questioned whether it says, if you are a licensed plumber and wish to become a general contractor, you would have to take all the tests.

Senator Mohar said that it occurs to him that in other states you need to license yourself as a general contractor by passing a proficiency test on all the different aspects of the contract. He asked if in a general contracting examination, is it normal to take a test as a plumber, electrician, etc. if you are a general contractor.

Wayne Edsall said that you would not.

Senator Farrell remarked that if you don't have those other licenses you will have to have someone with you that does. You would not have to have these to build your own house.

When asked how they would come up with the questions, Barbara Martin said you could do it several ways. Some states that do licensing choose to develop their own questions and then they go out into the industry and find out what are the most important and then come up with a battery of questions. Some states and firms just develop their own questions. There is an organization of contracting licensing agencies that are trying to get together and come up with a complete battery of questions where the state could pull questions pertaining to a certain specialty.

Senator Farrell asked if they were aware that Missoula County license contractors?

It was brought out that the cities as well as the counties license contractors.

Senator Mohar state that he has no doubt that it will be opposed on the part of the smaller contractors.

Mr. Edsall said that no contractor could knowingly oppose this bill as it is for their benefit.

Senator Mohar said he would like to see what other areas of concerns the subcommittee has concerns with and ask Valencia to draft amendments that give some guidlines to the testing procedure so anyone taking the test will have an idea of what kind of questions they will be asked.

Senator Harding stated that she has three areas of concerns:
1. Board. This is a seven member board, appointed by the governor at the consent of the Senate is highly political, and that in itself is setting up another bureaucracy. 2. A small contractor that is trying to do a good job, is not going to want the hassel, nor can he afford it. 3. Is what it does to the general fund. Senator Harding stated that she would like to have the fiscal note explained.

Barbara Martin said that the Department of Commerce put the fiscal note together. In reference to the \$485,000 loss to the general, that on the top of page 2, they estimate \$550,000 currently goes into the general fund and this money is the result of fees currently collected. The reason there is such a loss is it is a paper fault because if this new bill passes that money is never going into the general fund. This fund will take care of the seven person board.

Claude C. Wilson, Claude Wilson & Co., said it is unfortunate and it points out the trouble with the lisencing today there is no inspection on the collections, it is no more than a taxation that may end up in the general fund but is bad as far as far as building is concerned. It is the wrong way to collect money for the general fund, so if there is money lost to the general fund it should be in a way of legitimate taxation not hidden to the contractor's license charge.

Senator Manning said that he understands that the money is being put into a special revenue fund and the actual cost of running the program comes out of the program fund.

Question was raised why this same program be run by an administrative agency.

Senator Mohar stated that the Department of Commerce administers many different boards with specialty fields so there

some president in creating a board to help administer these type of thing.

Eugene Fenderson, Laborers 254, stated that they feel that the industry self regulating theory attitude is much more credence. to this and that is why the original suggestion of the study commission was an internal self-regulating board, and non-paying board, and the money collected for the fees is now going to the support staff. He stated that in reference to keeping small contractors out because of this bill, he represents alot of construction workers in this state and all of their intentions are to be a business person themselves. He pointed out page 14, regarding the oral examination and said that there are very few testing mechanism that allow oral testing, although said he is not opposed to the oral testing here.

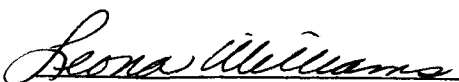
Barbara Martin stated that in Utah there is the department of business regulation and they have a advisory council there and the proceedings that go on in Utah are handled by the administrative law judge.

California has a board that has no public members. People are licensed there and take tests on specialties. There are schools offered to contractors there. The board is strictly contractors. There are also field personnel throughout the state to carry out inspections and handling complaints. Most of the work in California is done in the provate sector. There is a oral interview in front of the board and it is difficult.

Senator Mohar referred to other areas of the bill that he would like to address such as the rule making authority, page 14 of the bill, subsection 5 on line 20 and the financial responsibility of licensee must be established by the rules established by the board. This is another place where they are granting broad rule making authority to the board.

Bonding and financial statements of the contractors were discussed.

The meeting closed at 3:15 p.m. and the Chairman stated that they would meet at noon the following day.


Leona Williams, secretary


Subcommittee Chairman, Senator Mohar

DATE _____

COMMITTEE ON _____

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

SB-229
2-6-85

INTRODUCED BY

Spokane BILL NO. 229
Spokane - *Spokane* - *Spokane*

BY REQUEST OF THE GOVERNOR'S STATE

BUILDING CONSTRUCTION ADVISORY COUNCIL

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A
RECIPROCAL PREFERENCE LAW FOR BIDDERS ON CONSTRUCTION
PROJECTS AND TO ELIMINATE THE CURRENT 3 PERCENT PREFERENCE
FOR SUCH BIDDERS; AMENDING SECTION 18-1-102, MCA; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 18-1-102, MCA, is amended to read:
"18-1-102. State contracts to lowest resident bidder.

(1) In order to provide for an orderly administration of the
business of the state of Montana in awarding contracts for
materials, supplies, and equipment, construction-repair
and-public-works-of-all-kinds, it shall be the duty of each
board, commission, officer, or individual charged by law
with the responsibility for the execution of the contract on
behalf of the state, board, commission, political
subdivision, agency, school district, or a public
corporation of the state of Montana to award such contract
to the lowest responsible bidder who is a resident of the
state of Montana and whose bid is not more than 3% higher

1 than that of the lowest responsible bidder who is a
2 nonresident of this state.

(2) In awarding contracts for purchase of products,
materials, supplies, or equipment, such board, commission,
officer, or individual shall award the contract to any such
resident whose offered materials, supplies, or equipment are
manufactured or produced in this state by Montana industry
and labor and whose bid is not more than 3% higher than that
of the lowest responsible resident bidder whose offered
materials, supplies, or equipment are not so manufactured or
produced, provided that such products, materials, supplies,
and equipment are comparable in quality and performance.

(3) In awarding contracts for construction, repair,
and public works of all kinds, bids received from
nonresident bidders are subject to the same ^{3%} preference, ~~that~~
~~that applies to a Montana bidder in the award of public~~
~~contracts in the nonresident bidder's state of residence.~~

(4) This requirement shall prevail whether the law
requires advertisement for bids or does not require
advertisement for bids, and it shall apply to contracts
involving funds obtained from the federal government unless
expressly prohibited by the laws of the United States or
regulations adopted pursuant thereto."

NEW SECTION. Section 2. Extension of authority. Any
existing authority of the department of administration to

- 1 make rules on the subject of the provisions of this act is
- 2 extended to the provisions of this act.
- 3 NEW SECTION. Section 3. Effective date. This act is
- 4 effective on passage and approval.

-End-

Exhibit "C"
JB-210
2-6-85

STATE OF MONTANA

~~Department of Commerce~~

**Experience Questionnaire, Financial Statement
and Application for
Public Contractor's License, Class A**

NUMBER 5905

December 3, 19 84

TO: DEPARTMENT OF COMMERCE
ATTN: PUBLIC CONTRACTORS
1424 9TH AVENUE
HELENA, MT 59620

Gentlemen:

The applicant herein desires the issuance of one Class A License under the terms of Title 15, Chapter 50, Montana Code Annotated.

Name Applicant

Desires on License Fleet Construction, Inc.

Contractor's Federal Identification Number 81-0419230

If contractor has never had any employees and therefore not required to obtain a federal identification number, list social security number(s) of owner(s).

SIGN HERE 

Address:

31675 Frontage Rd.

Business Phone:

Bozeman, MT 59715

Area Code 406 587-8212

Helena, Montana, , 19 84

The within application has this day been approved and a Class License ordered issued to the within named applicant.

~~Department of Commerce~~

EXPERIENCE QUESTIONNAIRE

By Fleet Construction, Inc.

A Corporation ☐ A Corporation
☒ A Co-partnership
☐ An Individual

Principal Office 31675 Frontage Road - Bozeman, MT 59715

How many years has your organization been in business as a general contractor under your present business name 2

How many years' experience in new construction work has your organization had: (a) As a general contractor new as a sub-contractor new?

Projects your business has completed or were in progress during the five years preceding date of this application:

Amount Received	Date of Last Payment	Class of Work	Name and Address of Owner
\$ N/A			
\$			
\$			
\$			

Name and address of Surety Company executing bonds guaranteeing performances within two years last past

None

Amount of bonds \$ \$ \$ \$ \$

What is construction experience of the principal individuals of your organization?

Individual's Name	Present Position	Years Experience	Type of Work	In What Capacity
Sharon Shields	President	new		
Sharon Bilyeu	Vice President	new		
Sharon Bilyeu	Sec./Treas.	new		

If a Corporation, answer this:

Capital paid in cash, \$ 100% Cash & Cost Basis

When incorporated January 17, 1984

In what State Montana

President's name Sharon Shields

Vice President's name Sharon Bilyeu

Secretary's name Sharon Bilyeu

Treasurer's name Sharon Bilyeu

Is Corporation authorized to transact business in the State of Montana Yes

Give name and P. O. address of your Montana resident agent authorized to accept service of process

Sharon Shields
 31675 Frontage Road - Bozeman, MT 59715

If a Corporation incorporated in Montana, answer this:

Total No. of shares outstanding 50,000

Total No. of shares owned by residents of Montana 50,000

Total No. of Directors 2

Total No. of Directors who are residents of Montana 2

Total No. of shares owned by a foreign corporation none

Address of principal office 31675 Frontage Rd.
 Bozeman, MT 59715

Address of President 31675 Frontage Rd. - Bozeman

Address of Vice President 419 W. Harrison - Bozeman

Address of Secretary 419 W. Harrison - Bozeman, MT

Address of Treasurer 419 W. Harrison - Bozeman, MT

FINANCIAL STATEMENT

Close of Business December 31, 19.....

ASSETS

Cash.....\$ 1,000.00
 Notes Receivable.....
 Accounts Receivable.....
 Sums Earned on Uncompleted Contracts.....
 Deposits for Bids.....
 Interest Accrued on Loans, etc.....
 Real Estate.....
 Stocks and Bonds.....
 Materials in Stock.....
 Equipment.....
 Furniture and Fixtures.....
 Other Assets.....
 Total Assets.....\$ 1,000.00

LIABILITIES

Notes Payable.....\$
 Accounts Payable.....
 Real Estate Encumbrances.....
 Other Liabilities.....
 Reserves.....
 Capital Stock Paid Up.....1,000.00
 Surplus.....
 Total Liabilities and Capital.....\$ 1,000.00

EQUIPMENT

Quantity	Description and Capacity	Age of Items	Purchase Price	Depreciation Charged Off	Depreciated Value
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
	None		\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
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			\$	\$	\$
			\$	\$	\$

Are there any liens against the above? If so state total amount \$

If a Co-partnership, answer this:
 Date of organization.....
 State whether partnership is general, limited or association:
 Name and address(es) of partners for the last year:
 If an individual, answer this:
 Address(es) for the last year

Affidavit for Individual

STATE OF _____ }
COUNTY OF _____ } ss.

_____ being duly sworn, deposes and says that the foregoing financial statement, taken from his books, is a true and accurate statement of his financial condition as of the date thereof and that the answers to the foregoing interrogatories are true.

Sworn to before me this

_____ day of _____, 19_____

(Applicant must also sign here)

Notary Public.

Affidavit for Co-partnership

STATE OF _____ }
COUNTY OF _____ } ss.

_____ being duly sworn, deposes and says that they are members of the firm of _____; that they are familiar with the books of the said firm showing its financial condition; that the foregoing financial statement, taken from the books of the said firm, is a true and accurate statement of the financial condition of the said firm as of the date thereof and that the answers to the foregoing interrogatories are true.

Sworn to before me this

_____ day of _____, 19_____

(At least two members of firm must also sign here)

Notary Public.

Affidavit for Corporation

STATE OF MONTANA }
COUNTY OF Gallatin } ss.

Sharon D. Shields _____ being duly sworn, deposes and says that he is President of the Fleet Construction, Inc. _____ the corporation described in and which executed the foregoing statement; that he is familiar with the books of the said corporation showing its financial condition; that the foregoing financial statement, taken from the books of the said corporation, is a true and accurate statement of the financial condition of said corporation as of the date thereof and that the answers to the foregoing interrogatories are true.

Sworn to before me this

_____ day of _____, 19_____

(Officer must also sign here)

Notary Public.

COMMERCE
DEPARTMENT OF [REDACTED] — STATE OF MONTANA

34537

PUBLIC CONTRACTORS LICENSE NO. 5905A

RENEWAL CERTIFICATE FEE \$ 125.00

This is to certify that the contractor listed below having made application, paid the statutory fee, and furnished qualifying and financial statements as provided by law is hereby granted a renewal of license to engage in the business of public contracting in the State of Montana subject to terms and conditions set forth on the original license.

THIS RENEWAL CERTIFICATE
ISSUED PURSUANT TO THE
PROVISIONS OF TITLE 15,
CHAPTER 50, M.C.A.
EXPIRES

DECEMBER 31, 1985



Fleet Construction, Inc.
31675 Frontage Road
Bozeman, MT 59715



ATTEST:

Brandon B. Hachel

ATTORNEY

DATED AT HELENA, MONTANA Jan. 1, 1985
DEPARTMENT OF [REDACTED] COMMERCE

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Exhibit "D"
SB-210
2-6-85

NAME Bill Morton BILL NO. SB #210

ADDRESS Box 666 Great Falls, Mt 59403 DATE 2-6-85

WHOM DO YOU REPRESENT Montana Painters District Council #59

SUPPORT X OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Mr. Chairman, members of the committee:

Montana Painters District Council #59 rises in support of this bill because we feel that this bill will give the state of Montana and it's people a better construction industry.

We feel that the "Board of Public Contractors" with a member from the different facets of the construction industry as well as two members from the public, is a good cross-section of our industry which also includes the public. Because of the structure of this Board we feel that it should be able to make sound, intelligent decisions, creating continuity within the industry and the state.

We feel that this bill will not only protect the state but will also protect the contractor, the sub-contractor and the working men and women within the various crafts in the state of Montana.

We also feel that this bill will promote more pride and better craftsmanship and a better working relationship between the contractor, the state and organized labor.

Therefore, Montana Painters District Council #59 supports SB #~~59~~ 210

We would like to see this bill include the private sector.

Thank-you.