

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION
COMMITTEE ON BUSINESS AND INDUSTRY

Call to Order: By Chairman Gene Thayer, on February 3,
1989, at 10:00 a.m.

ROLL CALL

Members Present: Chairman Thayer, Vice Chairman Meyer,
Senator Boylan, Senator Noble, Senator Williams
Senator Hager, Senator McLane, Senator Weeding,
Senator Lynch

Members Excused: None

Members Absent: None

Staff Present: Mary McCue, Legislative Council;

Announcements/Discussion: None

DISPOSITION OF HOUSE BILL 150

Discussion: Chairman Thayer requested Mary McCue to explain the purpose of the saving clause language being inserted into the bill. She said the language was important for making it clear that the act was intended to affect contracts entered into after the act was put into law. The law cannot impair the relationship of existing contracts. The amendments were prepared and submitted to the committee. (See Exhibit #1)

Chairman Thayer submitted letters he had received in support of HB 150 (exhibits 2 and 3)

Amendments and Vote: Senator Lynch moved to Adopt the Amendments. Senator Weeding seconded the motion.

Senator Boylan explained, although the act would include all new contracts, it would also include old contracts if the agreement, to not buy back the inventory, was not excluded. If the old contract specified there would be no buy back, it wouldn't be affected.

The motion to adopt the amendments Carried Unanimously.

Senator Lynch made a motion to change the terms of the parts and inventory buy back, from three years to one year. The motion was seconded by Senator Williams.

Senator Lynch stated he agreed, there were some bad things happening to some dealers, and Yamaha seemed to be the one manufacturer causing the most problems. He thought the three years possibly added to the negative business atmosphere, and one year would send the necessary message.

Senator Boylan thought three years was more realistic protection for the dealers.

Senator Noble said he agreed with Senator Boylan. He said a large R.V. dealer had told him the purchase agreement required by manufacturers, was cash before delivery. They don't buy unnecessary parts. He thought the three year clause was reasonable.

Senator Weeding said, with his understanding of the requirements of acquiring a recreation vehicle franchise, three years didn't seem unrealistic.

Chairman Thayer said he supported an amendment allowing the buy back to be enacted upon the manufacturer or distributor cancelled the franchise, but not if the dealer cancelled. He said he felt the three year term was satisfactory.

Senator Williams made a Substitute Motion to Amend HB 150 to read two years rather than three. Senator Lynch seconded the motion. The vote was six in favor, and three opposed. Those opposed were Senators Boylan, Weeding, and Senator Thayer. The Motion Carried.

Recommendation and Votes: Senator Meyer made a motion HB 150 BE CONCURRED IN AS AMENDED. Senator Boylan seconded the motion.

Senator Williams expressed concern over allowing dealers to decide to quit selling a product and making the manufacturer purchase their inventory. Mary McCue stated, that change would affect people who had not been notified of a codification change, and therefore would not have been unable to respond. She said that exceeded the realm of the bill.

Senator Lynch said he felt the motion should be voted as presented, because the problems would either surface, or the bill would work.

The Question was called for, and HB 150 was CONCURRED IN AS AMENDED. T motion Carried Unanimously. Senator Lynch agreed to carry HB 150 on the Senate floor, if the sponsor didn't have someone designated.

DISPOSITION OF SENATE BILL 245

Discussion: None

Amendments and Votes: Senator Lynch made a motion SB 245 DO NOT PASS. Senator Weeding seconded the motion.

Senator Lynch stated that the contractors' association had opposed the bill. He said he felt the legislation affected those people most, and if they opposed it, he thought SB 245 should fail.

Senator Noble said many small contractors, who worked for cities, schools, and counties, utilized the preference, and it worked for them. He said, prior to the 3% preference, those jobs were going to out-of-state contractors. He asked Sonny Lockrum to explain why these facts didn't seem to show up in the audit previously presented.

Mr. Lockrum said the legislative audit committee only audited purchases by the state of Montana. They hadn't gone into the local areas, or school districts.

Senator Williams pointed out, the 3% preference helped keep out-of-state bids lower because they knew it was in affect in Montana. He felt possibly the suppliers were at a disadvantage, and should, in some way, be exempt from the in-state preference. Even though they may be headquartered out-of-state, they had a huge in-state inventory and investment.

Chairman Thayer stated, Senator Keating explained repealing the act as giving the Montana firms an even field when bidding out-of-state jobs. He said the flip side of that was, our own contractors, people who lived and paid taxes in Montana, would be losing local jobs.

Senator Weeding said he had polled his constituents, and all who replied were in favor of retaining the preference.

Chairman Thayer repeated the motion and the question was called for. The motion, to DO NOT PASS SB 245, Carried. Senator Boylan voted No, on the motion. Chairman Thayer carried the adverse committee report on the Senate floor.

DISPOSITION OF SENATE BILL 215

Discussion: Chairman Thayer explained, SB 215 and SB 246 were heard together, but could be disposed of separately. He also distributed a handout which had been prepared by Bill Pederson of the Montana Small Business Department Center. (See Exhibit #6)

Recommendation and Votes: Senator Lynch Moved SB 214 DO PASS, and it was seconded by Senator Weeding. Mary McCue said she had amendments for the bill and Senator Lynch withdrew his motion, and Senator Weeding withdrew his second. (See Exhibit #4)

Discussion: Senator Noble stated, SB 215 sets up a format for employee buy outs. He said he felt most companies would do that for themselves anyway. He stated that everything else covered in the bill could be accomplished already, and asked Mary McCue for her opinion? She said the significance of SB 215 was the inclusion of the Department of Commerce, and the services they would be required to offer.

Senator Noble expressed a concern about calling the employee buy outs a cooperative corporation, and thought an equity corporation, or something similar, would have been a better term.

Senator Lynch said he was supportive of SB 215, but wasn't enamored with SB 246. He stated, as the amendments were written for SB 215, there were repeated references to SB 246. He asked, if SB 246 received a DO NOT PASS, would we want those references?

Mary McCue responded to the question asking the committee to look at SB 215. She cited page 10, section 8, the coordination instructions that stated the two bills could stand alone. If SB 246 does not pass, then the references in SB 215, to SB 246, would be deleted. She said the material in SB 215, which was within brackets, would be deleted. She also explained that an employee cooperative was a defined term in the act, and only applied in that context.

Amendments and Votes: Senator Lynch made a motion to Adopt the Amendments Mary McCue had presented in exhibit #5. Senator McLane seconded the motion. Mary McCue explained the amendments briefly. It was decided, after discussion, the amendments needed to include exhibit #4, as well as those proposed by the Department of Commerce. Senator Lynch moved to amend his motion. The motion Carried Unanimously.

Recommendations and Votes: Senator Weeding Moved SB 215 DO PASS AS AMENDED. Senator Noble seconded the motion.

Chairman Thayer questioned the extent of the fiscal note, and if indeed it would be paid from a private source? Mr. Heffner responded to the question, and explained the cost of phone calls, and travel would be included in the cost of the seminars. He said the department normally recovered direct costs on seminars through fees charged.

The vote was eight in Favor of the motion, with Senator Boylan opposing.

DISPOSITION OF SENATE BILL 246

Discussion: Mary McCue explained the proposed amendments.

Amendments and Votes: Senator Lynch made a motion to Adopt the Amendments. Senator Williams seconded the motion. The Motion Carried Unanimously. (See Exhibit #7)

Recommendations and Vote: Senator Noble Moved SB 246 DO NOT PASS. Senator Boylan seconded the motion.

Senator Lynch Made a Substitute Motion, that SB 246 BE TABLED AS AMENDED. He explained, this way, if someone could show a need for the legislation, it could be brought back to committee. Senator Meyer seconded the motion.

Chairman Thayer said he could see no reason for the state of Montana to pass laws essentially dealing with ESOPs when they were already provided for through federal legislation. By passage of SB 246, they would be authorizing the department to pursue employee buy outs. He felt everyone, or every business should not be encouraged along those lines. The problem was very complex. He said, why not just let them assist, by whatever falls under the federal law? Mr. Heffner said that when Senator Halligan had requested the bills be heard together, confusion between the two had arisen. He said SB 246 did not provide for a specific form of cooperative.

Chairman Thayer asked if all of the benefits Mr. Heffner had testified to, in SB 246, couldn't already be accomplished under existing federal law? Mr. Heffner agreed, that may be possible.

Senator Boylan said he had been affiliated with agriculture all his life, and therefore, involved with dozens of co-ops. He stated he had quit them all, because they seemed to operate fine for awhile, but become too large and uncontrollable. He said he didn't feel they really served a purpose for anyone.

Senator Noble said he had belonged to, and dealt with cooperatives. The larger operator members quickly became the directors, and if it was a buying co-op, they were the one's who wanted to buy at two percent over cost. e said they were often the ones who bought seventy-five percent of the products the co-op handled, and pretty soon the co-op was broke. They all seemed to lack the leadership required, to survive in a competitive environment.

The motion to TABLE SB 246 Carried Unanimously.

DISPOSITION OF SENATE BILL 248

Discussion: Mary McCue explained the amendments to the committee. (See Exhibit #8)

Chairman Thayer expressed his desire to insure adequate funding. He said he thought that could be accomplished by requiring actual capital, rather than a letter of credit. He felt the credit should be established before allowing a business to come into the state. He asked Tanya Ask to explain her concerns. She said there had been several conversations concerning SB 248. She said that although they were not completely satisfied, she felt comfortable in continuing their work, on the bill, in the House.

Amendments and Votes: Senator Noble moved the Amendments to SB 248 Be Adopted. Senator Lynch seconded the motion. The motion Carried Unanimously.

Recommendations and Votes: Senator Noble made a motion SB 248 DO PASS AS AMENDED. Senator McLane seconded the motion. The motion Carried Unanimously.

DISPOSITION OF SENATE BILL 277

Discussion: Mary McCue explained the proposed amendments. (See Exhibit #9)

Amendments and Votes: Senator Boylan made a motion to Adopt the Amendments as presented. Senator Noble seconded the motion. The motion Carried Unanimously.

Recommendations and Votes: Senator Lynch Moved SB 277 DO PASS AS AMENDED. Senator McLane seconded the motion. The motion Carried Unanimously.

DISPOSITION OF SENATE BILL 186

Discussion: Mary McCue said, during the last legislative session, there had been the same concerns over the fund. They had then ordered the legislative auditor to review, and prepare comments and recommendations regarding each proposal. (See Exhibit #10)

Ms. McCue said the auditors are concerned about having any roll of soliciting proposals for sale, or to be involved in the subsequent audit of any sale. They felt it quite inappropriate to find a buyer for the fund, then audit the sale. She said they thought the committee should find another entity to solicit these proposals of purchase.

Amendments and Votes: Senator Lynch made a motion to adopt the Amendments as discussed, and asked Mary McCue to prepare them. Senator McLane second the motion. The motion a to move the Amendments Carried Unanimously.

Recommendations and Votes: Senator Lynch Moved SB 186 Do Pass As Amended. Senator Williams seconded the Motion. The motion Carried Unanimously.

DISCUSSION OF SENATE BILL 191

The committee decided a fiscal note was necessary for SB 191. Executive action was postponed until the following Monday.

ADJOURNMENT

Adjournment At: 11:32 a.m.



SENATOR GENE THAYER, Chairman

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

DATE 2/3/89

51st LEGISLATIVE SESSION 1989

NAME	PRESENT	ABSENT	EXCUSED
<u>SENATOR DARRYL MEYER</u>	✓		
<u>SENATOR PAUL BOYLAN</u>	✓		
<u>SENATOR JERRY NOBLE</u>	✓		
<u>SENATOR BOB WILLIAMS</u>	✓		
<u>SENATOR TOM HAGER</u>	✓		
<u>SENATOR HARRY MC LANE</u>	✓		
<u>SENATOR CECIL WEEDING</u>	✓		
<u>SENATOR JOHN "J.D." LYNCH</u>	✓		
<u>SENATOR GENE THAYER</u>	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

February 6, 1989

RE: PRESIDENT:

Re, your committee on Business and Industry, having had under consideration HB 150 (third reading copy -- blue), respectfully report that HB 150 be amended and as so amended be concurred in:

Sponsor: Johnson (Tveit)

1. Page 3, following line 22.

Insert:

"Section 2. Section 30-11-703, HCA, is amended to read:

"30-11-703. Excepted inventory. The following inventory is not subject to the repurchase requirements of 30-11-702:

(1) any repair part that has a limited storage life or is otherwise subject to deterioration, such as rubber items, gaskets, or wet charge batteries;

(2) any repair part that is in a broken or damaged package;

(3) any single repair part that is mixed as a set of two or more items;

(4) any repair part that because of its condition is not reparable available as a new part without repackaging or reconditioning;

(5) any inventory for which the retailer is unable to furnish evidence satisfactory to the wholesaler, manufacturer, or distributor of title, free and clear of all claims, liens, and encumbrances;

(6) any inventory the retailer desires to keep, if he has a contractual right to do so;

(7) any inventory other than a repair part that is not in essentially new, unused, undamaged, and complete condition;

(8) any repair part that is not in new, unused, or undamaged condition;

(9) any inventory item, other than a repair part, that has been stocked for 36 months or more prior to notice of termination of the contract, if the inventory relates to goods under 30-11-701(4)(a) through 30-11-701(4)(c);

(10) any inventory item, other than a repair part, that has been stocked for 24 months or more prior to notice of termination of the contract if the inventory relates to goods under 30-11-701(4)(d) through 30-11-701(4)(g);

~~(11) any inventory that was ordered by the retailer after the date of notification of termination of the contract; and~~

~~(12) any inventory that was acquired from any source other than the wholesaler, manufacturer, or distributor."~~

NEW SECTION. Section 3. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act]."

Renumber: subsequent section

AND AS AMENDED BE CONCURRED IN

Signed: 

Gene Thayer, Chairman


SENATE STANDING COMMITTEE REPORT

February 3, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration SB 245 (first reading copy -- white), respectfully report that SB 245 do not pass.

DO NOT PASS

Signed: 

Gene Thayer, Chairman

SCRSB245.203

2-3-89

SENATE STANDING COMMITTEE REPORT

February 4, 1989

Mr. President:

We, your committee on Business and Industry, having had under consideration SB 215 (first reading copy-- white), respectfully report that SB 215 be amended and as so amended do pass.

1. Title, line 9.

Insert: "AND" following line 8

Strike: "30-10-104"

Insert: "30-10-105"

2. Page 1, lines 9 and 10.

Strike: "; AND PROVIDING AN EFFECTIVE DATE"

3. Page 2, line 2.

Following: "as"

Insert: "|"

4. Page 2, line 3.

Following: "of"

Strike: "|"

Insert: "Senate"

Following: "No."

Insert: "246"

5. Page 4, line 17 through line 22, page 10.

Strike: section 7 in its entirety

Insert: "Section 7. Section 30-10-105, HCA, is amended to read:

"30-10-105. Exempt transactions. Except as in this section expressly provided, 30-10-201 through 30-10-207 shall not apply to any of the following transactions:

(1) any nonissuer isolated transaction, whether effected through a broker-dealer or not. A transaction is presumed to be isolated if it is one of not more than three transactions during the prior 12-month period.

(2) (a) any nonissuer distribution of an outstanding security by a broker-dealer registered pursuant to 30-10-201 if:

(1) quotations for the securities to be offered or sold (or the securities issuable upon exercise of any warrant or right to purchase or subscribe to such securities) are reported by the automated quotations system operated by the national association of securities dealers, inc., (NASDAQ) or by any other quotation system approved by the commissioner by rule; or

(ii) the security has a fixed maturity or a fixed interest or dividend provision and there has been no default during the current fiscal year or within the 3 preceding fiscal years, or during the existence of the issuer and any predecessors if less than 3 years, in the payment of principal, interest, or dividends on the security.

(b) The commissioner may by order deny or revoke the exemption specified in subsection (2)(a) with respect to a specific security. Upon the entry of such an order, the commissioner shall promptly notify all registered broker-dealers that it has been entered and of the reasons therefor and that within 15 days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order or extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated parts 1 through 3 of this chapter by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know and in the exercise of reasonable care could not have known of the order.

(3) any nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy, but the commissioner may require that the customer acknowledge upon a specified form that the sale was unsolicited and that a signed copy of each form be preserved by the broker-dealer for a specified period;

(4) any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters;

(5) any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator in the performance of his official duties as such;

(6) any transaction executed by a bona fide pledgee without any purpose of evading parts 1 through 3 of this chapter;

(7) any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity;

(8) (a) any transaction pursuant to an offer made in this state directed by the offeror to not more than 10 persons (other than those designated in subsection (7)) during any period of 12 consecutive months, if:

(i) the seller reasonably believes that all the buyers are purchasing for investment; and

(ii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer; provided, however, that a commission may be paid to a registered broker-dealer if the securities involved are registered with the United States securities and exchange commission under the federal Securities Act of 1933, as amended.

(b) For the purpose of the exemption provided for in subsection (8)(a), an offer to sell is made in this state, whether or not the offeror or any of the offerees is then present in this state, if the offer either originates from this state or is directed by the offeror to this state and received at the place to which it is directed (or at any post office in this state in the case of a mailed offer).

(9) any offer or sale of a preorganization certificate or subscription if:

(a) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber;

(b) the number of subscribers does not exceed 10; and

(c) no payment is made by any subscriber;

(10) any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if:

(a) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; or

(b) the issuer first files a notice specifying the terms of the offer and the commissioner does not by order disallow either (a) or (b) of this subsection;

(11) any offer (but not a sale) of a security for which registration statements have been filed under both parts 1 through 3 of this chapter and the Securities Act of 1933 if no stop, refusal, denial, suspension, or revocation order is in effect and no public proceeding or examination looking toward such an order is pending under either law;

(12) any offer (but not a sale) of a security for which a registration statement has been filed under parts 1 through 3 of this chapter and the commissioner in his discretion does not disallow the offer in writing within 10 days of such filing;

(13) the issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock;

(14) any transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi-reorganization, stock split, reverse stock split, merger, consolidation, or sale of assets;

(15) any transaction in compliance with such rules as the commissioner in his discretion may adopt to serve the purposes of 30-10-102. The commissioner may in his discretion require that 30-10-201 through 30-10-207 apply to any or all transactional exemptions adopted by rule.

(16) any transaction by a certified Montana capital company as defined in 90-8-104, provided that such company first files all disclosure documents, along with a consent to service of process, with the commissioner. The commissioner may not charge a fee for the filing.

(17) the sale of a commodity investment contract traded on a commodities exchange recognized by the commissioner at the time of sale;

(18) transaction within the exclusive jurisdiction of the commodity futures trading commission as granted under the Commodity Exchange Act;

(19) a transaction that:

(a) involves the purchase of one or more precious metals; and

(b) requires, and under which the purchaser receives within 7 calendar days after payment in good funds of any portion of the purchase price, physical delivery of the quantity of the precious metals purchased. For the purposes of this subsection, physical delivery is considered to have occurred if, within the 7-day period, the quantity of precious metals, whether in specifically segregated or fungible bulk, purchased by such payment is delivered into the possession of a depository (other than the seller) that:

(i) (A) is a financial institution (meaning a bank, savings institution, or trust company organized under or supervised pursuant to the laws of the United States or of this state);

(B) is a depository the warehouse receipts of which are recognized for delivery purposes for any commodity on a contract market designated by the commodity futures trading commission; or

(8) (a) any transaction pursuant to an offer made in this state directed by the offeror to not more than 10 persons (other than those designated in subsection (7)) during any period of 12 consecutive months, if:

(i) the seller reasonably believes that all the buyers are purchasing for investment; and

(ii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer; provided, however, that a commission may be paid to a registered broker-dealer if the securities involved are registered with the United States securities and exchange commission under the federal Securities Act of 1933, as amended.

(b) For the purpose of the exemption provided for in subsection (8)(a), an offer to sell is made in this state, whether or not the offeror or any of the offerees is then present in this state, if the offer either originates from this state or is directed by the offeror to this state and received at the place to which it is directed (or at any post office in this state in the case of a mailed offer).

(9) any offer or sale of a preorganization certificate or subscription if:

(a) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber;

(b) the number of subscribers does not exceed 10; and

(c) no payment is made by any subscriber;

(10) any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if:

(a) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; or

(b) the issuer first files a notice specifying the terms of the offer and the commissioner does not by order disallow either (a) or (b) of this subsection;

(11) any offer (but not a sale) of a security for which registration statements have been filed under both parts 1 through 3 of this chapter and the Securities Act of 1933 if no stop, refusal, denial, suspension, or revocation order is in effect and no public proceeding or examination looking toward such an order is pending under either law;

(C) is a storage facility licensed by the United States or any agency of the United States; and

(ii) issues, and the purchaser receives, a certificate, document of title, confirmation, or other instrument evidencing that such quantity of precious metals has been delivered to the depository and is being and will continue to be held on the purchaser's behalf, free and clear of all liens and encumbrances other than:

(A) liens of the purchaser;

(B) tax liens;

(C) liens agreed to by the purchaser; or

(D) liens of the depository for fees and expenses that previously have been disclosed to the purchaser.

(20) a transaction involving a commodity investment contract solely between persons engaged in producing, processing, using commercially, or handling as merchants each commodity subject to the contract or any byproduct of the commodity;

(21) any offer or sale of a security to an employee of the issuer, pursuant to an employee stock ownership plan qualified under section 401 of the Internal Revenue Code of 1986;

[(22) any offer or sale of a membership share issued by an employee cooperative corporation organized under the provisions of Senate Bill No. 246 (LC 1149)]."

6. Page 10, line 23.

Following: "If |"

Insert: "Senate"

7. Page 10, line 24.

Following: line 23

Insert: "246"

8. Page 10, line 25.

Following: "|"

Insert: "Senate"

Following: "No."

Insert: "246"

9. Page 11, lines 2 and 3.

Strike: section 9 in its entirety

AND AS AMENDED DO PASS

Signed: 

Gene Thayer, Chairman

4/10.
2:16:50
P.M.

SENATE STANDING COMMITTEE REPORT

page 1 of 3
February 6, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration SB 248 (first reading copy -- white), respectfully report that SB 248 be amended and as so amended do pass:

1. Title, lines 5 and 6.

Strike: "SECTIONS 17-7-502 AND"

Insert: "SECTION"

2. Page 7, line 5.

Strike: "(1)"

3. Page 7, line 11.

Strike: "(a)"

Insert: "(1)"

4. Page 7, line 13.

Strike: "(b)"

Insert: "(2)"

5. Page 7, line 16.

Strike: "(c)"

Insert: "(3)"

6. Page 7, lines 19 through 22.

Strike: subsection (2) in its entirety

7. Page 7, line 24.

Strike: "(1)"

8. Page 8, line 2.

Strike: "(a)"

Insert: "(1)"

9. Page 8, line 4.

Strike: "(b)"

Insert: "(2)"

10. Page 8, line 6.

Strike: "(c)"

Insert: "(3)"

11. Page 8, line 9.

Strike: "(d)"

Insert: "(4)"

12. Page 8, line 12.

Strike: "(e)"

Insert: "(5)"

13. Page 8, lines 15 through 18.

Strike: subsection (2) in its entirety

14. Page 16, line 15.

Strike: "(a) Except as provided in subsection (7)(b), the"

Insert: "The"

15. Page 16, lines 19 through 25.

Strike: subsection (7)(b) in its entirety

16. Page 17, line 11.

Following: "33-2-1205;"

Insert: "chapter 11;"

17. Page 17, line 13 through line 10, page 18.

Strike: section 18 in its entirety

Renumber: subsequent sections

18. Page 18, line 13.

Strike: "18"

Insert: "17"

19. Page 18, line 14.

Strike: "18"

Insert: "17"

20. Page 22, line 18 through line 11, page 24.

Strike: section 21 in its entirety

Renumber: subsequent sections

SENATE STANDING COMMITTEE REPORT

page 1 of 3
February 6, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration SB 248 (first reading copy -- white), respectfully report that SB 248 be amended and as so amended do pass:

1. Title, lines 5 and 6.

Strike: "SECTIONS 17-7-502 AND"

Insert: "SECTION"

2. Page 7, line 5.

Strike: "(1)"

3. Page 7, line 11.

Strike: "(a)"

Insert: "(1)"

4. Page 7, line 13.

Strike: "(b)"

Insert: "(2)"

5. Page 7, line 16.

Strike: "(c)"

Insert: "(3)"

6. Page 7, lines 19 through 22.

Strike: subsection (2) in its entirety

7. Page 7, line 24.

Strike: "(1)"

8. Page 8, line 2.

Strike: "(a)"

Insert: "(1)"

9. Page 8, line 4.

Strike: "(b)"

Insert: "(2)"

21. Page 24, line 17.
Strike: "(1)"
Following: "through"
Strike: "17 and 19"
Insert: "18"

22. Page 24, line 19.
Following: "through"
Strike: "17 and 19"
Insert: "18"

23. Page 24, lines 20 through 23.
Strike: subsection (2) in its entirety.

AND AS AMENDED DO PASS

Signed: 
Gene Thayer, Chairman

Handwritten notes:
4/c. 189
2/6/50
f.m.

SENATE STANDING COMMITTEE REPORT

February 3, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration SB 277 (first reading copy -- white), respectfully report that SB 277 be amended and as so amended do pass:

1. Page 2, line 21.

Following: "shall"

Strike: "elect"

Insert: "recommend to the governor"

2. Page 2, line 23.

Following: "electrologists."

Insert: "The governor shall name one person to serve the board in this manner."

3. Page 5, following line 7.

Insert: "NEW SECTION. Section 5. Implementation. The governor may by executive order assign to the board of medical examiners in a manner consistent with this act any function relating to the licensing and regulation of electrologists that is allocated to the board of cosmetologists by the 51st legislature and not transferred by this act."

Renumber: subsequent section

AND AS AMENDED DO PASS

Signed: 

Gene Thayer, Chairman

SENATE STANDING COMMITTEE REPORT

February 6, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration SB 186 (first reading copy -- white), respectfully report that SB 186 be amended and as so amended do pass:

1. Title, line 4.

Strike: "REQUIRING"

Insert: "ALLOWING"

2. Title, lines 5 through 9.

Following: "FUND"

Strike: remainder of line 5 through "EMPLOYERS" on line 9

3. Page 1, line 22 through page 4 line 9.

Following: "(1)" on line 21

Strike remainder of section (1) through end of section (2)

Insert: "The department of administration shall solicit proposals to purchase the state workers' compensation insurance plan and fund. A purchase proposal must propose to assume all the liabilities and purchase all the assets of the fund, including the assets of equipment; furniture; office supplies; books and records, computerized or other; future business; and financial assets. The proposal may include an offer to purchase or lease the building that houses the workers' compensation division that is situated on the corner of Broadway and South Last Chance Gulch in Helena, Montana, and may offer to lease any part of the building back to the state of Montana. The proposal must agree to insure any employer covered by Title 39, chapter 71 or 72, regardless of the nature of the employer's business or risk rating for purposes of insurance, for as long as the employer desires workers' compensation insurance.

(2) The department of administration shall review and prepare comments and a recommendation regarding each proposal. The 52nd legislature and any special session of the legislature meeting before the convening of the 52nd legislature may review the proposals that have been submitted and the comments and recommendations of the department of administration and order the department to accept a proposal and sell the fund and plan."

Renumber: subsequent sections

4. Page 35, lines 20 through 23.

Strike: section 30 in its entirety

Renumber: subsequent section

5. Page 35, line 25.

Following: line 24

Insert: "["

Strike: "29"

Insert: "28"

Following: "section"

Insert: "]"

6. Page 36, line 2.

Strike: "Sections"

Insert: "If a sale is made under [section 1], [sections"

7. Page 36, line 2.

Following: "through"

Strike: "28 and 30"

Insert: "27]"

AND AS AMENDED DO PASS

Signed: 

Gene Thayer, Chairman

4/10
216189
7:50 P.M.

Amendments to House Bill No. 150
Third Reading Copy

For the Committee on Business and Industry

Prepared by Mary McCue
February 3, 1989

1. Page 3, following line 22.
Insert:

"Section 2. Section 30-11-703, MCA, is amended to read:

"30-11-703. Excepted inventory. The following inventory is not subject to the repurchase requirements of 30-11-702:

(1) any repair part that has a limited storage life or is otherwise subject to deterioration, such as rubber items, gaskets, or wet-charge batteries;

(2) any repair part that is in a broken or damaged package;

(3) any single repair part that is priced as a set of two or more items;

(4) any repair part that because of its condition is not ~~resaleable~~ resalable as a new part without repackaging or reconditioning;

(5) any inventory for which the retailer is unable to furnish evidence satisfactory to the wholesaler, manufacturer, or distributor of title, free and clear of all claims, liens, and encumbrances;

(6) any inventory the retailer desires to keep, if he has a contractual right to do so;

(7) any inventory item other than a repair part that is not in essentially new, unused, undamaged, and complete condition;

(8) any repair part that is not in new, unused, or undamaged condition;

(9) any inventory item, other than a repair part, that has been stocked for 36 months or more prior to notice of termination of the contract, if the inventory relates to goods under 30-11-701(4)(a) through 30-11-701(4)(c);

(10) any inventory item, other than a repair part, that has been stocked for 24 months or more prior to notice of termination of the contract if the inventory relates to goods under 30-11-701(4)(d) through 30-11-701(4)(g);

~~(10)~~(11) any inventory that was ordered by the retailer after the date of notification of termination of the contract; and

~~(11)~~(12) any inventory that was acquired from any source other than the wholesaler, manufacturer, or distributor.

NEW SECTION. Section 3. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act]."

ex #1
2/3/89

Renumber: subsequent section

BOSCARINO'S FAMILY R.V. CENTER

4020 Hwy. 93 N.
Stevensville, "Y" MT 59870
(408) 777-2572
FAX 777-5714

February 2, 1989

Re: House Bill #150 Committee members

Gene Thayer
Darrell Meyer
Gerry Noble
Paul Boylan
J.D. Lynch
Tom Hager
Cecil Weeding
Harry "Doc" McLain
Bob Williams

I ask your support in recommending the above bill be passed. It is my belief that the protection this bill would provide could greatly benefit family-owned businesses such as ours by being less at the mercy of out-of-state manufacturers who at the present time carry a very "large stick", calling "the shots" at will.

Sincerely,

Hazel Boscarino
Hazel Boscarino

1/28/89

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 3

DATE 2/3/89

BILL NO. HB 150


Sen. Gene Thayer, Chairman
Business & Industry Committee
Room 410 Capital Building
Capitol Station
Helena, MT. 59620

Dear Senator,

The Montana Snowmobile Association
Urges your support of HB-150.

We feel this Bill will strengthen
our Dealers and thus provide better
and more reliable service to the
Montana Snowmobiling public.

Your support of HB-150 will
be appreciated.

Sincerely,

Ken Hoovestol

WK 761-2811, hm 727-8368

Amendments to Senate Bill No. 215
First Reading Copy

For the Committee on Business and Industry

Prepared by Mary McCue
February 3, 1989

1. Title, line 9.
Following: line 8
Insert: "AND"
2. Page 1, lines 9 and 10.
Strike: "; AND PROVIDING AND EFFECTIVE DATE"
3. Page 2, line 3.
Following: "of ["
Insert: "Senate"
Following: "No."
Insert: "246"
4. Page 10, line 19.
Following: "["
Insert: "Senate"
Following: "No."
Insert: "246"
5. Page 10, line 23.
Following: "If ["
Insert: "Senate"
6. Page 10, following line 23.
Insert: "246"
7. Page 10, line 25.
Following: "["
Insert: "Senate"
Following: "No."
Insert: "246"
8. Page 11, lines 2 and 3.
Strike: section 9 in its entirety

Amendments to Senate Bill No. 215
First Reading Copy

For the Committee on Business and Industry

Prepared by Mary McCue
February 3, 1989

1. Title, line 9.
Insert: "AND" following line 8
Strike: "30-10-104"
Insert: "30-10-105"
2. Page 1, lines 9 and 10.
Strike: "; AND PROVIDING AND EFFECTIVE DATE"
3. Page 2, line 2.
Following: "as"
Insert: "["
4. Page 2, line 3.
Following: "of"
Strike: "["
Insert: "Senate"
Following: "No."
Insert: "246"
5. Page 4, line 17 through line 22, page 10.
Strike: section 7 in its entirety
Insert: "Section 7. Section 30-10-105, MCA, is amended to read:
"30-10-105. Exempt transactions. Except as in this section expressly provided, 30-10-201 through 30-10-207 shall not apply to any of the following transactions:
(1) any nonissuer isolated transaction, whether effected through a broker-dealer or not. A transaction is presumed to be isolated if it is one of not more than three transactions during the prior 12-month period.
(2) (a) any nonissuer distribution of an outstanding security by a broker-dealer registered pursuant to 30-10-201 if:
(i) quotations for the securities to be offered or sold (or the securities issuable upon exercise of any warrant or right to purchase or subscribe to such securities) are reported by the automated quotations system operated by the national association of securities dealers, inc., (NASDAQ) or by any other quotation system approved by the commissioner by rule; or
(ii) the security has a fixed maturity or a fixed interest or dividend provision and there has been no default during the current fiscal year or within the 3 preceding fiscal years, or during the existence of the issuer and any predecessors if less than 3 years, in the payment of principal, interest, or dividends on the security.
(b) The commissioner may by order deny or revoke the

exemption specified in subsection (2)(a) with respect to a specific security. Upon the entry of such an order, the commissioner shall promptly notify all registered broker-dealers that it has been entered and of the reasons therefor and that within 15 days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order or extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated parts 1 through 3 of this chapter by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know and in the exercise of reasonable care could not have known of the order.

(3) any nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy, but the commissioner may require that the customer acknowledge upon a specified form that the sale was unsolicited and that a signed copy of each form be preserved by the broker-dealer for a specified period;

(4) any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters;

(5) any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator in the performance of his official duties as such;

(6) any transaction executed by a bona fide pledgee without any purpose of evading parts 1 through 3 of this chapter;

(7) any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity;

(8) (a) any transaction pursuant to an offer made in this state directed by the offeror to not more than 10 persons (other than those designated in subsection (7)) during any period of 12 consecutive months, if:

(i) the seller reasonably believes that all the buyers are purchasing for investment; and

(ii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer; provided, however, that a commission may be paid to a registered broker-dealer if the securities involved are registered with the United States securities and exchange commission under the federal Securities Act of 1933, as amended.

(b) For the purpose of the exemption provided for in subsection (8)(a), an offer to sell is made in this state, whether or not the offeror or any of the offerees is then present in this state, if the offer either originates from this state or is directed by the offeror to this state and received at the place to which it is directed (or at any post office in this

2/3/89

state in the case of a mailed offer).

(9) any offer or sale of a preorganization certificate or subscription if:

(a) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber;

(b) the number of subscribers does not exceed 10; and

(c) no payment is made by any subscriber;

(10) any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if:

(a) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; or

(b) the issuer first files a notice specifying the terms of the offer and the commissioner does not by order disallow either (a) or (b) of this subsection;

(11) any offer (but not a sale) of a security for which registration statements have been filed under both parts 1 through 3 of this chapter and the Securities Act of 1933 if no stop, refusal, denial, suspension, or revocation order is in effect and no public proceeding or examination looking toward such an order is pending under either law;

(12) any offer (but not a sale) of a security for which a registration statement has been filed under parts 1 through 3 of this chapter and the commissioner in his discretion does not disallow the offer in writing within 10 days of such filing;

(13) the issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock;

(14) any transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi-reorganization, stock split, reverse stock split, merger, consolidation, or sale of assets;

(15) any transaction in compliance with such rules as the commissioner in his discretion may adopt to serve the purposes of 30-10-102. The commissioner may in his discretion require that 30-10-201 through 30-10-207 apply to any or all transactional exemptions adopted by rule.

(16) any transaction by a certified Montana capital company as defined in 90-8-104, provided that such company first files all disclosure documents, along with a consent to service of process, with the commissioner. The commissioner may not charge a fee for the filing.

(17) the sale of a commodity investment contract traded on a commodities exchange recognized by the commissioner at the time of sale;

(18) transaction within the exclusive jurisdiction of the commodity futures trading commission as granted under the

2/3/89

Commodity Exchange Act;

(19) a transaction that:

(a) involves the purchase of one or more precious metals;

and

(b) requires, and under which the purchaser receives within 7 calendar days after payment in good funds of any portion of the purchase price, physical delivery of the quantity of the precious metals purchased. For the purposes of this subsection, physical delivery is considered to have occurred if, within the 7-day period, the quantity of precious metals, whether in specifically segregated or fungible bulk, purchased by such payment is delivered into the possession of a depository (other than the seller) that:

(i) (A) is a financial institution (meaning a bank, savings institution, or trust company organized under or supervised pursuant to the laws of the United States or of this state);

(B) is a depository the warehouse receipts of which are recognized for delivery purposes for any commodity on a contract market designated by the commodity futures trading commission; or

(C) is a storage facility licensed by the United States or any agency of the United States; and

(ii) issues, and the purchaser receives, a certificate, document of title, confirmation, or other instrument evidencing that such quantity of precious metals has been delivered to the depository and is being and will continue to be held on the purchaser's behalf, free and clear of all liens and encumbrances other than:

(A) liens of the purchaser;

(B) tax liens;

(C) liens agreed to by the purchaser; or

(D) liens of the depository for fees and expenses that previously have been disclosed to the purchaser.

(20) a transaction involving a commodity investment contract solely between persons engaged in producing, processing, using commercially, or handling as merchants each commodity subject to the contract or any byproduct of the commodity;

(21) any offer or sale of a security to an employee of the issuer, pursuant to an employee stock ownership plan qualified under section 401 of the Internal Revenue Code of 1986;

[(22) any offer or sale of a membership share issued by an employee cooperative corporation organized under the provisions of Senate Bill No. 246 (LC 1149)]."

6. Page 10, line 19.

Following: "[

Insert: "Senate"

Following: "No."

Insert: "246"

7. Page 10, line 23.

Following: "If ["

Insert: "Senate"

Ex. #5
2/3/87

8. Page 10, following line 23.
Insert: "246"

9. Page 10, line 25.
Following: "["
Insert: "Senate"
Following: "No."
Insert: "246"

10. Page 11, lines 2 and 3.
Strike: section 9 in its entirety

Senator Thayer

- 1 -

SB 215 & 246
SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 6

DATE 2/3/89

BILL NO. SB 215 &

Senate Business and Industry Committee: Questions from the hearing with answers provided by the Montana Small Business Development Center. SB 246

444-2750

How does a consumer co-op differ from an employee co-op?

Consumer Co-ops:

Owned by--consumers.
Purpose--buy goods and services at reduced prices.
Benefit to members--goods and services at favorable prices.
Managed by--hired help. (outsiders)
Workers--hired help. (outsiders)
Directors--consumer members.
Bottom line--does not have to make a profit.

Distribution of earnings:

To members--apportioned by patronage (amount of purchases).

Distribution of losses:

To members--apportioned as above.

Employee Co-ops:

Employees.
Secure job, share profits and take management role.
Benefits to members--jobs and management opportunity.
Employees, managers and owners are all the same people.
Members.
Members (& outsiders chosen by members).
Must make a profit over the long term--to reinvest, grow and buy back members' capital allocations when the employee leaves the company (on retirement for instance).

To employee-members--apportioned by patronage (contribution of work to the business, measured by wage, salary and bonus compensation).

To employee-members as above.

Voting of shares--members.

Employee-members, but all shareholders, such as preferred stock, must be allowed to vote on issues which might adversely affect the value of their stock. DETERMINED IN EACH SET OF BYLAWS.

SUMMARY:

Producer and consumer organizations are both "cooperatives" in that (1) they are governed by a one-person-one-vote rule; (2) are organized to provide a defined benefit to a group of people who share a common characteristic as members; and (3) allocate net earnings to members based on patronage (purchases for consumer co-ops, work contribution for producer co-ops). In addition, most co-ops voluntarily subscribe to the "Rocksdale Principles" of nondiscrimination, non-partisanship and contribution to cooperative education.

Producer and consumer co-ops are different in that:

- * They are organized for entirely different purposes (production vs. consumption).
- * They deliver different benefits (employment & management opportunities to employee members vs. savings on goods and services to consumer members).
- * They define membership differently (employees vs. consumers).
- * They calculate patronage differently (work contribution vs. purchases).

For these reasons, though the two forms of organization are both co-ops, they require a different legal structure to perform their functions. The Employee Cooperative Corporation Act provides the structure for producer and industrial cooperatives, while the Employee Ownership Opportunity Act directs the Department of Commerce to assist such corporations just as it assists other businesses today.

2/3/87

An example of profit distribution in an Employee Cooperative Corporation:

Assume \$200,000 total wage, salary and bonus payments by the co-op to all employees.

Assume employee "A" earned \$20,000 during the year, while employee "B" earned \$10,000.

(The above differences could be due to wage rates, salary levels, or bonuses for special performance--all are decided by the employees acting in concert.)

Assume net before-tax profits of \$50,000.

Since distribution of profits is in proportion to patronage (defined as work contribution as measured by compensation paid):

Employee A's earnings divided by the total compensation paid ($\$20,000/\$200,000 = 10\% \times \$50,000$) will generate a profit distribution of \$5,000.

Employee B's earnings divided by the total compensation paid ($\$10,000/\$200,000 = 5\% \times \$50,000$) will generate a profit distribution of \$2,500.

An employee could conceivably earn a bonus--say for a profitable invention--that would earn him a larger profit distribution than ordinary. That bonus is up to a vote of his fellow employees.

In fact, most of the answers to questions in the hearing must come from the criteria established in the bylaws of each cooperative corporation. The employees in such corporations are free to choose the form and expression of their employee cooperative within the limits of allowed by statute.

Current Montana law excludes employee owned cooperatives by omission only, that is, they are not excluded by specific reference. The philosophy of employee-owned cooperatives is harmonious with current Montana law, but the structure for employee cooperatives is not provided in current Montana law.

As heard in committee testimony, seven states, including Washington, Oregon and California, have laws almost identical to this bill. Those states are the leading edge of such legislation, and their governments are extremely aggressive in promoting this business form to improve their economies. Ten other states have similar but not identical laws, and many states have laws that allow such cooperatives, but do nothing to assist in their creation.

Ex # 6
2/3/89

QUESTIONS:

What is done to handle undistributed earnings or shares?

In an employee-owned cooperative, such problems are extremely minimal. Each employee is in constant contact with company management, so such problems should not arise. Since the investment represented by the employee's share is large and valuable, it is unlikely to be ignored. Problems that do arise, as in the case of an employee's death with no heirs or will, are usually handled within the bylaws, which provide for such emergencies, and not prescribed by statute. In the least case, fellow employees will usually know about the wishes of the deceased.

Can a majority employee-owned company liquidate a business against the will of the owner who starts an employee ownership plan?

In any case, no liquidation can take place without two things: a vote of all shareholders concerned; and an equally distributed loss/liquidation that affects each share, whether held by an employee-member, or a manager, or an outside shareholder. Standard corporate law directs the manner of the liquidation. Covenants can be written into any business sale, ESOP or otherwise, to prevent liquidation except under defined circumstances agreed to by all.

Can employee owned cooperatives be considered "unfair competition?"

The only tax advantage co-op corporations have under federal law is the pass-through of earnings to members which assures that there will be no double taxation. This advantage is shared by proprietorships, partnerships and "Subchapter S" corporations. All businesses are free to organize in these forms if they wish. Otherwise, employee cooperatives must make a profit like any other business, and so must consider all the elements involved in the business. Losses, of course, are limited just as in an ordinary corporation.

Can employee cooperatives be considered "nonprofit" organizations?

Not really. Profits of any kind must be distributed to members, who must pay taxes on those profits. If the bylaws allow the co-op to retain profits, the cooperative must either pay on the profits, or the members must. If the members pay on withheld profit, the co-op usually disburses enough cash to pay each member's tax. The bylaws will determine the procedure.

COMMITTEE ON BUSINESS AND INDUSTRY
AMENDMENT NO. 7
DATE 2/3
BILL NO. SB 246

Amendments to Senate Bill No. 246
First Reading Copy

For the Committee on Business and Industry

Prepared by Mary McCue
February 3, 1989

1. Title, line 6.
Following: "CORPORATIONS;"
Insert: "AND"

2. Title, lines 8 and 9.
Strike: "; AND PROVIDING AN EFFECTIVE DATE"

3. Page 7, lines 19 and 20.
Strike: section 12 in its entirety

Amendments to Senate Bill No. 248
First Reading Copy

For the Committee on
Business and Industry

Prepared by Kathy Irigoien and Tanya Ask

February 3, 1989

1. Title, lines 5 through 6.
Strike: "SECTIONS 17-7-502 AND"
Insert: "SECTION"

2. Page 7, line 5.
Strike: "(1)"

3. Page 7, line 11.
Strike: "(a)"
Insert: "(1)"

4. Page 7, line 13.
Strike: "(b)"
Insert: "(2)"

5. Page 7, line 16.
Strike: "(c)"
Insert: "(3)"

6. Page 7, lines 19 through 22.
Strike: subsection (2) in its entirety

7. Page 7, line 24.
Strike: "(1)"

8. Page 8, line 2.
Strike: "(a)"
Insert: "(1)"

9. Page 8, line 4.
Strike: "(b)"
Insert: "(2)"

10. Page 8, line 6.
Strike: "(c)"
Insert: "(3)"

11. Page 8, line 9.
Strike: "(d)"
Insert: "(4)"

12. Page 8, line 12.

Strike: "(e)"

Insert: "(5)"

13. Page 8, lines 15 through 18.

Strike: subsection (2) in its entirety

14. Page 16, line 15.

Strike: "(a) Except as provided in subsection (7)(b), the"

Insert: "The"

15. Page 16, lines 19 through 25.

Strike: subsection (7)(b) in its entirety

16. Page 17, line 11.

Following: "33-2-1205:"

Insert: "chapter 11;"

17. Page 17, line 13 through line 10, page 18.

Strike: section 18 in its entirety

Renumber: subsequent sections

18. Page 22, line 18 through line 11, page 24.

Strike: section 21 in its entirety

Renumber: subsequent sections

19. Page 24, line 17.

Strike: "(1)"

20. Page 24, lines 20 through 23.

Strike: subsection (2) in its entirety

Amendments to Senate Bill No. 277
First Reading Copy

For the Committee on Business and Industry

Prepared by Mary McCue
February 3, 1989

1. Page 2, line 21.

Following: "shall"

Strike: "elect"

Insert: "recommend to the governor"

2. Page 2, line 23.

Following: "electrologists."

Insert: "The governor shall name one person to serve the board
in this manner."

3. Page 5, following line 7.

Insert: "NEW SECTION. Section 5. Implementation. The governor
may by executive order assign to the board of medical examiners
in a manner consistent with this act any function relating to the
licensing and regulation of electrologists that is allocated to
the board of cosmetologists by the 51st legislature and not
transferred by this act."

Renumber: subsequent section

Amendments to Senate Bill No. 186
First Reading Copy
For the Committee on Business and Industry

Prepared by Mary McCue
February 4, 1989

1. Title, line 4.

Strike: "REQUIRING"

Insert: "ALLOWING"

2. Title, lines 5 through 9.

Following: "FUND"

Strike: remainder of line 5 through "'EMPLOYERS" on line 9

3. Page 1, line 22 through line 9 on page 4.

Following: "(1)" on line 22

Strike remainder of section (1) through end of section (2)

Insert: "The department of administration shall solicit proposals to purchase the state workers' compensation insurance plan and fund. A purchase proposal must propose to assume all the liabilities and purchase all the assets of the fund, including the assets of equipment; furniture; office supplies; books and records, computerized or other; future business; and financial assets. The proposal may include an offer to purchase or lease the building that houses the workers' compensation division that is situated on the corner of Broadway and South Last Chance Gulch in Helena, Montana, and may offer to lease any part of the building back to the state of Montana. The proposal must agree to insure any employer covered by Title 39, chapter 71 or 72, regardless of the nature of the employer's business or risk rating for purposes of insurance, for as long as the employer desires workers' compensation insurance.

(2) The department of administration shall review and prepare comments and a recommendation regarding each proposal. The 52nd legislature and any special session of the legislature meeting before the convening of the 52nd legislature may review the proposals that have been submitted and the comments and recommendations of the department of administration and order the department to accept a proposal and sell the fund and plan."

4. Page 35, lines 20 through 23.

Strike: section 30 in its entirety

Renumber: subsequent section

5. Page 35, line 25.

Insert: "["

Strike: "29"

Insert: "28"

Following: "section"

Insert: "]"

6. Page 36, line 2.

Strike: "Sections"

Ex. # 10
2/3/89

Insert: "If a sale is made under [section 1], [sections"

7. Page 36, line 2.
Following: "through"
Strike: "28 and 30"
Insert: "27]"

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date February 3, 1989 Bill No. HB 150 Time 10:19

NAME	SEAT NO.	YES	NO
SENATOR DARRYL MEYER	35	✓	
SENATOR PAUL BOYLAN	50		✓
SENATOR JERRY NOBLE	34	✓	
SENATOR BOB WILLIAMS	39	✓	
SENATOR TOM HAGER	42	✓	
SENATOR HARRY "DOC" MC LANE	33	✓	
SENATOR CECIL WEEDING	28		✓
SENATOR JOHN "J.D." LYNCH	5	✓	
SENATOR GENE THAYER	23		✓

Carla M. Turk
Secretary, CARLA TURK

Gene Thayer
Chairman, GENE THAYER

Motion: Senator Williams made a Substitute Motion to Amend HB 150 to read 'two years' rather than three. Senator Lynch seconded.