

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

Call to Order: By Bob Pavlovich, on January 20, 1989, at
9:00 a.m.

ROLL CALL

Members Present: All with the exception of:

Members Excused: Rep. Bachini

Members Absent: None

Staff Present: Paul Verdon and Sue Pennington

Announcements/Discussion: None

HEARING ON HOUSE BILL 220

Presentation and Opening Statement by Sponsor: Rep. Vincent stated that this bill is to establish the Montana Value Added Commission. It provides an immediate effective date. David Birch came to Montana at the request of the former administration on two occasions. He is recognized as one of the foremost researchers in economic development in the U.S. He made comments on his first visit relative to the first two steps that Montana should take if it wants to really get serious about economic development. The first one is out of the sphere of this committee and that is increased investment in the university system. To create a university system that in essence becomes an economic magnet for the state. David Birch is from the strongest economic magnet there is in the U.S., Boston-Cambridge area, he knows of what he speaks. A strong university system is pro-economic development. Second, he suggested that Montana has to make a very serious effort to add value to its natural resource products before they are shipped out of state. Because every production phase adds dollars to the Montana economy and helps develop jobs. This bill would create that commission. In essence the bill would allow the Governor, through his director of the Dept. of Commerce, to select nine members from basic

industries in Montana today. It would also include one member from the university system given the importance of the university system in regard to economic development. The charge of that committee, as stated in Section 2, is simply to use their resources, their knowledge, their background as industry representatives along with the expertise and direction from the Dept. of Commerce, to develop an overall strategy to add value to Montana's basic resources. Other states have done this, they have a researcher right now that could provide you information relative to the success that the Pennsylvania Value Added Commission has enjoyed. These are private industry representatives, it is a partnership between government and business. Rep. Vincent thinks there is any number of possibilities relative to adding value to our products that can and should be explored. The commission would determine the best strategy. One example is the Upper Stillwater area where there is a platinum mine. They produce platinum and palladium. They dig the ore there and it goes to Belgium as the next step in the smelting process. The person that he talked to in that particular industry, and he is saying this basic argument applies to timber, agriculture, and other products, the person that runs that mine or has a big interest in it said that a smelting facility for that operation could be built easily and would fit inside a room about the size of this committee room. It would be environmentally compatible. The ore is smelted in Belgium and then shipped back to the U.S., but not to Montana for the final processing in the industrial tools that palladium and platinum are used for. Montana does one thing in that entire process, and that is dig the ore out of the ground. What's wrong with exploring the possibilities of smelting that ore in Montana and then developing industries in Montana that could use that smelted ore to develop final products for sale. Why not add value to that basic ore resource in Montana? Same thing can be done with agriculture, timber, and any number of other areas.

List of Testifying Proponents and What Group They Represent:

Rep. Johnson

Rep. Blotkamp

Rep. Keller

Kim Ingrude, Montana Stockgrowers Assoc., Montana
Cattlemen, and the Montana State Grain (?)

List of Testifying Opponents and What Group They Represent:

None

Testimony: The above people wanted it known that they all support this bill. Ms. Ingrude stated that people in the associations she represents are more than willing to serve on this commission.

Questions From Committee Members: Representatives Thomas, Keller, Simon, and Hansen had questions which Rep. Vincent answered.

Closing by Sponsor: Rep. Vincent stated that he did not purposely go out and try to scrape up support from all the industry groups on this bill. I think the bill stands on its own.

HEARING ON HOUSE BILL 198

Presentation and Opening Statement by Sponsor: Rep. Jan Brown stated that HB 198 increases the authority of the Cosmetology Board over electrologists to allow them to impose the fines and I do have a proponent from the Board who will explain the need for this bill.

List of Testifying Proponents and What Group They Represent:
Mary Brown, Montana State Board of Cosmetology
Rep. John Johnson
Farrell F. Griffin
Marlene Sorum

List of Testifying Opponents and What Group They Represent:
McRay Evans
Max Evans
Richard Gates

Testimony: The need for this bill is that we govern the electrologists which is a specialized field. We have laws, rules, and regulations drawn up by the Department of Health. There is no fine system at this time to help us to enforce those laws. This would give us the authority to make sure that they are enforced. This bill gives us the opportunity to make sure that they stay clean and the general public's health will be protected. Basically that is the only addition to this bill.

McRay Evans opposed this bill because the State Board of Cosmetology or the department doesn't the wherewith to levy a fine of \$500. The process they are talking about is like having another process like OSHA.

Mr. Griffin stated that he is opposed to this type of legislation.

Mr. Gates opposes this bill because the fine is excessive. He thinks the Board can control the shops without such a large fine.

Questions From Committee Members: Rep. Pavlovich asked Ms. Brown where they came up with the \$500 figure, that this seemed pretty steep, and if this was normal for most of these things. Ms. Brown stated that it was a steep fine, but it would not exceed that. She was sure that with notification of a hearing, the fine would fit the infraction of the law.

Rep. Thomas stated that the fine can be assessed for up to \$500 for habitual drunkenness and failure to display their licenses, any reaction to that that you would have? Rep. Brown asked if he meant the penalty fee being rather steep or habitual drunkenness, or that they are not equal infractions? Rep. Thomas asked if we should be granting the Board the ability to fine somebody for habitual drunkenness? That is current law, Rep. Brown stated. If a shop owner is habitually drunk, they probably won't stay in business very long. Rep. Brown asked how one would perform electrolysis if one was habitually drunk, it would be difficult to hold that needle.

Rep. Simon said he noticed that the Board has the ability right now to deny, review, renew, revoke, or suspend or whatever a persons license. He asked Ms. Brown what happens if a person is out there operating without a license, what powers do you have to shut them down? We have the power to go out and make sure that they are shut down. There is a long process to do that.

Rep. Nelson asked Ms. Brown if infectious disease included the common cold, she said no it did not.

Ms. Brown answered several other questions from the committee members.

Closing by Sponsor: Rep. Brown stated in response to the questions raised by the opponents, the bill does contain an extension of rule making authority. I'm

sure that a schedule of fines would be set in the rules. To her way of thinking, if I were operating an electrolysis salon and had committed an infraction to the rules, I would rather be fined, I am sure they would be reasonable about the fine, rather than have my license suspended or revoked. I think that the fine system is a less severe penalty and I think they would probably be fair. The questions raised will also apply to the next bill and I hope you will take that into consideration on the questions.

HEARING ON HOUSE BILL 199

Presentation and Opening Statement by Sponsor: Rep. Brown stated that HB 199, in addition to giving the board power to impose fines, it also would authorize the Board to grant a temporary license for a manicurist, for a period not to exceed 90 days.

List of Testifying Proponents and What Group They Represent:
Mary Brown, Montana State Board of Cosmetology
Marlene Sorum, Montana State Board of Cosmetology
Farrell Griffin

List of Testifying Opponents and What Group They Represent:
Max Evans
McRay Evans

Testimony: Ms. Brown stated that granting a temporary license to a manicurist is something the Board already does for a cosmetologist who finishes school. Their board exam might not be scheduled for two months, but this bill gives them an opportunity to continue working in their field and stay current until the next exam. We need to grant this to the manicurists, a new specialized field that we are now getting in to. They have a shorter term of schooling than the cosmetologist. These students need the opportunity to be working in their field because it is technical and they need to stay current. That is basically what that part of the bill is, the rest of the bill is what we just discussed, the fine system, etc.

Mr. Griffin basically favored this bill asking for the authority to issue temporary licenses.

Ms. Sorum thinks it is important to allow the manicurist to work on a temporary license pending their examination. The point should be made that when a student is in cosmetology school they do receive the basic, and that is very basic knowledge of manicuring, but what this issue is actually about is a more specialized field. This is in the field of application of artificial nails and those kinds of things are treated far differently than a basic manicure that goes on in a salon. Therefore, authorizing them to have a temporary license, right now, does not fall under the cosmetology clause. The manicurist receives a manicuring license only not a cosmetology license. This separation needs to be stated.

Max Evans stated that the committee can see how confusing this is for them. The first part of this bill gives the manicurist a license. Basically a licensed cosmetologist can go out and do the same thing as a licensed manicurist. Someone who graduates from beauty school can get a temporary permit and go in and do manicurist work in a cosmetology salon. He is for a cosmetologist having a temporary license because sometimes the board exams are far and few between.

Questions From Committee Members: Representatives Blotkamp, Wallin, Hansen, and Pavlovich had questions which Mary Brown answered.

Closing by Sponsor: Rep. Brown had to leave and she waived her closing.

EXECUTIVE ACTION

DISPOSITION OF HOUSE BILL 220

Motion: Rep. Hansen moved a DO PASS for HB 220.

Discussion: Rep. Thomas made a comment that we do have more work to do in order to shape up our state and if this is more icing on the top than it is meat potatoes production and if we get those other things in order, personal property taxes, workers' compensation, we will have a sellable product. But without those things, we are not doing anything here. Rep. Hansen said she would have to agree with Rep. Thomas, we have made great strides. She thinks the longer we delay this the harder it is going to be to do this type of thing. I

think the business climate in Montana is good. Rep. Thomas said Montana needs to get in shape so we are competitive and can do these things you are talking about.

Amendments and Votes: None

Recommendation and Vote: HB 220 passed unanimously.

DISPOSITION OF HOUSE BILL 198

Motion: Rep. Hansen moved a DO PASS on HB 198. Rep. Wallin moved a substitute DO NOT PASS on HB 198.

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Motion to DO NOT PASS was approved on vote of 11-5.

DISPOSITION OF HOUSE BILL 199

Motion: Rep. Simon moved to strike Section 2 and 3 entirely on page 2 of the bill.

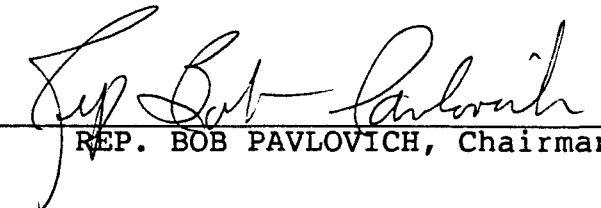
Discussion: The title would have to be changed with the above change in the bill. This will be part of the amendment.

Amendments and Votes: Rep. Simon's amendment passed unanimously.

Recommendation and Vote: Rep. Simon moved a DO PASS as amended. HB 199 as amended passed unanimously.

ADJOURNMENT

Adjournment At: 10:10 a.m.


REP. BOB PAVLOVICH, Chairman

DAILY ROLL CALL

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 1 20 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	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 1/20/89 BILL NO. HB 198 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 Stepler		X
Bill Glaser		
Vernon Keller		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Fred Thomas		
Norm Wallin		

TALLY

5

11

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: Rep. Hansen moved a do pass.
Rep. Wallin moved a substitute do
not pass.

ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

DATE 1/20/89 BILL NO. HB 199 NUMBER 1

[illegible]

TALLY

16

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: passed as amended, not going to
consent.

The motion was made by Rep. Simon.

ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

DATE 1/20/89

BILL NO. HB 220

NUMBER 1

[illegible]

TALLY

16

Sue Pennington
Secretary

Bob Paylovich
Chairman

MOTION: Rep. Hansen moved the do pass.

STANDING COMMITTEE REPORT

January 20, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 199 (first reading copy -- white) do pass as amended .

Signed: _____
Robert Pavlovich, Chairman

And, that such amendments read:

1. Title, line 9.
Strike: Line 9 in its entirety and line 10 through "FINES;"
2. Title, line 11.
Strike: "SECTIONS"
Insert: "SECTION"
Strike: ", 37-31-311 AND 37-31-331"
3. Page 2, line 4.
Strike: Sections 2 and 3 in their entirety
Renumber: subsequent section

STANDING COMMITTEE REPORT

January 20, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 198 (first reading copy -- white) do NOT pass .

Signed: _____
Robert Pavlovich, Chairman

STANDING COMMITTEE REPORT

January 20, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 220 (first reading copy -- white) do pass.

Signed: Robert Pavlovich, Chairman

Amendments to House Bill No. 199
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
January 20, 1989

1. Title, line 9.

Strike: Line 9 in its entirety and line 10 through "FINES;"

2. Title, line 11.

Strike: "SECTIONS"

Insert: "SECTION"

Strike: ", 37-31-311 AND 37-31-331"

3. Page 2, line 4.

Strike: Sections 2 and 3 in their entirety

Renumber: subsequent section

WITNESS STATEMENT

NAME Mary L Brown BUDGET _____ADDRESS 1019 Saddle Bill Rd HelenaWHOM DO YOU REPRESENT? State Board of CosmetologySUPPORT yes OPPOSE _____ AMEND _____

COMMENTS: _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HB.

NAME Max Evans BUDGET _____

WHOM DO YOU REPRESENT? Pres of Cosmo. Schools

SUPPORT 199 OPPOSE 198 AMEND

COMMENTS:

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

NAME _____

NAME McKay, Eva

BUDGET

ADDRESS

ADDRESS 2 W Main Bogeman

WHOM DO YOU REPRESENT?

WHOM DO YOU REPRESENT? Mr. Mack's Beauty College

SUPPORT

SUPPORT 199

OPPOSE

OPPOSE X 198

AMEND

COMMENTS:

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HB 198
199

NAME

WITNESS STA
Richard Gates

ADDRESS

P.O. Box 185

WHOM DO YOU REPRESENT?

Self.

SUPPORT

OPPOSE

AMEND

COMMENTS:

OPPOSE
Tindi to high

Form CS-34A
Rev. 1985

WITNESS STATEMENT

NAME

WITNESS STATEMENT

Marlene Soeum

BUDGET

ADDRESS

1516- 3rd Ave No Great Fall Mt

WHOM DO YOU REPRESENT?

Board of Cosmetologist

SUPPORT

X

OPPOSE

AMEND

COMMENTS:

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Business & Economic Devp. COMMITTEE

HB 198 & 199

BILL NO. HB 220

DATE 1/20/89

SPONSOR

SPONSOR Rep. J. Brown
Rep. Vincent

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.