

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

February 18, 1987

The meeting of the Business and Labor Committee was called to order by Chairman Les Kitselman on February 18, 1987 at 8:00 a.m. in Room 312-F of the State Capitol.

ROLL CALL: All members were present.

HOUSE BILL NO. 769 - Continuous Certificates For Certain Insurers, sponsored by Rep. John Patterson, House District No. 97, Yellowstone County. Rep. Patterson stated this bill was at the request of the State Auditor. He commented the bill provides that certificates of authority for farm mutual insurers, benevolent associations, and fraternal benefit societies be continuous rather than annually renewable. He explained that under current law the certificates are only valid for one year and then expire. He said the procedure results in a considerable amount of paper work for the State Auditor's office each year.

PROPOSERS

Jim Borchardt, chief examiner, Montana Insurance Department, State Auditor's Office. Mr. Borchardt presented a certificate as an example of what was necessary for 39 different associations. He said the department would prefer to issue one certificate and then have the association pay the fees rather than reissue it. He submitted proposed amendments by the State Auditor's Office. Exhibit No. 1.

OPPOSERS

None.

QUESTIONS

None.

CLOSING

Rep. Patterson made no further comments.

HOUSE BILL NO 771 - Revise Surplus Lines Insurance Laws, sponsored by Rep. William Glaser, House District No. 98, Lockwood. Rep. Glaser stated this bill was at the request of the State Auditor's Office.

PROPONENTS

Kathy Irigoin, State Auditor's Office. Ms. Irigoin stated that the reason they requested this bill is that surplus lines insurance has become an important part of their office recently. She said surplus lines insurance is insurance that is placed with companies that don't have a license in the state but sell a type of insurance that no one who does have a license in the state sells. She pointed out that with a shortage of insurance, the surplus lines insurance market has become important. She said the surplus lines laws were reviewed and compared to the most recent NAIC models and the revisions were patterned after that model. Exhibit No. 2.

OPPONENTS

None.

QUESTIONS

None.

HOUSE BILL NO. 763 - Defining Casino; Authorizing Local Licensure, sponsored by Rep. Kelly Addy, House District 94 Billings. Rep. Addy was introduced because of the various 24 hour betting parlors in Billings and the local authorities have no further opportunities to control these casinos, because they are operating on a 24 hour basis. He said problems developed, such as public intoxication, and were now on a 24 hour basis. He said because there is wagering, the establishment is able to sell or give away food and alcohol because they can make their profits on the card games. He commented that this is resulting in the loss of business to the fast food establishments and other food establishments. He added the bill would allow the local gambling board to license those establishments and have some control over their activities.

PROPONENTS

None.

OPPONENTS

None.

QUESTIONS

Rep. Pavlovich asked if there was a city ordinance prohibiting selling liquor after 2:00 a.m. Rep. Addy responded they do not have that authority in Billings, and there has been a problem with intoxicated people on the streets after 2:00 a.m. He said it was unfair competition to the legitimate

bar owners. Rep. Pavlovich said that it was a state statute that the serving of liquor had to be stopped after 2:00 a.m.

There were further questions regarding the definition of a casino. Rep. Addy said a casino was a premise offering authorized card games on a 24 hour basis. He suggested tightening up the definition by defining premises as those offering authorized card games between the hours of 2:00 a.m. and 8:00 a.m.

Rep. Wallin asked if this was allowing the casinos legal status with a certificate. Rep. Addy said the bill is giving the local gambling commission authority to regulate them. He said the license can be revoked. He clarified that slot machines, crap games, and roulette was not authorized by Montana law in any establishment.

Rep. Swysgood asked about the fee that is established and whether it was open ended. Rep. Addy replied that it was open ended.

Rep. Bachini asked if a time should be stated in the bill similar to a regular bar. Rep. Addy said that by stating an establishment is authorized card games between the hours of 2:00 a.m. and 8:00 a.m. would make it easier to regulate anyone that stays open during those hours.

Rep. Simon asked about the definition addressing card games. He said that keno and video poker were not card games, and suggested expanding the definition to consider games of chance. Rep. Addy responded that video poker and the electronic keno machines could be included in the definition. Chairman Kitselman commented that the card games are limited in the definition and are restricted to certain card games.

Rep. Simon asked about the license to establish rules of operation with limitation on hours by the town council. Rep. Addy said the authority to license gives the authority of imposing conditions on the license.

CLOSING

Rep. Addy made no further comments.

HOUSE BILL NO. 772 - Revise Prevailing Wage Rate Laws, sponsored by Rep. Ray Brandewie, House District 49, Bigfork. Rep. Brandewie explained that the state is divided into five districts for the purposes of determining the prevailing wages. He said the bill mandates ten districts which allows the Northeast corner of the state, that feel that the wages in other areas are not reflective of their area, to have their own area. He commented that where unions are strong they could keep their prevailing wage principally around the

major cities in the state. He added that the bill defines the prevailing wage rate.

PROPONENTS

Gene Fenderson, representing the Montana State Building Construction Trades Council. Mr. Fenderson spoke in support of the bill. He said the bill would answer the concerns of a lot of people in the state.

Stuart Doggett, Montana Chamber of Commerce. Mr. Doggett stated they support the bill.

OPPONENTS

None.

QUESTIONS

Rep. Grinde asked for an explanation on how the average wage rates were determined. Rep. Brandewie responded the Department of Labor has only been looking at government projects so the prevailing wages have stayed up. He said this bill provides that they have to look at private and commercial projects of similar nature to determine the wage. He added that the Commissioner would have to determine what the districts would be.

Rep. Grinde asked Rep. Brandewie about highway construction jobs. Rep. Brandewie responded that this bill did not address highway construction, it addressed the building construction trade performed in various communities.

Rep. Swysgood asked about the weighted average. Rep. Brandewie responded that this bill would bring the labor costs in line with free enterprise and not heavily weighted in favor of the unions nor weighted against the person that wants to pay less than minimum wage. He said this would reflect the true labor costs in the district.

CLOSING

Rep. Brandewie made no further comments.

EXECUTIVE ACTION

ACTION ON HOUSE BILL NO. 769

Rep. Thomas moved that House Bill No. 769 DO PASS.

Rep. Thomas moved the proposed amendment. The motion carried unanimously.

Rep. Thomas moved that House Bill NO. 769 DO PASS AS AMENDED. The motion carried unanimously.

ACTION ON HOUSE BILL NO. 771

Rep. Glaser moved that House Bill No. 771 DO PASS. The motion carried unanimously.

ACTION ON HOUSE BILL NO. 772

Rep. Jones moved that House Bill No. 772 DO PASS.

Rep. Driscoll moved to amend on page 3, line 3, following "means wage rates", insert, "including fringe benefits for health and welfare and pension contributions and travel allowance provisions".

Rep. Brandewie stated they discussed the amendment and it makes it clearer as to what the exemptions are for heavy highway construction.

Rep. Driscoll's motion for the amendment was voted on and the motion carried unanimously.

Rep. Jones moved an amendment to correct the word "wate" to "wage" on page 1, line 14. The motion carried unanimously.

Rep. Wallin asked what Rep. Glaser meant by "at least ten districts" stated in the bill. Rep. Glaser responded that there was concern by the rural areas that they were being tied into the major business centers where traditionally the wages have been higher, so the prevailing wage for the local smaller areas were not typical of that area, so the 10 districts were formed.

Rep. Driscoll commented about wage information surveys sent to contractors. He said if there were any more areas, more people would be needed to disseminate the information.

Rep. Wallin asked why use the term, "at least", why not just say 10, 12 or 15 districts.

Rep. Brandewie said that "at least ten districts" addresses the situation and allows the Commissioner more flexibility. He said "at least ten" forces the commissioner to recognize rural areas. He commented that the "mean" or "average" has never moved on prevailing wages, and now with the weighted average, it will bring wage rates into line with competition.

Chairman Kitselman questioned the \$25,000 limit since most construction projects were between \$50-100 thousand. Rep. Driscoll said the project would have to be put out to bid if it was over \$7,500 in some cases. He said cities and counties all have a different amount.

Rep. Jones moved that House Bill No. 772 DO PASS AS AMENDED. The motion carried with Rep. Swysgood and Rep. Grinde opposed.

HOUSE BILL NO. 765 - Montana Jobs Act, sponsored by Rep. John Vincent, House District 80, Bozeman. Rep. Vincent stated the bill was a statement of purpose, commitment, and promise for a better economic future for Montana. He said the act is designed to progressively promote and develop a strong stable growing and diversified economy for Montana's future. He commented that the Montana Jobs Act is based on the idea that the most important thing that a government can manufacture for its citizens is the opportunity to succeed, and Montana needs more good jobs, and the resources are available. He said that innovation and diversification should be emphasized and the investment of resources is necessary. He said this bill would put this issue on the ballot. He submitted an overview of what the Montana Jobs Act does and a copy of the bill. Exhibit No. 3 and 4.

PROPONENTS

Jim Cook, President, University of Montana. Dr. Cook stated that the equipment assistance that would be provided to the university would be valuable to generate research dollars. He said that the School of Business mentioned in the bill is their largest school, and this would be of major assistance to that school.

Bill Merwin, President, Northern Montana College. Dr. Merwin stated that as Montana's economy evolves, the one essential ingredient behind this will be technology. He said 85% of the jobs in Montana in the next decade will have associated with it some form of technology, and the economy will be based on technology. He commented that middle technology was the application of high technology to business and industrial problems. There are several very creative elements in the bill such as the development of the small business development center, and it is their impression that if they have machinery, equipment and facilities available, that entrepreneurs would be more viable when competing for defense contracting.

Bill Tietz, President, Montana State University, member of the Governor's Committee on Economic Development, and member of Board of Science and Technology. Dr. Tietz stated that

he has heard comments regarding Montana's rating in economic comparison to other states, and was impressed by the fact that one point of uniformity in all the discussion has been the failure of the state of Montana to develop its economic base. He said Montana has a very narrow economic base, and the bill would expand that base at every level and expand the technical capabilities. He said this was essential to improve the opportunities in the state.

Jim Hughes, representing Mountain Bell and U.S. West. Mr. Hughes stated the bill was critical for economic development. He said the most critical component is partnership and inter-involvement of businesses with each other to solve some of the problems.

Keith Colbo, Director of Department of Commerce. Mr. Colbo stated the bill represents a far sighted move in the economic development path that has begun in the last few years. He said its implementation could provide progression towards an aggressive economic development program. He said the implementation of the Montana Science and Technology Alliance Program was an aggressive step and has shown results in the economy. He commented that this bill would continue to support the existing programs in the Department of Commerce and expand those efforts in the state, and it is important to recognize that commitment to economic development must be longterm.

Stuart Doggett, Montana Chamber of Commerce. Mr. Doggett stated that the bill would provide many answers to solving some longterm problems in the state and contains many provisions they have long supported such as moneys for the infrastructure allocation and money for the infrastructure, venture capital, and higher education. He said they don't see it as a scapegoat as there are some immediate problems, such as workers' compensation reform, tax reform, and liability reform, and these obstacles should be overcome.

Don Judge, Montana State AFL-CIO. Mr. Judge stated that the AFL-CIO have adopted convention positions regarding three types of activities important to economic development in Montana. He said one activity provides the use of coal tax trust money for bonding purposes for the building of the infrastructure in the state for cities, counties, and school districts. The second issue, he added, is job training and retraining, and the third is the issue of investment in Montana.

John Lahr, Montana Power Company. Mr. Lahr stated that the bill would embody concepts that would be the first step in turning Montana's economy around.

Bob Correa, Bozeman Chamber of Commerce. Mr. Correa stated that tax reform and broadening the tax base in Montana is a major issue in this session. He said that jobs created in House Bill No. 765 would help the economy and broaden the tax base because of more people paying taxes, and would equalize the taxes being paid by more productive working people in the state.

Alec Hansen, Montana League of Cities and Towns. Mr. Hansen stated that they were interested in the public works bonding program that was included in the bill. He said during the interim last summer there was an infrastructure committee and the message from that was that taxes were important in the economic development decisions. He added that there are a lot of factors that are involved in where companies are going to locate, but the availability of services was the most important.

Shawn Egan, representing the consolidated government of Butte-Silver Bow. Mr. Egan stated this bill will complement the Science and Tech Alliance Act, in further promoting economic development in the state.

Alfred Verschout, representing himself, other ranchers, and Dave Green and Tom Towe. Mr. Verschout stated that if the citizens are not willing to invest in Montana, how do we expect anyone else to invest in it. He said he would like to see the rest of the coal tax money funneled into this bill and invested in Montana.

George Allen, Montana Retailer's Association. Mr. Allen stated he supported the bill.

OPPONENTS

None.

QUESTIONS

Rep. Simon asked what the mid-level and advance technology companies are. Rep. Vincent responded that criteria was still being developed by which those terms are applied, and that is why he took the approach he did because a period of time will be needed for implementation.

Rep. Simon asked if safeguards could be put into the investments in projects that are marginal. Rep. Vincent replied that the 1989 Legislature could in the process of implementation provide adequate safeguards.

Rep. Simon commented that creating jobs often helps the economy only in short-term jobs, and asked Rep. Vincent to

comment. Rep. Vincent said the intention of the bill was to provide longterm career jobs.

CLOSING

Rep. Vincent stated that the bill would support a common goal and improve the economy. He said this would provide the opportunity to provide industrialized products close to extraction rather than exporting all of the jobs out of the state.

HOUSE BILL NO. 466 - Extend Veterans' and Handicap Preference to Colleges and Universities, sponsored by Rep. Dave Brown, House District 72, Butte. Rep. Brown stated this bill provides that veterans preference be applied to the University System itself and to the Commissioner of Higher Education's Office. He said the preference only applies in the case of a tie in the qualifications of the applicants.

PROPOSERS

Rich Brown, administrator of the Montana Veterans Affairs Division. Mr. Brown stated this bill includes the colleges, community colleges and the University System under the current veteran's preference act. He said the current act applies to approximately 50 percent of the public employees.

George Poston, representing the United Veterans Committee of Montana. Mr. Poston stated that they are only asking for equity, they are not asking that an unqualified person be given a preference, as they have to be qualified before they get the job. He said they are asking that the University System be opened up to this program to keep those people from leaving the state to find a job.

Hal Madsen, American Legion of Montana. Mr. Madsen stated that there were many well educated veterans that are just as qualified as others, and this bill would give them a preference.

Rep. Bob Pavlovich, House District 70, Butte. Rep. Pavlovich stated he supported the bill and that this bill was incorporated in his bill, House Bill No. 38, the veteran's preference bill.

Rep. Les Kitselman, House District No. 95, Billings. Rep. Kitselman stated he supported the bill as a Viet Nam veteran.

Rep. Charles Swysgood, House District No. 73, Dillon. Rep. Swysgood stated he supported the bill.

OPPONENTS

Leroy Schramm, chief legal counsel, Board of Regents, Commissioner of Higher Education Office. Mr. Schramm stated this bill was reverse discrimination. He said the faculty and professionals had about 25 percent female representation which would be eliminated from the applicants being considered for the jobs. He added the bill would hamper hiring women in positions because the number of veterans are predominately male.

Morris Mulcahy, representing the Montana Federation of Teachers and Montana Federation of State Employees. Mr. Mulcahy stated that he opposed the bill for all the reasons that Mr. Schramm listed.

Mary Lou Garrett, representing the Interdepartmental Coordinating Counsel of Women (ICCW). Ms. Garrett stated they opposed the bill and any additions to veterans preference, or the compromise reached in 1983 because they feel the preferences allowed are equitable at this time.

Debra Jones, representing the Women Lobbyist Fund. Ms. Jones stated they oppose this bill but continue to support the existing Veterans Preference Law. She commented that women are at a disadvantage in seeking employment and additional preference for veterans would further aggravate the situation. She submitted written testimony. Exhibit No. 5.

QUESTIONS

Rep. Pavlovich asked what the expiration date was of the current bill. Mr. Brown replied that the expiration date was December 20, 1988. He said at that time 97 percent of Montana veterans would be ineligible for the preference.

Rep. Driscoll asked how many ties there had been in hiring since the last legislation regarding this issue. Laurie Ekanger, Personnel Division, Department of Administration, replied that the proportion of veterans had been 12-13 percent of the total new hires in the past year and a half had been veterans which is 18 percent of the nonclerical hires.

Rep. Brandewie asked what percent of the population available for work were veterans. Laurie Ekanger replied that 14 percent of the population were veterans. Mr. Brown responded that about 18 percent of the population over 17 years of age are veterans.

Rep. Wallin asked what benefits were available for veterans at the university system as students. Mr. Schramm replied there were federal benefits and state fee waivers. He said there was no time limit on the fee waivers.

Chairman Kitselman responded that the benefits they receive as a veteran, after the Viet Nam era, include eligibility for \$250, a flag, and a spot in the National Cemetery.

CLOSING

Rep. Brown stated that the overall percentage of new hires was not known because those statistics are not recorded. He said the point of the veterans preference was to give an edge to those people that spent time in service for the country. He said he was on the conference committee that discussed this issue, and there was no compromise reached, and the reason this bill has been introduced again is because there was a substantial number of people that don't believe there was a compromise.

EXECUTIVE ACTION

ACTION ON HOUSE BILL NO. 765

Rep. Pavlovich moved that House Bill No 765 DO PASS. The motion carried unanimously.

ACTION ON HOUSE BILL NO. 466

Rep. Driscoll moved that House Bill No. 466 DO PASS. The motion carried with Reps. Wallin, Brown and Cohen opposed.

ACTION ON HOUSE BILL NO. 763

Rep. Hanson moved that House Bill No. 763 DO NOT PASS.

Rep. Pavlovich commented that the establishments have to close at 2:00 a.m. since the law says alcohol cannot be sold after 2:00 a.m.

Rep. Hansen commented they had a similar problem in Missoula with an establishment.

Rep. Driscoll stated that it was not the liquor but the food that was driving all the restaurants out of business by serving their inexpensive meals and keeping their keno machines running and poker tables open. He said they are not giving away liquor since they do not want to risk their liquor license, but instead are almost giving away their food.

Rep. Simon moved that House Bill No. 763 BE TABLED. The motion carried unanimously.

ACTION ON HOUSE BILL NO. 654

Rep. Jones moved that House Bill No. 654 DO PASS. The motion carried unanimously.

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

Rep. Jones moved DO PASS AS AMENDED. The motion carried with a vote of 12 to 6, with Reps. Pavlovich, Swysgood, McCormick, Grinde, Nisbet, and Brandewie opposed.

ACTION ON HOUSE BILL NO. 570

Rep. Brandewie moved to lift House Bill No. 570 from the table.

Rep. Jones commented that the bill would give an all-beverage license to a bar that encompasses eighty acres.

Rep. Brandewie moved amendments in the title line 6, following "licensee", insert, "from a portable device as well as at the golf course clubhouse". He explained that this was like a portable refreshment stand.

Rep. Kitselman asked if the portable device could be a motor home or mobile trailer. Rep. Brandewie replied that it could.

The motion to lift House Bill No. 570 from the table carried with a roll call vote of 10 to 7. Roll Call Vote No. 1.

Rep. Jones moved that House Bill No. 570 BE TABLED. The motion FAILED.

Rep. Brandewie moved that House Bill No. 570 DO PASS AS AMENDED. The motion carried with a vote of 9 to 8, with Reps. Hansen, Jones, McCormick, Nisbet, Bachini, Brown, Kitselman, and Thomas opposed.

HOUSE BILL NO. 623

Rep. Bachini moved that House Bill No. 623 DO PASS.

Rep. Brandewie moved an amendment to change any reference of "10%" to "not less than 5%, but not more than 10%". The motion carried with Reps. Pavlovich, Jones, Driscoll, McCormick, and Nisbet opposed.

Rep. Nisbet moved an amendment on page 2, line 17, to strike "(ii)" and insert "(i)". The motion carried unanimously.

Rep. Kitselman moved an amendment on page 2, line 7, to strike the "ii". The motion failed.

Rep. Simon commented that certain items were excluded that are currently figured into the profitability picture.

Rep. Brandewie moved that House Bill No. 623 BE TABLED. The motion failed by a tie vote of 9-9.

Rep. Driscoll moved that House Bill No. 623 DO NOT PASS. The motion failed by a tie vote of 9 to 9. Roll Call Vote No. 2.

HOUSE BILL NO. 557

Rep. Driscoll moved that House Bill No. 557 DO PASS.

Rep. Driscoll moved the amendment to strike "July 1, 1985" and insert "July 1, 1989". The motion carried unanimously.

Rep. Smith commented that the problem with it is that there would be a problem taking a small group and segregating them and attempting to work out an hourly rate.

Rep. Grinde stated that with the workers' compensation bill coming up in the Senate and other bills, and he doesn't see making any changes at this time.

Rep. Grinde moved a substitute motion that House Bill No. 557 BE TABLED. The motion carried on a vote 10 to 8.

ADJOURNMENT

The meeting was adjourned at 10:30 a.m.



REP. LES KITSELMAN, Chairman

DAILY ROLL CALL

BUSINESS & LABOR

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date FEBRUARY 18, 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 | ✓ | | |
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STANDING COMMITTEE REPORT

FEBRUARY 13

19 87

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

report HOUSE BILL NO. 573

☒ 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) Title, line 6

Following: "LICENSEE"

Insert: "FROM A PORTABLE DEVICE AS WELL AS AT THE GOLF COURSE CLUBHOUSE"

2) Page 1, line 19

Following: "beverages"

Strike: "and is"

Insert: "

(a) in the building or other structural premises constituting the clubhouse or primary indoor recreational quarters of the golf course; and

(b) at any place within the boundaries of the golf course, from a portable satellite vehicle or other moveable satellite device that is moved from place to place, whether inside or outside of a building or other structure.

(3) "it"

3) Page 1, lines 19 and 20

Following: "consumes" on line 19

Strike: "she purchased"

4) Page 1, line 20

Following: "beverages"

Insert: "sold as provided in subsection (2)"

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STANDING COMMITTEE REPORT

February 18

19 87

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

report HOUSE BILL NO. 772

☒ 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, line 14

Following: "heavy/highway"

Strike: "wate"

Insert: "wage"

2) Page 3, line 3

Following: "means wage rates"

Insert: ", including fringe benefits for health
and welfare and pension contributions and
travel allowance provisions,"

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STANDING COMMITTEE REPORT

February 18

19 37

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

report HOUSE BILL NO. 759

☒ 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 3, line 24
Strike: "not only"

2) Page 3, line 25
Strike: "unless"
Insert: "only after"

3) Page 5, lines 16 and 17
Following: "may" on line 16
Strike: "not only"

4) Page 5, line 13
Strike: "unless"
Insert: "only after"

5) Page 7, line 12
Strike: "not only"

6) Page 7, line 14
Strike: "unless"
Insert: "only after"

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STANDING COMMITTEE REPORT

February 18

19 37

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

report HOUSE BILL NO. 654

☒ 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) Title, line 5

Strike: "ALL-BEVERAGES"

Insert: "BEER AND TABLE WINE"

2) Page 1, line 9

Strike: "all-beverages"

Insert: "beer and table wine"

3) Page 1, line 12

Strike: "all-beverages"

Insert: "beer and table wine"

Following: "beer"

Strike: ", "

Insert: "and"

Following: "wine"

Strike: the remainder of line 12 and "liquor" on line 13

4) Page 1, line 17

Following: "beer"

Strike: ", "

Insert: "and"

5) Page 1, line 18

Following: "wine,"

Strike: "and liquor,"

6) Page 1, line 1

Following: "the"

Insert: "principal"

7) Page 2, lines 2 and 3

Following: "performances" on line 2

Strike: the remainder of line 2 and line 3 through
"programs"

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8) Page 2, line 4

Following: "public."

Insert: "Assets of the corporation must be irrevocably dedicated to the activities for which the license is granted and, on the liquidation, dissolution, or abandonment by the corporation, may not inure directly or indirectly to the benefit of a member or individual except a nonprofit organization, association, or corporation."

9) Page 2, lines 5 and 6

Following: "performance" on line 5

Strike: "the remainder of line 5 and line 6 through
"program"

10) Page 2, line 9

Following: "museums;"

Insert: "and"

11) Page 2, lines 11 through 14

Following: "performances" on line 11

Strike: the remainder of lines 11, lines 12 and 13 in their
entirety, and line 14 through "subject,"

12) Page 2, line 15

Following: line 14

Insert: "(5) A license issued under this section is not
subject to the provisions of 16-4-201."

13) Page 6, line 7

Following: "special"

Strike: "all-beverages"

Insert: "beer and table wine"

STANDING COMMITTEE REPORT

February 18

19 37

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

report HOUSE BILL NO. 765

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. LES KITSCHMAN

Chairman

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STANDING COMMITTEE REPORT

February 13

19 87

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

report HOUSE BILL NO. 771

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. LES KITSELMAN

Chairman

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STANDING COMMITTEE REPORT

February 18

19 37

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

report HOUSE BILL NO. 466

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. LES KITSELMAN

Chairman

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ROLL CALL VOTE

BUSINESS & LABOR

COMMITTEE

DATE Feb. 18, 1987 BILL NO. HB 570

NUMBER 1

| NAME | AYE | NAY |
|---------------------------------|------------|-----|
| REP. LES KITSELMAN, CHAIRMAN | | ✓ |
| REP. FRED THOMAS, VICE-CHAIRMAN | | ✓ |
| REP. BOB BACHINI | | ✓ |
| REP. RAY BRANDEWIE | ✓ | |
| REP. JAN BROWN | ✓ | |
| REP. BEN COHEN | - absent - | |
| 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 | ✓ | |
| | | |
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TALLY

10 7

Elsie Armstrong
Secretary

Les Kitse
Chairman

MOTION: Rep. Brandewie moved to lift HB 570 from table status.

Motion carried - 10 to 7.

ROLL CALL VOTE

BUSINESS & LABOR

COMMITTEE

DATE Feb. 18, 1987 BILL NO. House Bill 623 NUMBER 2

| 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"/> |
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TALLY

9 9

Chloe Sedens Armstrong
Secretary

Les Kitseleman
Chairman

MOTION: Rep. Brandewie moved to table HB 623.

Motion failed - tie vote - 9 to 9.

PROPOSED AMENDMENTS OF STATE AUDITOR
HOUSE BILL 769

EXHIBIT 1
DATE 2/18/87
HB 769

1. Page 3, line 24.
Strike: "not only"
2. Page 3, line 25.
Strike: "unless"
Insert: "only after"
3. Page 5, line 16.
Following: "may"
Strike: "not"
4. Page 5, line 17.
Strike: "only"
5. Page 5, line 18.
Strike: "unless"
Insert: "only after"
6. Page 7, line 12.
Strike: "not only"
7. Page 7, line 14.
Strike: "unless"
Insert: "only after"

INFORMATION SHEET
HOUSE BILL 771
SPONSOR: REPRESENTATIVE GLASER

EXHIBIT 2
DATE 2/18/87
HB 771

I. Background

The Legislature enacted the present Surplus Lines Insurance Law in 1959. Only three sections were amended since 1959 (sections 33-2-302, 33-2-311, and 33-2-307, MCA). In 1986, the NAIC adopted a new Model Surplus Lines Insurance Law. HB 771 amends the present Surplus Lines Insurance Law to conform with the 1986 NAIC Model Surplus Lines Insurance Law. The only substantive departure from the 1986 NAIC Model Surplus Lines Insurance Law in HB 771 is that subsection (3) of section 7 permits a surplus lines agent to collect a placement fee; whereas, the NAIC Model does not. HB 771 permits unauthorized insurers that have established satisfactory evidence of good reputation and financial integrity to qualify as eligible surplus lines insurers.

II. Purpose

The purposes of HB 771 are to (1) protect persons seeking insurance in Montana; (2) permit surplus lines insurance to be placed with reputable and financially sound unauthorized insurers; (3) establish a system of regulation that will permit orderly access to surplus lines insurance in this state and encourage authorized insurers to provide new and innovative types of insurance to Montana consumers; and (4) protect Montana revenues. HB 771 clarifies and updates The Surplus Lines Insurance Law in Montana.

III. Section by section explanation

Section 1 provides (1) the short title of HB 771, which is "The Surplus Lines Insurance Law"; and (2) the purpose of HB 771.

Section 2 provides definitions.

Section 3 lists the conditions that must be met before insurance may be procured through a licensed surplus lines agent from an unauthorized insurer, i.e., the unauthorized insurer is an eligible surplus lines insurer; the surplus lines agent cannot procure, after a diligent search among authorized insurers, the full amount or kind of insurance; the insurance is not procured to obtain a lower premium rate or better terms of the insurance contract; and all requirements of The Surplus Lines Insurance Law are met.

Section 4 requires each surplus lines insurance policy to be filed with the commissioner and endorsed as "issued in an unauthorized insurer under The Surplus Lines Insurance Law under agent license No. _____" and "NOT covered by the property and casualty guaranty fund of this state if the unauthorized insurer becomes insolvent".

Section 5 provides that surplus lines insurance procured in accordance with The Surplus Lines Insurance Law is valid.

Section 6 provides that an agent licensed in Montana may not procure a surplus lines insurance contract unless he is licensed as a resident property, casualty, and surety insurance agent; possesses a current surplus lines insurance license; and has been licensed as a property, casualty, and surety insurance agent continuously for 5 years or more.

Section 7 provides that a licensed surplus lines agent may (1) place surplus lines insurance, in compliance with The surplus Lines Insurance Law, with any eligible surplus lines insurer; (2) accept business from a licensed insurance agent and receive compensation for doing that; and (3) collect a placement fee of 0.5 percent of the premium charged to cover the costs of issuing and servicing the surplus lines insurance policy (the fee may not be less than \$10 or more than \$100).

Section 8 lists the requirements that an unauthorized insurer must meet to be an eligible surplus lines insurer. Basically, an insurer that establishes satisfactory evidence of good reputation and financial integrity may be approved as an eligible surplus lines insurer.

Section 9 permits the withdrawal of eligibility from a surplus lines insurer if it becomes financially unsound; no longer meets eligibility requirements; willfully violates Montana law; or does not make reasonably prompt payment of just losses and claims in Montana or elsewhere.

Section 10 permits surplus lines agents to form a surplus lines advisory organization.

Section 11 lists the requirements for a surplus lines insurance policy, cover note, or certificate.

Section 12 provides that payment of premium to a surplus lines agent is considered to be payment to the insurer.

Section 13 requires each surplus lines agent to keep and make available for examination by the commissioner a separate record and account of all business transacted under his license within 5 years after the issuance of the surplus lines insurance to which it relates.

Section 14 requires each surplus lines agent to pay premium tax at the same rate imposed upon authorized insurers for insurance business transacted by him during the preceding calendar year.

Section 15 provides a penalty for failure to file an annual statement or pay premium tax.

Section 16 permits the revocation or suspension of a surplus lines agent license.

Section 17 provides that a surplus lines insurer may be sued in Montana in the district court of the plaintiff's county of residence.

Section 18 requires every surplus lines insurer transacting surplus lines insurance in Montana to appoint the commissioner of insurance as its agent for service of legal process.

Section 19 provides that a surplus lines agent who represents or aids an unauthorized insurer in violation of The Surplus Lines Insurance Law is guilty of a misdemeanor.

Section 20 permits reasonable rulemaking.

Section 21 lists the types of insurance that are exempt from The Surplus Lines Insurance Law.

Sections 22 through 29 amend existing law to change "surplus line" to "surplus lines".

IV. Conclusion

HB 771 updates The Surplus Lines Insurance Law in Montana while protecting Montana insurance consumers by permitting surplus lines insurance to be placed with reputable and financially sound unauthorized insurers. HB 771 establishes a system of regulation that will permit orderly access to surplus lines insurance in Montana and permits surplus lines agents to collect a placement fee for their efforts.

TESTIMONY ON HOUSE BUSINESS & LABOR COMMITTEE H.B. 772

My name is Reggie McMurdo and I am the elected Business Manager of Local 768 of the International Brotherhood of Electrical Workers. Our geographical jurisdiction is the seven counties in northwestern Montana, and I live in Whitefish. During this legislative session I am authorized to speak for the Montana State Conference of Electrical Workers, representing over 4,000 members across the state.

Due to a misunderstanding I arrived too late to testify before the committee. My thanks to Chairman Kitselman for allowing this written version to be entered.

Our opposition to H.B. 772 is based on three separate arguments.

- #1 We see no need to create ten (10) separate new wage rate districts. The last legislature required the Commissioner of Labor to create five (5) new wage rate districts, which was accomplished on December 1, 1986. The time and money expended to create these five districts will be totally wasted if they are not allowed any time to operate to see if they work. Additionally, why does the state have to create wage districts at all? Montana, like all state, is already divided into prevailing wage areas by the federal government. During these times of financial crisis it seems extravagant to spend state money re-inventing the wheel.
- #2 The \$25,000 threshold when considering new construction does not appear to be outrageously high. However, when viewed in the nature of renovation or repair of individual components of an existing facility, \$25,000 is devastating. A \$25,000 repair or replacement of electrical or mechanical systems, or roofs or boilers for example, will result in these critical, potentially life and property threatening systems being built by the cheapest employees available. The employer most able to exploit his employees will have a bid advantage, and in all occupations the employees most easily exploited are the least competent. The current threshold of \$7,500 is more than adequate to allow the incidental repair and replacement necessary for the normal operation of state facilities.
- #3 The concept of prevailing wage laws in general has been attacked in this legislature, and in this bill. The logic that created all prevailing wage laws is still valid. Basically, these laws are intended to assure quality construction of public facilities. There is, however, another perspective that deserves mention. Construction wages are set exclusively by the private sector, and move up and down as the market dictates. Prevailing wage laws prevent the enormous purchasing power of the state from being used to pressure these wage rates down. Consider for a moment your feeling about paying taxes if the tax revenue was used by the state to reduce your business opportunities, or your wage rates, and therefore your lifestyle.

I did attend and testify at the hearings on H.B. 119 and S.B. 10. From the testimony given at these two hearings, the only conclusion possible was to leave the existing law intact, or to strengthen it. I am also aware of the communications from constituents to their representatives regarding these two bills. I doubt that the majority of correspondence or phone calls to any representative on the prevailing wage issue indicated a desire to dilute or repeal Montana's Little Davis-Bacon.

Given the logical, provable, expert testimony overwhelmingly opposed to any weakening of Montana's prevailing wage law, and the lopsided communications from the constituents, and the largest demonstration at this legislature to date, further attempts such as H.B. 772 cannot be based on any desire to save money or represent your constituents.

It appears that this issue has become a political football. Partisan politics is not the method best suited to decide prevailing wage laws. Quality construction of public facilities directly affects all segments of society. The legislature itself does its business in a public facility.

There are only two reasons to oppose a strong prevailing wage law:

- #1 Directly affected unfair employers can rip off the public and their employees and thereby make more profit.
- #2 Ignorance.

No one in the legislature can claim ignorance of the facts, or their constituents wishes. I urge you to oppose H.B. 772.

WHAT THE MONTANA JOBS ACT DOES

EXHIBIT 3
DATE 2/18/87
HB 765

- * Invests 25% MORE coal tax dollars IN MONTANA'S ECONOMY for jobs and economic development, rather than sending these dollars out-of-state (increases in-state investment from 25% to 50%).
- * SPENDS COAL TAX DOLLARS TO:
 - * Help existing Montana businesses expand.
 - * Bring new businesses to Montana.
 - * Develop ways to ADD VALUE to Montana's basic commodities before they're shipped out-of-state. Agriculture, mining and timber - special emphasis.
 - * Provide advanced job training for Montanans - especially our young people - for the new kinds of jobs a changing economy offers.
 - * Obtain technologically advanced equipment for educating our university students and doing important research and development work.
 - * Secure on-going and improved funding for Montana's Science and Technology Alliance, the "heart and soul" of our middle high-tech partnership between business, government and the University System.
- * INVEST COAL TAX TRUST FUND DOLLARS TO ESTABLISH BONDING PROGRAMS FOR:
 - * General Infrastructure Improvements related to economic development.
 - * Business Infrastructure Improvements necessary to enable existing businesses to expand and new businesses to relocate.

* INVEST COAL TAX DOLLARS...(CONTINUED) FOR:

- * Venture capital to help promising businesses get off to a productive start.
- * Operating capital to promote the expansion and growth of profitable Montana businesses.

1 _____ BILL NO. _____
2 INTRODUCED BY _____
3
4 A BILL FOR AN ACT ENTITLED: "THE MONTANA JOBS ACT;
5 PROVIDING FOR A COMPREHENSIVE EFFORT BY THE PEOPLE AND THE
6 LEGISLATURE OF MONTANA TO ENCOURAGE, DEVELOP, AND PROMOTE
7 THE LONG-TERM ECONOMIC REVITALIZATION OF MONTANA, THE
8 DIVERSIFICATION OF MONTANA'S ECONOMY, AND THE CREATION OF
9 NEW JOBS AND BUSINESSES; AMENDING SECTIONS 15-35-108,
10 17-6-305, AND 17-6-306, MCA; PROVIDING THAT THE PROPOSED ACT
11 BE SUBMITTED TO THE ELECTORS OF THE STATE OF MONTANA; AND
12 PROVIDING AN EFFECTIVE DATE."
13

14 WHEREAS, it is essential that the state of Montana
15 increase and improve its efforts to create new jobs and
16 economic opportunities for its citizens; and

17 WHEREAS, creating new jobs, promoting the expansion of
18 existing businesses, and developing new businesses are
19 essential to assure a prosperous economic future for Montana
20 and Montana's young people; and

21 WHEREAS, economic realities dictate that Montana must
22 develop a more stable and diversified economy if it is to
23 prosper and meet the economic challenges of the 1990's and
24 beyond; and

25 WHEREAS, a comprehensive job creation and economic

1 development strategy is necessary to develop and sustain a
2 strong, stable, and diversified economy for Montana's
3 future; and

4 WHEREAS, vital components of a vigorous, comprehensive
5 economic development strategy for Montana include: the
6 Science and Technology Alliance, the Business Assistance
7 Program of the Department of Commerce, a ~~coal-based~~
8 research and development capability to explore ways to add
9 value to Montana's basic commodities before they are
10 exported out of state, a job training program to provide
11 Montanans for new jobs in middle and advanced technology
12 companies, a capital improvement funding capability for the
13 purchase of equipment needed by units of the Montana
14 University System to train students and conduct research in
15 middle and advanced technologies, a general infrastructure
16 bonding program for public improvements that enhance
17 economic development activities, a business infrastructure
18 development bonding program to assist communities and
19 communities in infrastructure improvements needed to
20 attract new businesses or to enable existing business to
21 expand, a greater investment of money from the coal tax
22 trust fund in Montana's economy, a venture capital bonding
23 program to promote new businesses and innovative business
24 development, and an operating capital bonding program to
25 promote the expansion and growth of Montana business.

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

Section 1. Section 15-35-108, MCA, is amended to read:

"15-35-108. Disposal of severance taxes. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the-board-of-investments as provided by law.

(2) Starting July 1, 1986, and ending June 30, 1987, 6% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund. Starting July 1, 1987, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) 2 1/2% until July 1, 1987, and thereafter 4 1/2% to the state special revenue fund to the credit of the alternative energy research development and demonstration

account;

(b) 6% until July 1, 1987, and thereafter 37 1/2% to the state special revenue fund to the credit of the local impact and education trust fund account;

(c) 30% until July 1, 1987, and thereafter 10% to the state special revenue fund for state equalization aid to public schools of the state;

(d) 1% to the state special revenue fund to the credit of the county land planning account;

(e) 1 1/4% to the credit of the renewable resource development bond fund;

(f) starting July 1, 1986, and ending June 30, 1989, 5% to the general fund, and after June 30, 1989, 5% to a nonexpendable trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol, and other cultural and aesthetic projects. Income from this trust fund shall be appropriated as follows:

(i) 1/3 for protection of works of art in the state capitol and other cultural and aesthetic projects; and

(ii) 2/3 for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102;

(g) 1% to the state special revenue fund to the credit of the state library commission for the purposes of

1 providing basic library services for the residents of all
2 counties through library federations and for payment of the
3 costs of participating in regional and national networking;

4 (h) 1/2 of 1% to the state special revenue fund for
5 conservation districts;

6 (i) 1 1/4% to the debt service fund type to the credit
7 of the water development debt service fund;

8 (j) 4% until July 1, 1987, to the highway
9 reconstruction trust fund account in the state special
10 revenue fund;

11 (k) 5% to an account in the state special revenue fund
12 to the credit of the Montana science and technology
13 development board;

14 (l) 5% to the state special revenue fund to the credit
15 of the department of commerce business assistance program
16 for funding economic assistance programs and value-added
17 research and development for exploring ways to add value to
18 Montana's basic commodities before they leave the state;

19 (m) 2.5% to the state special revenue fund for a job
20 training and equipment program to prepare Montanans for jobs
21 in midlevel and advanced technology companies;

22 (n) 2.5% to a higher education capital improvement
23 fund in the state special revenue fund for purchasing
24 equipment needed by units of the university system to train
25 students and conduct research in midlevel and advanced

1 technology;

2 ~~(*)~~(o) all other revenues from severance taxes
3 collected under the provisions of this chapter to the credit
4 of the general fund of the state."

5 Section 2. Section 17-6-305, MCA, is amended to read:

6 "17-6-305. Investment of ~~twenty-five~~ fifty percent of
7 the coal tax trust fund in the Montana economy. (1)
8 ~~Twenty-five~~ Fifty percent of all revenue deposited after
9 June 30, ~~1983~~ 1989, into the permanent coal tax trust fund
10 established in 17-6-203(5) and 15% of the annual income and
11 earnings on the Montana in-state investment fund
12 appropriated to the coal severance tax permanent fund by
13 17-5-704(2) shall be invested in the Montana economy with
14 special emphasis on investments in new or expanding locally
15 owned enterprises.

16 (2) In determining the probable income to be derived
17 from investment of this revenue, the long-term benefit to
18 the Montana economy shall be considered.

19 (3) The legislature may provide additional procedures
20 to implement this section."

21 Section 3. Section 17-6-306, MCA, is amended to read:

22 "17-6-306. Montana in-state investment fund. The
23 Montana in-state investment fund consists of:

24 (1) ~~25%~~ 50% of the revenue deposited after June 30,
25 ~~1983~~ 1989, into the permanent coal tax trust fund

1 established in 17-6-203(5);

2 (2) the principal payments on all investments made
3 from the Montana in-state investment fund; and

4 (3) 15% of the annual income and earnings on the
5 Montana in-state investment fund appropriated to the coal
6 severance tax permanent fund by 17-5-704(2)."

7 NEW SECTION. Section 4. Bonding programs. The
8 legislature shall develop bonding programs utilizing the
9 deposits to the permanent coal severance tax trust fund to
10 provide backing for the bonds. Bonding programs should
11 include:

12 (1) a general infrastructure bonding program for
13 public improvements that enhance economic development
14 activities;

15 (2) a business infrastructure development bonding
16 program to assist communities and companies making
17 infrastructure improvements needed to attract new businesses
18 or to enable existing businesses to expand;

19 (3) a venture capital bonding program to promote new
20 businesses and innovative business development; and

21 (4) an operating capital bonding program to promote
22 the expansion and growth of Montana businesses.

23 NEW SECTION. Section 5. Effective date. If approved
24 by the electorate, this act is effective July 1, 1989.

25 NEW SECTION. Section 6. Submission to electorate. The

1 question of whether sections 1 through 6 of this act will
2 become effective shall be submitted to the electors of
3 Montana at the general election to be held November 8, 1988,
4 by printing on the ballot the full title of this act and the
5 following:

6 ☐ FOR investing coal tax funds in state to create
7 jobs.

8 ☐ AGAINST investing coal tax funds in state to create
9 jobs.

-End-

WOMEN'S LOBBYIST FUND

Box 1099
Helena, MT 59624
449-7917



EXHIBIT

DATE

HB

5
2/18/87
466

February 18, 1987

TESTIMONY IN OPPOSITION TO HB 466

Mr. Chairman and Members of the House Business and Labor Committee:

My name is Debra Jones. I represent the Women's Lobbyist Fund, a coalition of 39 organizations representing over 6500 individuals in Montana. The WLF opposes HB 466.

The Women's Lobbyist Fund continues to support the current Veteran's and Handicapped Persons' Employment Preference Act. As many of you know and well remember, the preference issue was addressed by the 1983 and 1985 legislatures as well as the 1983 special session. The sole purpose of the 1983 special session was to address preference.

The resulting compromise law of 1983 was carefully engineered to give a fair preference while not discriminating against non-vets. Each party gave up something to arrive at the current compromise. In the 1983 legislature, the WLF supported legislation that prevented any veterans' preference from interfering with affirmative action. We subsequently withdrew this position as part of the 1983 compromise. HB 466 proposes to give back one piece of the compromise to one group without compensating the others.

The University system will address it's own concerns with this bill. I would like to address women's concerns with this bill. Since 96 percent of Montana vets are men, women would clearly be at a further disadvantage in seeking employment if this bill passes. The 1980 Montana Census shows that the average household income for a family with a veteran was \$21,000. By contrast, the average income for a female-headed household was \$9,000. Among state employees in 1986, full-time female employees earned 77 cents for every dollar that full-time male employees earned. Clearly, women are already at a disadvantage in the state workforce. Additional preference for veterans would only exacerbate this situation. Furthermore, vets are already the most generously treated special interest group in the United States, and receive numerous benefits in addition to our current preference in hiring.

Finally, it has never been the intention of the WLF to pit one disadvantaged group against another. All we ask is that you consider what is truly fair to all Montanans, whether they be veteran or non-veteran, disabled or able-bodied, minority of majority, male or female. Current law has been pieced together to balance out all of these needs and interests.

I urge you to support the existing preference law and give HB 466 a "do not pass" recommendation.

BUSINESS AND LABOR

BILL NO. House Bill No. 772

DATE February 18, 1987

SPONSOR Rep. Ray Brandewie

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. House Bill No. 765DATE February 18, 1987SPONSOR Rep. John Vincent

| NAME (please print) | REPRESENTING | SUPPORT | OPPOSE |
|---------------------|-------------------------|---------|--------|
| James V. Koch | of Int | ✓ | |
| Keith L. Colbo | Commerce Dept. | ✓ | |
| St. C. Crockett | to make | ✓ | |
| Jim Drake | MT Bell | ✓ | |
| Lloyd Lockman | Montana Cont. Assoc. | ✓ | |
| Shirley Dwyer | ad. chamber of Commerce | ✓ | |
| A. S. Hanson | MT Tech Council | ✓ | |
| Don Dodge | MT STATE AFL-CIO | ✓ | |
| Wm. W. W. W. | MT, MT | ✓ | |
| Bob Cooney | Trng. Chamber of Comm | ✓ | |
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

BUSINESS AND LABOR

BILL NO. House Bill No. 763

DATE February 18, 1987

SPONSOR Rep. Kelly Addy

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. House Bill No. 771

DATE February 18, 1987

SPONSOR Rep. Bill Glaser

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

COMMITTEE

SPONSOR Rep. Dave Brown

CS-33

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. House Bill No. 769

DATE February 18, 1987

SPONSOR Rep. John Patterson

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.