MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

Call to Order: By Chairman, Bob Pavlovich, on January 17, 1989, at 9:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Paul Verdon and Sue Pennington

Announcements/Discussion: None

HEARING ON HOUSE BILL 120

Presentation and Opening Statement by Sponsor: Rep. Giacometto stated that the bill he brought in was really a fair trade bill and the only thing he can say about it is that his district borders North Dakota, South Dakota, and Wyoming, what this deals with is the nonresident fur dealer's licenses. Right now under current law a resident of another state can come into Montana and pay $50 to purchase a fur dealer's license. This bill is trying to equal out what they charge for our people to go over to their side and purchase a fur dealer's license. In Wyoming it is $100 per nonresident dealer's license, in South Dakota it is $400, in North Dakota it is $500. Our other bordering state which we have not had a problem with is Idaho which the license is $21. There are only nine people or nine nonresident licenses right now in the state of Montana. There are 96 resident licenses. It is a pretty minor issue, it isn't going to affect that many people, I think that eight of those nine nonresident are in my district and what it deals with is a small market of fur dealers. They feel that it is unfair that their competition can buy a Montana license for a small fee and they go to the other states and buy a fur dealer license and it costs ten times as much. That is the only reason he brought the bill in, just the matter of fairness that nonresidents are charged the same amount as their states charge our residents.

List of Testifying Proponents and What Group They Represent:

Ron Marcoux, Acting Director, FWP

List of Testifying Opponents and What Group They Represent:

None

Testimony: Mr. Marcoux wanted to go on record as supporting this bill and the concept of putting honors in the fur buyers market.

Questions From Committee Members: None

Closing by Sponsor: In closing, Rep. Giacometto stated that on the part of retaining the $50, he had no problem with it. The only thing he saw was that since Idaho charges $21, he felt that we might as well leave it at $10. It could be up to the committee to decide how they want to place it. If we are going to be fair, the only thing I felt was that we should leave ours as it is, leaving the stipulation we charge the same as they do. If the committee sees fit that it should go back to the $50, he doesn't know of anyone that would affect. But that would be up to the committee.

DISPOSITION OF HOUSE BILL 120

Motion: Rep. Thomas made a motion of DO PASS.

Discussion: None

Amendments and Votes: No amendments.

Recommendation and Vote: HB 120 passed unanimously.

HEARING ON HOUSE BILL 132

Presentation and Opening Statement by Sponsor: Rep. Schye stated that the bill he brings before us today is a very straight forward bill. Most of you were here in the 1985 session and remember that I carried legislation to make bingo a cash prize of $100 rather than a tangible prize. At that time the senior citizens of the Glasgow area asked me to put it in and a couple of other organizations had asked me to put it in. We did get that legislation passed. This legislation now raises that prize money from $100 to $800. The $800 figure I took from the governor's advisory council. One of the reasons that group in our

area would like to see it raised is that the area is next to the Fort Peck Indian reservation which does have the big bingo parlors that are not limited to the $100. They feel that they are losing some of their players to the Indian parlors. They would like to be a little more competitive with them. He doesn't want to tie it up with the video poker games or the video keno machines and so on. If there is a discussion on the $800 that is fine, he would like to hear that.

List of Testifying Proponents and What Group They Represent:

Lyle Nagel, Montana State Volunteer Firefighters Assoc.
Bob Durkee, VFW Assoc.
James Durkin, Executive Director of the Gaming Industry
Mark Trafton, Cascade County Tavern Assoc.

List of Testifying Opponents and What Group They Represent:

Sid Smith, Helena, Bingo Parlor Owners

Testimony: Mr. Nagel stated that there are a lot of rural fire departments around the state that raise money just this way, with bingo and other fundraisers because there are no taxes for them.

Mr. Durkee stated that the VFW has more than 10,000 overseas veterans. Many of their posts have bingo games. In recent years with the limited prize, those playing the game has fallen off drastically. So, we hope that a bill of this nature will encourage more people to play.

Mr. Smith was speaking on behalf of himself and a few other bingo parlor owners. He stated that Rep. Schye brought up a point that they are doing this in Glasgow in an attempt to combat the Indian bingo down in Wolf Point. The Indians can seat probably 1200 people if they wish to do so. Right now they seat about 500. He went up to a game they had last year, it cost $50 to play a pack of cards, the bingos paid out $400, they had a jackpot that was either a brand new Ford pickup or $8,000 cash. However, they charge $5 per card. In this bill we are limited to 50 cents per card. If you are going to raise the payout, you have to raise the price that we can charge. This money just doesn't fall out of heaven, when we pay these prizes out. If you have a small hall which most of these people do, that seat 100 people and each person, in order to pay out that amount, would have to spend approximately $10 per game at 50 cents per card, that would be 20 cards. Most people do not play 20 cards, the average is 9. They would have to raise the payout in excess of $1 per

card and a 15 game session would cost approximately $150 for these people to play it. If we go to this $800, I think we are going to take bingo out of the realm of entertainment where it is now and put it into the gambling area that the Indians are in up there. I don't think that is going to combat the Indian problem on the reservation. They don't have any control, they can raise their prizes to $2,000, $5,000, they can have anything they want.

Mr. Durkin stated that we really don't have very many bingo parlors that are members of his association. But in his travels he has visited with a lot of them in the state of Washington. He has seen what they are doing in that state in the bingo places. He has visited a lot of Indian reservation bingo parlors. In Washington there is big bingo and big gaming. They award up to $1,000 to $10,000 prizes. Bingo halls, Big Brothers/Sisters in Spokane, the last time he was there it was absolutely packed, they were charging up to $5 per card. Their gross revenue in that one bingo hall (3 1/2 million dollars) was close to the maximum limit in the state of Washington. One establishment does 1 million dollars a year in pull tabs. To come here and just change the limits of these awards without looking at the rest of the game and what you are entitled to pay per card, will destroy and not allow even some of the veteran associations to stay in this bingo game. The last time he was in town he went to the parlor east of Helena, there were 30 people there, and if you had to payout the $200 award, or $300, or $400 award, it just would not work. He realizes that this needs to change, a change has to come about in this expanded award situation but to do it without a thorough study of how it affects that industry would be terrible.

Mr. Trafton stated that his association has two members that are in the bingo business and had asked him to speak on behalf of this bill. They can only sell the cards for 50 cents per card, paying out the $800 in addition to the overhead they are experiencing doesn't seem to be in the stars for a net profit line. If Rep. Schye follows the recommendation of the governor's advisory council on the $800 payout, he will also recommend they follow the 3% gross tax that was proposed on the bill also.

Questions From Committee Members: Representatives Bachini, Wallin, Thomas, Blotkamp, Simon, Hansen, Glaser and Kilpatrick had questions which were answered by Mr. Durkin, Rep. Schye, and Mr. Smith.

Closing by Sponsor: Rep. Schye stated that in his area, of

course, it is a lot different from some of the other areas we are dealing with. It is a very social event, the senior citizens and VFW have alternate nights in town where they play bingo, they do use this money for a lot of charity organizations, they use it to keep the senior citizens building in operation, and are just real strapped by the $100 and would like the opportunity to raise it. He doesn't foresee them giving out $800 prizes either. They may if they could bring in that many people, but they play a straight percentage. If this committee feels the bill needs to be worked over and a few amendments made to it, the $800 changed, the price permissive to be upped on the cards, that is just fine. He thinks that there can be some things done with the bill, but something should be done.

DISPOSITION OF HOUSE BILL 132

Motion: Rep. Kilpatrick made a DO PASS motion.

Discussion: None

Amendments and Votes: None

Recommendation and Vote: HB 132 passed 10-6 on the DO PASS motion.

EXECUTIVE ACTION ON HOUSE BILL 94

Rep. Pavlovich stated that the amendments were prepared by Paul Verdon the committee researcher. Paul spoke with Tom McGree of US West immediately after doing the amendments. Mr. McGree pointed out that one of the amendments was incorrect. Paul hadn't checked with Rep. Gilbert, but Tom had been with Rep. Gilbert several times when they had discussed this matter and was sure that they shared these views. Mr. McGree stated to Paul that on page 2, amendment 15, should be stricken and in its place refer to the bill itself. HB 94 in place of that amendment. It was requested that on page 3, line 9, following the word "collect" the language through the word "cost" on line 10 be stricken. So that would read "the department shall also collect the registration fee of $7.50 for each motor vehicle in the fleet in lieu of registration fee provided for in 61-3-321". Then at the end of that sentence add another sentence that says "the department shall retain $4.50 of each registration fee for administrative costs and shall forward the remaining $3 to the state treasurer for deposit in the motor vehicle recording account of state special revenue fund in lieu of the fee provided in 61-3-321(5). The affect of that

is to retain the $3 that goes into the motor vehicle recording fund that would be collected at the county level if the fee were paid there. It is in effect, retaining the existing system, except reregistration is being collected by the state, they get $7.50, the department of highways is keeping $4.50 for administrative costs and $3 goes to the vehicle recording account just the same as if it were being collected by the county treasurer. On the bill on page 5, sub 5, the fee goes to the vehicle recording account. Section 4 is stricken from the bill. In the first registration the county collects the fee and sends it to the state.

Rep. Pavlovich stated that on page 2 of the amendments, Amendment 17 strikes Section 4 in its entirety. Section 4 is no longer in the bill with these amendments.

Motion: Rep. Simon moved a DO PASS and moved the adoption of the amendments as proposed by Paul Verdon.

AMENDMENTS & VOTE: Passed unanimously

RECOMMENDATION & VOTE: HB 94 passed unanimously.

ADJOURNMENT

Adjournment At: 9:45 a.m.

REP. BOB PAVLOVICH, Chairman

BP/sp

1403.min

DAILY ROLL CALL

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 1 17 89

NAME	PRESENT	ABSENT	EXCUSED
PAVLOVICH, BOB	X		
DeMARS, GENE	X		
BACHINI, BOB	X		
BLOTKAMP, ROB	X		
HANSEN, STELLA JEAN	X		
JOHNSON, JOHN	X		
KILPATRICK, TOM	X		
McCORMICK, LLOYD "MAC"	X		
STEPPLER, DON	X		
GLASER, BILL	X		
KELLER, VERNON	X		
NELSON, THOMAS	X		
SIMON, BRUCE	X		
SMITH, CLYDE	X		
THOMAS, FRED	X		
WALLIN, NORM	X		
PAUL VERDON	X		

ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

DATE 1/17/89 BILL NO. HB 120 NUMBER 1

NAME	AYE	NAY
Bob Pavlovich		
Gene DeMars		
Bob Bachini		
Rob Blotkamp		
Stella Hansen		
John Johnson		
Tom Kilpatrick		
Lloyd McCormick		
Don Steppler		
Bill Glaser		
Vernon Keller		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Fred Thomas		
Norm Wallin		
TALLY	16	

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: passed

Form CS-31
Rev. 1985

ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

DATE 1/17/89 BILL NO. HB132 NUMBER 1

NAME	AYE	NAY
Bob Pavlovich	X	
Gene DeMars	X	
Bob Bachini	X	
Rob Blotkamp	X	
Stella Hansen		X
John Johnson	X	
Tom Kilpatrick	X	
Lloyd McCormick	X	
Don Steppler	X	
Bill Glaser	X	
Vernon Keller		X
Thomas Nelson		X
Bruce Simon		X
Clyde Smith	X	
Fred Thomas		X
Norm Wallin		X

TALLY 10 6

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: do pass

Form CS-31
Rev. 1985

ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

DATE 1/17/89 BILL NO. HB 94 NUMBER 1

NAME	AYE	NAY
Bob Pavlovich		
Gene DeMars		
Bob Bachini		
Rob Blotkamp		
Stella Hansen		
John Johnson		
Tom Kilpatrick		
Lloyd McCormick		
Don Steppler		
Bill Glaser		
Vernon Keller		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Fred Thomas		
Norm Wallin		
TALLY	16	

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: do pass as amended

Form CS-31
Rev. 1985

STANDING COMMITTEE REPORT

January 17, 1989

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 120 (first reading copy -- white) do pass .

Signed: _____
Robert Pavlovich, Chairman

STANDING COMMITTEE REPORT

January 17, 1989

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 132 (first reading copy -- white) do pass .

Signed: _____
Robert Pavlovich, Chairman

8:07
1/18/89
jw

STANDING COMMITTEE REPORT

January 17, 1989

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 94 (first reading copy -- white) do pass as amended .

Signed: Robert Pavlovich, Chairman

And, that such amendments read:

1. Title, line 5.
Following: "FLEET"
Strike: the remainder of line 5 and line 6 through "MCA"

2. Page 1, line 12.
Strike: Subsection (1) in its entirety
Renumber: subsequent subsections

3. Page 1, line 19.
Following: "department"
Insert: "of highways"

4. Page 1, line 20.
Following: "department"
Insert: "of highways"

5. Page 1, line 23.
Following: "department"
Insert: "of highways"

6. Page 2, line 4.
Following: "department"
Insert: "of highways"

7. Page 2, line 5.
Following: "(3)"
Strike: "(a)"
Following: "vehicle"
Strike: the remainder of line 5 and line 6 through "61-3-316"

ADC

8. Page 2, line 7.
Following: "fleet"
Strike: the remainder of line 7 and line 8 through "registration"

9. Page 2, line 9 through line 15.
Strike: subsections (b) and (c) in their entirety

10. Page 2, line 17.
Following: "department"
Insert: "of highways"

11. Page 3, line 1.
Following: "61-3-316"
Strike: "must"
Insert: "may"

12. Page 3, line 2.
Following: "following"
Insert: "fleet"
Following: "department"
Insert: "of highways"

13. Page 3, line 6.
Following: "department"
Insert: "of highways"

14. Page 3, line 9.
Following: "department"
Insert: "of highways"
Following: "collect"
Strike: the remainder of line 9 and line 10 through "costs"

15. Page 3, line 12.
Following: "61-3-321."
Insert: "The department shall retain $4.50 of each registration fee for administrative costs and forward the remaining $3 to the state treasurer for deposit in the motor vehicle recording account of the state special revenue fund in lieu of the fee provided in 61-3-321(5)."

16. Page 3, line 16.
Following: "department"
Insert: "of highways"
Following: "in"
Insert: "61-3-321 and"

17. Page 3, line 18.
Strike: Section 4 in its entirety
Renumber: subsequent sections

Amendments to House Bill No. 94
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
January 17, 1989

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HB 120

WITNESS STATEMENT

NAME Ron Marcoux BUDGET _____

ADDRESS FWP Helena

WHOM DO YOU REPRESENT? FWP

SUPPORT ✓ OPPOSE _____ AMEND _____

COMMENTS: _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Form CS-34A
Rev. 1985

HB 120
January 17, 1989

Testimony presented by Ron Marcoux, Department of Fish, Wildlife & Parks

We support the concept of putting nonresident fur buyers on par with Montana fur buyers operating outside the state.

The department would request, however, that the present $50 fee for a nonresident fur buyer's license remain for individuals from states that do not have nonresident fur buyers' licenses.

VISITORS' REGISTER

Business & Economic Devp. COMMITTEE

BILL NO. HB 132 HB 120 DATE January 17, 1989

SPONSOR Giacometto Schye

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
DON HAYES	HELENA, MT.	✓	
Rob Smith	Dept. of Justice		
MARK TRAFTON	HELENA		✓
Dick Johnson	MT. FW&P	✓	
Lyle Nagel	MT. St. Vol. Firefighters Assn	HB 132 ✓	
[redacted]			

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.