

MINUTES

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

Call to Order: By Chairman Gene Thayer, on April 5, 1989,  
at 10:00 a.m., Room 410.

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

HEARING ON HOUSE BILL 550

Presentation and Opening Statement by Sponsor:

Representative Vincent, House District 80, said HB 550 would require the Department of Commerce to present, a plan for world class tourist welcoming information centers in Montana, to the next legislature. He said the bill was about that simple, and had received some good House amendments. He said he would have John Wilson from the Travel Promotion Bureau explain some additional amendments, which he had approved.

He said he got the idea for the bill from a publication which depicted what other states were doing in the regard to developing tourist welcoming information centers. He said he believed Montana was one of seven state that did not have tourist welcoming information centers. He said we had rest stops, but not up-to-date facilities which provided information and welcomed people to the state. He said a number of states were doing very effective jobs with their centers, and some even had auditoriums with a professional documentary video available, which helped people could use to determine the best travel plans, and recreation available. He said he didn't know if people stopped to use such facilities, or that the

facility induced them to stay in that state. He said he guessed that there were some who used the facility, and over a period of time it would dramatically increase a state's standing as a destination for tourism, rather than a passing tourism location like he felt Montana presently was. He said tourism might be Montana's number one renewable resource, and he didn't think very many Montana people had a problem with promoting tourism as greatly as possible. He said first impressions mattered, and if we had facilities like he envisioned, we could really accomplish putting Montana on the map as a tourism center. He stressed that the Department of Commerce was in the process of emphasizing tourism, and he said we needed to make some investments like this first step he was proposing.

He said his other idea source came when he last traveled back from Washington. He said he stopped at a rest stop this side of Lookout Pass, and it made him think that if this was the first impression a person got of Montana, we were going to be losers. He said we needed several strategically located first class welcoming centers to show what Montana had to offer. He said we needed an across the board investment to get serious, and start playing in the big league for promoting tourism. He said this wasn't the total answer, but this bill was presently the only existing vehicle to get something started. He said the bill had garnered a great deal of support, and he would let them express their support.

List of Testifying Proponents and What Group They Represent:

John Wilson - Administrator of the Montana Promotion  
Division, Department of Commerce  
Bonnie Tippy - Montana Inn Keepers Association  
David Nelson - Executive Director, Montana Arts Council  
Elmer Frame - President, Montana Campground Owners  
Association  
Darla Joyner - Bozeman Chamber of Commerce  
Visitors Bureau  
Yellowstone County Board of Directors  
Don Ingel - Montana Chamber of Commerce  
Pamela Hodell - Director, Missoula Convention &  
Visitors Bureau  
Bob Morawic - Montana Chamber of Commerce  
Greg Bryant - Vice President, Montana Institute  
Association of the Governor's Advisory Council  
President, Glacier County Tourism Region  
Vice President, Montana Institute of American  
Edythe McCleary - Custer County Tourism Region  
Randy Gainer - Glacier County Board of Directors

## Self/Outfitter

List of Testifying Opponents and What Group They Represent:

None

Testimony: John Wilson said he rose in support of the bill, and said he had some housekeeping and clarification amendments. (See Exhibit #1) He said there were a number of agencies cooperating to do the research study, and the amendment added a section to make it clear who the lead agency would be. He said the other amendment dealt with funding of the study, and even though they were not asking for any new money to be appropriated, they were suggesting the research funds would go in the next biennium, so it was essentially split into thirds. He said one third would be paid by the Montana Promotion Division Account (from the bed tax), one third was to be paid by the University System Account (from the bed tax), and the one third for actual building and operation was to come for the Department of Hi-Ways' Special Revenue Account. He said a cap was to be placed on the amount which was to be spent on the study. He explained that the bed tax was a special revenue account, and was earmarked. He said the university system received a portion for research, and because this was a research program, he said they felt it was appropriate that one third of the funding should come from that special revenue account. He said these sources of revenue were all existing funds that would be used in funding the study.

Bonnie Tippy said they strongly supported the legislation. She said there had not been time to finalize a funding mechanism, and decide what size the buildings were to be. She said they had discussed some innovative funding mechanisms, and they were now studying some information about what people were to do and see in the state. She said tourism was probably the largest growing segment of Montana's economy, and she felt it would behoof Montana to invest a little money for its' promotion.

David Nelson said the Montana Arts Council had been working on research in an area termed as cultural tourism. He said the purpose of the research was to develop an identity which was unique, and had an essence of accomplishment. He said that, historically the arts and crafts people had understood the need to accomplish this goal, and put Montana's best foot forward, so they were supporting the bill.

Elmer Frame said the rose in support of the bill. He said he felt Montana could best portray its' friendly attitude when people first entered the state. He said he encouraged the designer of the buildings to portray that image, and make Montana world class.

Darla Joyner said tourism had become a part of Montana's larger industries, and the bed tax was one of the positive steps made in linking the chamber of commerce to the promotion of tourism. She said she was tired of visitors telling their organizations about the lack of visitor information centers at our state's entries. She said they receive a total of 20,000 people each biennium, and felt there were partnerships which could make visitors center viable. She encourage input from local chambers, and considered the visitor information centers a good source of informational data for the program. She said she felt there should be an increased effort by the Hi-way Department to facilitate more information through their signs. She said she had initiated an audio tape program, designed to inform visitors of events, and attractions. She said Montana needed a front door to our state and communities, and she felt those visitor centers needed to be a world class invitation for visitors to stay longer. She urged support of the bill.

Don Ingel said they wished to add their support for HB 550.

Pamela Hodell said they supported HB 550 because one of their largest problems was, as Darla Joyner testified, visitors were often upset by the time they finally reached their visitor's center. She said the information was needed at a point of entry, before they got to Missoula.

Rob Morawic said they supported the bill and they also supported the amendments offered by John Wilson.

Greg Bryant said they stood in support of the bill, and were happy to see a study development for a good, solid proposal for providing some good entrances to the state. He said he thought this was an excellent idea, and one which added another dimension of promotion and assistance to arriving Montana visitors. He said the amendment provided for the use of the bed tax, which was intended for further assistance in increasing visitor accounts and their stay, and felt this was a positive way to use it.

Edithe McCleary said she supported the bill and especially felt the amendments were very appropriate. She said

her office was a county funded facility, and offered an opportunity to have contact with visitors, and inform them of what the state had to offer.

Randy Gainer said they had run information center in the West Glacier area, and one of the main comments from visitors, was that there were no information centers when they entered the state. He said they saw a real lacking in this area, primarily because of the continual comments they received. He said they definitely supported HB 5

Questions From Committee Members: Representative Vincent told Senator Hager that Washington had a good tourist information center at the border, but he felt Oregon had taken the lead in presenting a good system of information centers.

Senator Williams asked for a definition for world class? Representative Vincent said he didn't know what to put in the bill for a description, he had just wanted the centers to be top quality, and make a positive impact. He said he thought one of John Wilson's amendments changed world class to up-to-date. He said he had intended the centers to be technologically complete, architecturally appropriate, and they could use any term which gave them the flexibility needed.

Senator McLane asked how many centers were intended and if that was to be determined by the study, or did he have something in mind himself? Representative Vincent said, this was actually the second time this bill had been before the legislature, although last time he had introduced it as an over-all economic development package. He said that originally he had envisioned six to be positioned at major entry points. He stated he was not an expert, and that was why he was hopeful that with the Department of Commerce, and the tourism industry people's help, they could reach a sound judgment on the number of facilities, and their placement. He said he could just see the need, and the bill was wide open, and permitted decisions to be made.

Senator Weeding asked if a regional type promotion was envisioned? Representative Vincent said he certainly did, and he felt that was one of the primary focuses of the study, to determine where the tourist information centers had to be placed throughout the state. He said two safeguards were offered in the bill. He said he thought the Department of Commerce and industry people would consider the type of information to be presented, and in order for the buildings to actually be financed

and built, there was state wide support needed. He explained that they would have to reappear in two years, at legislature, to review the report and make final decisions.

Chairman Thayer asked if there was a type of reference or data available for an idea of what the centers would cost? John Wilson said they had looked at a wide range of things, and said he felt the range of capitalization could be anywhere from half a million dollars to two or two and one-half million dollars per visitor center. He said they were going to look at all of them, and determine what was appropriate, essential, and explore other agencies who may have a means of helping defer the cost.

John Wilson told Chairman Thayer he had not actually drafted the amendment to define 'world class', as he and Representative Vincent had discussed. He said he thought they could delete the words 'world class', and insert 'up-to-date, technologically complete, and architecturally appropriate'.

Mr. Wilson told Senator Noble there was concern that world class meant high end spending, and they didn't want those limitations spelled out in the bill.

Chairman Thayer asked if there was any data available, which indicated how many tourists actually changed their travel plans to accommodate use of the promotion of these centers? Mr. Wilson said there was a national association who operated state agencies, and they had done that type of research. He said there was a segment of tourists with a set schedule, but there was also a faction of about forty percent, who had a flexible vacation itinerary.

Closing by Sponsor: Representative Vincent said he felt the large number of supporters present, indicated that the tourism industry was ready to work hard in helping the Department of Commerce compose a plan the next legislature could consider and utilize. He said the process proposed in HB 550 would allow construction of these facilities to begin sometime in 1992 or 1993. He said he had given the Administration and the Department of Commerce as much flexibility as possible to bring the tourism industry together, and develop a coalition necessary to proceed.

He said staffed tourist information centers worked, if they needed any confirmation of that, you could go to any number of states and see the proof. He

said the extent of the facilities, and the locations had to be decided. He said he had confidence in the ability of the experts we had available.

He said he thought a percentage of people could be persuaded to stay longer in Montana, if we put forth a good effort. He reminded them that people took vacations every year, and the promotional efforts of the centers could convince them to return.

#### DISPOSITION OF HOUSE BILL 550

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

#### HEARING ON HOUSE BILL 240

Presentation and Opening Statement by Sponsor:

Representative Vincent, House District 80, said HB 240 was a small which had grown smaller. He said it started out with a \$5,000 annual appropriation, if matching funds were provided with the private sector, and had now been reduced to \$500 a year. He said he thought this meant they could still use the bill, but the private sector may have to increase their participation in order to have an effective annual state of Montana business conference. He said he would appreciate the committee's consideration of adding a little more money to the bill.

He said this was not a major piece of legislation, but he thought it had the potential to be of importance. He said he foresaw it as an opportunity for the Governor, probably through the Department of Commerce, to hold an annual state of Montana business conference, and bring business and government together. He said he thought the public was interested in the business environment, and he thought this kind of focus and attention would serve business, commerce, and the administration well. He said he thought this would create a cooperative atmosphere of partnership. He said that with all of the other types of state addresses, he thought it appropriate to have a state of business address. He said he felt the bill could present a united business leadership from legislature, the administration, and business.

List of Testifying Proponents and What Group They Represent:

Dan Walker - U.S. West  
Mike Pichette - Montana Power Company

List of Testifying Opponents and What Group They Represent:

None

Testimony: Dan Walker said they had been asked to speak in support of HB 240, and he was appearing for that purpose. He said he echoed the remark that perhaps \$500 was a small amount to consider, if the legislature wanted to go on record as being in support of the measure. He said their company had routinely put on conferences, and had cooperated with other businesses or entities of government for the same purpose, and they would continue that support. He said he thought the concept of having the legislature showing strong support was meaningful and necessary.

Mike Pichette said he would give virtually the same testimony as Dan Walker. He said they had participated in these conferences before, because they thought they were a good idea. He said this had the promise of being a premiere conference on business each year, in the state, and they would participate in it.

Questions From Committee Members: Mike Walker told Senator Williams he had to assume that they would provide the matching fund, and he said he couldn't imagine the \$5,000 as difficult to come up with. He said they had just been asked to participate in one at MSU for International Trade News, and it was \$25,000. He said that if the conference was going to last more than an hour, it was going to be more than \$5,000, or \$500 either one. He termed the cost as significant, and said some of the better speakers cost \$10,000.

Mike Pichette told Senator Williams they had been prepared to say they would participate in the \$5,000 match. He said the thought the House amendment indicated the planning of the conference, and that was significant. He said that if your company was participating financially, it was nice to know you would be consulted in what the conference entailed. He said he felt they would be prepared to help spread the cost burden.

Senator Noble asked why yet another study was needed, with so many previous studies already having been done? He said he thought many evaluations had been made, and all that remained was to do something with the material



they had. He asked what good another study would do? Representative Vincent said he thought it would do a lot of good, because economic conditions and times changed, and that was going to continue to be the case in Montana. He said that if we were going to survive economically, we were going to have to be a lot more innovative than we have been.

Senator Hager asked if it was intended to include the university people, who already were having conferences like this, or leave the theory portion out of the conference, and present the practical portion only? Representative Vincent said his personal feeling was that it may be good to have university representation present, but that was not his job to choose the participants. He said the private contributors, and the Department of Commerce would determine the kind of conference they wanted. He said he supported the House amendment which made that stipulation.

Representative Vincent told Chairman Thayer he wasn't positive, but he thought the House vote had favored the bill somewhere in the high seventy's to the low eighty's each time. He said the bill had come out of the House, once on second reading, and then again when it had gone to appropriations.

Representative Vincent told Senator Weeding he did not know exactly how much money was needed to get this off the ground, or what the actual cost of a good conference would be. He expressed a concern that the state had to show considerable support, before the private sector would be willing to extend monetary support. He said that as he understood the bill, the private sector could contribute more than the state's share.

Chairman Thayer asked if he envisioned a conference like he had portrayed, could preclude the need for the other conferences which were already being presented? Representative Vincent said he didn't know, but he didn't disagree that sometimes a saturation of this type of thing could diminish the effectiveness over all. He said he believed that where our legislature only met on a biennial basis, the leadership had to come from the Governor. He said he felt HB 240 offered an opportunity for this leadership. He said they may want to amend the title, to read as an act authorizing the Department of Commerce to establish a Governor's conference. He said the idea had just come to his mind, and he would not oppose the change.

Chairman Thayer asked if the private business sector would like to address this idea? Mr. Pichette said they had seen as an opportunity for a major annual conference, not to eliminate others, but as one with continuity. He said he did not see it as replacing other conferences, because other people had ideas and were going to present them.

Closing by Sponsor: Representative Vincent said he would like to offer the title change as an amendment. He said he thought they had a good bipartisan piece of legislation. He said he also thought Mr. Pichette was right, that this could become the premiere business conference in the state. He said he thought it would provide an excellent opportunity for the Governor, an for business in the state to make their presentation to the Montana people. He said this act authorized the Department of Commerce the ability to establish an annual conference, but did not require it. He said that would allow flexibility if it was needed.

#### DISPOSITION OF HOUSE BILL 240

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

#### DISPOSITION OF HOUSE BILL 783

Announcement: Chairman Thayer said that Representative O'Keefe had asked to delay executive action on HB 736 until Friday, to allow time for Mary McCue to prepare a statement of intent. He said that with the committee's permission, they would grant the sponsor's request.

#### DISPOSITION OF HOUSE BILL 552

Discussion: Senator Williams told Chairman Thayer that HB 552 was exempt from the sunset clause through the passage of SB 259. He said SB 259 had been designed to exempt asbestos removal, and underground storage tanks.

Senator Hager said he understood that SB 259 exempted setting up licensing and regulation when there was a federal mandate requiring the state's enactment.

Senator Williams said he had carried SB 259, and it specifically dealt with asbestos removal and underground storage tanks. He said the reason for the bill was to allow the state of Montana to get a handle on what to do with underground storage, rather than allow a situation which would have the EPA deciding how to handle it.

Senator Meyer asked what happened when these licensed people installed a tank, did they have to post some type of bond? Chairman Thayer said page 13, line 24 provided for a large fine.

Senator Meyer asked what would happen if they were out of business? Senator Weeding and Chairman Thayer explained that the other bill created a fund to take care of such instances.

Senator Weeding said he thought the federal requirement would be for an inspection, monitoring, and testing, so he didn't think it was going to require licensing.

Chairman Thayer said he thought that was right, that was all the federal requirement would be.

Senator Williams said he thought it was important that they do something.

Amendments and Votes: None

Recommendation and Vote: Senator Williams made a motion HB 552 BE CONCURRED IN. Senator Noble seconded the motion. The motion Carried, with Senator Boylan, and Senator Lynch opposing the motion. Senator Beck carried the bill on the Senate floor.

ADJOURNMENT

Adjournment At: 11:45 a.m.

  
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SENATOR GENE THAYER, Chairman

GT/ct

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

DATE 4/5/89

51st LEGISLATIVE SESSION 1989

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

Each day attach to minutes.

**SENATE STANDING COMMITTEE REPORT**

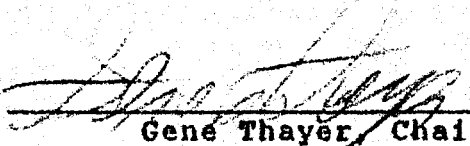
April 5, 1989

**MR. PRESIDENT:**

We, your committee on Business and Industry, having had under consideration HB 552 (third reading copy -- blue), respectfully report that HB 552 be concurred in.

Sponsor: Nelson, T. (Beck)

**BE CONCURRED IN**

Signed:   
Gene Thayer, Chairman

4/5/89  
3:00 PM

## Amend House Bill 550, Second Reading Copy

1. Page 3.

Following line 7

Insert: "NEW SECTION: Section 2. Cooperating Agencies. The Department of Commerce shall be the lead agency, preparing the plan in cooperation with the university system Travel Research Program, the Department of Highways, the Department of Fish, Wildlife and Parks and Montana State University (School of Architecture) and such other agencies as may be appropriate."

"NEW SECTION: Section 3. Funding. (1) Funding to implement this act <sup>must</sup> ~~shall~~ be provided from appropriations made in the general appropriations act as follows: one-third to be paid by the Department of Commerce from the state special revenue <sup>account in</sup> ~~account~~ in 15-65-021 (1) (c) (i), MCA; one-third by the university system from the state special revenue account in 15-65-121 (1) (b), MCA; and one-third by the Department of Highways from the state special revenue account for general operations. (2) Total planning costs <sup>may</sup> ~~shall~~ not exceed 49,000 for the 1991 biennium."

