

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 25, 1985

The forty-fifth meeting of the Business & Industry Committee met on Monday, March 25th in Room 410 of the Capitol Building at 10 a.m. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL 901: Representative Dave Brown, House District #72, Butte, is the chief sponsor of this bill. He explained that this bill was drafted because of a problem that had arisen at the MHD facility in Butte. He noted the original bill applied retroactively. The federal government argues that the state does not have the ability to collect the 1% contractor's tax on federal research facilities. Now the state is saying that someone owes some money. The bill was amended in the House to take out the retroactive portion. He noted the original intent of the law was to give the state some additional protection for payment of taxes owed and if these were not paid they could then be held out against the contractor's license. There is a special exemption for federal projects such as highways and Rep. Brown explained he is requesting this same sort of exemption for research projects such as MHD in Butte. He noted there might be a possible expansion of the MHD possibly at the Bird Plant or the Corrette Plant. He distributed a fact sheet to committee members. (EXHIBIT 1) He felt if this measure were to pass it might just be an added incentive to entice bigger projects into the state.

PROPOSERS: Jack Sherick, President of MSE, operator and manager of the MHD plant in Butte, stated this is the only facility of this type in the state currently. If a larger plant were to be constructed it would have to be located near a large power plant. If such plans were to develop, it would be quite a tax incentive to the state and he felt this would far outweigh the 1% tax and might give the state the edge for consideration if this were to pass.

OPPOSERS: There were none.

Questions were then called for. Senator Williams asked Jack Sherick to give a brief explanation of what has been done with the plant in Butte in recent years. Jack Sherick noted that they are seeking to eventually take their research to larger facilities for application in large power plants. The advantage would be a more efficient, economical way to produce power from coal. Senator Weeding asked if it would still be considered a federal research facility if they get into retrofit. Jack Sherick felt that it would. When asked about the larger facility possibly being located in Billings, Rep. Brown stated that they usually require a 50/50 cost share from private industry

and this is what Montana Power is working on presently. Senator Williams asked if they were still working with the Soviet Union on projects such as this and he stated they were not, but if there were to be areas of cooperation between the two nations, the scientific areas would be the first to be considered.

Senator Gage asked if the 1% tax was applied against the total construction cost and was not an additional tax. In closing, Rep. Brown stated this type of legislation could help attract federal research dollars and urged support of the bill.

DISPOSITION OF HOUSE BILL 901: Senator Williams MOVED THAT HOUSE BILL 901 BE CONCURRED IN. The motion carried. Senator Gage will carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 880: Representative Bob Pavlovich, House District #70 of Butte, is the chief sponsor of this bill. He explained that two bills were originally introduced in the House and after the hearing was held they broke the bills out into three to make each issue clear. Representative Fred Thomas House District #62 is carrying House Bill 880.

PROPOSERS: Representative Fred Thomas, House District #62, explained this bill is an act requiring insurance of suppliers, installers and maintenance people who install fire alarms, security alarms, and fire suppression equipment. It would specify a limit of \$100,000 liability insurance be carried.

Bob Kelly, State Fire Marshall, stated the legislative audit committee recommended some changes be made and later this was split into three bills. He urged support.

Mike Walker, representing the State Fire Marshall's Advisory Board, stated this brings into focus problems they have had in their industry. There have been problems with integrity and enforcement of the code process involving fire alarms. He felt these bills would offer consumer protection.

Lyle Nagel, representing the Volunteer Firemen's Association, expressed support for the legislation.

OPPONENTS: A letter in opposition was submitted by George Allen, from the Montana Retail Association. (EXHIBIT 2)

Questions were then called for. Senator Williams asked Representative Thomas if a fire should occur because of a faulty fire alarm who would be responsible. Rep. Thomas felt with the liability insurance that if the equipment was found to be at fault then they would have to pay for the damages up to \$100,000 per incident. Senator Boylan felt this was a back door approach to do business. Senator Kolstad wondered if everyone would have to have liability insurance including salespeople from places such as Radio Shack. Rep. Thomas felt if they were employed by Radio Shack that their insurance would cover them.

Senator Gage stated they had sold fire alarms as a civic project

and wondered if organizations would also have to be insured. Rep. Thomas felt that they would. Bob Kelly then stated that HB 895 contains a definition of fire alarm systems and felt that it was not the individual alarms that were intended in the bill but complete alarm systems. Senator Halligan noted there was a specific exclusion in House Bill 895.

Senator Fuller wondered how much liability insurance would cost and Rep. Thomas felt it was covered in homeowners insurance but it could cost possibly \$100 to add to a base policy or possibly \$500 for just liability insurance.

Mike Walker felt this measure would just restrict what is sold on the marketplace so they would have to be underwriter approved and also be approved by the fire marshall.

Senator Goodover wondered if this could lead to a possible expansion of requiring insurance to install other types of equipment in the home also such as telephone systems or most anything in the home. He did not see the urgent need for this type of legislation at this time. Mike Walker stated that a performance audit they conducted showed this area needed improvement.

The licensing should be done by the Department of Commerce and be transferred from the fire marshall's office the advisory board felt. Mike Walker also noted that there has been some criticism of the industry on the type of equipment being installed in recent years. Senator Goodover noted that none of these people were present to testify on their behalf.

Representative Thomas then closed the hearing on House Bill 880.

CONSIDERATION OF HOUSE BILL 877: Representative Bob Pavlovich, House District #70, Butte, is the sponsor of House Bill 877. This is an act which requires the approval of fire alarms and fire suppression equipment by the fire marshall before being sold on the marketplace.

PROPONENTS: Representative Bill Glaser, House District #98 of Yellowstone County, explained this bill would give the fire marshall authority to reject some equipment that is now being sold. It would also require listing by underwriters lab the equipment that is sold.

Bob Kelly, State Fire Marshall, stated they are in support of this legislation.

Mike Walker, with the Montana Fire Marshall's Advisory Board, also supported the measure.

Lyle Nagel, with the Volunteer Firemen's Association expressed support also.

OPPONENTS: There were none.

Questions were then called for. Senator Williams asked if the equipment that had already been sold would be grandfathered in. Rep. Glaser noted that most of that equipment had underwriter approval but there are some that had never been approved of and these he felt the fire marshall should be able to approve of. He noted there were three underwriting labs recognized in the bill and these plus the fire marshall's approval would be adequate protection for the consumer.

Bob Kelly felt there is a rule in existence but that he felt statute protection would be much better. Senator Fuller wondered if this was just an expansion of authority to include nonapproved areas. He wondered too if these inspections could be handled by the existing staff. Bob Kelly felt they would need no additional FTE however.

Senator Fuller wondered if the building codes would be responsible for these kinds of safety codes. Rep. Glaser noted this is a very complex maze and that usually these types of equipment are not covered by code but by a group of underwriting lab insurance people instead.

Rep. Palvolich then closed the hearing on House Bill 877.

CONSIDERATION OF HOUSE BILL 895: Representative Bob Pavlovich, House District #70 of Butte, explained this bill just creates a board of fire alarms, security alarms, and fire suppression equipment installers and maintenance people, defines their duties and powers, transfers to the board the responsibility of the state fire marshall to license persons engaged in the installation or maintenance of fire alarms, security alarms, or fire suppression equipment.

PROPOSERS: Representative Bill Glaser, House District #98, of Yellowstone County, explained that those inside the industry know more about the business than those outside the industry. He noted there is some dissension within the industry itself at the present time. He cited examples of many buildings around the state that have faulty equipment which was installed incorrectly and how very dangerous this is. He felt this was just an attempt to clean up their industry and to have a board of their own peers.

Mike Walker, representing the Montana Fire Marshall's Advisory Council, cited examples of the many false alarms they had to respond to at the Cascade County Jail last year. He felt there is often no recourse for those who have purchased faulty equipment and this would be some protection for the consumer.

Bob Kelly, State Fire Marshall, explained this bill would delete the requirement to have permits for selling and make the installer and maintenance people have a license instead. He noted that the state does not license electrical shops but they do license electricians.

Lyle Nagel, representing the Volunteer Firemen's Association, noted that some equipment located in the state is not purchased but leased instead. This leased equipment is supposed to be inspected every six months and some has not been. He feels this legislation would force these people to comply.

OPPONENTS: Sam Hubbard, Deputy Director of the Department of Commerce, stated they have a concern about the transferring of licensing to their division. They feel this is a complicated area and should remain with the fire marshal's department in the justice department.

Questions were then called for. Senator Christiaens questioned the makeup of the board. He felt there were some who would be eligible for compensation and some who would not. He also wondered what type of exams would be required for licensing. Bob Kelly noted there are written exams for the different areas. They recognize journeyman just as plumbers and electricians do. Those who install kitchen equipment and have training from a factory receive certification and they would recognize this also. Bob Kelly felt they would be licensing approximately 200 to 225 people.

Representative Glaser was asked the definition of a wanton act. He stated this wording was inserted to prevent abuse of authority in the industry. This is an act which was purposely done and the person knew that it was incorrect while doing so. Mike Walker noted this term is used in arson investigations all the time. Senator Fuller asked if the attorney general approved of this legislation and was told that he did.

Keith Colbo, from the Department of Commerce, stated there might be some problems with the fiscal note that had been prepared. He felt without additional funds their department would not be able to handle this responsibility. The committee was told it would cost approximately \$200 per year for a license.

Senator Fuller wondered if an apprenticeship program was being set up and Rep. Glaser felt there were not enough people involved to involve such a process.

Senator Gage felt security systems had not been included in the bill. He wondered if these would also have to be trained. Mike Walker stated this is dealing primarily with life safety issues. Senator Gage also wondered if this would increase the workload for the fire marshall and if they could implement this with the present staff. Bob Kelly felt it would not increase their FTE.

Rep. Glaser felt if there was abuse then the board would have the authority to take a license away. He noted there is no one inspecting the alarms systems presently. Bob Kelly noted they do not become involved unless local jurisdiction asks them to.

Senator Thayer was concerned about the transfer to the Department of Commerce. He felt additional staff would be needed. He felt the advisory board has the expertise already needed and did not see the need for a new board to be created. Mike Walker noted there is no one from private industry on this board however. Rep. Glaser felt they could possibly add a person from private industry to the board.

Senator Boylan wondered how many boards there are presently in the state and was told by Shirley Miller, from the Professional Licensing Bureau, there were 30 presently.

Senator Weeding asked Bob Kelly if the work that is being done now according to rules would be handled any better by statute. Bob Kelly felt it would just be an extension of those who would have insurance. He felt the Department of Commerce had more expertise in the licensing area.

Representative Glaser stated in closing that it would just allow the industry to police themselves and pay for the policing of what is being done in the fire marshall's office now. The hearing on House Bill 895 was closed.

DISPOSITION OF HOUSE BILL 460: Senator Halligan noted this bill was referred back to committee because of an omission dealing with the special revenue fund language. Senator Gage then made a MOTION TO RECONSIDER THE COMMITTEE'S ACTION on HOUSE BILL 460. This motion carried.

Senator Gage then MOVED TO ADOPT THE AMENDMENTS PROPOSED FOR HOUSE BILL 460 TO INDICATE THAT THE FEES WOULD BE PUT IN A SPECIAL REVENUE FUND ON ALL THE FINANCIAL INSTITUTIONS INVOLVED. (EXHIBIT 3)

Senator Goodover wondered if the bankers who first supported this bill would still approve. Fred Napier, of the Department of Commerce stated the bankers had first opposed the bill but they wanted the special revenue fund back in place. The motion carried.

Senator Christiaens then MOVED THAT HOUSE BILL 460 BE CONCURRED IN AS AMENDED. The motion carried. Senator Gage will carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 571: Senator Christiaens wondered if any research had been done that would combine social workers with counselors. Mary McCue, Legislative Staff Attorney, explained that combining the two boards would create a nine member board. This had been included in the amendments. (EXHIBIT 4) Senator Christiaens felt there were some who could serve the

same position and be included under both licensing schemes. Mary McCue felt the only person not duplicated would be the person from the general public. Senator Christiaens felt more research should be done before final consideration is done. Mary noted the amendments had been prepared with the assistance of Ted Doney, Lobbyist for the Professional Counselors. Senator Fuller felt the committee should decide on a seven person board also.

DISPOSITION OF HOUSE BILL 877: Senator Fuller was concerned that expansion of this legislation would include all kinds of smoke alarm systems having to be processed and it would greatly increase the workload. Senator Boylan then MOVED THAT HOUSE BILL 877 NOT BE CONCURRED IN. Senator Christiaens then made a substitute motion THAT HOUSE BILL 877 BE TABLED. This motion carried with Senator Neuman voting "no".

FURTHER CONSIDERATION OF HOUSE BILL 707: This bill had passed out of the committee with an amendment concerning the boundary line being the outside two feet from a building. There was now discussion of making this the first connection outside of the building. Senator Goodover wondered where the shutoff valve is usually located and was told at the property line usually. It was felt this was a jurisdictional dispute between the plumbers and the laborers. It was decided to leave the bill in its present status and if amending needs to be done it can be done on the Senate floor.

The meeting was adjourned at 12:05 p.m.


SENATOR MIKE HALLIGAN, Chairman

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ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3-25-85

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

"A BILL TO EXEMPT PUBLIC CONTRACTORS FROM ADDITIONAL LICENSE FEES" WHEN WORKING ON FEDERAL RESEARCH PROJECTS.

- I. THIS IS A BILL ABOUT CREATING AND MAINTAINING JOBS. IT IS NOT A BILL ABOUT REVENUE.
- II. THE STATE, COUNTIES, AND CITIES REQUIRE PUBLIC CONTRACTORS TO BE LICENSED FOR THEIR PROTECTION; THE FEDERAL GOVERNMENT DOES NOT REQUIRE THIS PROTECTION.
- III. THE STATE, COUNTIES, AND CITIES ARE SPENDING THEIR MONEY. THEREFORE, AN ADDITIONAL LICENSE FEE IS HELD BY THE STATE TO ENSURE THE PAYMENT OF PERSONAL PROPERTY TAXES, ETC. BY THE PUBLIC CONTRACTOR DOING THE PROJECT. THE CONTRACTOR IS THEN ALLOWED CREDIT AGAINST THE MONEY HELD FOR THE OTHER TAXES THEY PAY. IT SHOULD COME OUT AT ABOUT A WASH.
- IV. WHETHER OR NOT THE ADDITIONAL LICENSE FEE IS WITHHELD, THE PUBLIC CONTRACTOR IS STILL OBLIGATED TO PAY HIS PERSONAL PROPERTY AND OTHER TAXES BASED ON THE SAME FORMULA AS ALL OTHER CONTRACTORS.
- V. THE FEDERAL GOVERNMENT WHEN SPENDING ITS MONEY ON PROJECTS IN OUR STATE, COULD CHOOSE TO SPEND THAT MONEY IN ANY STATE. THEY MAY WELL CHOOSE TO FINANCE PROJECTS IN OTHER STATES IF 1% OF THE COST OF THE PROJECT IS WITHHELD.
- VI. THE REAL LOSS IS IN THE FORM OF JOBS AND TAXES IF A FEDERAL RESEARCH PROJECT IS LOCATED IN ANOTHER STATE.



Executive Office
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34 West Sixth
Helena, MT 59624
Phone (406) 442-3388

EXHIBIT 2
BUSINESS & INDUSTRY
March 25, 1985

March 21, 1985

Senator Mike Halligan, Chairman
Senate Business and Industry
Capitol Station
Helena, Montana 59620

Dear Senator Halligan,

Due to a conflict of time schedule on my part, I will be unable to attend your hearing on Monday where you will hear HB 880.

Senator Halligan, I would very much appreciate if you would have my attached testimony distributed to the members of the committee and entered as part of the testimony for that day.

Thank you for this consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "George Allen". The signature is written in a cursive, flowing style.

George Allen
Executive Vice President
Montana Retail Association

GA/ch
enclosure



Executive Office
P.O. Box 440
34 West Sixth
Helena, MT 59624
Phone (406) 442-3388

TESTIMONY
HB 880

Mr. Chairman and Members of the Committee:

For the record, my name is George Allen representing the Montana Retail Association. I am here in strong opposition to HB 880.

We are opposed to the entire bill of HB 880, but we are especially concerned about section 1, which would require anyone selling a fire alarm system to carry liability insurance.

I would like to share with you an example of what this bill would require. Recently the fireman of the Helena Fire Department took on a project to sell home fire alarms for a very reasonable price and they were very successful. If this bill was enforced, each one of the fireman would be required to carry liability insurance. Let's use another example with a store like Radio Shack. Would this require each store to carry liability insurance on that one particular product? Would it require each salesman in that store to carry liability insurance? What about the home selling people, like Amway, for example, where they have hundreds of salespersons around the state? Would each person be required to carry liability insurance, or could the company carry a blanket insurance for all of their salesman?

Mr. Chairman, in our opinion, HB 880 causes more problems than it solves. We therefore strongly recommend that this bill be killed.

Respectfully,

A handwritten signature in black ink, appearing to read "George Allen".

George Allen
Executive Vice President
Montana Retail Association

Proposed amendments to HB 460, third reading, blue copy

1. Title, line 10.
Following: "31-1-221,"
Insert: "31-1-221,"

2. Title, line 11.
Following: "32-2-102,"
Insert: "32-1-215, 32-2-102,"
Following: "32-5-201,"
Insert: "32-3-201, 32-5-201,"

3. Page 2, line 25.
Following: line 24
Insert: "Section 2. Section 32-1-215, MCA, is amended to read:

"32-1-215. Special examinations and fees. Special examinations may be made of a bank, trust company, investment company, building and loan association, or credit union when in the judgment of the department it is considered necessary, and the special examination shall be charged for at the rate of \$100 a day for each person engaged in the examination. All special examination fees or charges shall be paid at the conclusion of the examination, and the moneys collected by the department shall be paid to the state treasurer for the credit of the-general-fund the state special revenue fund for the use of the department in its examination function."

4. Page 3, line 7.

Following: line 6

Insert: "Section 3. Section 32-2-102, MCA, is amended to read:

"32-2-102. Fees paid into state treasury. All fees provided for in this chapter and paid to the department or secretary of state shall be by them turned in to the state treasury for the credit of ~~the-general-fund-of the--state-of-Montana~~ the state special revenue fund for the use of the department in its examination function."

Renumber: subsequent section

5. Page 4, following line 25.

Insert: "Section 5. Section 32-3-201, MCA, is amended to read:

"32-3-201. Director of the department of commerce. (1) The director shall administer the laws of this state relating to credit unions. He may appoint or employ such special assistants, deputies, examiners, or other employees as are necessary for the purpose of administering or enforcing this chapter.

(2) The director may prescribe rules for the administration of this chapter and may establish chartering, supervisory, and examination fees. Fees so collected must be deposited in the state special revenue fund for the use of the department in its supervision function.

(3) The director shall, from time to time, issue rules prescribing the minimum amount of surety bond coverage and casualty, liability, and fire insurance required of credit unions in relation to their assets or to the money and other personal property involved or their exposure to risk."

6. Page 6, line 22.

Following: line 21

Insert: "Section 6. Section 32-5-201, MCA, is amended to read:

"32-5-201. License application and fees -- supplementary license. (1) (a) A place of business operated under this chapter shall properly display on the premises a nontransferable and nonassignable license. The same person may obtain additional licenses upon compliance with this chapter as to each license.

(b) Application for a license shall be on a form prescribed and furnished by the department.

(c) A licensee may move his place of business from one place to another within a county without obtaining a new license, provided he obtains written permission from the department.

(d) With each application the applicant shall submit \$50 as an investigation fee and \$125 as a license fee. The license fee shall be returned to the applicant if the application is denied. The license year is the calendar year, and the license fee for any period less than 6 months is \$62.50. A license remains in force until surrendered, suspended, or revoked.

(2) No licensee under the provisions of this chapter shall lend money in a total sum greater than \$1,000 to any borrower or to any borrower and spouse except under the following circumstances:

(a) When any person holding a license provided for in subsection (1) desires to make loans for any amount in excess of \$1,000, the holder of such license may apply to the department for a supplementary license and pay therefor an additional license fee of \$75 per calendar year or one-half of said sum for any period less than 6 months.

(b) The department shall grant, on application, a supplementary license to a holder of a license provided for in subsection (1).

(c) Section 32-5-204 shall be applicable as to time of payment of supplementary license fee and penalty for failure to pay the same.

(d) Provisions of 32-5-301 relating to refunds, fees, and charges and the other provisions of this chapter not inconsistent with this section shall be applicable to loans made under authority of a supplementary license.

(3) All moneys collected under the authority of this chapter shall be paid ~~into the state treasury~~ by the department into the state special revenue fund for the use of the department in its supervision function.

(4) The amount of \$1,000 in subsection (2) is subject to change pursuant to the provisions of 32-5-104."

Renumber: subsequent sections

7. Page 9, line 6.

Following: line 5

Insert: Section 8. Section 31-1-221, MCA, is amended to read:

"31-1-221. Licensing of sales finance companies required. (1) No person shall engage in the business of a sales finance company in this state without a license therefor as provided in this part, except that no bank, trust company, or savings and loan association authorized to do business in this state shall be required to obtain a license under this part but shall comply with all of the other provisions of this part.

(2) The application for such license shall be in writing, under oath, and in the form prescribed by the department. The application shall contain:

- (a) the name of the applicant;
- (b) date of incorporation, if incorporated;
- (c) the address where the business is or is to be conducted and similar information as to any branch office of the applicant;
- (d) the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees, and principal officers; and
- (e) such other pertinent information as the department may require.

(3) The license fee for each calendar year or part thereof shall be the sum of \$100 for each place of business of the licensee in this state.

(4) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the department shall endorse the change of location of the license without charge.

(5) Upon the filing of such application and the payment of said fee, the department shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of this part for a period which shall expire December 31 next following the date of its issuance. Such license shall not be transferable or assignable. No licensee shall transact any business provided for by this part under any other name.

(6) Fees collected under this chapter shall be deposited in the state special revenue fund for the use of the department in its supervision function."

Renumber: subsequent sections

Proposed amendments to HB 460, third reading, blue copy

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"32-5-201. License application and fees -- supplementary license. (1) (a) A place of business operated under this chapter shall properly display on the premises a nontransferable and nonassignable license. The same person may obtain additional licenses upon compliance with this chapter as to each license.

(b) Application for a license shall be on a form prescribed and furnished by the department.

(c) A licensee may move his place of business from one place to another within a county without obtaining a new license, provided he obtains written permission from the department.

(d) With each application the applicant shall submit \$50 as an investigation fee and \$125 as a license fee. The license fee shall be returned to the applicant if the application is denied. The license year is the calendar year, and the license fee for any period less than 6 months is \$62.50. A license remains in force until surrendered, suspended, or revoked.

(2) No licensee under the provisions of this chapter shall lend money in a total sum greater than \$1,000 to any borrower or to any borrower and spouse except under the following circumstances:

(a) When any person holding a license provided for in subsection (1) desires to make loans for any amount in excess of \$1,000, the holder of such license may apply to the department for a supplementary license and pay therefor an additional license fee of \$75 per calendar year or one-half of said sum for any period less than 6 months.

(b) The department shall grant, on application, a supplementary license to a holder of a license provided for in subsection (1).

(c) Section 32-5-204 shall be applicable as to time of payment of supplementary license fee and penalty for failure to pay the same.

(d) Provisions of 32-5-301 relating to refunds, fees, and charges and the other provisions of this chapter not inconsistent with this section shall be applicable to loans made under authority of a supplementary license.

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(4) The amount of \$1,000 in subsection (2) is subject to change pursuant to the provisions of 32-5-104.""

Renumber: subsequent sections

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(2) The application for such license shall be in writing, under oath, and in the form prescribed by the department. The application shall contain:

(a) the name of the applicant;

(b) date of incorporation, if incorporated;

(c) the address where the business is or is to be conducted and similar information as to any branch office of the applicant;

(d) the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees, and principal officers; and

(e) such other pertinent information as the department may require.

(3) The license fee for each calendar year or part thereof shall be the sum of \$100 for each place of business of the licensee in this state.

(4) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the department shall endorse the change of location of the license without charge.

(5) Upon the filing of such application and the payment of said fee, the department shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of this part for a period which shall expire December 31 next following the date of its issuance. Such license shall not be transferable or assignable. No licensee shall transact any business provided for by this part under any other name.

(6) Fees collected under this chapter shall be deposited in the state special revenue fund for the use of the department in its supervision function."

Renumber: subsequent sections

STANDING COMMITTEE REPORT

MARCH 25

19 85

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

having had under consideration..... HOUSE BILL No. 901

third reading copy (blue)
color

EXEMPTS CONTRACTORS WHO WORK ON FEDERAL FACILITIES FROM ADD'L
LICENSE TAX (Gage)

Respectfully report as follows: That..... HOUSE BILL No. 901

BE CONCURRED IN

~~DO NOT~~

~~DO NOT~~

Sen. Mike Halligan

Chairman.

STANDING COMMITTEE REPORT

Page 1 of 4

MARCH 25

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MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

having had under consideration..... HOUSE BILL No. 460

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FEES TO COVER COSTS OF EXAMINING STATE FINANCIAL INSTITUTIONS (Gage)

Respectfully report as follows: That..... HOUSE BILL 460
be amended as follows: No.....

1. Title, line 10.
Following: "31-1-224,"
Insert: "31-1-221,"

2. Title, line 11.
Following: "32-2-102,"
Insert: "32-1-215, 32-2-102,"
Following: "32-5-201,"
Insert: "32-3-201, 32-5-201,"

3. Page 2, line 25.
Following: line 24
Insert: "Section 2. Section 32-1-215, MCA, is amended to read:

"32-1-215. Special examinations and fees. Special examinations may be made of a bank, trust company, investment company, building and loan association, or credit union when in the judgment of the department it is considered necessary, and the special examination shall be charged for at the rate of \$100 a day for each person engaged in the examination. All special examination fees or charges shall be paid at the conclusion of the examination, and the moneys collected by the department shall be paid to the state treasurer for the credit of the-general-fund the state special revenue fund for the use of the department in its examination function."

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4. Page 3, line 7.

Following: line 6

Insert: "Section 3. Section 32-2-102, MCA, is amended to read:

"32-2-102. Fees paid into state treasury. All fees provided for in this chapter and paid to the department or secretary of state shall be by them turned in to the state treasury for the credit of the-general-fund-of the--state-of-Montana the state special revenue fund for the use of the department in its examination function."

Renumber: subsequent section

5. Page 4, following line 25.

Insert: "Section 5. Section 32-3-201, MCA, is amended to read:

"32-3-201. Director of the department of commerce. (1) The director shall administer the laws of this state relating to credit unions. He may appoint or employ such special assistants, deputies, examiners, or other employees as are necessary for the purpose of administering or enforcing this chapter.

(2) The director may prescribe rules for the administration of this chapter and may establish chartering, supervisory, and examination fees. Fees so collected must be deposited in the state special revenue fund for the use of the department in its supervision function.

(3) The director shall, from time to time, issue rules prescribing the minimum amount of surety bond coverage and casualty, liability, and fire insurance required of credit unions in relation to their assets or to the money and other personal property involved or their exposure to risk."

6. Page 5, line 22.

Following: line 21

Insert: "Section 6. Section 32-5-201, MCA, is amended to read:

"32-5-201. License application and fees -- supplementary license. (1) (a) A place of business operated under this chapter shall properly display on the premises a nontransferable and nonassignable license. The same person may obtain additional licenses upon compliance with this chapter as to each license.

(continued)

(b) Application for a license shall be on a form prescribed and furnished by the department.

(c) A licensee may move his place of business from one place to another within a county without obtaining a new license, provided he obtains written permission from the department.

(d) With each application the applicant shall submit \$50 as an investigation fee and \$125 as a license fee. The license fee shall be returned to the applicant if the application is denied. The license year is the calendar year, and the license fee for any period less than 6 months is \$62.50. A license remains in force until surrendered, suspended, or revoked.

(2) No licensee under the provisions of this chapter shall lend money in a total sum greater than \$1,000 to any borrower or to any borrower and spouse except under the following circumstances:

(a) When any person holding a license provided for in subsection (1) desires to make loans for any amount in excess of \$1,000, the holder of such license may apply to the department for a supplementary license and pay therefor an additional license fee of \$75 per calendar year or one-half of said sum for any period less than 6 months.

(b) The department shall grant, on application, a supplementary license to a holder of a license provided for in subsection (1).

(c) Section 32-5-204 shall be applicable as to time of payment of supplementary license fee and penalty for failure to pay the same.

(d) Provisions of 32-5-301 relating to refunds, fees, and charges and the other provisions of this chapter not inconsistent with this section shall be applicable to loans made under authority of a supplementary license.

(3) All moneys collected under the authority of this chapter shall be paid into the state treasury by the department into the state special revenue fund for the use of the department in its supervision function.

(4) The amount of \$1,000 in subsection (2) is subject to change pursuant to the provisions of 32-5-104."

Repealer: subsequent sections

(continued)

7. Page 9, line 6.

Following: line 5

Insert: Section 8. Section 31-1-221, MCA, is amended to read:

"31-1-221. Licensing of sales finance companies required. (1) No person shall engage in the business of a sales finance company in this state without a license therefor as provided in this part, except that no bank, trust company, or savings and loan association authorized to do business in this state shall be required to obtain a license under this part but shall comply with all of the other provisions of this part.

(2) The application for such license shall be in writing, under oath, and in the form prescribed by the department. The application shall contain:

- (a) the name of the applicant;
- (b) date of incorporation, if incorporated;
- (c) the address where the business is or is to be conducted and similar information as to any branch office of the applicant;
- (d) the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees, and principal officers; and
- (e) such other pertinent information as the department may require.

(3) The license fee for each calendar year or part thereof shall be the sum of \$100 for each place of business of the licensee in this state.

(4) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the department shall endorse the change of location of the license without charge.

(5) Upon the filing of such application and the payment of said fee, the department shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of this part for a period which shall expire December 31 next following the date of its issuance. Such license shall not be transferable or assignable. No licensee shall transact any business provided for by this part under any other name.

(6) Fees collected under this chapter shall be deposited in the state special revenue fund for the use of the department in its supervision function."

ReNUMBER: subsequent sections

AND AS AMENDED
BE CONCURRED IN

.....
Sen. Mike Halligan