

MINUTES

MONTANA HOUSE OF REPRESENTATIVES  
51st LEGISLATURE - REGULAR SESSION

HOUSE COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By Rep. Bob Pavlovich, on February 3, 1989, at  
8:30 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Paul Verdon and Marlene Orham

Announcements/Discussion: None

HEARING ON HOUSE BILL 490

Presentation and Opening Statement by Sponsor:

Rep. Spaeth, House District 84. This bill establishes an economic task force appointed by the governor; appropriating money for the task force's use; and provides an effective date and a termination date. In depth look at economic problems in Montana. Bring together experienced people with the people on the task force to try to solve problems or come up with some ways of solving problems.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

Wayne Phillips, Governor's Office

Opponent Testimony:

advocate of economic development in Montana. It was one of the major themes in his campaign. Gov. Stephens will work diligently with the business community of this state to promote economic development. He is going to call on the best of those people in the Montana business community as well as the university community in a partnership that he talked about in his campaign. The Governor believes very strongly that we should begin this economic development now, we don't need another study, we don't need to spend public money to study this for two more years. We can get these people working right away and the Governor intends to do that. For these reasons we oppose this bill.

Questions From Committee Members: Rep. Blotkamp asked Rep. Spaeth if there is something different between this bill and HB 220? Rep. Spaeth said that he and the sponsor of HB 220 think the statement of the scope is different. As you know that bill went to appropriations. Our hope is that these bills both go to appropriations and get looked at as to how they can be put together.

Rep. Simon asked Rep. Spaeth, if in the supercollider study, do you know what percentage of that money was spent out of state? Rep. Spaeth did not have the exact amount.

Rep. Hansen said there were two economic task forces in the last session. What makes this one better? Rep. Spaeth sees this bill as an economic summit bill rather than just a task force bill.

Rep. Glaser referred to page 1, line 16(c), are they going to adopt recommendations or are they going to recommend? Rep. Spaeth said the economic summit would adopt recommendations. Rep. Glaser said on page 2, line 3 in saying "from the public", do you mean the public sector? Rep. Spaeth said yes the public sector. If the public sector doesn't have any interest in participation in this effort, then I don't think it is public, and I don't think it will work.

Closing by Sponsor: Rep. Spaeth said he would like to make the difference, we have some task forces, we have the ambassadors doing their thing, the educational community doing their own thing, they put together seminars like we have seen in Great Falls. We have been seminared to death and task forced to death to a certain degree. My theory is that with this we can prepare and have an economic summit and bring it together, prepare a roadblock, I don't see where this would ever stop anyone from going forward with economic development. It's just that I don't see a lot of that going forward right now. I think we spend a lot of time on rhetoric, maybe we can prepare this road map and I

can see the advantage of bringing all the other collateral contractors together as one camp. Tell them this is an important effort and we have to work as one unit.

#### HEARING ON HOUSE BILL 209

##### Presentation and Opening Statement by Sponsor:

Rep. Hannah stated that this bill will require a lending institution to act as intermediary between a mortgage borrower and the purchaser of a mortgage on the secondary market if the borrower chooses and provides an applicability date. In the real estate business if you buy a house in Montana the chances are very good, particularly in the larger towns, that your loan will eventually be sold in the secondary market. Mortgage companies in Montana sell all their loans and what ends up is a loan that is owned by somebody in Seattle or some insurance company. I think this has created a problem for the borrower. There are many problems similar to the one I will explain to you. This young family had three loan coupon books for the same loan on the same house over the course of two years. The loan was sold and sold again and sold again and sold again. This isn't necessarily the problem, what happens is the one secondary mortgagee will say we want to keep 3 or 4 months taxes in reserve, the other will say they need 6 to 8 months taxes in reserve, the third will say we want a whole year's coverage of taxes in reserve. So this young couple's payment went from \$675 to \$750 in the course of the two-year period because the different companies wanted more money put in the reserve account. That isn't too bad necessarily as long as there is the possibility for the borrower to talk to the mortgage company to say what are you doing to me. I got into this house paying all I can afford and now you are bumping me around. I don't understand what is happening. I want somebody to talk to me. In the secondary mortgage business they will say, we are going to solve this problem. We will provide you a toll-free number. You dial 1-800 and you get a computer on the other end and wait forever. The situation here is increasing the potential for repossessions, for people who are in trouble and who want to try and get out of trouble and who would willing try and get this done talk to the computer for an hour and say nuts! You can have the house, it isn't worth it. The point is, what this bill will do is right now you go in and apply for a loan. There is a spot on the loan application that says do you want life insurance or don't you and the borrower can say yes or no. This bill will ask the mortgage lender to do the same thing on servicing the loan from the intermediary standpoint.

##### Testifying Proponents and Who They Represent:

Tom Hopgood, Montana Association of Realtors, Helena  
Gene Phillips, 1st Interstate Bank, Kalispell  
Don Chance, Montana Builders Association

Proponent Testimony:

Mr. Hopgood stated that his association thinks this bill is an excellent idea. This bill lets a person go down to the bank and visit with the person you got the loan from when something happens: when the taxes go up, or you miss a payment and want to make it up. I know what happens when you get somebody on the phone, they tell you they have to get your file and they will call you back tomorrow. Tomorrow comes; the person doesn't call back. You call again and get a different person, who may refer you to another number and person in a different city. It doesn't happen every day, but with enough frequency to be of concern.

Mr. Phillips stated that his association supports the bill as amended. Mr. Phillips had personal experience with this problem.

Mr. Chance said the builders association supports this bill.

Testifying Opponents and Who They Represent:

Chip Erdmann, Montana Lending and Savings Institutions  
Julie Biegler, Pacific Bancorp

Opponent Testimony:

Mr. Erdmann said that secondary markets do buy in Montana because we don't have enough capital to meet the loan demand that we have. The local institutions sell the loan to the secondary market to get back the money they loaned and that money is recycled. I won't say there are no problems servicing loans when they get to the secondary market. I don't think it is a normal occurrence, I think it is relatively isolated. This bill will cost us legal fees, there is some uncertainty here, you are changing our legal status. We think this is a good practice, good relationship with their customers. The bill attempts to address a problem that exists in the secondary market by putting some requirements on the primary lenders.

Ms. Biegler said she was in sympathy with the borrower and the problem they were having with the secondary market. Our practice is to tell our borrowers if they have any problems to always come back to us and we will act as that intermediary. What we find, however, is that we have no records, we have no information to talk with the secondary

market in an intelligent way. We have no records as to what went into the escrow account, what was paid out of the escrow account, what payments are made, etc. You are asking us to solve a problem with no information with which to do this. We also run into the problem of the right to privacy act. We are told it is no longer information we are privileged to. So secondary markets are not going to talk to us a great deal of the time. Another concern to me is whether or not the cost you are asking the borrower to pay on the initial loan application is an allowable charge to the borrower under VA and FHA standards. Probably 95 percent of the loans made in Montana are FHA or VA insured or guaranteed. If that is not an allowable charge, as it is not yet, that cost must be passed on to the seller which is going to cause a whole new set of problems. I agree that the secondary markets need to be responsible for servicing. I have seen purchasers walk away from their homes because they were not given an opportunity to discuss the situation or given alternatives on how to save their home. However, I don't believe HB 209 is addressing this issue.

Questions From Committee Members: Rep. Glaser asked Mr. Erdmann who would be under the control of the secondary market, would it be the customer or the primary lender? Mr. Erdmann said the secondary market is the control. When loans go to the secondary market they are packaged, and you don't sell individual loans, you sell packages of loans. Rep. Glaser asked if the primary lender is concerned about the profits or his customers? Mr. Erdmann felt that financial institutions obviously are concerned about their customers, but they have to keep an eye on the problem or they won't be in the business. They also have to keep an eye on keeping their customers satisfied. I think a good many of them do take care of this voluntarily as we have heard today.

Rep. Thomas said as far as dealing with the legal aspect of privacy etc., by the borrower saying on his lending document that he does wish who ever he is dealing with to act as intermediary, then he is establishing them as his agent to some degree. So we don't have as much of a legal problem, once you appoint the institution you are dealing with as your representative. Mr. Erdmann said he thought Rep. Thomas was right. Rep. Thomas asked Rep. Hannah what we will accomplish with this bill. Rep. Hannah said we would accomplish two things. First, we have a potential problem right now of understanding disclosure. In other words, when I go in and borrow on this loan, I think a lot of folks don't really understand what is happening to them when they are told that the loan has been sold to the secondary market. Down the road they come into their lender and they say to call the toll-free number in the back of the coupon book because they don't service the loan any longer. One thing this will force is the lender will provide more discussion about what is going to happen to the loan and

what could happen to the borrower on the other end. Secondly, it will have no effect on the secondary market. There may be some who will say it will cost in higher interest rates. In the long run, it will not only benefit borrowers, but also the lenders. It will improve customer/client relationship, improve business, improve reputation in the community because someone will say I had a problem, gave my lender a call and they took care of it, they are good people. These kinds of things will come back. What we are allowing them, is to charge a fee which they can't do now for the service.

Closing by Sponsor: Rep. Hannah said that lenders are legally involved whether they like it or not. The lender is tied to the borrower and tied to the loan. Secondly, I think there is a disclosure problem, people do not understand the secondary market. This bill will require more discussion about what is going to happen to the loan after the people sign the papers and move into their house. There is a problem, it exists right now between borrowers and secondary market.

#### HEARING ON HOUSE BILL 287

Presentation and Opening Statement by Sponsor:

Rep. Whalen stated that there were no proponents and some opponents that could not make it because of the weather. There are 4 opponents here today and he asked to reserve his opening and closing for next week when the people can make it to Helena. Rep. Whalen said that this bill would provide for licensure of massage therapists by the department of commerce; grant rulemaking authority to the department to administer and regulate the practice of massage therapy; impose a penalty for a violation of this act; and exempts the act from the provisions of the "sunrise law" under title 2, chapter 8, part 2.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

Susan Carlson

Coleen Jensen  
Rick Benzel  
Mary Schwind  
Ron Fenex

Opponent Testimony:

See exhibit 1 for Ms. Carlson's written testimony.

See exhibit 2 for Ms. Jensen's written testimony.

See exhibit 3 for Ms. Schwind's written testimony.

See exhibit 4 for Mr. Fenex's written testimony.

Mr. Benzel massage therapy is trying to get rid of the stigma of prostitution. Massage therapy is legitimate business. I only work part time and can't afford \$300 for a license.

Questions From Committee Members: Rep. Bachini asked Ms. Carlson if her main objection was the fee for the license. She said it was not, it was one of many objections. The main object is that it does not address professional massage therapists. The bill itself has no educational requirements. If you are going to make a law that has some meat to it, I feel you need to have some basic educational requirements. I graduated from a school in New Hampshire 20 years ago. You can't properly license massage therapists unless you agree to what kind of test and what kind of massage therapy you are going to test. This is where I think the cost would be high. I don't think \$300 per person per year, the \$12,000 that the budget committee said would take to run it, would not even put a dent in it. How are you going to test people who do their training in China, in Austria, even on the west coast or east coast adequately in the state? You can't have just one person or one board to do this.

Rep. Nelson asked Ms. Carlson if it turned out that it was necessary to be licensed, it seems that I read there are 14 states that have tests for therapists, do you know what they use? Ms. Carlson said she was not familiar what the other states used for test material. She said AMTA test was the test generally used. This is the biggest organization in the U.S. so this would probably be the most used test.

Rep. McCormick asked Ms. Carlson who would give these tests? She said in the bill it states that the legislature could appoint one person or one massage professional to give the test. To appoint one person to govern the massage therapists in all the different techniques. This would be a hard thing to live with. Ms. Carlson said if the

legislature feels there needs to be a law it needs to be thoroughly investigated, some guide lines, more information about massage, maybe you all need a massage and then you would know what we do. She said she doesn't think people know what massage therapy really is. I don't think the legislature as a group has a clear, precise knowledge of what massage therapists are and what we do. Too many people still have it relegated to the red light district and that is not where we belong. We do not like to be told we are on the same level as these girls that stand around on Montana Avenue in Billings. That is not fair to us as professionals.

Rep. Wallin asked Ms. Carlson if she become licensed if she would be eligible for insurance payments and other third party payments. She said they do get some third party payments now. They do have some doctors that write prescriptions when people have car accidents. Those kind of insurance companies like us because we are much cheaper than a chiropractor or a doctor. Look at chiropractors how long they have been licensed and how long they have been in the state, they are still fighting for third party payment. I don't think it would increase our revenue to any degree if that is what you are asking, Rep. Wallin.

Closing by Sponsor: Rep. Whalen will close next week when we finish hearing this bill.

#### HEARING ON HOUSE BILL 448

Presentation and Opening Statement by Sponsor:

Rep. Menahan, House District 57. This bill is an act to authorize possession of antique slot machines which are more than 25 years old; and amends Section 23-5-104, MCA. This bill was introduced many times and finally passed and it applies to machines owned prior to 1950, well there are some antique machines that they consider antique after that. Some are the early electronic type games and so forth. I was told by a business man in Reno that usually machines, he had very few, Rep. Pavlovich was there with me at the time, that were up dated that were 20 years old. Everything older than that was gone out of their shop, out of the business. I don't want any amendments on it to allow someone to be able to come in and put them in a present day casino. This has nothing to do with that. It is just for antique collectors. It is a housecleaning bill, it is on the books now. We are just changing it so that they don't have to keep coming in. If you put a certain date and year on it then those machines eventually will be qualified after they are wore out.



Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Rep. Keller asked Rep. Menahan if any of the machines were operable? Rep. Menahan said some of them are operable. It was illegal to have them but all these people had them in their basements, if they had a family room or something and invited a law officer to their house and had one of the machines they were breaking the law. We have several residents who have these machines. Because of the legal gambling aspect is why we want this bill. You can keep track of who has the machines this way.

Rep. DeMars said he was in Las Vegas and they had these machines in an antique shop, they were completely rebuilt, are they legal to bring in to Montana? Rep. Menahan said if you have a bill of sale and it is an antique you can bring it here. Before you could not do this. You have to have a bill of sale and what it is for in order to transport gambling equipment across state lines.

Closing by Sponsor: Rep. Menahan said he had closed.

DISPOSITION OF HOUSE BILL 448

Motion: Rep. Thomas moved DO PASS.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: HB 448 DO PASS unanimously.

DISPOSITION OF HOUSE BILL 490

Motion: Rep. Bachini moved DO PASS.

Amendments, Discussion, and Votes: Rep. Glaser said that on line 16, he thought the word "adopt" is wrong and should be "make recommendations" and on page 2, line 3 after "public" I think it should be "public sector". Rep. Pavlovich asked if everyone understood the amendment? On page 1, line 16, strike "adopt" and insert "make recommendations" and on page 2, line 3 after "public" we will insert "public sector". Rep. Steppler asked if it should be public sector or private sector? Rep. Pavlovich asked Paul, our researcher, if this would make any difference. Paul said the intent is private sector. Rep. Glaser modified his amendment to say "private sector" and on line 6 of the same page it should also say private sector not public sector.

Question called for by Rep. Glaser. The amendment DO PASS.

Recommendation and Vote: HB 490 DO PASS as amended has failed. Rep. Thomas moved to reverse the vote on HB 490 DO NOT PASS and reverse the votes.

#### DISPOSITION OF HOUSE BILL 209

Motion: Rep. Bachini moved DO PASS.

Amendments, Discussion, and Votes: Rep. Bachini moved the amendments DO PASS. See the attached copy of the amendments. The amendments DO PASS.

Recommendation and Vote: HB 209 DO PASS as amended.

#### DISPOSITION OF HOUSE BILL 446

Motion:

Discussion: Rep. Simon stated that currently the lottery's operation expense is 15 percent. During the audit committee hearing, I asked Ms. Dowling about that whether or not we could cut this down. She testified that it would be very difficult to cut that below the 15 percent level. His question today is if we raise from 5 percent to 8 percent, where is the 3 percent coming from? Who is going to lose 3 percent? Is it going to be prizes? Or is it going to be the schools? Who is going to lose? Ms. Dowling said under the definition in the law it would come out of net revenue. The law says gross revenue minus commissions minus operating expenses minus prizes.

Rep. Bachini asked Ms. Dowling that the argument in favor of

this was that they felt that it would increase the sales by increasing the percentage to the retailer. How do you feel about this? Ms. Dowling said she hoped that it would increase sales. I told the retailers that I would back an move that would increase sales. At the same time I am delighted that you asked me here this morning because the lottery has HB 207 that is going to be up on second reading this afternoon. In this bill we have a provision that the director of the department of commerce can adopt rules to increase the commissions based on incremental sales. Ms. Dowling said that she believed that the lottery is the retailers and they are our lottery. The retail business is changing dramatically, the lotteries, I think, should put a lot more of their resources toward anything they can to help those retailers out. Rent itself runs in excess of 5 percent, labor runs 12 percent, we are told that supermarkets need like 20-25 percent to survive, convenience stores need 26-35 percent to survive. We also know that that precious counter space only accounts for about 6 percent of the space in the store, that they sell 35 percent of the items over that counter space. A lot of people pay the retailer for that space. We are doing a lot of things at the lottery to help the retailers. We recently decreased the size of a pack of tickets from 500 to 300 because the small retailers said they could not afford a pack of 500. We are not going to implement, instead of sweeping their accounts two weeks after delivery of tickets, in March we are going to start sweeping their accounts 30 days after delivery in another attempt to help smaller retailers. I personally believe that we should commit a lot of our resources to the retailers. We need more meetings with them so they can have more input in game design, etc. I would like to implement some sort of clerk incentive. Those are the people selling the lottery tickets. If you can't get them enthused, then we have a problem. I would like to see a contest for the best lottery clerk, bring him/her to Helena, buy him/her dinner out, pay him/her \$100, let him/her tour the lottery. A lot of things we need to do. Another thing we have moved toward is allowing the retailers to pay out up to \$600. The lottery commission changed the rules and we are now working on a computer system so that if a retailer wants to pay out more than \$2,500 which they are limited to now, they will be allowed to do this. We need to work on a system where we can repay the retailer instantly, real soon for those payouts. Some of the smaller retailers don't want to payout higher prizes, and we would not want them to if they don't want to. On the other hand, a lot of them would like to payout the \$50, \$100 winners on the spot with a concept that the people would spend the winnings in that store.

Rep. Pavlovich asked Ms. Dowling if the lottery was soon coming out with an on-line game? We have been delayed in this effort. We wanted to join LOTTO AMERICA about a year ago and we asked for the attorney general's opinion and he

said that since our legislation restricts us to a regional lottery, the attorney general seemed to think that a region stretching from Oregon to Rhode Island was stretching that term. He said we could not join LOTTO AMERICA. Ms. Dowling said they were in the middle of writing an RFP for on-line games bid. We hoped to have that out last fall. We lost staff, operating with small staff, everyone putting in many hours, in a lot of states they hire consultants to write these RFPs. These are very complex and very long. In Montana we have to be very careful, we can't specify what we want, we want the vendors to be able to bid for this on-line system. We hope to have this RFP on the street in a couple of months, with a view to starting on-line games in the fall. She said on-line games are like the LOTTO you hear about in other states, where the retailers themselves have a terminal that is connected to a mainframe computer and you go in and if you have a 6 out of 36 game, you go in pick 6 numbers, tell the retailer you want these 6 numbers, those numbers are registered in a single computer and a ticket is dispensed by the machine. You have this ticket in your hand. They have a weekly or bi-weekly drawing to see if you have won the money. If you don't win the jackpot, it's a paramutual thing, if no one wins the jackpot it just keeps building. That is when you hear about the \$60 million jackpots in the other states. In Montana with 800,000 people we are pretty convinced that a LOTTO type game with just Montana would never go. This is a very slow growing game. In every state in the union it has been very slow. It is opposite the instant ticket game that starts with a bank and you know how we did in Montana. A very successful first year. Every state in the union has fallen in the second year. At any rate, the on-line game is slow growing. If our bill passes, maybe we would have a Montana on-line game, sometime of an on-line game that would not have a real high jackpot, with our jackpot we can never get those kind of multi-million dollar jackpots. We could possibly play a regional game with South Dakota, Idaho, maybe even Wyoming. There is a bill passing in the Wyoming legislature at this very time. They want to join with Montana. At the same time, perhaps we could join LOTTO AMERICA, so a person going in to play the Montana lottery would have the choice of Montana game, a regional game, or LOTTO AMERICA which pays the multi-million dollar jackpots. I think this way we could be a very successful on-line product. Rep. Pavlovich asked if we would still get our same percentage back and Ms. Dowling said we would. Ms. Dowling said whatever vendor gets the bid for the Montana lottery on-line game we will probably have our mainframe in another state. There is one vendor that I am sure will be bidding, that the mainframe will be in Oregon, with another vendor, the mainframe will be in Washington, and another in Iowa. You are just connected by phone lines. You run your own games and you get the percentage back on all Montana money that is bid. Rep. Pavlovich asked Ms. Dowling if she felt the state of Montana had been too restrictive with her in running the

lottery? Don't you think the lottery should be a separate business from the whole state of Montana and let you do your business and let you make money if you can make money? Here we sit and we tie your hands down too much. I feel this way and I haven't been involved. Ms. Dowling said definitely the state is too restrictive. The state of Kentucky just adopted all the advice from all the other states and established their lottery as a public corporation, and it is run by a board of directors as a business. They have the best of both worlds, they are subject to all audits by the state and subject to state legislature coming in and saying they don't like the way it is running. In HB 207 we are asking to have a lot of these restrictions lifted.

Amendments, Discussion, and Votes: None

Recommendation and Vote: None

#### DISPOSITION OF HOUSE BILL 247

Motion: Rep. Thomas moved DO PASS and moved the amendments DO PASS.

Amendments, Discussion, and Votes: Rep. Thomas said the amendment was prepared by Kathy Irigoien, of the commissioner's office. It contains a section that we would be inserting in this bill. Were we are inserting applies and taking out apply we will take shall out also. Take out shall apply and put in applies, at the bottom we are saying surplus lines insurance, exemption from this regional rate making proposal. Rep. Thomas said surplus lines are different than what we call lines of insurance sold by an admitted carrier. An admitted carrier is one that files everything with the insurance commissioner's office and the premium tax is built in to the premiums. So if you pay \$100 for your policy, \$2.75 in most cases goes to the state. Surplus lines are sold by a company that is not admitted to the state and no guarantee fund protects that policy and the tax is added on top of the premium. My biggest concern with this bill is that we may possibly eliminate products available in the state by having this program and the cost passed on to them by the actuarial review in Section 6. I believe this eliminates a lot of my concerns with this rate making and charging it off to a very, very few companies who may be selling just one policy in their state, insuring some business for some particular line of insurance. I didn't ask Rep. Whalen if he concurs in the amendment. If possible I would like to ask him. Rep. Whalen said he did concur with the amendment. The DO PASS motion on the amendment was approved.

Recommendation and Vote: HB 247 DO PASS as amended 12 - 4 vote.

DISPOSITION OF HOUSE BILL 300

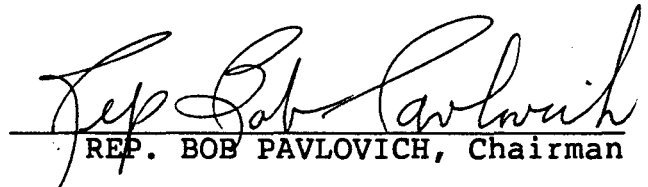
Motion: Rep. DeMars moved DO PASS.

Amendments, Discussion, and Votes: Paul Verdon said the first amendment provides that the 50 percent applies to the money going into the permanent trust allocation and not to the entire coal severance tax which is the intention of the act. The rest of the amendment reflects Rep. Vincent's intention to change this bill from a bonding bill to one which will allow investment of a portion of the instate investment fund for the purposes of this act. Rep. DeMars moved the amendments DO PASS. The amendments DO PASS unanimously. Rep. Wallin said he wanted to sunset in 4 years. Paul said it would have to be part of Section 6. The sunset was amended to the bill, the amendment DO PASS unanimously. Rep. Simon moved to strike Section 7, change Section 6 to effective date of 7/1/89. There is nothing in this bill we can't implement right now. We don't have to go to the voters and ask them if they want us to do this. If we think this is worthwhile we can do this right now. Paul said the three-quarters vote was not required by both houses. The amendment DO PASS 9 - 7 vote.

Recommendation and Vote: HB 300 DO PASS as amended.

ADJOURNMENT

Adjournment At: 11:45 a.m.

  
REP. BOB PAVLOVICH, Chairman

Amendments to House Bill No. 300  
First Reading Copy

Requested by Representative Vincent  
For the Committee on Business and Economic Development

Prepared by Paul Verdon  
February 1, 1989

1. Title, line 11.  
Following: "TAX"  
Insert: "PERMANENT TRUST ALLOCATION"
2. Title, line 12.  
Strike: "BONDING"  
Insert: "DEVELOPMENT"  
Following: "PROGRAM"  
Insert: "UTILIZING IN-STATE INVESTMENT FUNDS TO STIMULATE  
MONTANA'S ECONOMIC GROWTH"
3. Page 8, line 3.  
Strike: "Bonding"  
Insert: "Investment"
4. Page 8, lines 4 and 5.  
Strike: "bonding" on line 4  
Following: "programs" on line 4  
Strike: the remainder of line 4 and through "million," on line 5
5. Page 8, lines 5 through 7.  
Following: "using" on line 5  
Strike: the remainder of line 5 and through "programs" on line 7  
Insert: "a portion of the funds invested under 17-6-305. The  
activities funded under [this section]"
6. Page 8, line 7.  
Following: "must"  
Insert: "stimulate the economic growth of Montana and must"
7. Page 8, line 8.  
Strike: "bonding"
8. Page 8, line 12.  
Strike: "bonding"
9. Page 8, line 14.  
Strike: "bonding"

# ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

DATE 2-3-89

BILL NO. 300

NUMBER \_\_\_\_\_

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

13

3

Sue Pennington  
Secretary

Bob Pavlovich  
Chairman

MOTION:

Still working on this bill. No  
action with it yet



## STANDING COMMITTEE REPORT

February 8, 1989

Page 1 of 2

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 300 (first reading copy -- white) do pass as amended.

Signed: Robert Pavlovich, Chairman

### And, that such amendments read:

1. Title, line 11.

Following: "TAX"

Insert: "PERMANENT TRUST ALLOCATION"

2. Title, line 12.

Strike: "BONDING"

Insert: "DEVELOPMENT"

3. Title, lines 12 through 14.

Following: "PROGRAM" on line 12

Strike: the remainder of line 12, line 13 in its entirety, and through "MONTANA" on line 14

Insert: "UTILIZING IN-STATE INVESTMENT FUNDS TO STIMULATE MONTANA'S ECONOMIC GROWTH"

4. Title, line 15.

Following: "DATE"

Insert: " AND A TERMINATION DATE"

5. Page 2, line 19.

Strike: "bonding"

6. Page 2, line 25.

Strike: "bonding"

7. Page 8, line 3.

Strike: "Bonding"

Insert: "Investment"

8. Page 8, lines 4 and 5.

Strike: "bonding" on line 4

Following: "programs" on line 4  
Strike: the remainder of line 4 and through "million," on line 5

9. Page 8, lines 5 through 7.

Following: "using" on line 5

Strike: the remainder of line 5 and through "programs" on line 7

Insert: "a portion of the funds invested under 17-6-305. The  
activities funded under [this section]"

10. Page 8, line 7.

Following: "must"

Insert: "stimulate the economic growth of Montana and must"

11. Page 8, line 8.

Strike: "bonding"

12. Page 8, line 12.

Strike: "bonding"

13. Page 8, line 14.

Strike: "bonding"

14. Page 8, line 16

Following: "date" on line 16

Insert: "-- termination date"

15. Page 8, lines 16 and 17

Following: "." on line 16

Strike: the remainder of line 16 and through "[this" on line 17

Insert: "[This"

16. Page 8, line 17.

Strike: "1991"

Insert: "1989, and terminates July 1, 1993"

17. Page 8, line 18, through page 9, line 1.

Strike: section 7 in its entirety

# ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

DATE 2-3-89

BILL NO. 490

NUMBER 11-11

*Reverse*

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

7

9

Sue Pennington  
Secretary

Bob Pavlovich  
Chairman

MOTION: Do not pass

ROLL CALL VOTE

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

DATE

ALB

BILL NO.

448

NUMBER

[illegible]

TALLY

16

Sue Pennington  
Secretary

Bob Paylovich  
Chairman

**MOTION:**

Do Pass

ROLL CALL VOTE

## BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

DATE \_\_\_\_\_

217

BILL NO.

347

NUMBER

[illegible]

TALLY

16      4

Sue Pennington

Secretary

Bob Pavlovich

Chairman

**MOTION:**

to pass as amended

ROLL CALL VOTE

## BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

DATE 2/3 BILL NO. 209 NUMBER                     

[illegible]

TALLY

16 \_\_\_\_\_

Sue Pennington  
Secretary

Bob Pavlovich  
Chairman

MOTION: Do pass as amended

STANDING COMMITTEE REPORT

February 4, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 490 (first reading copy -- white) do NOT pass .

Signed: Robert Pavlovich, Chairman

STANDING COMMITTEE REPORT

February 3, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 448 (first reading copy -- white) do pass.

Signed:   
Robert Pavlovich, Chairman




STANDING COMMITTEE REPORT

February 3, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 247 (first reading copy -- white) do pass .

Signed: 

Robert Pavlovich, Chairman

## STATEMENT OF INTENT

H BILL 247

Proposed Draft

January 10, 1989

A statement of intent is required for this bill because it authorizes the commissioner of insurance to make and amend reasonable rules relating to regional ratemaking. The problem that gave rise to this bill is the obstetrics crisis. Both obstetricians and family practitioners with an obstetrics practice have seen liability insurance premiums skyrocket. This has resulted in many rural physicians ceasing to handle this type of practice. It is simply not cost effective to continue to practice obstetrics when the premium almost doubles for obstetrics coverage. Several rural western states have felt that it is not their experience driving up the cost of coverage, but rather that of high-tech, urban medical centers. In response, this bill was drafted to allow the commissioner of insurance to determine, in areas that are noncompetitive or volatile, which states' experience will be used to supplement Montana's experience. The commissioner is authorized to adopt reasonable regulations designating certain lines of insurance as covered lines because they are noncompetitive or volatile for ratemaking purposes, requiring insurers transacting business in the covered lines to file rating data with the commissioner, and allowing the commissioner to develop reasonable trend adjustments and development factors to be used in assessing the reported data.

LC0700SI

Machine ID m5020

STANDING COMMITTEE REPORT

February 3, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 209 (first reading copy -- white) do pass as amended.

Signed:   
Robert Pavlovich, Chairman

And, that such amendments read:

1. Title, lines 5 through 8.

Following: "INSTITUTION TO" on line 5

Strike: remainder of line 5 through "STATE" on line 8

Insert: "ACT AS INTERMEDIARY BETWEEN A MORTGAGE BORROWER AND THE  
PURCHASER OF A MORTGAGE ON THE SECONDARY MARKET IF THE  
BORROWER CHOOSES"

2. Page 1, line 12.

Strike: "service loan locally"

Insert: "have local lender serve as intermediary"

3. Page 1, lines 13 through 19.

Following: "shall" on line 13

Strike: remainder of line 13 through end of line 19

Insert: "act as an intermediary between the borrower under a  
mortgage or trust indenture and a purchaser of the mortgage  
or trust indenture on the secondary market, if the borrower  
chooses."

Amendments to House Bill No. 209  
First Reading Copy

Requested by Rep. Tom Hannah

Prepared by Mary McCue  
February 1, 1989

1. Title, lines 5 through 8.

Following: "INSTITUTION TO" on line 5

Strike: remainder of line 5 through "STATE" on line 8

Insert: "ACT AS INTERMEDIARY BETWEEN A MORTGAGE BORROWER AND THE  
PURCHASER OF A MORTGAGE ON THE SECONDARY MARKET IF THE BORROWER  
CHOOSES"

2. Page 1, line 12.

Strike: "service loan locally"

Insert: "have local lender serve as intermediary"

3. Page 1, lines 13 through 19.

Following: "shall" on line 15/3

Strike: remainder of line 15 through end of line 19

Insert: "act as an intermediary between the borrower under a  
mortgage or trust indenture and a purchaser of the mortgage or  
trust indenture on the secondary market, if the borrower  
chooses."

Feb 3, 1989

Dear Representatives,

Please excuse the fact this is not typed.

As most of you know I have made several phone calls and sent letters to each and everyone of you opposing House Bill 287. Thank you for taking the time to speak with me, to read my letters and to listen to me today.

Montana Session Laws Chapter No. 562 (1977) sunset the law licensing Massage Therapist. The law was passed in 1967 and terminated July 1, 1981.

I'm sunsetting the law the State says (Section 2 C) no profession, occupation, business, industry, or other endeavor are subject to the states regulatory power unless the exercise of such power is necessary to protect the public health, safety or welfare from Significant and Discernible harm or damage. I have yet to figure out how this bill will protect anyone. Remember this bill carries not even one educational requirement.

2/3/89  
#1  
NB287

Further, according to the same section (2) D) the State may not regulate a profession, occupation, industry, business, or other endeavor in a manner which will unreasonably adversely affect the competitive market. This bill will ADVERSELY + UNREASONABLY affect the competitive market. With less than fifty therapist it will cost each of us over \$300<sup>00</sup> per year to be licensed. The testing mandated in House Bill 287 is not only expensive, it is unfair. We will be asked to pass a test on schooling some of us had 10, 20, or more years ago. The fact that we are still in our profession after many years of working should stand on it's own merit. This law is even lacking a Grandfather Clause. From the Montana Annotated Codes: One of the original purposes of the "grand" father" clause of the Motor Carrier Act was to permit the continued operation of carrier business already established prior to passage of the act.

The law before this committee is flawed in so many ways. If we must have a law to license massage therapist let it be a fair

(3)

law, one that address massage therapists in a professional manner. A law that reflects the commitment to education, good health, and good will to the people that every massage therapist must be dedicated to if they are to remain working as a massage therapist.

When the question is asked please vote No on House Bill 287.

Thank-you  
Susan R. Carlson MSt  
Blgo. INT

\* Based on Fiscal Note 1990 \$11,625

HB 2077 Colleen Jensen -

Ladies and Gentlemen of the Business and Economic Development  
Committee:

The purpose of this bill as stated in Section 2 of HB 207 is that the practice of massage therapy affects public health, safety, and welfare, and that licensing of massage therapists upon passing an exam as outlined in Section 7, will assure the public they will be protected.

I contend licensing of massage therapists, as specified in this bill, will do no such thing.

Today there is a very large variety of massage modalities that vary greatly in technique. To name a few, there is Acupoint, myofascial therapy, Jin Shin Jyutsu, Shiatsu, Reflexology, Rolfing, Swedish Massage, Reiki, Therapeutic Touch, Touch For Health. These are all very well known modes and in common practice. If the state supports that public health, safety, and welfare is in jeopardy, then there would have to be a separate licensing for each and every one of these techniques.

Many therapists use more than one of these modes. They also may use 2 or 3 techniques in one session on one client. An attempt to include all the afore mentioned techniques in one exam would be a monumental task and would furthermore require all massage therapists to be proficient in all these areas.

Massage schools across the country don't even provide instruction in all of these various modalities at any given school. Some instruction has to be obtained at speciality clinics.

In regards to examination as outlined in Section 5, 10, the state would have to contract with experts in these various fields and these experts would have to come from all over the United States. Perhaps to give an exam for 1 or 2 persons. If the state was not aware of these facts perhaps this cost was not included in the cost of administering this bill.

#2  
213189  
HB227



Most massage therapists are a very sincere and dedicated group of people. They may travel anywhere in the country and Canada to gain more knowledge and learn new practices. Recently a massage therapist from Bozeman went to China to learn the practice of Tuina. Another therapist from Montana is planning to do the same this year. Would it make any sense to give these persons, for instance, an exam in say, Reflexology, when this is not the practice they are engaged in?

Mandatory continuing education for license renewal, as outlined in section 5, 2b, would also add additional cost for the therapist. If a workshop or a seminar that was given in this state and provided by the Dept. of Commerce did not address a particular field of study that an individual needed, then he would have to go out of state at an even greater cost. Also an individual may elect, for his own benefit, to go for additional schooling for several weeks or months, or they may elect to go to Dr. Vodders' school on Manual Lymph Drainage in Austria, or to England for Aromatherapy training or to the Orient for one of the many areas of study there. Would these individuals also be required to take a continuing education class as mandated by the Dept. of Commerce to renew their license?

I view this bill to be very antiquated in its scope of the reality of the massage profession.

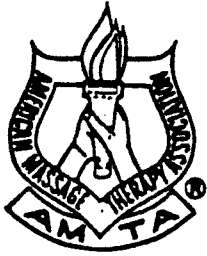
I would like to call to your attention that there are massage therapists in outlying areas and small communities across this vast state of ours. Some of these people along with some in larger communities, only engage in massage on a small scale or a part time basis. The additional costs and requirements implemented by this bill would put a tremendous hardship on these individuals. Some would be forced out of business, some would be driven underground, and if some wanted to continue to help their friends and neighbors this law would make outlaws of these people. This cost to the therapist would only be feasible for those in larger communities and working full time with an already on-going large clientele. Therefore this bill does not allow for the practice of massage therapy to flourish in Montana. It also would hinder anyone from starting a new practice and does not put out a welcome mat for therapists coming from other states. GIVEN THIS, I TERM THIS BILL A BREED BILL!

I also would like to point out only 14 other states and the Dist. of Columbia have any kind of state licensing, and ~~you~~ ~~can see by the number~~, some of these states are having various problems with licensure.

In reference to the letter I sent to each of you, I would like to state again that I would be opposed to any changes or amendments that might be suggested at this hearing. As this is a major issue of great concern to all. I feel the views of all the therapists in the state need to be considered and we need time to gather together to come to an agreement.

Thank-you for your time.

*Calleen Jensen*  
*Certified Massage Therapist*  
*Montana Massage Therapy Assoc.*



## Montana Massage Therapy Association

January 9, 1989

To All Massage Therapists;

A bill to liscense all massage therapists in the state of Montana has been introduced in the Legislature this session. The bill was drafted by Paris Shoup of Billings and is being sponsored by Representative Tim Whalen of Billings. Introduction of this bill is the total responsibility of Paris Shoup and does not have the endorsement of the Montana Massage Therapy Association. Paris Shoup is not a member of the Montana Massage Therapy Association.

This bill would require that, (1). All persons engaged in the practice of massage in any form be required to be liscensed. (2). All persons desiring to practice massage be required to take a liscensing test. (3). There is no grandfather clause, there-by forcing everybody to take the same test, without regard for current massage specialties.

At this time this bill does not project yearly administration costs. These costs determine the costs of the license fees. A study two years ago by the American Massage Therapy Association showed administration costs to be very high and would reflect very high license fees. There is no reason to assume costs to be less today.

At a meeting of some officers, random Montana Massage Therapy Association members and non-members, that for the above mentioned reasons the officers and legislative committee of the Montana Massage Therapy Association do not endorse the bill presented by Paris Shoup and will in fact oppose this legislation. We have started a campaign to notify our representatives of our opinions, and will ask them to support our view on this legislation.

If you, or any of your patrons, would like to voice your opinion on this bill you may write your representative in Helena or you may leave phone messages for your representative at 1-444-4800.

Respectfully yours,

*Tom Reynolds*

Tom Reynolds  
Chairman of the Board  
Montana Massage Therapy Association

*Secy + Treasure*  
*Betty J. Hauke*

#3  
2/3/89  
HB287

February 1, 1989  
Billings, Montana

Committee Members:  
Business & Economic Development  
Montana Legislative Assembly

Representatives:

This correspondence is written in behalf of Susan Carlson, operator of Therapeutic Massage Service in Billings, Montana. In a separate letter, she has outlined her concerns regarding House Bill 287; legislation regulating the practice of massage therapy.

I was, for several years, manager of an adult city-league softball team. The original sponsor was an oil company who eventually could not provide sponsorship. Susan Carlson assumed this role including all fees and full-dress uniforms-under the name of Therapeutic Massage Service. Team members included geologist, petroleum engineers, accountants, and other professionals. This team/sponsor relationship was, at all times, positive, professional, and in the spirit of sportmanship and fitness.

This bill, especially Section 8, (d), (e), (f), and (g) completely misses the mark. It is more appropriate to address these types of issues in legislation other than those regulating legitimate businesses.

Thank you for your consideration.

Ron J. Fenex

*Ron J. Fenex*  
Billings, MT

#4  
2/3/89  
HB287

# Massage therapists boost image

By CLAIR JOHNSON  
The Gazette Staff

The therapeutic-massage industry is shedding the sexual stigma that as unfairly dogged the profession, especially in this part of the country. Susan Carlson, owner of Therapeutic Massage Service, 2215 Broadwater Ave., said, "You can tell a legitimate massage from a bordello."

Carlson said she doesn't operate 4 hours a day or have expensive rates. "I don't have fish-net tops, here's no red flashing light out here," she said.

Massage therapists in Billings say it's about time that massage be recognized for its health benefits.

Breaking down misconceptions while trying to convince people that therapeutic massage improves circulation and body tone, relieves pain and reduces stress is tough.

"It's a hard row to hoe," says Diana Glenn, who works at D's Therapeutic Massage, 145 Grand Ave.

A therapist for 1½ years, Glenn said, "We spend a lot of time telling people what we do." A group of massage therapists in Billings had a booth at the recent MATE show and gave mini-massages on shoulders and necks, she added.

D's owner Dennis Schmidt said therapeutic massage has a misnomer of being a front for "a house of ill-repute." That simply isn't true, he said.

The benefits of massage are both physical and mental, Schmidt said. "You feel so darn good when you make others feel better," he said.

In her six years as a massage therapist, Carlson said she's had to throw out only one client — a man who wanted more than a massage.

In addition, Carlson has her clients sign a statement saying that they are there only for a professional massage and that they respect the integrity of the profession.

Carlson said business is improving because people are becoming informed. They are better informed about massage than they were even six months ago, she added.

"They seem to know more about what they're looking for. I think more people are taking more responsibility for their own health," Carlson said.

Word-of-mouth referrals, more advertising, participation at sports events in addition to healthier lifestyles have all helped the massage profession, therapists said.

Stress, caused by a poor economy, work, unemployment or the pressure of trying to sell a home is one of the biggest reasons people are seeking massages, therapists said.

Carlson said 75 percent of her clients are under a lot of stress. Her clients range in age from 9 years to 87, with the majority being between 30 and 50.

Glenn said she tells people they will know massage is successful if they look at their house and say, "My

house is dirty. Isn't that too bad?" Pain also sends people in search of massage therapists. Glenn said older, first-time clients usually are nervous and skeptical about massage.

"They're just hurting like heck, and they've tried everything else," she said.

Carlson said massage helps car accident victims who aren't seriously injured but are sore, weekend athletes and victims of child or spouse abuse. Battered children and women find through massage that touch can be comforting, not violent or sexual, she said.

Massage therapists are not licensed by the state of Montana, but many therapists belong to the American Massage Therapy Association, a national organization established in 1943. The AMTA, which is the only national group testing and certifying sports massage therapists, has a Montana chapter.

Therapists go through extensive training courses on anatomy, massage, acupressure, reflexology, nutrition and physiology. There are schools throughout the country, but none in Montana.

Carlson, who studied massage in New Hampshire, said she attends at least one seminar a year. Even though massage is thousands of years old, Carlson believes it's important to get ongoing training.

A typical, full-body massage takes about an hour and costs about \$25. Carlson, Glenn and Schmidt work in private rooms, using peanut, olive or almond oil. Clients usually disrobe and are draped with a cloth. Clients often become so relaxed during a



Gazette photo by Bob Zeller

People are becoming better informed about massage therapy, says Susan Carlson, above, owner of Therapeutic Massage Service.

message that they fall asleep. Carlson said 1987 was her best year ever, with business up one-third over 1986.

She also remembers the beginning, when she borrowed \$1,000 to set up her business. "It was slow — real-

ly, really slow," Carlson said. When people asked her what she did, Carlson said the typical response was, "You're doing WHAT?"

Carlson, who never considered giving up, paid back the loan within three years and now has a part-time warding business.

assistant from Red Lodge Schmidt, who opened D's in August 1987, said he won't get rich, but the business is gratifying. Although business is growing slowly, Schmidt said he's satisfied so far. "It's a rewarding business."

# North American lottery commission and bonus plans

Lottery	Offline Agents	Online Agents	Total Agents	Sales Commission	Additional Bonus	Unaudited FY '88 Commis- sions (\$M)	% of Sales	Unaudited FY '88 Sales (\$M)
United States	650	1,450	2,100	6%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
California (1)	19,691	6,836	26,527	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Colorado	2,700	2,100	2,700	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Connecticut	1,750	2,100	3,850	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Delaware	221	255	476	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
D.C. (2)	55	554	609	4.8%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Florida	15,261	5,366	20,627	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Illinois	5,328	4,132	9,460	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Iowa	2,210	1,060	3,270	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Kansas	2,693	747	3,440	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Maine (3)	840	860	1,700	5.8%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Maryland	432	1,700	2,132	4%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Massachusetts	600	5,100	5,700	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Michigan	4,846	3,756	8,602	6%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Missouri	3,989	1,202	5,191	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Montana	965	-	965	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
New Hampshire	450	750	1,200	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
New Jersey	-	4,300	4,300	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
New York	5,749	5,640	11,389	6%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Ohio	2,441	4,682	7,123	5.5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Oregon	1,584	1,414	2,998	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Pennsylvania	5,610	3,160	8,770	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Rhode Island (4)	390	810	1,200	5.8%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
South Dakota	1,145	-	1,145	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Vermont	758	183	941	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Virginia	6,000	-	6,000	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Washington	2,825	875	3,700	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
West Virginia	1,113	802	1,915	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Wisconsin	5,000	-	5,000	5%	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Total	85,296	57,734	153,030	-	1% instant quota .5% of top tier lotto prizes, \$1,000 + instant, .6% POS 1% sales bonus Bonus plan for high-tier instant prizes 1% on-line bonus for paying out 38.5% of sales 1% of winning lotto jackpots None	10.3 105.4 5.3 25.4 2.8 6.7 35.0 66.7 7.1	6.0% 5.0% 5.8% 5.0% 5.0% 5.5% 5.0% 5.1% 5.5%	172.6 2,107.0 90.9 507.2 55.4 122.5 699.5 1,319.7 129.0
Canada								
Atlantic (5)	1,950	1,600	3,550	5.8%	1% of any \$1,000 + prize; 10% cashing fee None	11.8	5.6%	211.9
B. Columbia (6)	613	2,127	2,740	5.10%	1% of any \$1,000 + prize Winning ticket bonus 2% redemption on all tickets to \$1,000	23.5	4.9%	477.0
Loto-Quebec (7)	8,079	4,289	12,368	5.10%	1% of any \$1,000 + prize Winning ticket bonus 2% redemption on all tickets to \$1,000	54.8	5.3%	1,036.5
Ontario (8)	6,000	5,500	11,500	5.8%	1% of any \$1,000 + prize Winning ticket bonus 2% redemption on all tickets to \$1,000	100.1	7.4%	1,355.6
Western (9)	1,715	2,391	4,106	5.10%	1% of any \$1,000 + prize Winning ticket bonus 2% redemption on all tickets to \$1,000	30.6	6.0%	513.5
Total	18,337	15,907	34,284	-	1% of any \$1,000 + prize; 10% cashing fee None	CS220.8	6.1%	CS3,594.47

(1) California pays 3% to instant and terminal retailers, 4% to PAT retailers  
 (2) D.C. pays 4% for on-line, 6% for instant  
 (3) Maine pays 5% for on-line, 6% for instant  
 (4) Rhode Island pays 6% for on-line, 5% for instant  
 (5) 3% commission, all games except Special 78 (9%)  
 (6) 3% for on-line, 7% for provincial passive, 8% for Special 78, 10% for Provincial  
 (7) 5% for all games, 10% for 50% passive  
 (8) 5% for Loto-Quebec, 6% for passive, instant, Loto 648. Represents cumulative commission since  
 FY 1978  
 (9) 5% for lotto, 7% for Western Express, 10% provincial

Gaming and Wagering  
 Nov 15, 1988

#1  
 AB 446  
 2/3/89

Business & Eco. COMMITTEE

DATE Feb 3

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Business & Eco.

BILL NO.

DATE \_\_\_\_\_

SPONSOR

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

CS-33



Business & Eco. COMMITTEE

BILL NO. HB 221

DATE Feb. 3

SPONSOR \_\_\_\_\_

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

# VISITORS' REGISTER

Business & Eco

COMMITTEE

BILL NO.

HB448

DATE \_\_\_\_\_

Feb 3

SPONSOR

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

Business & Eco

COMMITTEE

BILL NO.

4B287

DATE

Feb 3rd

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Susan Carlson	6044 1/2 mile Rd Dillon		X
Rick Benzel	P.O. Box 23 Shepherd Mt. 59079		X
MARY SCHWIND	1922 WILDER AVE Hel		X
Colleen Jensen	Box 274 Park City, MT		X

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.