MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By VICE CHAIR REP. SHEILA RICE, Acting Chairman, on February 5, 1991, at 9:00 A.M.

ROLL CALL

Members Present: Bob Bachini, Chairman (D) Sheila Rice, Vice-Chair (D) Joe Barnett (R) Steve Benedict (R) Brent Cromley (D) Tim Dowell (D) Alvin Ellis, Jr. (R) Stella Jean Hansen (D) H.S. "Sonny" Hanson (R) Tom Kilpatrick (D) Dick Knox (R) Don Larson (D) Scott McCulloch (D) Bob Pavlovich (D) John Scott (D) Don Steppler (D) Rolph Tunby (R) Norm Wallin (R)

- Staff Present: Paul Verdon, Legislative Council Jo Lahti, Committee Secretary
- **Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.
- Announcements/Discussion: An economic program would be presented; and executive action taken on HB 411, HB 241.

REP. SHEILA RICE introduced **Dennis Winters**, who spoke on Montana Market Development. **Mr. Winters** was the Minister of Planning in Saudi Arabia. He thinks things will not come back like they were in Montana. Montana is embracing a change it has never faced before. There needs to be a new rationale.

Evan Barrett, Executive Director, Butte Local Government Corporation, said for economic development to take place it is necessary to know where you want to go and to have goals and objectives. There is no easy roadway to get there; and capital is the necessary vehicle.

EXECUTIVE ACTION ON HOUSE BILL 411

Motion: REP. PAVLOVICH moved HB 411 DO PASS. He further moved amendments HB041101.APV be adopted. EXHIBIT 1

Eric Fehlig, Tax Counsel for Department of Revenue, explained HB 411 as proposed solves a problem the DOR has had for quite a long time. There is a mandatory requirement in the law that common carriers that haul beer, wine and cigarettes provide reports to the Department of Revenue, however the DOR doesn't really use those reports, so in order to have those reports available for use for tax assessments if requested, the bill as proposed changes the reports from mandatory to permissive reporting.

The amendments expand it from beer and cigarettes, to include table wine since they are all very similar.

The other amendment requests common carriers maintain records for 2-1/2 years. This would allow the DOR enough time in the Statute of Limitations for assessments of taxes to go back to the common carriers for more information should there be a problem. Various coordination instructions raise the Statute of Limitations for cigarette taxes up to five years. That recordkeeping requirement should be increased accordingly, but right now there is just a two-year Statute of Limitations on all alcohol and cigarette taxes.

REP. BACHINI asked what the LC 257 bill number is. Mr. Fehlig did not know but he thought the bill would not change the Statute of Limitations.

There was no discussion on the amendments.

Vote: Amendments were unanimously adopted. Motion for HB 411 DO PASS AS AMENDED was unanimously passed.

EXECUTIVE ACTION ON HOUSE BILL 241

Mr. Verdon had prepared combined amendments HB024101.APV for REP. WHALEN and the Insurance Commissioner. He had not had a chance to ask them if they accepted these amendments. EXHIBIT 2

Susan Witte, State Auditor's office, said they had seen the amendments and concur with them. She asked Mr. Verdon about the \$50 fee charged the insurer. A special revenue account for that should be set up if it is to go to the cost of this bill. A funding mechanism is needed to make sure that money goes directly to the Commissioner's cost. Mr. Verdon said that New Section 6 was written at REP. WHALEN's request. He wanted to devise a mechanism that would retain the money in the Commissioner's office without making it subject to the appropriation process. That probably should be a special revenue account in the state special revenue fund to do that. If it is put in that special HOUSE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE February 5, 1991 Page 3 of 7

revenue account and taken out of the Commissioner's office, does it then become subject to appropriation? He was not sure about that.

Ms. Witte said the Insurance Department had a special revenue account last year. It is probably about six lines long creating a special revenue account. That could probably be recreated. Mr. Verdon asked if it is taken out of the special revenue account, would it accomplish your purposes? Ms. Witte said there is some language in special revenue accounts that speaks of holding upon appropriation by the Legislature. Her only concern when she saw this fee section is how it could be retained for the purposes of this bill. Mr. Verdon said a statutory appropriation could be established. The Appropriation Committee doesn't like statutory appropriations. It would add another lengthy section to the bill, but it would be one way to achieve that purpose.

Motion: REP. BOB PAVLOVICH moved HB 241 DO PASS. He also moved to adopt the amendments EXHIBIT 2 presented, and the statutory appropriation to be drafted by Mr. Verdon.

Ms. Witte was asked to go through the bill and explain what effect the amendments would have. She said the amendments basically do two things. They strike every reference to any rate making scheme. In Section 1, lines 5-6, that amendment strikes any reference to rate making. That is not supposed to be the purpose of this bill. They make it strictly a reporting bill not a rate making bill. The amendments also in the Title impose a financial disclosure report fee to fund the cost of this bill. The Commissioner has estimated that it will take one full-time person, a bunch of drawers, possibly a computer to enter this data into human language format. It will take about \$30,000 a year to cover the costs. This financial disclosure report fee will cover the costs to the Insurance Department.

The third amendment Page 2, lines 5 and 6 strikes that rate making language. Amendment 4 makes it the duty of the Commissioner to store reports, but it also says that these reports can be provided to legislative committees upon their request. It doesn't make it mandatory that this report be given the legislators every year. It also allows the reports to be provided to any member of the public that requests them. It changes Section 3 from mandatory to upon request.

Amendment 5, the penalty section, the way the bill was written it sounded as though there was an automatic penalty on an insurer who failed to comply with the terms of the bill. The amendment provides that a person who learns an insurer has not filed a report, can file a written complaint to the Insurance Commissioner that the bill has not been complied with, then the Commissioner has to call or fine that insurer who has not complied. It also strikes language on a fine of \$200 daily. It says the Commissioner can assess a fine up to \$10,000, and also may have the authority to suspend or revoke an insurer's HOUSE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE February 5, 1991 Page 4 of 7

Certificate of Authority for failure to comply with this Act. The Commissioner has the authority to suspend or revoke an insurer's Certificate of Authority for almost every other provision of the Insurance Code if the insurer is found not to comply with any of those provisions. This amendment makes sure a violation of this bill is also grounds for suspension or revocation.

Amendment 9, Page 6, line 4 adds a New Section 6 imposing the \$50 fee per insurer to fund the cost of this bill. Mr. Verdon explained about the special account. That language should be rewritten to say they pay to the Commissioner for financial disclosure report a fee of \$50 which shall be deposited in a special revenue account in the State Special Revenue Fund to the credit of the Insurance Commissioner. Another section will statutorily say money from this account is to be appropriated by the Commissioner for the purposes of this bill.

Ms. Witte said that would make sure this funding takes care of this bill.

Questions on the Amendments:

REP. SONNY HANSON asked how the establishment of a four-year extension fit in with this. Ms. Witte explained that is the ratemaking bill. It only extends to hard to obtain lines of insurance which would be some of the lines of insurance covered in HB 241, but HB 241 doesn't require that rates be monkeyed with at all. All it requires is that this information be filed with the Insurance Commissioner's office.

REP. ELLIS asked if the Auditor favors this bill. Ms. Witte said she favors it with the amendments.

REP. TUNBY asked what the Independent agents think of the bill now.

REP. BACHINI, with the approval of the Committee, asked Roger **McGlenn** and **Ms. Terrell** to answer questions about the amendments. Is the bill any better; do you favor it now?

Roger McGlenn, Independent Insurance Agents Association of Montana, said upon brief review of the amendments, they make it only slightly less onerous as perceived by the insurance companies, even though he does not represent insurance companies. He has not changed his position from his previous testimony that this bill in this form still requires a fiscal note. He doesn't believe that \$50 per insurance company on top of the \$600 already paid to be chartered in this state will adequately fund the cost of this regardless of whether the Commissioner asks it to be in either hard copies or computer software. He questioned the need for it with the existing language in Chapter 16.

Jacqueline Terrell, American Insurance Association, had only just seen the amendments, but concurs with Mr. McGlenn's comments

HOUSE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE February 5, 1991 Page 5 of 7

except she views the amendments as being more punitive to the insurance companies because of the added fee. Although the mandatory penalty has been taken out, a penalty remains there and it remains onerous. It is extremely punitive in her client's view for a bill that simply requires information to be stored and for no purpose now except if someone happens to request the information. She stressed that some of the information that is requested is proprietary and in many cases may be confidential. They still oppose the bill on those grounds.

REP. BACHINI asked since this information is already available, why does the fee have to be included. **Ms. Terrell** said the Commissioner did oppose this bill without any funding. There are 657 property type fees for doing business in Montana. They don't have the staff to file those reports.

REP. BACHINI noticed in SB 2 of the proposed rules they were going to go with that bill. A lot of the things that were in HB 241 were also going to be administered in those promulgated rules that the Auditor's office was bringing in. He can't see the additional fee.

REP. BENEDICT remarked it has been said a lot of this information is already available in the Auditor's office. Ms. Terrell knew the National Association of Insurance Commissioners (NAIC) and the companies in their annual statements do file certain financial information. They don't file all of the information HB 241 covers. **REP. BENEDICT** did not like the \$10,000 penalty or the \$50 filing fee.

REP. BACHINI asked if there was any further discussion on the amendments.

Vote: The DO PASS motion for the amendments, including the special account correction presented, was adopted. REPS. ELLIS, TUNBY, KNOX, BENEDICT, CROMLEY voted NO.

REP. BACHINI said HB 241 DO PASS AS AMENDED is open for discussion.

REP. KNOX was uncomfortable with the \$10,000 penalty, the lack of a fiscal note, testimony at the first hearing stated there is a possibility of a \$500,000 cost to the state, the information requested is basically available. He saw no merit in the bill, and strongly urged a Do Not Pass.

REP. BENEDICT thinks this doesn't really do anything. He doesn't like the bill. It is not a good bill.

REP. TUNBY said you indicated your office was in favor of this bill. After reading the amendments this morning, do you think it is really necessary? **Ms. Terrell** said her office is now in favor of the bill. They are interested in product liability.

HOUSE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE February 5, 1991 Page 6 of 7

REP. SCOTT stated HB 241 as amended accents SB 2 and between the two of them it is good legislation. Ms. Terrell explained the two may be correlated. If someone were to get information and look at it under HB 241 in a line that they think is maybe a non-competitive line, they then might keep that information in HB 241 and try to get rates reduced according to the SB 2 scenario. That possibility does exist.

REP. ELLIS spoke against the bill. It adds one and possibly more FTEs with no specific goal in mind. Ms. Terrell just testified we have the same legislation on product liability and no one has looked at that that she is aware of. He sees no need for this legislation.

REP. CROMLEY will vote against the bill. He assumes because the insurance companies have to pay for the Auditor's office to have this information, then they don't want them to have it. The only group who were mentioned to be interested in this bill is the Montana Trial Lawyers. He has some concern about the Montana requirement for reporting on out-of-state market share of those 657 insurers. There is a lot of competition, some of them smaller, some of them larger, obviously the larger ones stay in, the smaller probably do not. No consumers were here or testified.

REP. BACHINI asked if SB 2 addresses what HB 241 does. **REP. CROMLEY** said it doesn't cover all of it.

REP. KILPATRICK commented looking at the statement of intent to determine whether rates are fair and appropriate, you may not need the report, but then again you may need it. Although stricken by the amendment the idea is still there. It appears to be a consumer bill. It isn't going to cost much. It is a good bill.

REP. McCULLOCH spoke in favor of the bill. There has been much discussion of where you got this information. Insurance people aren't here for commentary about reporting this information which justifies and strengthens the argument. It is not going to be an additional burden on them since they already have this information. All costs have escalated. The information provided under HB 241 along with SB 2 will start to provide a halt to the escalation of insurance rates.

Motion/Vote: REP. KNOX made a substitute motion to TABLE HB 241 AS AMENDED. Motion fails by a roll call vote 8-10 Number 1. EXHIBIT 3.

Motion: REP. PAVLOVICH moved the vote be reversed 10-8 and send HB 241 out as DO PASS AS AMENDED.

REP. ELLIS said testimony placed a cost of somewhere between \$37,000 and \$1.5 million dollars for this bill. He pointed out consumers pay all costs. Insurance rates will be increased to cover the fees.

HOUSE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE February 5, 1991 Page 7 of 7

REP. BENEDICT said this legislation really doesn't do a lot. Somebody is going to pay for this. It will be the consumer. This is not a consumer oriented bill. He feels this bill reinforces the anti-business attitude in the state.

REP. STELLA JEAN HANSEN had seen a lot of insurance things go through the Legislature, and one thing that is clear, is that the insurance industry does not have to be accountable. This makes them somewhat accountable.

Motion/Vote: REP. KILPATRICK moved HB 241 DO PASS AS AMENDED. Roll call vote Number 2 passed the motion 10-8. EXHIBIT 4

REP. BACHINI closed this hearing.

REP. ELLIS hoped there would be some more exploring economic development on jobs. He questioned the justification for trying to channel those however. Discussion of taxes should be included when exploring jobs and economic development.

REP. PAVLOVICH suggested a trip for the Committee to see the MHD project in Butte. **REP. BACHINI** said a day might be set aside for such trip.

ADJOURNMENT

Adjournment: 11:15 A.M.

RICE, VICE CHAIR

Secretary

SR/jl

HOUSE OF REPRESENTATIVES

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL

DATE Feb. 5, 1991

NAME	PRESENT	ABSENT	EXCUSED
REP. JOE BARNETT			
REP. STEVE BENEDICT	~		
REP. BRENT CROMLEY			
REP. TIM DOWELL	~	×	
REP. ALVIN ELLIS, JR.	\checkmark		
REP. STELLA JEAN HANSEN			
REP. H.S. "SONNY" HANSON	~		
REP. TOM KILPATRICK			
REP. DICK KNOX	/		
REP. DON LARSON	1		
REP. SCOTT MCCULLOCH	~		
REP. BOB PAVLOVICH			
REP. JOHN SCOTT	/		
REP. DON STEPPLER	~		
REP. ROLPH TUNBY			
REP. NORM WALLIN	~		
REP. SHEILA RICE, VICE-CHAIR	V		
REP. BOB BACHINI, CHAIRMAN	V		
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HOUSE STANDING COMMITTEE REPORT

February 6, 1991 Page 1 of 3

Mr. Speaker: We, the committee on <u>Business and Economic</u> <u>Development</u> report that <u>House Bill 241</u> (first reading copy -white) do pass as amended.

Signed: Chairman

And, that such amendments read: 1. Title, line 6. Following: "INSURERS:" Strike: "AND" Insert: "IMPOSING A FINANCIAL DISCLOSURE REPORTS FEE ON EACH PROPERTY AND CASUALTY INSURER; PROVIDING A STATUTORY APPROPRIATION; " Following: "PENALTY" Insert: "; AND AMENDING SECTION 17-7-502, MCA" 2. Page 1, lines 14 and 15. Following: "necessary)" Strike: remainder of line 14 and through "appropriate" on line 15 3. Page 2, lines 5 and 6. Following: "rulemaking." on line 5 Strike: remainder of line 5 through "the" on line 6 Insert: "The" 4. Page 5, lines 17 and 18. Following: "to" on line 17 Strike: remainder of line 17 through "person" on line 18 Insert: "a legislative committee that requests the report and to any member of the public" 5. Page 5, lines 23 and 24 Following: "Penalty." on line 23 Strike: remainder of line 23 through "terms" on line 24 Insert: "If after written complaint the commissioner finds that the provisions"

February 6, 1991 Page 2 of 3

6. Page 5, lines 24 and 25.
Following: "4]" on line 24
Strike: remainder of line 4 through "penalty" on line 25
Insert: "have been violated the commissioner may impose a fine"

7. Page 5, line 25. Following: first "of" Insert: "not more than"

8. Page 5, line 25 through page 6, line 3. Following: "\$10,000" on line 25 Strike: remainder of line 25 through "title" on page 6, line 3 Insert: "and, as provided in 33-2-119, may suspend or revoke the certificate of authority of an insurer who violates the provisions of [sections 1, 2, and 4]"

9. Page 6, line 4. Following: line 3 Insert: "<u>NEW SECTION.</u> Section 6. Financial disclosure reports fee -- statutory appropriation. (1) Each property and

casualty insurer shall pay to the commissioner each year a financial disclosure reports fee of \$50 that must be deposited to the credit of the commissioner in an account in the state special revenue fund.

(2) The money in the account created in subsection (1) is statutorily appropriated, as provided in 17-7-502, to the commissioner to defray the costs of administering [sections 1 through 6]."

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-

February 6, 1991 Page 3 of 3

424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111; 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-1016; 23-5-1027; 27-12-206; [section 6]; 37-51-501; 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws of 1985.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments. (In subsection (3), pursuant to sec. 10, Ch. 664, L. 1987, the inclusion of 39-71-2504 terminates June 30, 1991.)**

Renumber: subsequent sections.

10. Page 6, lines 5 and 7. Strike: "5" Insert: "6"

CLERICAL

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Bill No.	S / H Standing Committee
	S / H Standing Committee
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In accordance with the Rules of the Montana Legis	slature, the following clerical errors may be corrected:
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An objection to these corrections may be registered by the Secretary of the Senate, the Chief Clerk of the House, or the sponsor by filing the objection in writing within 24 hours after receipt of this notice.

2101

HOUSE STANDING COMMITTEE REPORT

February 6, 1991 Page 1 of 2

Mr. Speaker: We, the committee on <u>Business and Economic</u> <u>Development</u> report that <u>House Bill 411</u> (first reading copy -white) <u>do pass as amended</u>.

Signed: 17. 1 Bachini, Chairman

And, that such amendments read: 1. Title, line 6. Following: "BEER" Insert: ", TABLE WINE,"

2. Title, line 7. Following: "REVENUE;" Insert: "TO REQUIRE RECORDKEEPING;" Following: "16-3-325" Insert: ", 16-3-405,"

3. Page 1, line 22. Following: "delivered."

Insert: "A carrier shall retain for 30 months all pertinent and relevant records necessary for the preparation of this report and any other information the department may require."

4. Page 1, line 23. Following: line 22

Insert: "Section 2. Section 16-3-405, MCA, is amended to read: "16-3-405. Carriers' reports of table wine transported. Every railroad, motor carrier, and airline transporting table wine manufactured out of this state from points outside this state and delivering to points within this state shall, <u>if</u> requested by the department, on or before the fifteenth day of each month, make an exact return to the department of revenue of the amount of such table wine so transported and delivered by such railroad, motor carrier, or airline during the previous month, and shall state in such return the name and address of the consignor and consignee, the date of delivery, and the amount delivered. A carrier shall retain for 30 months all pertinent and relevant records necessary for the preparation of this report and any other information the department may require.""" 5. Page 2, line 7. Following: "require."

Insert: "A carrier shall retain for 30 months all pertinent and relevant records necessary for the preparation of this report and any other information the department may require.

NEW SECTION. Section 4. Coordination instruction. If Senate Bill No. 116 is passed and approved, including a section extending the statute of limitations for assessments by the state from 2 years to 5 years, the code commissioner shall change the language in the amendment to 16-11-104, requiring the retention of records regarding cigarette shipments, from 30 months to 66 months."

2-5-91 HB 411

Amendments to House Bill No. 411 First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon February 5, 1991

1. Title, line 6. Following: "BEER" Insert: ", TABLE WINE," 2. Title, line 7. Following: "REVENUE;" Insert: "TO REQUIRE RECORDKEEPING;" Following: "16-3-325" Insert: ", 16-3-405," 3. Page 1, line 22. Following: "delivered." Insert: "A carrier shall retain for 30 months all pertinent and relevant records necessary for the preparation of this report and any other information the department may require." 4. Page 1, line 23. Following: line 22 Insert: "Section 2. Section 16-3-405, MCA, is amended to read: "16-3-405. Carriers' reports of table wine transported. Every railroad, motor carrier, and airline transporting table wine manufactured out of this state from points outside this state and delivering to points within this state shall, if requested by the department, on or before the fifteenth day of each month, make an exact return to the department of revenue of the amount of such table wine so transported and delivered by such railroad, motor carrier, or airline during the previous month, and shall state in such return the name and address of the consignor and consignee, the date of delivery, and the amount delivered. A carrier shall retain for 30 months all pertinent and relevant records necessary for the preparation of this report and any other information the department may require."" Renumber: subsequent section 5. Page 2, line 7. Following: "require." Insert: "A carrier shall retain for 30 months all pertinent and relevant records necessary for the preparation of this

<u>NEW SECTION.</u> Section 4. Coordination instruction. If Senate Bill No. 116 is passed and approved, including a section extending the statute of limitations for assessments by the state from 2 years to 5 years, the code commissioner shall change the language in the amendment to 16-11-104, requiring the retention of records regarding cigarette shipments, from 30 months to 66

report and any other information the department may require.

months."

Ex. 1 2-5-91 HB 411

2-5-91 2 HB 241

Amendments to House Bill No. 241 First Reading Copy

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

> Prepared by Paul Verdon February 4, 1991

1. Title, line 6. Following: "INSURERS;" Strike: "AND" Insert: "IMPOSING A FINANCIAL DISCLOSURE REPORTS FEE ON EACH PROPERTY AND CASUALTY INSURER; PROVIDING A STATUTORY APPROPRIATION;" Following: "PENALTY" Insert: "; AND AMENDING SECTION 17-7-502, MCA" 2. Page 1, lines 14 and 15. Following: "necessary)" Strike: remainder of line 14 and through "appropriate" on line 15 3. Page 2, lines 5 and 6. Following: "rulemaking." on line 5 Strike: remainder of line 5 through "the" on line 6 Insert: "The" 4. Page 5, lines 17 and 18. Following: "to" on line 17 Strike: remainder of line 17 through "person" on line 18 Insert: "a legislative committee that requests the report and to any member of the public" 5. Page 5, lines 23 and 24 Following: "Penalty." on line 23 Strike: remainder of line 23 through "terms" on line 24 Insert: "If after written complaint the commissioner finds that the provisions" 6. Page 5, lines 24 and 25. Following: "4]" on line 24 Strike: remainder of line 4 through "penalty" on line 25 Insert: "have been violated the commissioner may impose a fine" 7. Page 5, line 25. Following: first "of" Insert: "not more than" 8. Page 5, line 25 through page 6, line 3. Following: "\$10,000" on line 25 Strike: remainder of line 25 through "title" on page 6, line 3 Insert: "and, as provided in 33-2-119, may suspend or revoke the

HB024101.APV

certificate of authority of an insurer who violates the

provisions of [sections 1, 2, and 4]"

EX. 2 2-5-91 1+13241

9. Page 6, line 4. Following: line 3

Insert: "<u>NEW SECTION.</u> Section 6. Financial disclosure reports fee -- statutory appropriation. (1) Each property and casualty insurer shall pay to the commissioner each year a financial disclosure reports fee of \$50 that must be deposited to the credit of the commissioner in an account in the state special revenue fund.

(2) The money in the account created in subsection (1) is statutorily appropriated, as provided in 17-7-502, to the commissioner to defray the costs of administering [sections 1 through 6]."

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111; 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-1016; 23-5-1027; 27-12-206; [section 6]; 37-51-501; 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws of 1985.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments. (In subsection (3), pursuant to sec. 10, Ch. 664, L. 1987, the inclusion of 39-71-2504 terminates June 30, 1991.)""

10. Page 6, lines 5 and 7. Strike: "5" Insert: "6"

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Exhibit 3 2-5-91 HB 241

HOUSE OF REPRESENTATIVES

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL VOTE

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E AS 51921 BILL NO. 413 241 NUMBER

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NAME	AYE	NO
REP. JOE BARNETT	~	
REP. STEVE BENEDICT	2	
REP. BRENT CROMLEY	4	
REP. TIM DOWELL		L'
REP. ALVIN ELLIS, JR.	U.	
REP. STELLA JEAN HANSEN		Ŀ
REP. H.S. "SONNY" HANSON	67	
REP. TOM KILPATRICK		بر ب
REP. DICK KNOX	C ²	
REP. DON LARSON		L.
REP. SCOTT MCCULLOCH		4
REP. BOB PAVLOVICH		24
REP. JOHN SCOTT		2
REP. DON STEPPLER		27
REP. ROLPH TUNBY	<i>9</i> 1	
REP. NORM WALLIN	<u> </u>	
REP. SHEILA RICE, VICE-CHAIR	L	U.
REP. BOB BACHINI, CHAIRMAN		L
TOTAL	Ę.	10

- 2xhibit 4 2-5-91 HB 241

HOUSE OF REPRESENTATIVES

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

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NAME	AYE	NO
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REP. STEVE BENEDICT		57
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REP. ALVIN ELLIS, JR.		6-1
REP. STELLA JEAN HANSEN	L.	
REP. H.S. "SONNY" HANSON		67
REP. TOM KILPATRICK	<i>c</i> -	
REP. DICK KNOX		<i>L</i>
REP. DON LARSON	Ļ.	
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REP. SHEILA RICE, VICE-CHAIR	L	
REP. BOB BACHINI, CHAIRMAN	L.	
TOTAL	10	20

HOUSE OF REPRESENTATIVES VISITOR'S REGISTER

Business & Econ L	COMMITTEE	BILL NO. <u>HB411</u>
<u>Business & Econ L</u> DATE <u>2-5</u> SPONS		
PLEASE PRINT	PLEASE PRINT	PLEASE PRINT
NAME AND ADDRESS	REPRESENTING	SUPPORT OPPOSE
Eric Fehlig	DOR	
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PLEASE LEAVE PREPARED TEST	TMONY WITH SECRETARY WT	TNESS STATEMENT FORMS

ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.