

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
50TH LEGISLATIVE SESSION

February 2, 1987

The meeting of the Business and Labor Committee was called to order by Chairman Les Kitselman on February 2, 1987 at 8:00 a.m. in Room 312-F of the State Capitol.

ROLL CALL: All members were present.

HOUSE BILL NO. 363 - Foreign Insurers Privilege, sponsored by Rep. Robert Hoffman, House District No. 74, Sheridan. Rep. Hoffman stated that this bill provides that foreign insurers be given the same privileges as domestic insurers. He also submitted amendments as proposed by the Montana Insurance Department. Exhibit No. 1.

PROPOSERS

None.

OPPOSERS

None.

QUESTIONS

None.

CLOSING

Rep. Hoffman made no further comments.

HOUSE BILL NO. 372 - Increase Fees Collected by Insurance Commissioner, sponsored by Rep. Ron Miller, House District No. 34, Great Falls. Rep. Miller stated that the Montana Insurance Department conducted a survey of insurance fees charged by Idaho, North Dakota, South Dakota, Wyoming, and Utah and found that in comparison to fees charged by those neighboring states, Montana insurance fees were low. He said the purpose of this bill is to bring the fees charged to insurance companies and agents by the Montana Insurance Department in line with the fees charged by the insurance departments of neighboring states. He added that the Montana Insurance Department is understaffed and underfunded and is unable to enforce the insurance laws as adequately as it should. He commented that this bill would allow that the state of Montana receive the same amount of money that neighboring states receive for performing the same functions

and provide additional revenue which the legislature can use to fund adequate regulation of insurance. Exhibit No. 2.

PROPONENTS

Kathy Irigoin, State Auditor's Office. Ms. Irigoin stated that the main reasons for this bill are to provide more revenue to adequately fund the Insurance Department and to bring the insurance fees that the Insurance Department charges in line with those charges levied by neighboring states.

Bonnie Tippy, representing the Alliance of American Insurers and the Montana Association of Life Underwriters. Ms. Tippy stated most of the clients she represents support an adequately staffed and funded Insurance Department and support the increased fees and appropriation. She said they feel that the licensing and other fees provided for in the bill should go toward the regulation of the industry and not toward general government, but if the additional fees go to the earmarked revenue fund and then revert back in a year to the general fund, they would have to oppose the increased fees. She said an amendment should be placed on the bill to provide for fees commensurate with cost.

Roger McGlenn, Executive Director of the Independent Insurance Agents Association of Montana. Mr. McGlenn stated they would support this bill if these funds were appropriated to adequately staff and fund the Insurance Department, but if this is simply a revenue increasing measure, then they would oppose this as unnecessary taxation on insurance agents and companies.

OPPONENTS

None.

QUESTIONS

Rep. Bachini asked Ms. Irigoin if the reason for the bill is to bring the fees charged in this state more in line with those charged in other states. Ms. Irigoin responded there were basically two reasons for this bill, one is to bring them more in line with the fees charged in other states, and to provide the additional revenue that can be appropriated to the Insurance Department so it can be more adequately funded and staffed.

Rep. Bachini asked Ms. Irigoin if the increase of \$117,000, as stated in the fiscal note, is what would be needed to adequately take care of the problems. Ms. Irigoin stated that the modified budget request her office made to the

legislature was about \$100,000, and this would be in the direction of funding them adequately.

Rep. Bachini asked if the fees that were previously charged were not taking care of the various costs of administering. Ms. Irigoin responded that the present fees generated in 1985 brought in \$1.2 million dollars, and out of that, the legislature appropriated approximately \$700,000 with \$500,000 reverted to the general fund.

Rep. Simon asked if it takes \$15.00 to annually renew a license, or does it take \$5.00 of the actual cost in the Commissioner's office. Ms. Irigoin responded that they decided on this increase after surveying what neighboring states did. She said the other states did not necessarily charge \$15.00 to renew a fee, some charged more, but after surveying their own office they decided that it does take \$15.00 in cost to do each renewal.

Rep. Pavlovich asked Ms. Irigoin how many people were they planning to add with this money. Ms. Irigoin responded that their modified budget asked for 11 additional people, but the amount of money that this bill would generate wouldn't be adequate to cover the 11 so they would have to reduce the amount of people they had originally requested.

Rep. Swysgood asked if currently these fees are generating \$1.2 million, and the appropriations were \$700,000 with \$500,000 reverting to the general fund, why can't they ask appropriations to give them more of that \$500,000. Ms. Irigoin responded that their office has been before the appropriation subcommittees already this session to request the money be appropriated but part of the problem is that the \$500,000 that reverted to the general fund has been appropriated to another agency and the appropriation subcommittee is hesitant to take that money away and give it back.

Rep. Swysgood asked if this bill generates the \$100,000 as the fiscal note states, the way this bill is structured, there is no guarantee they would get that money. Ms. Irigoin responded that was correct.

CLOSING

Rep. Miller stated that he did not think the fees were out of line, and in response to Rep. Swysgood's statement, this applies to the same situation in the Department of Commerce. He said they have about 25 or 30 licensing departments. Those licensing departments, which are similar to this, build a special account of money that stays there, and the money they generate goes into the general fund as well.

Chairman Kitselman stated that he is referring this bill to a subcommittee composed of Rep. Brandewie, Rep. Grinde, and Rep. Bachini, with Rep. Brandewie as chairman.

HOUSE BILL NO. 373 - Claim Load to Determine Staffing for Workers Compensation Division, sponsored by Rep. Paula Darko, House District No. 2, Libby. Rep. Darko stated that this bill provides that when the open file claims at the Workers Compensation Division go over a certain number they have to hire more staff. She stated the Division conferred with the Governor's Budget Office and the Governor's Office, and the Governor and the Division said they could not support the bill without the amendment they proposed. She said the amendment strengthens it. She commented the bill, with the amendment, provides that when the caseload file gets above 300 per caseworker at the Workers Compensation Division they can hire an additional staff person to work on the claims. She commented one of the frustrations that people who have had claims with the division is that they can not get their phone calls through and get assistance in a timely manner, so the immediate feeling is to get an attorney, and when an attorney is involved it costs more out of the fund. She said the bill also provides that a goal be set that the claims be handled within 14 days. She added that some of the other states average about 200-300 cases per caseworker, and Montana has about 540 cases per caseworker and at one time it was above 700 cases per caseworker.

PROPOSERS

Karl Englund, representing the Montana Trial Lawyers Association. Mr. Englund stated that nothing drives a claimant to an attorney quicker or with more anger than his inability to work with the division or with the state fund, and once an attorney is involved, the costs of handling that claim to the worker or the state fund go up. Therefore, he said, anything that can be done to increase the ability of the division to process the claims quicker, will make claimants happier with the service they are getting, and will result with less attorney involvement in the system. He said while the cost of this may look high, there are incalculable savings if the division could handle claims quicker.

Bruce Vincent, Chairman, Workers Compensation Action Committee, Libby. Mr. Vincent stated that the disorder of the act that was formed to protect the injured worker must be corrected. Exhibit No. 3.

Jim Murry, Executive Director, Montana State AFL-CIO. Mr. Murry stated that early in the session there was testimony from the Division that the caseload ran as high as 700-750

cases per caseworker. He said with that caseload the Division is not saving money, and in fact, is costing the system a great deal of money because the result is not being able to respond in a timely fashion results in a greater use of attorneys, because a worker, that sees no other recourse after an injury will hire an attorney to get the benefits they are entitled to under the law.

Keith Olson, representing the Montana Loggers Association. Mr. Olson stated that he would reiterate the comments that Mr. Vincent made, and would reemphasize the fact that as the private carriers bailed out of the workers compensation business, they left quite a workload for the state fund. He knows of few industries that have had their volume doubled and had to handle it with the same personnel.

Bob Robinson, Administrator, Workers Compensation Division. Mr. Robinson stated that he wanted the committee to know this bill was not initiated by the Division but was initiated by the people that are trying to deal with the system and see the problems. Workers Compensation Division, the state fund, he said, is one of two business enterprises that are managed by the state of Montana; the other being the Liquor Division. He said the Workers Compensation Division does not have the flexibility to adjust to a changing workload and conditions; but have a situation where the workload can change, and are at a two-year lag before the appropriation process to get additional FTE and funding.

He commented the situation was recognized by the Workers Compensation Advisory Council this summer, and they gave a number of recommendations to separate the state fund from the Division in an attempt to restructure the state fund and create a private board of directors in an attempt to have a more responsive insurance company. He added there was some concern by the Council that the state fund needed to do something to adjust to the workload, and if the division had this kind of staff or had this kind of flexibility they would in fact be able to adjust to the workload and serve the claimants on a timely basis.

Irvin Dellinger, Executive Vice President of the Montana Building Materials Dealers Association. Mr. Dellinger stated that the committee has heard the reasons why this is a good bill; all know that the longer anything is put off the more expensive it is, and this is what has been happening in the workers compensation program.

OPPONENTS

None.

QUESTIONS

Rep. Swysgood stated according to the fiscal note, there are 8,600 open cases and 14-15 people to handle them. Mr. Robinson responded that was a close approximate number.

Rep. Thomas asked if all the employees are hired by the state and paid from the premium base revenue. Mr. Robinson responded that the funding for the Division has actually two components, the state fund is paid directly out of premiums and insurance policies that are issued by the state fund, and the Compliance Bureau, part of the administrative offices, some of Safety, and his office are funded by an assessment on all insurers of which the state fund is the largest component. He added there is an additional assessment on all insurers, private companies and self insurers as well as the state fund to pay for the compliance of the regulation function.

Rep. Thomas asked are the general fund monies being used to fund the operation. Mr. Robinson responded there is no general fund to fund the operations of the Workers Compensation Division.

Rep. Thomas asked in the fiscal note referring to \$301,000 additional expense, would that have to be borne by the rate payers. Mr. Robinson responded it would have to come out of the premium received, both out of the premium received out of state fund and also an assessment on the private and self insurers.

Rep. Thomas asked Mr. Robinson if he needed the authority that this bill provides in order to hire more people. Mr. Robinson stated that this bill would give them the flexibility to hire people and add additional spending authority if the workload supported it, and with the amendments that Rep. Darko provided there would also be control in the Budget Office as they would have to approve and assure that the proper workload was maintained and the Legislative Finance Committee would also review it.

Rep. Thomas asked what is the preferable case load per case examiner. Mr. Robinson responded that he would like to get to a point where they were managing cases on a 14 day basis to get the payments made and responding to the needs of the claimants, possibly they could handle more than 300 cases and do it well, since they are managing 541 now.

Rep. Smith asked regarding the figure of \$300,000, which is what it will cost, would you tell what the possible savings from that would be. Mr. Robinson stated that if they did not have litigation or reduce litigation by providing better

services, they would save that amount of money just in contracted attorneys on an annual basis. Also, he said, if someone has to get involved with an attorney they have to give up a sizeable portion of their benefits which forces them to request even more so that they can net out the same amount.

Rep. Driscoll asked how long is it before the first check goes to that injured worker that sends a claim. Mr. Robinson responded that it depends on the particular situation, but at present it is taking 21-28 days on the average.

CLOSING

Rep. Darko stated that the amendments do complete the bill. She said the savings will be incalculable; if the claims go down, the staff will go down. She said this is simply a redistribution of funds that are available and if this statute had been in place when the fund started having problems, it wouldn't be in the situation it is now.

Chairman Kitselman stated there is a problem with the amendments that needs reviewing so he is referring it to a subcommittee composed of Rep. Glaser, Rep. Smith, and Rep. Driscoll, with Rep. Glaser as chairman.

HOUSE BILL NO. 345 - Revise Amount Workers' Compensation Plan 2 Insurer Must Deposit to Assure Payment, sponsored by Rep. Lloyd McCormick, House District No. 38, Great Falls. Rep. McCormick stated this bill was requested by the Division of Workers Compensation, and was submitting an amendment. Exhibit No. 4.

PROPONENTS

Hiram Shaw, Division of Workers Compensation, Department of Labor and Industry. Mr. Shaw stated that this bill amends the workers compensation act to increase the minimum deposit of securities by private insurance carriers, and enables a maximum deposit to be adjusted according to annual payments on liabilities. Exhibit No. 5.

OPPONENTS

John Gregory, Western Montana Branch Manager, Crawford and Company. Mr. Gregory stated they are a service provider to the insurance industry, particularly the plan 2 insurers. He challenges that this bill is an anti-business bill, and will not be good for Montana employers, or the state fund, and would not be good for the plan 2 insurers. He said it will have a net effect of reducing the writings or underwritings by the plan 2's and when that occurs, the first to

go will be the marginal or poorer risks. He added that in the event they cease writing completely, there will be a reduction in the availability of workers compensation insurance by the plan 2's, resulting in increased costs which will be passed on to those insurers. He said when those marginal or poorer risks are left uninsured by the plan 2's, they will have no recourse other than to go to the state fund.

Bonnie Tippy, representing the Alliance of American Insurers. Ms. Tippy stated that because of a lot of reasons many of the private insurers have left the state, and it is felt that the reason they have left the state is because the state fund was too competitive, and this was not a good place for them to do business. She said this bill will make it difficult not only for private insurers to return to the state, but also very difficult for those who are now writing in the state to stay.

QUESTIONS

Rep. Simon asked Mr. Shaw if it was correct, that although there was some time lag, the workers were being covered. Mr. Shaw responded that eventually they did get covered, but during the two weeks when they weren't being covered, resulting in claimants contacting the Division, the assumption was that claimants can't afford to go 2-3 weeks without their bi-weekly checks.

Rep. Swysgood asked if the state puts up a bond for their estimated annual payments. Mr. Shaw responded that the state purchases reinsurance, but does not put up a bond that is required by the plan 2 insurers.

Rep. Driscoll asked if the six weeks that the court took to declare Glacier General insolvent was a normal time, or was it longer or shorter than average. Mr. Shaw stated that this was the first case they have had with a time lag between the time that the checks stopped and an insurer had to be declared insolvent. He said there was a considerable amount of pressure on the judge at that time to act, but it still took six weeks in order to accomplish the insolvency. Without that insolvency order, he added, the Western Guarantee Fund cannot make payments; therefore, there were no funds available for that period of time.

Rep. Driscoll asked if all the insurance companies have to belong to the Western Guarantee Fund in order to sell insurance in Montana. Mr. Shaw responded the Western Guarantee Fund is required under the insurance codes and all the private carriers are assessed for the liabilities of an insurer that becomes insolvent.

CLOSING

Rep. McCormick stated that this bill was needed. He said that was one reason that the Department is in bad shape, these people think it is so difficult to have to put up a bond, but when they decide to leave the state, they walk away, and we pay for it.

HOUSE BILL NO. 381 - Cosmetologists' Unemployment and Workers' Compensation Coverage, sponsored by Rep. Edward Grady, House District No. 47, Canyon Creek. Rep. Grady stated that this exempts self employed cosmetologists who rent space or equipment in a shop from coverage under the unemployment insurance law and workers compensation act.

PROPOSERS

Gary Burton, licensed cosmetologist, and a cosmetology salon owner. Mr. Burton stated that this bill would allow a new licensee the opportunity to continue management training they have received in school. He listed other points that the bill would accomplish. Exhibit No. 6.

Gayle Graber, licensed, self-employed cosmetologist. Ms. Graber stated that this bill motivates the cosmetologist to assume the responsibility in the areas of management, self image, education, product knowledge, building clientele, communication, prices and hours worked. Exhibit No. 7.

Darlene Matiola, President of the Montana Cosmetologists Association, and owner of the Beauty Academy of Beauty Culture, and license holder of a salon which operates in a booth rental manner. Ms. Matiola stated that booth rental allows the individual to be self employed and completely determines the direction of their own business environment and allows the people that enter into the free enterprise system without having to make all the major equipment purchases.

Rick Tucker, lobbyist for the Cosmetology Association of Montana. Mr. Tucker stated there are 34 cosmetologists as proponents for this bill, that were available to answer any questions.

Jack Romeijn, salon owner, Billings. Mr. Romeijn stated he feels that this bill would protect the lessee and the lessor.

Bob Robinson, Administrator, Workers Compensation Division. Mr. Robinson explained the background of this bill, and submitted amendments. He stated the relationship between cosmetologists as sole proprietors and independent

contractors and employees has been litigated and involved in a large amount of controversy over the years. He said this bill attempts to establish a new criteria for an exemption for workers compensation, and the Division would support it with the amended language that takes out cosmetologists services as defined in this section. He added this is the only criteria for an independent contractor by this proposed language, and if they happen to rent a booth, that does not eliminate them from the control, the type of compensation, etc. Exhibit No. 8.

OPPONENTS

None.

QUESTIONS

Rep. Driscoll asked if a person rented the space, purchased their own supplies, made their own appointments, set their own hours, and had their own clientele, would the department determine that they were independent contractors. Mr. Robinson responded that was correct.

Rep. Driscoll asked if that was true, how come they're not considered independent contractors. Mr. Robinson responded that the right of control has not been there for most of the ones that have come before the department or the court. He said in some cases their hours have been set or have been assigned customers, all of the situations are not alike, but those have gone before some kind of hearing process, and the hearing process has been determined on that basis.

Rep. Glaser stated that he wants to be sure that the people seeking this method realize that collectively the industry will pay more money, and there will be no benefits from it. Rep. Brady responded they did understand and these people want to be independent contractors.

Rep. Pavlovich asked Ms. Matiola if she would answer Rep. Glaser's question of whether they were aware of the added costs. Ms. Matiola responded the cosmetologists want to enter into their own business establishment and they have a very specific criteria spelled out in their contracts that they are responsible for their own unemployment insurance, workers compensation insurance, and their own taxes.

Rep. Driscoll asked Ms. Matiola if any of her people have applied to the Division and been refused an independent contractor status. Ms. Matiola responded they have not applied.

Rep. Driscoll asked Ms. Mاتيola if when the people rent a booth, buy their own supplies, make their own appointments, does she make any requirements on their hours, etc. Ms. Mاتيola responded she does not make requirements or sets rules or regulations other than those spelled out by state law for the sanitation and cleanliness required in a salon.

Rep. Driscoll asked if any of the proponents of this bill could produce evidence that the Department has rejected their applications for an independent contractor status, as independent business people, when there was no control over the hours or the conditions of employment. Mr. Burton responded that approximately for a year and one-half he has gone through an audit with workers compensation and unemployment divisions, has exhausted all the theories that were available to him and his final determination was that the Board of Labor Appeals declared that the people in his salon were supposedly independent contractors.

Mr. Burton said he has also received a letter that there was litigation in the courts to redetermine the people to be employees and assess taxes to him for the last three or four years, and felt that the only way he would get satisfaction is to try to get a law passed to clarify this issue.

Rep. Simon asked Mr. Burton if he knew which division in state government was pursuing the law suit. Mr. Burton stated he is not sure if it is the Unemployment Division or the Workers Compensation Division, he thinks the same auditors audit for both divisions. He said that even during his hearing with the Board of Labor Appeals, he tried to tell them that the field auditors that audited the salons stated in their audit report that his people were self employed or independent contractors, and he could not understand why the Board of Labor Appeals and Unemployment Insurance were not accepting this.

Rep. Simon asked Mr. Robinson to give them some insight of what Mr. Burton was saying, if those people had been judged to be independent contractors, it seemed that the Department of Labor should have accepted it. Mr. Robinson stated that an underwriter, after his contact with Workers Compensation Division, indicated that given what they were told, the people were independent contractors and would not require coverage under the Workers Compensation. He said it turned out that after an audit there was a hearing and a decision made from the audit, and the Unemployment Insurance Division challenged the status of the employees as independent contractor employees. He added, that the Workers Compensation Division became involved at that time and determined that if they were not independent contractors for unemployment insurance, they were not for workers compensation.

CLOSING

Rep. Grady stated that there was a problem, he read the individual's case, and this individual was turned down, even after all the evidence was there that the people were independent contractors. He said this bill would encourage the Workers Compensation and the Unemployment Insurance Divisions to heed to these types of situations. He added that a lot of these people do not have enough money to buy their own equipment, and this gives them the opportunity to have their own business, and he can't see why the lessor has to be responsible for the unemployment and workers compensation insurance in these cases.

EXECUTIVE ACTION - February 2, 1987 - 10:20 a.m.

ACTION ON HOUSE BILL NO. 206

Rep. McCormick moved that House Bill No. 206 DO PASS.

Rep. McCormick moved the amendments. Exhibit No. 9.

Chairman Kitselman stated that this amendment would allow the changing of dollar bills and takes care of the definition of a dollar bill. He said that in checking with some of the machines the cost to have two monitoring devices would have been too expensive.

The motion carried with Rep. Wallin opposed.

Rep. McCormick moved that House Bill No. 206 DO PASS AS AMENDED. The motion carried with Rep. Wallin opposed.

ACTION ON HOUSE BILL NO. 143

Rep. Glaser moved that House Bill No. 143 DO PASS.

Rep. Glaser moved the amendments. The motion carried unanimously.

Rep. Driscoll explained that the amendment clarifies that if the employee is hurt on the job and is drawing workers compensation benefits, the employer is not liable for unemployment insurance taxes against those benefits. He said the bill will say that the employer does not have to pay unemployment insurance taxes on workers compensation benefits, or unemployment insurance taxes on third party payments for sick leave or disability payments.

ACTION ON HOUSE BILL NO. 302

Rep. Pavlovich moved that House Bill No. 302 be TABLED. The motion failed with 10 to 8 vote. Roll Call Vote No. 1.

Rep. Hanson moved that House Bill No. 302 DO NOT PASS.

Rep. Brandewie moved a substitute motion that House Bill No. 302 DO PASS.

DISCUSSION

Rep. Glaser commented: Not too long ago a couple of other companies had bad reputations, Anaconda and Montana Power; Anaconda is gone, and Montana Power is finally realizing that they need to be a good corporate citizen. Burlington Northern, is being a bad corporate citizen in the state of Montana, and, he said, it gets more and more difficult to do good things for them. In the end he is probably going to vote for the principle of House Bill No. 302, but it really upsets him that they are so uncooperative.

Rep. Driscoll commented: Years ago when Burlington Northern wanted everybody's cooperation and not fight the merger of the five railroads that became BN, they made a lot of promises to the citizens of this state and the workers that work for the railroad. Slowly they are breaking every promise. Some of the promises they made were put into laws because we didn't trust them, and now you can see why. In 1983 prior to the law being changed to add the words consolidation or centralization, Burlington Northern was laying off people and saying they were consolidating and centralizing. This was in violation of the intent of the law, so they added the two words, consolidation and centralization, and now they want to come in and repeal it; their word is not worth anything. The Burlington Northern Railroad wants to haul unit coal trains, unit grain trains, containerized freight, and truck trailers, and that's it. They made 97 million dollars in three months from railroad operations in 1984. They made more money in the state of Montana than any state in the nation, but they say Montana has such a "bad" business climate. He thinks that Montana is not picking on the railroad by asking them to live up to their word when they asked that we not fight their merger into the most monopolistic railroad in the nation. Now they want to keep repealing things, they go to Congress all the time, to get laws passed that will get rid of their workers, they are not hurting or broke, they are a very rich corporation.

Rep. Swysgood commented: He wanted to address this to the rule of impact. In his situation, his not being a part of

the Burlington Northern line, but being a part of the Union Pacific Line; they are the last railway station on a line from Idaho Falls to Butte, Montana, and in that particular area they have a talc facility, a lumber facility, and four grain facilities that use that line. He said realizing that their population base is about 3,800 and maybe the station wouldn't close, realizing the economic times that we're going through in the rural communities, and realizing that if they did close this station, as he has seen them close others in Lima, Divide, and Melrose; the tax base has a dramatic effect on their abilities to continue to function in a small rural atmosphere, and that is the reason he is opposing this bill.

Rep. Thomas commented: He said he could not say it any better than Rep. Glaser, and would like to repeat his statement. He doesn't know if he can vote for it on the floor; but he will vote for it at this point to get it out of committee.

Rep. Bachini commented: He stated that they have a good argument right now, he guessed, to get rid of all these stations. The reason they have a good argument is that they have deliberately taken all this work from these people on the lines, and today, these people, where these stations are still occupied, are not allowed to answer the phone or have any contact with the shippers. He has talked to many shippers and they like this, because they do provide the service to these people, and actually trace a car much quicker than this centralized system. The centralized system is not working, and he can tell them from experience because he has to use that system himself in the train operations, and he has talked to many others that have used it. There is a constant change from the elevator operators on how the car disposition is to be handled. He has seen what they have done; they have taken the work from these people, and now they come before us and say they don't need them, because their productivity is low; they have taken it all away from them. He disagrees with the practices they use.

Rep. Grinde asked: Once the Public Service Commission is petitioned, what is their criteria for making a judgement.

Chairman Kitselman commented: They have a public hearing in the community on the necessity of the closure in which they have to prove their case of whether they should close that agency.

Rep. Smith commented: He has to agree with Rep. Glaser on his opinion of the Burlington Northern. The only problem he has is with forcing anyone to maintain a job just for the

sake that it is in a union contract. He has a problem agreeing with that.

Rep. Glaser commented: He wanted to comment on one of the reasons why he feels so uncomfortable with Burlington Northern. There were some conversations during the hearing, about grain; grain is a major commodity coming from Montana, a source of a lot of revenue. Burlington Northern is pricing the cost to transport grain, just a small amount under what the truckers can transport it for. They are taking those profits, which are unusually high compared to the rest of their system, into Nebraska where they have competition. They are using the hard work of the Montana farmer so they can be competitive in a community to where they are not competitive and it upsets him. Because of that, he is going to make some public statements on the floor. He wants to get this bill out of committee, so that the public will understand his sentiment in the media.

Rep. Driscoll moved to amend House Bill No. 302, on page 2, new section 3, if the Public Service Commission allows the closures, they must also reduce rates correspondingly. He said that Burlington Northern testified that keeping the stations was expensive, and if they are sincere that this is going to lower their costs, the Railroad should support this amendment.

Chairman Kitselman stated that Mr. Verdon had advised him that the Public Service Commission has no jurisdiction or control over the rates, so the new section would not fit into the scope of the bill.

Rep. Driscoll stated that it would fit very well in the scope of the bill, even though the Public Service Commission does not have control over mandating the rates, the railroad would have to voluntarily reduce the rates. He said if the Railroad didn't voluntarily reduce the rates, then the Public Service Commission couldn't allow a closure and the Railroad would have to say that they are asking to close the seven stations, and will reduce the rates to the wheat shippers to whatever the corresponding savings would be. He added if that criteria was not met voluntarily by the railroad, then the PSC could not allow them to shut the facility.

Mr. Verdon stated that Rep. Driscoll's amendment would have to say that the railroad itself lower the rates, and does not require that the Public Service Commission lower the rates. The PSC does not have control over the railroad's rates, so they can't be required to lower the rates.

Rep. Driscoll commented that the intent of his amendment was that the railroad, in their application to the Public Service Commission, state that if they demonstrate to the PSC that the station is not needed for public convenience and necessity, then they would allow the closures, and at that hearing they would voluntarily reduce the rates to correspond to the savings of the closure.

Rep. Simon stated that if Rep. Driscoll's amendment is adopted, the agent that is there is still going to be employed and paid, there is not going to be a savings to the railroad. The savings to the railroad occurs as those employees leave the system, and he said, Rep. Driscoll is judging each of these on a case by case basis. He added the railroad would simply say they are going to close the agencies, and there is little or no immediate savings so there is no need to reduce the rates and there will be no criteria for the Public Service Commission to even consider at that point so the amendment wouldn't work.

Rep. Driscoll commented that it would work because if the railroad is serious that this is an expensive cost to them, and is causing the price of grain and shipping rates to be so high, and if they save money; let them pass it on; they have never passed anything on to Montana.

Rep. Wallin commented that he doesn't have any strong feelings on the amendment, but in his observation, it looks as if all they are accomplishing in opposing the bill is trying to get revenge. He doesn't think they are here to get even with anybody, but should address the bill on its merits. He said if they can operate just as efficiently without those people, like the woman that drives to Livingston to work and looks at four walls all day without any work, that is non-productive; and for that reason they should vote for their dislike for the railroad, or vote what they think will be a business like approach.

Rep. Driscoll's amendment was voted on by roll call. The motion failed with a 10-8 vote. Roll Call Vote No. 2.

Rep. Cohen moved an amendment on page 1, line 17, reinsert the words, "at any point upon the line of such railway where there is a city or town having a population according to the last federal census", change that to 2,000, and on line 24, before the new language, insert "and", to read, "and in such facilities as were maintained and staffed on January 1, 1987", and on page 2, line 4, where it reads "following an opportunity for public hearing, that a facility", insert, "in a community of less than 2,000 people is not required for public convenience". He said the amendment would clarify that they could only hold these hearings and

request closure in communities with less than 2,000 people in the census referred to in the other section. The motion failed with a 10-8 vote.

Rep. Bachini asked if it would be appropriate to put this in a subcommittee and let the two parties try to come to a compromise if possible.

Chairman Kitselman stated he would like to see a vote on the bill as is to see if it gets to the House floor in its present condition, and if that fails, it is his intention to put it into a subcommittee.

Rep. Brandewie's motion that House Bill No. 302 DO PASS was voted on by roll call vote. The motion carried with a 10 to 8 vote. Roll Call Vote No. 3.

Rep. Glaser commented that: "I pray that for the future of Montana, that what we do here today will plant the seed of change in Burlington Northern's predatory attitude towards Montana."

Rep. Bachini stated that whatever the state of Montana does with the Burlington Northern, the people of Montana are never going to see any benefit from it.

Rep. Brandewie stated that he voted for this, but it is not a vote for Burlington Northern. He stated that all of the committee knew that he voted with the majority on taxing Burlington Northern because he felt it was the thing to do, but from a pro-business standpoint, he doesn't think forcing unneeded employees on any business is fair. He said it was not Burlington Northern he was voting for, but voting for business in general. It is not the function of the state legislature or laws to impose extra costs that are not needed on any business, and he wanted to make that clear.

ACTION ON HOUSE BILL NO. 363

Rep. Nisbet moved that House Bill No. 363 DO PASS. The motion carried unanimously.

ACTION ON HOUSE BILL NO. 345

Rep. McCormick moved that House Bill No. 345 DO PASS.

Rep. Thomas moved a substitute motion that House Bill No. 345 DO NOT PASS.

Rep. Thomas stated that there is a problem with requiring the 40% on bond requirements because it is unworkable and unfair. He said he is asking that the bill not pass,

because it won't work and could drive away all the private carriers that are currently writing in Montana, and the interest in passing this bill is not to eliminate more competition.

Rep. Brandewie moved the amendments to House Bill No. 345 to reinsert the stricken language on lines 20-21-22, change \$5,000 to \$25,000 and \$100,000 to \$200,000, and strike the new language, (a) and (d) and renumber the subsequent language. The motion carried with Rep. Simon, Rep. Wallin, Rep. Thomas, and Chairman Kitselman opposed.

Rep. Driscoll moved the amendments to strike section 3, on page 3. The motion carried unanimously.

Rep. Thomas's motion of DO NOT PASS was voted on. The motion failed.

Rep. McCormick moved that House Bill No. 345 DO PASS AS AMENDED. The motion carried with Rep. Swysgood, Rep. Simon, Rep. Thomas, and Chairman Kitselman opposed.

ACTION ON HOUSE BILL NO. 381

Chairman Kitselman referred House Bill No. 381 to a subcommittee composed of Rep. Simon, Rep. Thomas, and Rep. Brown, with Rep. Simon as chairman.

ACTION ON HOUSE BILL NO. 471

Chairman Kitselman referred House Bill No. 471 to a subcommittee composed of Rep. Simon, Rep. Swysgood, and Rep. Brown, with Rep. Simon as chairman.

ADJOURNMENT

The meeting adjourned at 11:30 a.m.



REP. LES KITSELMAN, Chairman

DAILY ROLL CALL

BUSINESS & LABOR

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date FEBRUARY 2, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. LES KITSELMAN, CHAIRMAN	✓		
REP. FRED THOMAS, VICE-CHAIRMAN	✓		
REP. BOB BACHINI	✓		
REP. RAY BRANDEWIE	✓		
REP. JAN BROWN	✓		
REP. BEN COHEN	✓		
REP. JERRY DRISCOLL	✓		
REP. WILLIAM GLASER	✓		
REP. LARRY GRINDE	✓		
REP. STELLA JEAN HANSEN	✓		
REP. TOM JONES	✓		
REP. LLOYD MCCORMICK	✓		
REP. GERALD NISBET	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON	✓		
REP. CLYDE SMITH	✓		
REP. CHARLES SWYSGOOD	✓		
REP. NORM WALLIN	✓		

ROLL CALL VOTE

BUSINESS & LABOR

COMMITTEE

DATE Feb. 2, 1987

BILL NO. HB 302

NUMBER 1

NAME	AYE	NAY
REP. LES KUTSELMAN, CHAIRMAN		<input checked="" type="checkbox"/>
REP. FRED THOMAS, VICE-CHAIRMAN		<input checked="" type="checkbox"/>
REP. BOB BACHINI	<input checked="" type="checkbox"/>	
REP. RAY BRANDEWIE		<input checked="" type="checkbox"/>
REP. JAN BROWN		<input checked="" type="checkbox"/>
REP. BEN COHEN	<input checked="" type="checkbox"/>	
REP. JERRY DRISCOLL	<input checked="" type="checkbox"/>	
REP. WILLIAM GLASER		<input checked="" type="checkbox"/>
REP. LARRY GRINDE		<input checked="" type="checkbox"/>
REP. STELLA JEAN HANSEN	<input checked="" type="checkbox"/>	
REP. TOM JONES		<input checked="" type="checkbox"/>
REP. LLOYD MCCORMICK	<input checked="" type="checkbox"/>	
REP. GERALD NISBET	<input checked="" type="checkbox"/>	
REP. BOB PAVLOVICH	<input checked="" type="checkbox"/>	
REP. BRUCE SIMON		<input checked="" type="checkbox"/>
REP. CLYDE SMITH		<input checked="" type="checkbox"/>
REP. CHARLES SWYSGOOD	<input checked="" type="checkbox"/>	
REP. NORM WALLIN		<input checked="" type="checkbox"/>

TALLY

8 10

Chris Armstrong
Secretary

Les Kutselman
Chairman

MOTION: Rep. Pavlovich moved to table House Bill No. 302.

Motion failed - 10 to 8.

ROLL CALL VOTE

BUSINESS & LABOR

COMMITTEE

DATE Feb. 2, 1987

BILL NO. 302

NUMBER 2

NAME	AYE	NAY
REP. LES KITSELMAN, CHAIRMAN		✓
REP. FRED THOMAS, VICE-CHAIRMAN		✓
REP. BOB BACHINI	✓	
REP. RAY BRANDEWIE		✓
REP. JAN BROWN	✓	
REP. BEN COHEN	✓	
REP. JERRY DRISCOLL	✓	
REP. WILLIAM GLASER		✓
REP. LARRY GRINDE		✓
REP. STELLA JEAN HANSEN	✓	
REP. TOM JONES		✓
REP. LLOYD MCCORMICK	✓	
REP. GERALD NISBET	✓	
REP. BOB PAVLOVICH	✓	
REP. BRUCE SIMON		✓
REP. CLYDE SMITH		✓
REP. CHARLES SWYSGOOD		✓
REP. NORM WALLIN		✓

TALLY

8

10

Chie Armstrong
Secretary

Lee Kitelman
Chairman

MOTION: Rep. Driscoll moved to amend HB 302.

Motion failed - 10 to 8 - by roll call.

ROLL CALL VOTE

BUSINESS & LABOR

COMMITTEE

DATE Feb. 2, 1987

BILL NO. HB 302

NUMBER 3

NAME	AYE	NAY
REP. LES KITSELMAN, CHAIRMAN	<input checked="" type="checkbox"/>	
REP. FRED THOMAS, VICE-CHAIRMAN	<input checked="" type="checkbox"/>	
REP. BOB BACHINI		<input checked="" type="checkbox"/>
REP. RAY BRANDEWIE	<input checked="" type="checkbox"/>	
REP. JAN BROWN	<input checked="" type="checkbox"/>	
REP. BEN COHEN		<input checked="" type="checkbox"/>
REP. JERRY DRISCOLL		<input checked="" type="checkbox"/>
REP. WILLIAM GLASER	<input checked="" type="checkbox"/>	
REP. LARRY GRINDE	<input checked="" type="checkbox"/>	
REP. STELLA JEAN HANSEN		<input checked="" type="checkbox"/>
REP. TOM JONES	<input checked="" type="checkbox"/>	
REP. LLOYD MCCORMICK		<input checked="" type="checkbox"/>
REP. GERALD NISBET		<input checked="" type="checkbox"/>
REP. BOB PAVLOVICH		<input checked="" type="checkbox"/>
REP. BRUCE SIMON	<input checked="" type="checkbox"/>	
REP. CLYDE SMITH	<input checked="" type="checkbox"/>	
REP. CHARLES SWYSGOOD		<input checked="" type="checkbox"/>
REP. NORM WALLIN	<input checked="" type="checkbox"/>	

TALLY

10 8

Eric Armstrong
Secretary

Les Kitseleman
Chairman

MOTION: Rep. Brandewie moved that HB 302 DO PASS.

Motion carried - 10 to 8.

STANDING COMMITTEE REPORT

February 2

19 37

Mr. Speaker: We the committee on **BUSINESS AND LABOR**

report **BILL NO. 206**

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

AMENDMENTS AS FOLLOWS:

REP. LES KITSELMAN

Chairman

1. Page 2, line 13

Following: line 12

Insert: "(1) each quarter must represent one credit;

Re-number: subsequent subsections

2. Page 3, line 25

Following: "(1)"

Insert: "total"

Following: "by"

Strike: "each"

Insert: "both"

Following: "coin"

Strike: "acceptor"

Insert: "acceptors"

3. Page 4, line 1

Following: "total"

Strike: "bills"

Insert: "credits"

4. Page 4, lines 12 and 13

Following: "(1)" on line 12

Strike: "total bills in the"

Insert: "if the machine has a"

Following: "acceptor" on line 12

Strike: the remainder of line 12 and line 13 through "it"

Insert: "it must contain electronic metering using meters that record total coins in mechanisms 1 and 2 combined and total credits in the"

SECOND

reading copy (**YELLOW**)

color

STANDING COMMITTEE REPORT

February 2

19 37

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report ~~HOUSE~~ BILL NO. 345

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

REP. LES KITSELMAN

Chairman

AMENDMENTS AS FOLLOWS:

1) Page 1, lines 8 and 9

Following: "MCA" on line 8

Strike: the remainder of line 8 and line 9 through "DATE"

2) Page 1, lines 22 through 25

Following: "determine" on line 22

Strike: the remainder of line 22, lines 23 and 24 in their entirety, and line 25 through "(2)"

Insert: "not less than \$25,000 or more than \$200,000, as the division may determine."

Renumber: subsequent subsections

3) Page 3, lines 17 and 18

Strike: Section 3 in its entirety


FIRST

reading copy (white)
color

STANDING COMMITTEE REPORT

February 2

19 37

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report ~~HOUSE~~ BILL NO. 302

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. LES KITSELMAN

Chairman

7/4
FIRST

reading copy (**WHITE**)
color

STANDING COMMITTEE REPORT

February 2

19 **87**

Mr. Speaker: We, the committee on **BUSINESS AND LABOR**

report **HOUSE BILL NO. 363**

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. LES KITSELMAN

Chairman

AS
FIRST

WHITE

reading copy ()
color

STANDING COMMITTEE REPORT

February 2

19 37

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report HOUSE BILL NO. 143

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

AMENDMENTS AS FOLLOWS:

REP. LES KITSELHAN

Chairman

1) Title, line 15
Following: "AN"
Strike: "IMMEDIATE"

2) Page 6, lines 16 through 21
Following: "payment" on line 16
Strike: The remainder of line 16, lines 17 through 21 in their entirety and line 22 through "of"
Insert: "made by the employer, if the payment was made under a plan established for the employees in general or for a specific class or classes of employees, to or on behalf of the employee for"

3) Page 6, line 15
Following: "made"
Insert: "by an employer directly"
Following: "employee"
Strike: the remainder of line 25, lines 1 and 2, page 7, in their entirety, and line 3, page 7, through "law"
Insert: "only those payments made under a workers' compensation law are excluded from "wages"

4) Page 7, line 1
Following: "(17) (b) (1) (B)"
Strike: "includes"
Insert: "excludes"

5) Page 10, line 4
Following: "its"
Strike: "university"
Insert: "universities"

6) Page 20, line 8
Following: "who"
Strike: "is"
Insert: "has been"

FIRST

reading copy (**WHITE**)
color

7) Page 32, lines 1, 2, and 3

Following: "action," on line 1

Strike: remainder of line 1 and lines 2 and 3 in their entirety

8) Page 32, line 22

Following: "real"

Strike: "and personal"

9) Page 32, line 23

Following: "employer."

Insert: "From the time the judgment is filed with the secretary of state or a registrar of personal property specifically describing the personal property, it becomes a lien upon personal property of the employer."

10) Page 36, line 8

Following: "consider"

Insert: " : (a) "

11) Page 36, line 10

Following: "morals"

Strike: "2"

Insert: "1"

Following: "his"

Insert: "(b)"

12) Page 36, line 11

Following: "training"

Strike: ","

Insert: " ; "

Following: "his"

Insert: "(c) the individual's"

Following: "earnings"

Strike: ","

Insert: " ; "

Following: "his"

Insert: "(d) the individual's"

13) Page 36, line 13

Following: "occupation"

Strike: ","

Insert: " ; "

Following: "and"

Insert: "(e)"

14) Page 39, 21

Following: "general."

Insert: "The department is deemed to be a party to any judicial action involving any such decision and may be represented in any such action by an attorney employed by the department or, at the department's request, by the attorney general."

15) Page 41, line 1

Following: "state"

Insert: "except cases arising under the workers' compensation law of this state"

16) Page 47, line 20

Following: "unpaid"

Strike: "contribution"

Insert: "contributions,"

17) Page 50, line 19

Following: "effective"

Strike: "on passage and approval"

Insert: "July 1, 1987"

CLERICAL

Date: 2/2

House Bill 206

Time: 6¹⁰

In accordance with Joint Rule 3-7(b) the following clerical errors may be corrected:

House Business and Labor 2/2

Amendment #1

p. 5, line 15

~~(4)(m)~~ (4)(n)
^

Les Whitman

Sponsor

324

D 2-3-87

Secretary of Senate

or

Chief Clerk

MER

Legislative Council

CLERICAL

Date: 2/2
Time: 6:15

House Bill 143

In accordance with Joint Rule 3-7(b) the following clerical errors may be corrected:

House Committee on Business and Labor 2/2

Amendment #3

insert "only..."

Les Vithum

Sponsor

3:23 Pm

Secretary of Senate
or
Chief Clerk

MER

Legislative Council

Proposed Amendment to House Bill 363
Submitted by the Montana Insurance Department

1. Page 1, line 10.

Strike: "A"

Insert: "Except as otherwise provided in this chapter, a"

2. Page 1, lines 14 through 15.

Strike: ", except as otherwise provided in this chapter,"

INFORMATION SHEET

EXHIBIT 1
DATE 2/2/87
HB 372

House Bill 372: Increase Certain Insurance Fees
Sponsor: Representative Ron Miller

I. Background

The Montana Insurance Department conducted a survey of insurance fees charged by Idaho, North Dakota, South Dakota, Wyoming, and Utah. In comparison to the fees charged by those neighboring states, Montana's insurance fees were low. The Montana Insurance Department lacks the funds to enforce insurance laws adequately.

II. Purpose

House Bill 372 is meant to bring the fees charged to insurance companies and agents by the Montana Insurance Department into line with the fees charged by the insurance departments of neighboring states. The Montana Insurance Department performs the same functions performed by the insurance departments of neighboring states but receives a lower rate of reimbursement. In addition, the Montana Insurance Department is understaffed and underfunded and therefore unable to enforce insurance laws as adequately it as it should. House Bill 372 simply allows the state of Montana to receive the same amount of money that neighboring states receive for performing the same functions and provides additional revenue, which the Legislature can use to fund adequate regulation of insurance.

III. Additional Information

HB 372 changes the following fees for insurance companies:

- (1) increases application filing fee for domestic insurers from \$30 to \$300;
- (2) adds a \$50 fee for amending a certificate of authority;
- (3) increases amendment filing fee from \$10 to ²⁵~~\$50~~; and
- (4) increases bylaw filing fee from \$5 to \$10.

HB 372 changes the following fees for resident insurance agents, solicitors, surplus lines agents, and adjusters:

- (1) increases resident agent license and renewal fees from \$10 to \$15;
- (2) increases solicitor license and renewal fees from \$5 to \$10;
- (3) adds a solicitor appointment fee of \$10;
- (4) increases agent and solicitor examination fee from \$10 to \$15;
- (5) increases surplus lines license and renewal fee from \$25 to \$50; and
- (6) increases adjuster's license and renewal fees from \$10 to \$15.

HB 372 also increases certificate under seal fee from \$3 to \$10 and increases bulk filing fee from \$50 to \$100.

Feb. 2, 1987

Committee Members:

When the WCAC formed, it quickly became apparent that the problems facing our system came from every area of the system - administration, court decisions, fraud, abuse, third party interest pocket lining - the list is long and ugly. We see two things that must be done in order to correct the disorder of an act that was formed to protect the truly injured worker and has been bastardized into something that is not only expensive enough to create unemployment in our states industries but simply does not work.

The first step is complete and total reform of the act and the system as a whole. We do not need to address the reform issue here except to point out that it is absolutely necessary.

The second step is insuring the proper administration of the division after the act itself is reformed. Toward that end we ask that this bill be sent from committee with a do pass recommendation. It addresses the single largest area of failing in the current division administration - proper service of claims. Time and again we have heard the horror stories of months passing between accident and contact, months passing between accident and benefits, months passing between treatment and payment of medical bills - these stories are true, they are disgusting, and they must not continue.

When we studied the problem of improper service we found that the division has, over the past two years, been saddled with enormous workloads per person due to private insurers bailing out of our state and employers turning to the state for coverage. Claims adjusters are trying to function with 750 cases per person, accounts payable is staffed with four persons (this is a \$100 million plus business), mailrooms are full of days old mail - and the administration is unable to add staffing.

In a nutshell, the division is not capable, with it's current manpower, of handling the task of taking care of the injured worker. Had the administration had the authority this bill gives them we may have been able to avoid much of the attorney involvement that is currently necessary for the injured's rights to be met in a timely manner.

This bill will go far in insuring that division staffing is adequate to allow proper and expedient handling of claims.

A good act improperly administered is as worthless to the truly injured as a poor act properly administered. This bill alone will not alleviate the problems of the system but coupled with real reform of the act itself it may help insure against yet another spiral downward in the years to come.

Thank You,

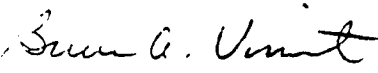

Bruce A. Vincent
Chairman, WCAC

EXHIBIT 7
DATE 2/2/87
HB 345

PROPOSED AMENDMENT: HOUSE BILL 345

Page 3, Lines 17-18: Delete entire new section.

The bill refers to security deposits by private insurance carriers and does not address insurance policies.

FACT SHEET

HOUSE BILL 345: Revise the Bond Amount that Workers' Compensation Plan
No. 2 Insurers Must Deposit with the Division to Guarantee Payment of
Liability

PURPOSE: HB 345 amends Section 39-71-2206, MCA of the Workers' Compensation Act to increase the minimum deposit of securities by private insurance carriers and to enable the maximum deposit to be adjusted according to annual payments on liabilities.

BACKGROUND: Currently, the Division may require between \$5,000 and \$100,000 in security deposits. The amendment would increase the minimum deposit to \$25,000 and the maximum deposit would be 40% of the insurer's estimated annual payments of compensation.

In today's market an annual payout of \$5,000 would not be adequate to cover one claimant. At the average weekly wage of \$299, the maximum 1987 compensation would be \$15,548.

The purpose of a surety bond is to cover a claimant's compensation and benefits if an insurer fails to make such payments. If an insurer goes into liquidation, it may take 4 to 5 months for the Courts to declare the insurer insolvent and allow the Western Guaranty Fund to take over the insurance carrier's liability. Therefore, it was estimated 40% of a carrier's annual payout would provide adequate interim relief until the Guaranty Fund were able to take over.

EXAMPLE: When Glacier General Assurance stopped paying compensation in August, 1985, it took 6 weeks before the Court actually declared Glacier insolvent and the Guarantee Fund took over payments. The Division had \$105,000 in securities which lasted about 4 weeks.

TECHNICAL
NOTE:

The Western Guaranty Fund is an organization of western states (e.g. Montana Guaranty Association) under the insurance codes. The Fund assesses all other private carriers to cover the liabilities of any insolvent private carrier.

H 10 301
MISTER CHAIRMEN & MEMBERS OF THE COMMITTEE:

FOR THE RECORD, MY NAME IS GARY BURTON. I AM A COSMETOLOGY SALON OWNER
AND LICENSED COSMETOLOGIST.

POINTS FOR THIS BILL:

- 1.) IT ALLOWS A NEW LICENSEE THE OPPORTUNITY TO CONTINUE MANAGEMENT
TRAINING THEY RECEIVED IN SCHOOL.
- 2.) IT ALLOWS THE LICENSED COSMETOLOGIST TO BE SELF-EMPLOYED
WITHOUT THE CAPITAL FOR A SALON.
- 3.) IT ALLOWS COSMETOLOGISTS TO BUILD A PERSONAL CLIFENTELE.
- 4.) IT ALLOWS A SALON OWNER TO RENT SPACE AND EQUIPMENT TO A
LICENSED COSMETOLOGIST WITHOUT BEING PENALIZED BY WORKERS'
COMPENSATION AND UNEMPLOYMENT INSURANCE.
- 5.) THE COSMETOLOGIST WILL BE ABLE TO CHOOSE THE PRODUCTS AND
TECHNICS THEY FEEL ARE BEST FOR THEIR PERSONAL CLIFENTELE.

HB 381

EXHIBIT 1
DATE 2/2/82
HB 381

HOUSE RECORDS COMMITTEE ON GOVERNMENT

MEMORANDUM FOR THE RECORDS COMMITTEE

DATE: 2/2/82

TO: THE RECORDS COMMITTEE

FROM: [illegible]

SUBJECT: [illegible]

1. [illegible]

2. [illegible]

3. [illegible]

EXHIBIT 3
DATE 2/2/82
HB 381

HOUSE BILL 381

First Reading Copy

On page 8, line 1 and line 2 strike:

"cosmetologists' services as defined in
39-51-204(1)(1)".

Insert:

cosmetologists meeting the definition of independent
contractor in 39-71-120.

*amendments done
M. J. C. Comp. Div.*

HB 206 - Yellow Copy
AMENDMENTS

1. Page 2, line 13

Following: line 12

Insert: "(f) each quarter must represent one credit;"

Renumber: subsequent subsections

2. Page 3, line 25

Following: "(i)"

Insert: "total"

Following: "by"

Strike: "each"

Insert: "both"

Following: "coin"

Strike: "acceptor"

Insert: "acceptors"

3. Page 4, line 1

Following: "total"

Strike: "bills"

Insert: "credits"

4. Page 4, lines 12 and 13

Following: "(ii)" on line 12

Strike: "total bills in the"

Insert: "if the machine has a"

Following: "acceptor" on line 12

Strike: the remainder of line 12 and line 13 through "a"

Insert: ", it must contain electronic metering using meters that record total coins in mechanisms 1 and 2 combined and total credits in the"

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. House Bill No. 381

DATE February 2, 1987

SPONSOR Rep. Edward J. Grady

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

COMMITTEE

SPONSOR Rep. Ron Miller

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. House Bill No. 363

DATE February 2, 1987

SPONSOR Rep. Robert E. Hoffman

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. HB 37DATE February 2, 1977SPONSOR Rep. Edward J. Glad

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<i>Donna Peltier</i>	<i>2221 Kald Rush</i>	<i>✓</i>	
<i>Sandy Walker</i>	<i>53 Lake</i>	<i>✓</i>	
<i>John Anderson</i>	<i>217. 8th St. N. W. Minn.</i>	<i>✓</i>	
<i>Thomas Benson</i>	<i>214 Madison Bldg.</i>	<i>✓</i>	
<i>WILLIAM FELDMAN</i>	<i>2221 Kald Rush</i>	<i>✓</i>	
<i>WALLACE D. FORD</i>	<i>720 14th Ave S. E. Falls</i>	<i>✓</i>	
<i>CECIL BOWEN</i>	<i>348 Kerkut Bldg</i>	<i>✓</i>	
<i>Marion Smith</i>	<i>905 13th St. N. W. Minn.</i>	<i>✓</i>	
<i>Thomas T. Brown</i>	<i>408 Kerkut Bldg</i>	<i>✓</i>	
<i>Angie Brown</i>	<i>Acadmic Bldg</i>	<i>✓</i>	
<i>Bob Q. Smith</i>	<i>500 Kerkut Bldg</i>	<i>✓</i>	
<i>Frank Smith</i>	<i>1st Ave</i>	<i>✓</i>	
<i>Living D. Smith</i>	<i>38th Main St. N. W. Minn.</i>	<i>✓</i>	
<i>Walter D. Anderson</i>	<i>905 13th St. N. W. Minn.</i>	<i>✓</i>	
<i>Paul K. Smith</i>	<i>28 1st St. N. W. Minn.</i>	<i>✓</i>	
<i>Walter A. Battaglia</i>	<i>129 Oak Lane Bldg</i>	<i>✓</i>	
<i>John & Dick Smith</i>	<i>11 1st St. N. W. Minn.</i>	<i>✓</i>	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. House Bill No. 345

DATE February 2, 1987

SPONSOR Rep. Lloyd McCormick

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

COMMITTEE

DATE February 2, 1987

SPONSOR Rep. Paula A. Darko

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.