

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By REP. BOB BACHINI, CHAIRMAN, on February 22, 1991, at 7:00 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: HB 703, HB 854, HB 782, HB 690, HB 719, HB 932 were to be heard. Executive Action taken on HB 782.

HEARING ON HB 703

Presentation and Opening Statement by Sponsor:

REP. BRADLEY, HD 79, Bozeman, stated HB 703 is an Act authorizing the Montana Science and Technology Alliance to make loans of up to \$2 million from the In-state Investment Fund to private venture capital companies for investment in new or expanding business; providing criteria for the investment loans; providing terms for the investment loans; amending several Sections of Title 90-3, MCA; and providing an effective date. The purpose of HB 703 is to give a new option to the Montana Science and Technology Alliance (MSTA) to place up to \$2 million of their

present \$7.5 million seed capital into up to two venture capital firms. MSTTA has existed since 1985, and was created to set up a research development and seed capital investment strategy to stimulate advanced technology development and commercialization in Montana. It subsequently went through legal turmoil ending up in court, resulting in \$7.5 million of in-state investment fund being managed by the Science and Tech Alliance. Although it got off to a rocky start legally, from a legislative perspective it worked so successfully in economic development in Montana that on several occasions it was given a 100% vote of confidence for the work it was doing.

The Alliance works with loan arrangements in ways that banks can't to try to help small technology firms get into business. In order to be really effective, there needs to be a serious, adequately capitalized private venture capital fund. Several attempts were made to complete that circle of investment. One was the Capital Companies Act, which did not turn out as intended. This bill is not a repeat. A second attempt was made in 1987, passing a measure to encourage the Board of Investments to place a small portion of their fund into a venture capital scheme. That met with success. A piece of that investment has gone into venture capital management, has a great success record, and nothing has shown this is a bad thing for the state.

The management entity is out-of-state, and money which was hoped would come back to help Montana investments never came to fruition. In cooperation with the Board of Investments, it has been concluded that if there was a private venture firm in the State aggressively pursuing different kinds of investments, there would be a much greater likelihood some of the investment of Montana funds would return to the state. Part of the reason behind the proposed bill is to complete the circle.

The circle begins with research and development, to the seed capital management, to a portion of the pension fund being allowed for those kinds of investments. The bill would give an option to the Alliance to consider putting revenues into a private fund, if it is appropriate. On Page 4 of the bill is a definition of a venture capital company. It is a business entity involved in raising funds from investors and earning a return by equity or quasi-equity investments. These firms buy stock at the earliest stages before it is publicly traded, and when that entity grows and becomes successful, the stock can be sold. Quasi-equity investments are loans which are convertible to stock. Banks cannot do this type thing.

On Page 5, the Board of Science and Technology has a set of priorities in considering project proposals. The priority is to give preference to those lists of technologies in their targeted investments. Line 19 gives the option, "or the best available opportunities per private sector management of funds in venture capital investments." It allows the Board to add venture capital fund as one of the priorities to consider.

Page 8, the list of criteria stated at the bottom is important. It requires a prospectus, an in-depth document telling the Science and Tech Board how this fund operates, including such things as investment strategy, criteria for investments, how they would be managed, how individuals would be compensated, etc. That delineation is important to avoid pitfalls we have had with capital companies. At least 50% of the capital would have to go to businesses that fall under the previous criteria. This is to bring the private venture firm to the table to look at what is already being considered with the other Science and Tech investments.

Line 8 requires at least three-fourths of the investments to be equity or quasi-equity investments. This will make the firm act like a venture capital firm and not just have conventional loans and arrangements. Line 14 requires the firm to follow the industry standards of practice. Line 16 requires a full-time manager. Line 18 requires expertise and preference be given for expertise that has been developed in the west. The payback mechanism is on Page 12. The Board will be treated like any other investor. There is real potential in this bill. It would complete the circle that has been created over the last 5 to 7 years.

Proponents' Testimony:

Don Peoples, Chief Executive Officer, Montana Technology Company, Butte, said Montana Technology Company has participated with a firm called Mountain West Ventures in an attempt to establish a venture capital firm in Montana. He has also served on the Board of Directors of the Montana Science and Technology Alliance. One of his primary pursuits in Montana has been business development. He has witnessed a critical need for investment capital in Montana. One element of investment capital is a privately managed venture capital company. Montana has placed almost \$20 million of its pension funds with out-of-state venture capital investors and not a single dollar has been invested in Montana. That needs to be addressed. For years, the state has attempted to find an appropriate mechanism to make some state funds available for private venture capital efforts in the state. This bill gives the state an effective option to encourage development of responsible venture capital firms in the state while requiring private matching funds to establish effective and realistic criteria by which the state funds can be invested.

Steve Huntington, General Partner, Mountain West Ventures, was previously Executive Director of Montana Science and Technology Alliance. Mountain West Ventures spent most of 1990 trying to raise venture capital funds in Montana and has since restructured that into an investment consulting practice. Capital gaps are present from the beginning areas of financing through areas of bank financing. HB 703 is important because it addresses private venture capital in Montana and makes available the kind of incentive to put in place a private venture capital effort in the state. Venture capitalists, if the fund is run right, focus on

those businesses which have growth potential, help those businesses grow by taking active management support in companies in which it is invested and are willing to take risk. The idea behind capital companies is to take a high risk, but expect a high reward. A qualified in-state venture capital investor will attract out-of-state investors who like money invested in a place where another private investor can keep track of the investment. HB 703 allows the Science and Technology Alliance to invest in private funds matching their money with private dollars. They must be in compliance with U.S. and Montana securities laws, and they must invest in investment capital style opportunities in Montana. This legislation is permissive. It allows the Science and Technology Alliance to look for a fund or take applications from funds, but it does not require it to place its money in a fund. This is not new money. This is using a piece of the existing \$7.5 million allocation that Science and Tech already has.

Dave Lewis, Executive Director, State Board of Investments, said in 1987 the Legislature passed an act directing the Board "under the prudent expert rule" to examine putting up to three percent of the retirement funds into venture capital with an eye to putting some into the State of Montana. After the 1987 session, the Board looked at venture capital as an asset class and determined that it would not be a big enough chunk of the total portfolio to justify trying to staff to manage that. The decision was made to look for an outside manager. At the present time, about one-half percent of the total portfolio, about \$20 million, is venture capital. Top national companies in the venture capital field were interviewed, and the Board selected Brinson Partners from Chicago to manage the venture capital portfolio. Brinson was asked in the Montana deals that the Board submitted to try to accomplish what the Legislature intended, which was to get a portion of the portfolio invested in Montana. Unfortunately, most things from Montana are at an earlier stage or too small compared to things on a national basis. As of last summer, a review of the program was started to see what else might be done. The possibility of adding staff to the Board to run a specific Montana venture capital operation was considered. It does not make sense to do that. It makes more sense to take advantage of the expertise available in Montana Science and Technology Alliance and allocate a portion of those funds to that group to establish an in-state venture capital program. This is an appropriate step to make it work in Montana.

Carl Russell, Executive Director, Science and Technology Alliance, said the regular monthly meeting of the Board was held yesterday, the bill was reviewed, and the Board is a proponent of the bill. This fills the gap that small businesses in the state need during the start up phase and, as they mature, to get needed financing to begin and to expand. Some amendments are proposed which do not change the substance of the bill. The Board has two parts of the program, the seed capital fund and research and development funding. They are very distinct with general

governing guidelines. Dealing with venture capital companies is a program element. To avoid confusion, the pieces should be separated into new sections. A piece is needed to allow some of MSTA money for non-technology investments, both by the venture company or by MSTA. There are very good projects which are not technology oriented. Doing both technology and non-technology investments will open up the venture capital field. Twenty-five percent of the fund is suggested for non-technology investments, with the Board being allowed under its rulemaking authority to go through the selection process. EXHIBIT 1.

Alan Nicholson, Chairman of the Board, Development Corporation of Montana (DCM), has experience and about \$700,000 available, which they are willing to co-invest with Science and Tech into a bona fide and adequate capitalized venture capital firm in the state. Without adequate capitalization, these companies can't fly. **Mr. Nicholson** favors the low-tech amendments. One investment that paid off Development Corporation made was a kitty litter company. It is a long term project, and it is risk capital. The largest single shareholder in DCM is the Board of Investments.

Mark Simmons, Vice President, Investment Banking, D. A. Davidson Company, works actively with local governments, business, state agencies raising capital and advising on capital related measures. He said HB 703 is both necessary and deserving of support. It is not simply an academic issue, there is a capital gap in Montana. There is capital in Montana, there is an inadequacy for venture capital. Investment firms target toward more mature, larger companies. Private individual investors are more conservative and lack the expertise required for specialized venture investment. It is not coming from without Montana because outside venture capital companies ignore Montana. Montana is a geographic enigma for most professional investors, and in the few instances where an investment is offered by an outside venture firm, it is often accompanied by a request or requirement to relocate outside the state. It happened with Health Incentives, Inc., a rapidly growing and promising health services firm founded in Missoula which now continues to grow from its headquarters in Seattle. There are promising young businesses in Montana deserving of funding, and with one or two private, professionally managed venture funds as encouraged by HB 703, there will be a place to turn to to help them grow. **Mr. Simmons** encourages committee support of HB 703 as a measure that is fiscally responsible and economically vital for Montana. It will help ensure sufficient economic opportunities so his children can choose to stay and build careers in this state.

Jim Smith, Montana Residential Child Care Association (MRCCA), said problems such as abused and neglected children can be solved by developing a healthy economy for the State. All the causes of abuse and neglect are not known, but the incidence follows the economy. The second century of the State can be started with the Montana Venture Capital Act much as the first century began with the venture capital loan in Butte.

Kay Foster, Billings Chamber of Commerce, said people who like to see business start and grow in local communities support the bill and feel it is filling a necessary gap.

Opponents' Testimony:

Jon Marchi, Polson, represents himself and the Montana Private Capital Network. He has been active in state economic development efforts, currently serving on several state and local boards throughout Montana, and has been Chairman of the Board of the Montana Science and Technology Alliance. The Montana Private Capital Network is a nonprofit, statewide organization whose sole mission is to facilitate and improve access to venture capital by Montana entrepreneurs. Over the past four years, four successful venture capital forums have been sponsored in Helena, Bozeman, Missoula and Billings. The Montana Private Capital Network recently received a grant from U.S. West Foundation to expand this mission. They support this legislation if it is amended to include qualified Montana capital companies as defined in the Montana Capital Company Act, as amended. As the legislation is written, it is too restrictive. Four years ago, similar legislation was passed, but only qualified Montana capital companies could apply to Science and Tech for loans. That legislation was later reversed by the Montana Supreme Court because it gave the entire Science and Tech program bonding authority which the Supreme Court did not agree with. There are a few well-capitalized Montana capital companies operating. Some of these companies have seasoned boards and seasoned management. There is an infrastructure in place that monitors and audits these capital companies. The Department of Commerce has worked hard on HB 901, which does an excellent job of strengthening the audit and follow up functions of capital companies. They support HB 703, but let us coordinate and strengthen our existing economic development efforts by including qualified Montana capital companies in HB 703. EXHIBIT 2.

Questions From Committee Members:

REP. PAVLOVICH asked Dave Lewis his opinion of the proposed amendments? Mr. Lewis replied he had no problem with the amendments as they were presented.

REP. PAVLOVICH asked REP. BRADLEY what she thought of the amendments. REP. BRADLEY said she had not had a chance to go over them. She expressed her concern in amending the bill since the proponents have worked on the bill very carefully and it is alright as it is. She said she did not mind the concept of capital companies in the measure if they meet the qualifications. The qualifications are carefully thought out and are needed to ensure everyone in the State that this is a carefully thought out system of investments with professional management, adequate capitalization, etc.

CHAIRMAN BACHINI said executive action will not be taken right away so there would be time to review the amendments proposed by **Mr. Russell**.

REP. BENEDICT asked **Mr. Russell** if the bill were left as it is, how many venture companies in the state operating right now would qualify under this particular bill. **Mr. Russell** said he understood that there are no venture capital companies in the state presently. There are capital companies, but those have definite differences. **REP. BENEDICT** asked how the bill helps get money back into Montana. **Mr. Russell** said one of two things will occur. You will have companies created from within or coming in to create a fund in the State. There will also be the ability for companies coming in from outside to locate a partner. **REP. BENEDICT** asked if the amendments cover **Mr. Marchi's** concerns. **Mr. Russell** said no. He agrees with **REP. BRADLEY** that companies should be qualified. **REP. BENEDICT** said the amendments proposed give better control of who the money is made available to. **Mr. Russell** said that is part of it. The other part is to separate the language. The act is very complex. This would make it simpler.

REP. WALLIN stated there is \$20 million of risk capital managed by a Chicago firm, none of it in Montana. **Dave Lewis** said that is correct. **REP. WALLIN** asked if any is restricted to science and technology companies. **Dave Lewis** replied no, the agreement with the manager is that good venture capital investments be found. Some is in high tech industries, some is in various other enterprises. It is not restricted. **REP. WALLIN** asked what percent is invested in the kind of companies you are looking at in this bill? **Mr. Lewis** said under this bill the venture capital market looks at earlier stage, smaller investments than are normally worked with in the venture capital market. There may not be high tech, but some things peculiar to Montana. **REP. WALLIN** said this would have to be invested in Montana, in a minimum of \$1 million per loan. **Mr. Lewis** said he believed that is the way the bill is written. **REP. WALLIN** said as he understood it, software and computer companies have been on shaky ground the last few years. **Mr. Lewis** said over the last five or six years things have changed. When returns were looked at for six or seven years ago, there was a 25% to 40% expected return on overall investment. They expect to be happy with 15% on the money with the manager. Many high tech things have become more difficult because of the economy. **REP. WALLIN** asked if **Mr. Lewis** would be more comfortable if investments could be made other than in science and technology. **Mr. Lewis** thought with the amendments more flexibility is given the in-state program to move into other low-tech instead of high-tech areas. **REP. WALLIN** asked the difference in return in Oregon between high tech risk investments and the regular portfolio. **Mr. Lewis** said he believed over the last couple of years their return in this portfolio dropped off to under 10% because they had some bad investments. They had good years when they had made 25% to 30%. If you are getting into it now, be realistic about what the expected returns might be.

REP. STEPLER said Page 12, lines 9 and 10, refer to the venture capital company. The loan may not be less than \$1 million or more than \$2 million, and amendment #35 of those proposed takes it down to \$500,000 or more than \$1 million. REP. BRADLEY would be insistent about the \$2 million. The problem is having adequate capitalization in order to make it work. That is also the reason for the limitation of only to two. It will not work if there is not a fair amount of dollars to work with.

REP. SHEILA RICE stated the venture capital companies can have several investments in smaller companies. The point of confusion is that this would go into the venture capital. REP. BRADLEY said that was correct and they would make the lower investment deals. That money must be spread over many investments to have any chance of success.

REP. STEPLER asked REP. BRADLEY if there is a problem with amendment #35 which would take out \$500,000 and limit it to \$1,000,000. REP. BRADLEY said she would not want to limit it to \$1,000,000. She feels that going to \$2,000,000 is necessary to make it work. Going down from that amount is a possibility, but she wants more discussion with expertise present.

REP. LARSON asked what the State Auditor's opinion was on financing. Robyn Young, State Auditor's Office, stated the Auditor's Office supports the proposal that venture capital companies need to have a larger capitalization in order to be successful. They also support the provision stating venture capital companies must comply with securities laws.

REP. STELLA JEAN HANSEN asked Mr. Lewis if any of the capital could be used for expansion. Mr. Lewis said the venture capital could be used for expansion, but it would depend on the dealing structure. REP. STELLA JEAN HANSEN said businesses are moving from the State because people who have a business and need to expand, cannot find capital for expansion. She would feel more comfortable if assured the venture capital would be used for that purpose. Mr. Lewis said there is no exclusion for this type of things. REP. ELLIS stated venture capital investments are more risky and return can be variable. Why was pension fund money put into the program? Mr. Lewis said the Board of Investments needs diversification. Looking at overall returns, they felt it wise to put 1/2% of the total fund into this area.

REP. ELLIS asked if the firm in Chicago the Board is investing in was a venture capital company. Mr. Lewis said yes. The Board is hiring their expertise, and they manage over \$1 billion in venture capital. REP. ELLIS said because you have a little leverage on them, have people in Montana been aware that is one source they might want to try. Have they been getting many applications from Montana? Mr. Lewis said there are people who come to them interested in direct venture capital investment and are referred to the manager. People also have gone directly to the manager. There are 15 to 20 different deals they have looked

at in Montana over the last four years. REP. ELLIS said Mr. Simmons alluded to the fact that a venture capital firm he was aware of encourages Montana small ventures to move out-of-state if they were to get funding. What were the reasons they were doing this? Mr. Simmons said the reasons out-of-state firms offer for requiring a firm to move to an urban location is in an urban location there is a greater infrastructure available of professional expertise, a greater population base from which to expand their services, and often investment firms are based in these locations. Venture communities of any size in reasonable proximity to Montana are the Seattle area, northern California and the Denver area. The firms should be close to firms to enable them to watch over and be actively involved in the management.

REP. ELLIS said transportation is a problem and small urban centers is a problem. Is this a critical problem? Mr. Lewis does not believe it is a problem. Requirements are in the minds of firms making the investments rather than of businesses themselves. Montana businesses can very effectively compete from Montana.

REP. BENEDICT asked Mr. Russell if he had concerns about striking Subsection 3, on Page 12, in its entirety and inserting new Section 9 which deals with the amount the board will invest? Mr. Russell said the alliance felt it more prudent not to expose too much money into one venture capital company. The population base won't support it. The risk in venture capital should be spread out because risk is high.

REP. BACHINI asked Mr. Russell how long the amendments had been made up? Mr. Russell said they were just done yesterday afternoon. Our Board meeting was yesterday.

REP. WALLIN asked Mr. Lewis what return the Board gets from technology company stocks as compared to others. Mr. Lewis said over the last two years the technology area has lagged the rest of the market; however, in the last month, that has turned around.

REP. SHEILA RICE said on Page 9, preference is given to companies managed by individuals who have experience and expertise in Montana or the Rocky Mountain West and asked REP. BRADLEY if she thought about limiting it to Montana. REP. BRADLEY said she wanted to focus on people who have knowledge about the unique circumstances in this part of the country. REP. SHEILA RICE asked if capital companies are excluded. REP. BRADLEY said they must meet the qualifications and these are very important to her.

Closing by Sponsor:

REP. BRADLEY said the amendments will be worked on and a report brought back on what will be acceptable.

HEARING ON HOUSE BILL 854Presentation and Opening Statement by Sponsor:

REP. MIKE FOSTER, House District 32, Townsend, stated HB 854 is an Act to allow life insurance long-term care products in Montana; and amending sections 33-1-208 and 33-22-1107, MCA. This is a private sector response to the rising costs of long-term health care. It combines aspects of life insurance and health insurance. If he were to take out a policy, his premium payments would be the same as life insurance. The policy would take on the characteristics of a life insurance policy until he came to the age where he needed long-term health care. At that time, he could use the balance in that account to pay for the costs. Upon his death, the remainder in the account would go to his heirs. It is a different approach to address the situation of long-term health care.

Proponents' Testimony:

Tom Hopgood, Health Insurance Association of America, stated HB 854 is modeled after legislation enacted in other states. A person would buy a life insurance policy. If he goes into a long-term care facility, he may have the benefits payable under the life insurance policy accelerated so they are in part paid before the event of his death. It is used to defray the costs of long-term care. There is nothing mandatory in the bill. It allows the industry to market more flexible products in the State.

Larry Akey, Association of Life Underwriters, said long-term care insurance is a response to two trends; (1) Americans living longer and (2) the increase in care outside of acute care facilities for older Americans. HB 854 allows for a hybrid product that will keep families from going into bankruptcy if one of their older members needs long-term care. It is a specialized product and will require licensure for sale both in the health and life insurance fields.

Opponents' Testimony: None

Questions From Committee Members:

REP. KNOX asked Larry Akey if there were products such as this available at this time. Mr. Akey said there were products in other states. This would allow the product to be sold in Montana. Long-term health care is a new phenomenon. REP. KNOX asked if there were companies licensed in the State that have this product. Mr. Akey said there are companies who could provide this product, but didn't know of any that are licensed at this time.

REP. BENEDICT said HB 854 would encourage the insurance companies to come up with these products and asked Tom Hopgood if there is going to be encouragement to make the policies in force at present convertible. Mr. Hopgood said there is nothing to stop them from doing this. Insurance companies are always trying to

sell policies. REP. TUNBY said he would be sponsoring a bill requested by SRS that provides for income tax deductions for long-term care insurance and asked if the combination insurance will prohibit this sort of benefit. Mr. Hopgood said he did not know and deferred the question to Larry Akey who said there would be no problem because hybrid products are defined as long-term care insurance.

REP. SHEILA RICE asked Susan Witte, Chief Council, State Auditor's Office, what their opinion of the bill was. Ms. Witte said HB 854 would require life and health insurance licenses to sell the product.

Closing by Sponsor:

REP. FOSTER said there was an amendment to HB 854. On Page 7, Line 23 and Page 8, Line 1 strike "monthly" and insert "quarterly". He viewed the bill as a potentially good thing for the consumers of Montana. EXHIBIT 2A.

HEARING ON HOUSE BILL 782

Presentation and Opening Statement by Sponsor:

REP. STELLA JEAN HANSEN, HD 57, Missoula, stated HB 782 is an act clarifying the requirements relating to motor vehicle recycling and disposal; amending Sections in Title 75, MCA; and providing an effective date. It will allow wrecking yards to sell parts from junk vehicles. Once the county has possession of the vehicle, there is no way to allow wrecking yards to take parts from junked vehicles. The money from the junk vehicles will go back to the junk vehicle program.

Proponents' Testimony:

Jon Dilliard, Program Officer, Motor Vehicle Recycling and Disposal Program, Department of Health, stated HB 782 is a housekeeping measure for the Motor Vehicle Recycling and Disposal Act. It provides clarifications and better directions for both the state and county programs. Mr. Dilliard prepared written testimony. EXHIBIT 3. Most of the changes requested in the bill are in response to recommendations contained in the June 1990 Performance Audit Report by the Legislative Fiscal Analysts Office. EXHIBIT 4. In Section 1, the Department wishes to add the definition of a "component part". By including the definition in the law, confusion will be prevented and any conflict avoided that this law may have with other definitions within state law. Section 2 contains an amendment to Section 75-10-503(2), MCA, which will provide the Department authority to limit sales of junk vehicles from county motor vehicle graveyards to licensed motor vehicle wrecking facilities. In Section 3, the Department attempts to clarify the specific duties and responsibilities of counties for the program. In Section 4, wording has been added to specify how revenue from the sale of junk vehicles will be

handled. In Section 5, the Department eliminated unnecessary wording and added wording clarifying the county and Department responsibility in enforcement. In Section 6, the Department wishes to add wording to the law clarifying existing authority to regulate shielding of junk vehicles not associated with motor vehicle wrecking facilities and county graveyards.

Will Selser, Deputy Director Lewis and Clark City-County Health Department, and on behalf of the Cascade County Health Department, supports the bill. Sale of junk vehicles will never be a big component of the program, but it will be an important part. Vehicles with valuable parts have been crushed, and the county cannot release the cars under any condition. This program will give flexibility to do that.

Henry Lohr, Hank's Salvage, Townsend, supports HB 782, as there are many valuable parts in the county graveyards.

Chris Kaufman, Montana Environmental Information Center, supports a good statewide recycling program. This program received national recognition from the National Council of State Governments for being an innovative and effective recycling program.

Opponents' Testimony: None

Closing by Sponsor:

REP. STELLA JEAN HANSEN said Page 6, lines 20 to 22, may need to be clarified and asked Mr. Dilliard to explain it briefly.

Mr. Dilliard said the language referred to is in Section 4, paragraph 6. It refers to money made by the sale of junk vehicles from county graveyards. That sale is intended to bring additional revenue into the program without increasing fees. The money from sales would be used to offset the county junk vehicle budget.

REP. STELLA JEAN HANSEN said the amount of money in the junk vehicle program will not raise, because the money will go into the program to offset the amount the state puts into it.

EXECUTIVE ACTION ON HB 782

Motion/Vote: REP. SONNY HANSON moved HB 782 DO PASS. He also moved the amendments be adopted. EXHIBIT 4A. Amendments were unanimously adopted.

Motion: REP. SONNY HANSON MOVED HB 782 AS AMENDED DO PASS AND BE PLACED ON CONSENT CALENDAR.

Discussion:

REP. STEPLER asked about new language on Page 5, subsection 5, "Each county through its designated representatives shall inspect

each licensed motor vehicle wrecking facility." Who is doing that now? **REP. STELLA JEAN HANSEN** said it depends on the counties and the help available. Some inspections come from the Department of Health. **Jon Dilliard** said the Department is trying to get the county to do more inspections. Some counties don't do any inspections and the state is forced to do them. There are counties who do their own inspection.

REP. ELLIS asked how the auction will be conducted? **Mr. Dilliard** said the individual county would have input on how it is handled. The idea considered is a sealed bid auction after people had viewed the vehicles.

Vote: Motion that HB 782 as amended do pass and be placed on consent calendar carried unanimously.

HEARING ON HOUSE BILL 690

Presentation and Opening Statement by Sponsor:

REP. HAL HARPER, HD 44, Helena, stated HB 690 was requested by the Humane Society and is supported by livestock and agriculture interests. It is an Act revising the law regarding cruelty to animals by adding cruel confinement and failure to provide licensed veterinary or medical care as punishable offenses; adding an exception for sanctioned endurance races, commonly accepted livestock practices, and for humane destruction of an animal for just cause; establishing a penalty for repeat offenses; and amending Section 45-8-211, MCA.

The bill adds "or confining" an animal on Page 1, line 21. This is addressing dogs and cats on hot days in vehicles with windows rolled up. On the bottom of the page "in cases of immediate, obvious, serious injury" there must be appropriate medical care. On Page 2, the exemption was broadened from horse race to animal race, except a sanctioned endurance race. On repeated offenses, the fine was raised. On the bottom of Page 2 and top of Page 3 are exemptions applying to agriculture. The progress of civilization is judged by how animals are treated.

Proponents' Testimony:

Judith Fenton, Federated Humane Society of Montana, supported HB 690 and presented written testimony. **EXHIBIT 5.**

Tim Sweeney, President, Lewis and Clark Humane Society, and on behalf of **Missoula Humane Society,** supported HB 690, and presented written testimony with a copy of a letter from the Missoula Humane Society suggesting possible amendments. **EXHIBIT 6.**

Sharon Langdorf, Manager and Director of Lewis and Clark Humane Society, Helena, said this is an important national concern. Nearly 70,000 companion animals are born each day in the United States, compared with 10,000 human infants born each day. Pets are often ignored, abused and neglected. HB 690 would authorize a more aggressive form of prosecution and restitution. **Ms. Langdorf** urged passage of HB 690 and its amendments. **EXHIBIT 7.**

Carol Mosher, Montana Stockgrowers and Montana Cattlewomen, is a rancher with lots of animals. She supported HB 690. Written testimony was presented. **EXHIBIT 8.** The word "confining" is a concern, and **Ms. Mosher** suggested an amendment to omit the word "confining" or to add in the last sentence of the bill "in the use of commonly accepted agricultural practices."

John Skufca, Department of Livestock, said the Department supports HB 690. **Mr. Skufca** visited with **REP. HARPER** regarding what would constitute cruel confinement and they agreed that if a judge used the common definition of cruel in applying the law, that would be appropriate. This is an area which may need to be addressed legally on a case by case basis.

Roger Tippy, Montana Veterinary Medicine Association, stated the veterinarians discussed the bill at their midwinter meeting in Bozeman last month. It is an improvement to the Cruelty to Animal statute, and the veterinarians support the bill.

Opponents' Testimony: None

Questions From Committee Members:

REP. BENEDICT asked **REP. HARPER** about confining animals in reference to rodeos. **REP. HARPER** stated that rodeos, squeeze chutes, branding, tethering, poultry farming, dairy farming are all commonly accepted practices. **REP. BENEDICT** asked if there would be objection to putting that in the bill so it is more clearly defined. **REP. HARPER** said that can be done, but the problem with listing and limiting specific things, is the one left out is the one that will cause trouble. The statement "commonly accepted livestock practices" is intended to cover all commonly accepted livestock practice.

REP. BACHINI asked if the amendment proposed by the Stockgrowers on Page 3 to add agricultural practices would take care of the rodeo concern? **REP. HARPER** said he thought rodeos are covered. This is a pro-agriculture bill, it explicitly excludes agriculture from the law.

REP. STEPPLER, referring to Page 1, lines 24 and 25, in cases of serious illness or injury, can people take care of them or does it have to be a veterinarian? **REP. HARPER** replied that is the reason for the last sentence which states "other appropriate medical care".

REP. ELLIS asked for any comment on illness. REP. HARPER said an illness would have to be so severe that it would be obvious.

REP. TUNBY asked if this would address raising foxes in cages?

REP. HARPER replied he tried to pass a fur farm bill last session that was supported by every fur farm in the State, and the bill died in the Senate. This bill does not address that concern. Those practices are regulated by the Department of Livestock, and in all those cases those are commonly accepted practices.

Closing by Sponsor:

REP. HARPER thanked the committee and asked for their support.

HEARING ON HOUSE BILL 719

Presentation and Opening Statement by Sponsor:

REP. DAVE BROWN, House District 72, Butte, presented HB 719. It is an Act restricting persons who may conduct a physical examination or review of chiropractic records on behalf of an insurer; and amending Section 33-1-102, MCA. HB 719 clarifies who may perform independent medical examinations when chiropractic patients are involved. This bill ensures that an independent medical examination either by studying a patient's charts and records or by an actual physical examination is to be performed by a chiropractor. The chiropractor must be licensed by and practice in the State of Montana. The treating physician never performs this function. In the course of treatment of a patient, the insurer may request an examination be done by a physician not in charge of the treatment of the patient. This exam is done to determine if the current course of treatment is best. Blue Cross/Blue Shield uses a chiropractic consultant, as does Workers Comp in many cases. Sometimes exams are performed by medical doctors and this can be troublesome.

There is a long-standing discriminatory attitude on the part of any medical doctor toward chiropractors. Not only do MDs not know about chiropractic care, they actively try to steer patients to MDs who will probably perform surgery or other expensive care that may not be needed. This bill says if the patient has purchased insurance that covers chiropractic care, and if an independent medical examination becomes necessary, the exam must be performed by a chiropractor practicing in Montana. Last session legislation was passed allowing chiropractors to perform impairment evaluations in Workers Compensation cases if the treating physician is a chiropractor. Montana's chiropractors took that responsibility very seriously and their Board passed rules requiring a minimum of 36 hours of intensive course study in impairment rating and completion of a day-long test. About 30 chiropractors have been through this process and some Workers Compensation employees have said chiropractors are some of the best impairment evaluators in the state. The marketplace demands chiropractic care be a covered service and if employers who

insure themselves are paying for that coverage, those insured should be treated fairly on medical evaluations.

Proponents' Testimony:

Dr. Lee Hudson, President, Montana Chiropractic Association, and also is the Chiropractic Consultant for Blue Cross/Blue Shield and Medicare Part B in the State of Montana. Dr. Hudson stated that an independent medical examination is either an actual physical examination of the patient, or review of the doctor's records to determine if the course of care is appropriate and to determine if there is further necessity for care. The importance of a chiropractor doing the exam for a chiropractic patient is chiropractic is different than medicine in how it is practiced, techniques used, and terminology used. It is important for someone knowledgeable to handle that type of examination. This does not affect entry level review by insurers.

Gary Blom, Chiropractor, Helena, performs independent chiropractic examinations for an insurance company and a private medical review corporation. People realize the importance of having independent reviews for their respective health care provider. Dr. Blom supported HB 719 because he believes to make an impartial and credible determination regarding chiropractic care, a licensed Montana chiropractor should make the review. The bill will prevent out-of-state chiropractors or other health care providers, sometimes referred to as hired guns for insurers, from making such reviews.

Mike Pardis, Chiropractor, Helena, said currently independent clinical reviews of patients are sent out of state. Corporations review a file by looking at the chart notes. Dr. Pardis said a chiropractic patient might also be sent to a local doctor.

Roger Combs, Chiropractic Physician, Libby, is past President of the Montana Board of Chiropractors and presently represents Montana and 9 other western states as a Director on the National Board of Chiropractic Examiners. Dr. Combs presented written testimony in support of HB 719. **EXHIBIT 9**

Dr. Duane Borstrain, Chiropractor, Red Lodge, since 1981, has been a member of the Board of Chiropractors. The whole issue surrounding HB 719 is one of fairness to the health care consumers of Montana. Health care consumers, and often their employers, are investing good money in health care insurance contracts that say chiropractic services are covered. More Montanans are selecting chiropractors to help with needs when they are injured. Dr. Borstrain urged passage of HB 719, so the health care consumer, the chiropractor and the insurance company will know it is fair.

Bonnie Tippy, Montana Chiropractic Association, passed out material regarding an anti-trust lawsuit which has gone as far as the Supreme Court as of last November. It is called the Wilkes

Case, and is an anti-trust suit launched against the American Medical Association and several other medical associations in 1977. That court found in favor of the chiropractors in 1987. In February 1990, a Federal Appellate Court upheld the decision and in November 1990, the Supreme Court refused to hear the case.

EXHIBIT 10 One of the final bastions of prejudice against chiropractic is in insurance.

Opponents' Testimony:

Pat Sweeney, State Fund, opposed this bill saying it would deny a Workers Compensation insurer the right to have a physical examination or a review of patients records by a medical doctor if the patient is being seen by a chiropractor. Mr. Sweeney presented written testimony. **EXHIBIT 11.**

George Wood, Executive Secretary of Montana Self Insurers Association, does not represent insurers. He represents employers who self-insure for their workers compensation and make arrangements for payment of claims. The heart of this bill is in Section 1, lines 1 through 17. It provides that once a chiropractor treats, then the patient is in the chiropractic review. Montana Self Insurers use chiropractic examinations, but also use medical examiners. The desire is to see the patient gets the best medical care and returns to work at the earliest possible date. The limitation on examinations particularly affects the field of workers compensation because the bills are paid by the insurer, but he does not choose the original physician. The injured worker has the right to go to a chiropractor. The employer should have the option to continue good claims practices to determine the claimant's ability to get back to work at the earliest possible date. The consulting actuary to the select committee on workers compensation recommended to the State Fund they have more aggressive claims management. This bill works against that recommendation. The amendment suggested by **Mr. Sweeney** is the only recourse to have sound claims management. **Mr. Wood** recommends this bill be either tabled, do not pass, or if passed, the amendment be added.

Tom Hopgood, Health Insurance Association of America, said the Association counsel reviewed the legislation and opposes it. The health insurance industry is undergoing significant pressure. Statistics indicate that one-third to one-half of medical treatment is unnecessary. There are instances when a person goes to a medical provider, he is asked do you have insurance and how much insurance do you have? The treatment sometimes runs out when the insurance does. Utilization review is estimated by Blue Cross/Blue Shield to save their insurers up to \$8 million a year. The bill does not take into consideration the manner in which insurance companies that do business nationwide conduct utilization review. Most companies have a minuscule amount of business conducted in Montana. They do not, as a rule, use Montana licensed chiropractors to conduct utilization review. Chiropractic services must be covered under insurance policies.

This bill says when those services are reviewed, a Montana licensed chiropractor must be used. The result will be less competition in the field of health insurance because certain health insurers are going to quit doing business in Montana. That is not good for the consumer. Insurance providers try to keep costs down. This bill does not try to keep costs down. This is not a consumer bill. He stated this is a chiropractors' relief bill.

Jacqueline Terrell, American Insurance Association, said the American Insurance Association is a trade association comprising property and casualty insurers who underwrite 54% of the market share of workers compensation in Montana that is written by private insurers. This bill has been characterized as a battle between insurance companies and chiropractors. Insurance companies represent the employers in workers compensation, and those are the interests insurance companies are attempting to protect. The spiralling cost of workers compensation insurance is a difficult problem for the State of Montana. The American Insurance Association opposes this bill for reasons laid out by the State Fund and by Mr. Wood on behalf of the Self Insurers. The amendment proposed by the State Fund would be supported. That has worked well in Oregon and there is similar legislation in Hawaii that has worked well in keeping down the cost of workers compensation insurance. The portion of this bill requiring the utilization review be performed by a licensed Montana chiropractor would still be opposed. Companies that write on a national basis for a market that represents only three-tenths of one percent of the nationwide market will not be able to cost effectively review chiropractic treatment plans by a Montana licensed chiropractor. That will increase the cost of workers compensation insurance which will directly increase the cost to the employer. Ms. Terrell urges do not pass, or table the bill. If the bill is passed out of committee, she urges the amendment suggested by State Fund and Self Insurers be passed.

Ron Ashebraner, State Farm Insurance Companies, said State Farm is a mutual company and insures approximately 30% of the vehicles in Montana. Mr. Ashebraner related details of a claim where an individual chose to be treated by a chiropractor. State Farm did a peer review, which is done on a national basis. The chiropractor differed with two orthopedic surgeons and another local chiropractor who agreed the treatment was reasonable and necessary. Suit was filed because State Farm would not settle the claim. The case was tried and the jury did not feel the chiropractor could support his treatment, could not support the injury, could not support the reasonable and necessary care. This was detected as a result of out-of-state review. The result is the policyholders are not expending the money on a frivolous claim brought as a result of unnecessary treatment. If this bill were to pass, State Farm would like an amendment that would limit chiropractic treatment to a period of three months or some such time, because it is obvious that treatment does get excessive.

Oliver Goe, Attorney, Montana Municipal Insurance Authority, said currently over 90 cities and towns throughout Montana are involved in the self insurance pool for purposes of providing workers compensation coverage. The Montana Municipal Insurance Authority is concerned about various aspects of the bill. Under the Montana Workers Compensation Act, if an injured worker chooses a chiropractor for the primary care physician, that care is paid for. Generally an orthopedic surgeon or a general physician is also involved. This bill as drafted would prohibit the insurer from retaining a physician to evaluate the condition of the patient being also treated by a chiropractor. A major concern in the area of chiropractic is multiple visits, not 10, 11 or 12, but 30, 40, or 50 visits. When that ongoing care is required, perhaps there is something more wrong than what can be treated chiropractically. In those situations the individual is referred to an orthopedic surgeon and in more complex cases to a multi-disciplinary panel to evaluate the individual's condition. The insurer needs the ability in aggressive claims management to make sure things do not get out of hand, to have the injured worker evaluated by health care professionals. In many instances, the health care professionals are instrumental in insuring there is an early return to work and minimizing the cost of providing workers compensation care.

Steve Brown, Blue Cross/Blue Shield, said Blue Cross/Blue Shield uses a chiropractor to review chiropractic claims in its managed care program. There is no problem with that. The right must be preserved to have someone other than a chiropractor look at claims in complex and controversial situations. This bill would preclude an MD from taking a look at chiropractic claims. Mr. Brown feels that is bad for the consumers of Montana. Blue Cross/Blue Shield paid \$8.6 million from its managed care program last year. Managed care is an important aspect of controlling or reducing the skyrocketing escalation of insurance costs. This bill sets a bad precedent. Blue Cross/Blue Shield has acted responsibly and want the ability to have an MD review a chiropractic claim.

Jacqueline Terrell, said Gene Phillips of American Alliance Insurance could not be at this hearing, and asked Ms. Terrell enter his opposition to this bill.

Questions From Committee Members:

REP. LARSON asked about compromise language between the insurance company concerns and the chiropractors. REP. DAVE BROWN said this bill does not prevent any medical people from being brought in by the insurance company. It says if a chiropractor's claim is reviewed, a chiropractor should be used. In terms of cost, chiropractic charges are less than medical doctor charges. The amendment from the Department is a punitive measure. There should be 30 days placed on doctors, along with chiropractors.

REP. SHEILA RICE asked **Ron Ashebraner** about the case he cited, would peer review by a chiropractor have uncovered, or did it uncover, the problem with improper care? **Mr. Ashebraner** said yes, it did, relative to cost. The average first visit to a chiropractic office is many times \$250 to \$400. In-state peer review was used, and that chiropractor testified at the trial.

REP. SHEILA RICE is concerned this bill is narrowly written in terms of mandating in-state review. Why is in-state sometimes used, and out-of-state sometimes? **Mr. Ashebraner** said when you talk about peer review, it is review by an individual with a corporation. The individual used in the example is a chiropractor, and is a teacher in a chiropractic college. During a utilization review, he is able to take reports from chiropractors and tell what a normal, customary pattern should be.

REP. SHEILA RICE asked **Dr. Hudson** if he did some reviews? She said her experience sitting on a Board of Trustees of a hospital has led her to believe that sometimes it is very difficult for physicians or other practitioners to do appropriate review of one of their colleagues. Her concern about limiting this to in-state review is that in-state care givers know each other. Would it be difficult to review a case that has some grey areas? Would it be better sometimes if it were a totally objective out-of-state reviewer? **Dr. Hudson** said he does reviews. He does not necessarily feel it would be better to have out-of-state reviewers. Anyone doing reviews has to understand there may be disagreements between themselves and people they know who are their peers. He has not seen any problems on a personal basis.

REP. PAVLOVICH asked **Mr. Hopgood** about his statement that if this bill passes, insurance companies would leave the state? **Mr. Hopgood** said chiropractic services must be included in insurance policies. In addition to that, when a utilization review is performed, a Montana licensed chiropractor must perform the review for Montana chiropractic services. The percentage of the national insurance market that is in Montana is very small. For that tiny market, a Montana chiropractor would need to be hired to conduct the utilization review. The company has a reviewing staff at their headquarters or at a branch office. A similar bill passed in Minnesota and it has been a disaster for insurance companies. There is a great hesitancy on the part of insurance companies to alter the way they conduct business to satisfy a requirement that comes from a state that has less than 1% of the total market.

REP. ELLIS asked if there is any state besides Minnesota with this kind of law? **Mr. Hopgood** is not aware of any.

REP. KNOX asked **Ms. Terrell** to expand on her statement about a patient treated both by a chiropractor and an MD, that the review could only be conducted by a chiropractor. She said they oppose that because it increases the cost of the insurance and diminishes the ability of the company to adequately review a

claim for its validity. It is a service to all consumers to keep the cost of that insurance down. One way that happens is by eliminating the invalid claim. It can be done by having a physician who is looking at the overall condition of the patient make an evaluation.

REP. CROMLEY asked Dr. Gary Blom if he did chiropractic review exams? Are independent exams sometimes done when the patient is being treated by a physician? Dr. Blom said he does the exams, but does not do exams when the patient is being treated by a physician. He is contracted through a corporation based in Spokane with offices in Billings. Problems and complaints of chiropractors are resolved. He does not enjoy doing it, but chiropractors have to monitor their own profession.

REP. LARSON asked if insurance interests would have objection to adding orthopedic surgeons to the review process that the chiropractors are now requesting. George Wood does not think there would be the limitation of who can review. The objection Mr. Wood has to the bill is that it limits ability to function.

REP. LARSON asked if Dr. Hudson thinks 50 repeated visits to a chiropractor deserves review by an insurance company? Dr. Hudson said yes it should be reviewed for that number of visits. However, chiropractors are trained in their colleges to determine when a condition might be better handled medically. As part of this bill, those chiropractic reviews would make a determination if the person should be sent to a medical doctor.

REP. ELLIS asked if chiropractors treat ruptured disc problems? Dr. Gary Blom replied yes. **REP. ELLIS** said he has had ruptured disc problems and has seen several orthopedic doctors and has not gone to a chiropractor. Does Mr. Hopgood normally look into orthopedic procedures with chiropractors? Mr. Hopgood said it was up to the consumer what kind of medical attention they desire.

REP. ELLIS said the thrust of this bill is to make sure that a chiropractor reviews a chiropractic procedure and that chiropractor resides in Montana. Is that what the bill is about? Mr. Hopgood said that is the way he understands the bill. **REP. ELLIS** has trouble with the Montana part, but does not have a problem with the chiropractor part, if the insurance company has the option of having another branch of medicine review the case. Mr. Hopgood said that was an option for the insurance company. If the case was reviewed and another type of treatment was more appropriate, that recommendation could be made.

REP. ELLIS asked Bonnie Tippy to respond to the same question. Bonnie Tippy said to her knowledge, never is a chiropractor asked to do a review for a surgeon. Never does a chiropractor review any charts or records or do physical examination of an MD's patient.

Closing by Sponsor:

Rep. DAVE BROWN said in-state is an important part of the bill so the people who do the review know the practice and law in the State of Montana. There is no preventive language in the bill to keep the insurance company from asking an MD to review the chiropractor's records. It does say the chiropractor should review another chiropractor's work. A pediatrician would not be asked to review a surgeon's work. This bill is about fairness. Mr. Sweeney's proposed limit of 30 days limits chiropractic benefits to the consumer. Services of chiropractors cost less than services of MDs. This bill cannot be about increased cost to insurance companies. The bill does not affect an insurance company's ability to do utilization reviews. Use of chiropractic, where appropriate, helps keep costs down. The amendment limits consumer access to services. REP. BROWN asked the committee to pass the legislation as drafted.

HEARING ON HOUSE BILL 932Presentation and Opening Statement by Sponsor:

REP. ROGER DeBRUYCKER, HD 13, Floweree, presented HB 932. It is an act to allow combination video gambling machines; and amending Section 23-5-603, MCA.

Proponents' Testimony:

Gary Bennett, lobbyist for Montana Coin Machine Operators Association, said this bill is not an expansion of gambling nor is it intended to be. It allows for touch screen technology developed in Bozeman that is menu driven. This bill allows use of a terminal with both video poker and video keno, and the player can select which game he wants to play.

Opponents' testimony:

Larry Akey, Gaming Industry Association, opposes HB 932. Either he is confused about this bill or it is a bad bill. This is a manufacturer's bill. There is no demand on the part of players or operators for these kinds of player select machines. Two of their manufacturers thought they wanted this bill. There are a number of areas you will want your staff counsel to look at. Nowhere do we define what a combination machine is.

Mark Staples, Montana Tavern Association, went to most of the tavern stations around Montana and asked for their position. Even the people who have the video machines oppose this bill. They feel it is a one-company bill. It makes all those machines obsolescent if they can't have a retrofit put on them. There is no retrofit so operators face buying these new machines or having a retromachine.

Joe Roberts, Don't Gamble with the Future, thinks the advance in technology has some merit. Their concern is whether it is an expansion of machines that will be allowed. There is nothing in this bill that addresses that. This will allow two or three games per machine that should count against the 30 now permitted. They are concerned whether this will allow 30-40 machines in a place. This bill misses some issues. When a bill comes in late like this and asks you to do the work, ask, is this what you want.

Harley Warner, Montana Association of Churches, said this could be considered an expansion of gambling. Is that one machine or three machines? Nothing in there to consider it a poker machine. Amendments could be added. If it is considered another machine, they are opposed to it. EXHIBIT 12

Questions from the Committee:

REP. LARSON asked if the Justice Department thinks it is an expansion of gambling. Mr. Robinson looked at it from the technical angle. Meeting the standards that are in the rules for both keno and poker as it was able to play poker.

REP. LARSON asked how many machines are manufactured for the Montana market as opposed to the rest of the world. Mr. Bennett said Video Consultants Incorporated in 1985 and have grown to be a leader in video gaming market place. They have about 2,000 terminals in Montana. There are two national companies supplied by IGT.

REP. LARSON said this appears to be a turf war. Mr. Akey spoke on the operators that he represents. It is a bill that places machines in places that cannot acquire machines. BLC marketing policies have left some members out of the market. Unless there is language in the bill to provide for retrofits and other manufacturers. Some members are cut off by this legislation.

REP. ELLIS said there is a large market, what is the reason for this bill? There would be nobody that is going to be owner. Going more on terms of the demand, if there isn't any demand for it, there can be no use in manufacturing it. A representative of Bozeman believes manufacturers should not be involved in this business. This is not a turf war. They can be settled. The churches don't want gaming to be in the hands of a few large corporations. This is where that happens. If we are opposed to sell this, they say you will use my machines and my machines only for this account of cash. They use those machines exclusively. The opponents to gambling are opposed to monopolistic practices.

Mr. Robinson said if the machines had a multiple format, it would have to meet all the criteria. It would be counted as a poker machine for the limit of the number of poker machines.

REP. PAVLOVICH asked what the license fee would be. Mr. Bennett said an individual terminal would pay only \$200. REP. PAVLOVICH

asked if Batman could be added. Mr. Bennett did not think so, this would not be a gambling game.

REP. CROMLEY asked if this would count against the poker machine quota. Do you know of any proposition now that would prevent them from being used? Mr. Robinson said it would count as a one fiscal machine. It was not clear in the law whether it could be combined.

Closing by Sponsor:

REP. DEBRUYCKER closed saying this bill will not allow expansion of gambling, just new technology.

EXECUTIVE ACTION ON HB 811.

Motion/Vote: REP. PAVLOVICH moved HB 811 BE TABLED. Motion carried unanimously. REP. STELLA JEAN HANSEN was absent.

EXECUTIVE ACTION ON HB 932

Motion: REP. CROMLEY moved HB 932 DO PASS.

Motion: REP. CROMLEY moved to adopt the amendment.

Discussion:

REP. PAVLOVICH asked on your amendment will they pay the dual license or just pay the \$200? Mr. Robinson said they would pay the \$200. REP. PAVLOVICH said the revenue on 5,000 machines will be lost? There are 11,000 machines out there and if they put two machines in one, that will cut the revenue in half because they will pay on 5,500 machines.

Mr. Verdon asked would that provide that any combination fee is according to the number of games on that machine.

REP. CROMLEY yielded his amendment to REP. PAVLOVICH's.

REP. LARSON said this is the highest take game and his tavern community is concerned it really applies to the Canadian market to level the playing field.

REP. SONNY HANSON asked for the quotas as far as the machines? Ten poker machines, 15 keno machines and 20 other machines are allowed under quota. A combination machine would take one off each of those quotas. Then we would only have half in the bases.

Vote: Motion to adopt amendments passed unanimously. EXHIBIT 13.

REP. PAVLOVICH is opposed to the idea that any proprietor can be refused the ability to buy a machine. The manufacturer wants them out in an area where he will get x number of dollars.

REP. KNOX opposes the bill because in most taverns where there are fewer machines, say 5, this has triple number of games. He cannot support the bill. It is an expansion of gambling.

REP. ELLIS thought it wouldn't be an expansion as long as they are paying more taxes. They can put in more machines. The manufacturer only makes agreements and doesn't sell the machines? Mr. Bennett said they have had a policy of selling to distributors only and that is the problem, but have limited production capacity to a customer who pays if there is an increase in production.

REP. PAVLOVICH said you have been in business for five years and you only sell to the distributor. He can never buy that machine? Mr. Bennett said that is because of the existing machines in the country. They sell to a distributor in the Butte area. They have no agreement with that distributor to sell a machine. REP. PAVLOVICH wanted to know why he can't buy a machine.

Motion/Vote: REP. PAVLOVICH moved HB 932 AS AMENDED BE TABLED. Motion carried with REPS. LARSON, CROMLEY, ELLIS, WALLIN voting NO.

EXECUTIVE ACTION ON HB 690

Motion/Vote: REP. CROMLEY moved HB 690 DO PASS. He moved the amendment EXHIBIT 14 which was unanimously adopted. Motion HB 690 DO PASS AS AMENDED carried unanimously.

EXECUTIVE ACTION ON HB 854

Motion: REP. PAVLOVICH moved HB 854 DO PASS.

Motion: REP. KNOX moved amendment to HB 854.

Discussion:

REP. KNOX thought Page 8, line 1 should be amended to "quarterly" or "semi-annually". REP. CROMLEY resisted the amendment primarily because it deals with the point in time when the benefits are being paid. He believes it is a benefit payment status. Payments are being paid monthly.

REP. SONNY HANSON said on Page 7, line 23, and Page 8, lines 1 and 4, it should be changed in both places. REP. KILPATRICK said it would be a quarterly report paid by the month.

Vote: REP. PAVLOVICH moved HB 854 AS AMENDED DO PASS. It carried unanimously. REP. STELLA JEAN HANSEN was absent.

EXECUTIVE ACTION ON HB 719

Motion: REP. PAVLOVICH MOVED HB 719 DO PASS. REP. SHEILA RICE moved to amend HB 719, on page 2, line 25, before current Section 2, add Subsection (2). EXHIBIT 15.

Discussion:

REP. SHEILA RICE explained her amendments. The first amendment is presented by the sponsor to answer the committee concern that no other medical review was possible. On Page 2, line 25, before current Section 2, add Subsection (2) under Section 1, "Nothing in this section prevents a health care insurer from requesting other medical review of a patient's condition or treatment."

REP. CROMLEY commented that the first Section says they can't do a medical review and the Second section says they can.

REP. RICE said REP. DAVE BROWN agreed on the wording and felt it covered the issue of never being able to bring in a medical doctor.

REP. BACHINI said the sponsor could address problems in the Senate, too.

REP. CROMLEY thinks the amendment does away with the purpose of the bill.

Motion/Vote: REP. CROMLEY MOVED HB 719 BE TABLED. Motion failed 5 to 13 by roll call vote. EXHIBIT 16.

Vote: Motion to amend HB 719 carried with REPS. BARNETT and STEPLER voting No.

Motion: REP. SHEILA RICE moved HB 719 be amended, on Page 2, line 17, place a "." after "chiropractic" and strike everything from there down to the end of line 24.

Discussion:

REP. SHEILA RICE said this was her own amendment. Her concern was that the chiropractic review is done by very qualified people outside the State of Montana, and to limit it to Montana does not make sense.

Vote: Motion to amend HB 719 failed 9 to 9 with REPS. McCULLOCH, SCOTT, PAVLOVICH, STEPLER, DOWELL, BACHINI, WALLIN, STELLA JEAN HANSEN, KILPATRICK voting No.

REP. KILPATRICK informed the Committee that REP. STELLA JEAN HANSEN had left the following proxy with him: "You have my permission to vote on bills and amendments for me in my absence. Signed Rep. Stella Jean Hansen".

Motion: REP. KNOX moved HB 719 be amended as proposed by Pat Sweeney, State Fund, to limit treatment to 30 days of first visit or 12 visits, whichever occurs first.

Discussion:

Paul Verdon said language would have to be put in a new section in the workers compensation section. It will be another section of the bill.

REP. SCOTT spoke against the amendment because one profession should not be limited to how many days it takes to treat a patient. The number of treatments might be limited, not the number of days.

REP. ELLIS asked if there is a time limit when a review can be started. Can a review be started in 12 visits or 30 days anyway? George Wood answered no. Currently, it is as long as treatment is needed or until the patient or the insurer decides other treatment is necessary. REP. ELLIS asked when can an insurer make the decision that it should be looked into? Mr. Wood said anytime.

REP. BACHINI asked if there is a guideline the insurers use? Mr. Wood said the guideline from an adjuster's perspective is after 30 days you begin to look for decreasing frequency. If the frequency stays the same or goes up, you look for a problem. REP. BACHINI asked if that goes beyond 30 days, you look at the first 30 days, then how many days beyond 30 will a review result? Mr. Wood said if the frequency is decreasing, or if the injured worker is working, it may go on for four or five months.

REP. LARSON opposed the amendment. He stated the intent of the bill is to determine who can review a chiropractor's treatment of a patient. The amendment tries to limit the treatment of the patient by a chiropractor. That is not the intent of this bill.

Vote: REP. KNOX'S motion to amend failed.

Motion: REP. CROMLEY moved to amend HB 719 on Page 1, line 9, right after the beginning of (1) "Prior to 60 days after the initial treatment or prior to the twelfth chiropractic treatment, whichever occurs sooner, a health care insurer. . ."

Discussion:

REP. CROMLEY said maybe 60 days is not enough either, but that does give some flexibility if there is a situation where the person is going to a chiropractor for a long period of time without much benefit.

REP. SCOTT spoke against the amendment. The number of visits is being limited. That is up to the industry to determine what is abusive.

REP. McCULLOCH asked what the purpose of the amendment was? REP. CROMLEY said it is for situations that go on for a long time. At some point, someone from the outside ought to be able to review.

This does not force anybody to review. He said there was confusion whether the amendment defeats the purpose of the bill. If the bill is going to be passed, there should be a point at which it is clear you can have a review.

REP. BACHINI asked Mr. Wood if the proposed Cromley amendment passed, could you still go to review before that period of time? Mr. Wood said it states you give them 60 days without review or 12 treatments without review, then after that we can move. At the present time, we can move and have examinations.

Motion/Vote: REP. BENEDICT MOVED TO TABLE HB 719 AS AMENDED.
Motion failed 8 to 10.

Vote: REP. CROMLEY'S motion to amend HB 719 on Page 1, line 9 failed 7 to 11.

Motion/Vote: REP. PAVLOVICH MADE A SUBSTITUTE MOTION that HB 719 AS AMENDED DO PASS. Motion carried with REPS. KNOX, BENEDICT, CROMLEY and SONNY HANSON voting No.

EXECUTIVE ACTION ON HB 703

Motion: REP. PAVLOVICH MOVED HB 703 DO PASS.
REP. PAVLOVICH moved HB 703 be amended.

Discussion:

Steve Huntington said the Science and Tech Alliance asked for some technical amendments regarding the procedures by which the bill is drafted. Mr. Huntington explained the proposed amendments. EXHIBIT 17.

Paul Verdon said the amendments as submitted were not technically appropriate, but that he would correct them for insertion into the bill.

REP. BENEDICT asked Carl Russell if he agreed with the amendments. Mr. Russell said his concerns were met.

REP. ELLIS asked if all the amendments had been discussed with REP. BRADLEY. Steve Huntington said he spoke with REP. BRADLEY and she was in agreement with the amendments. This allows Science and Tech to put between \$500,000 and \$1 million in an investment company which then may reinvest the money in other enterprises to whatever level that company decides. HB 703 authorizes Science and Tech, which currently has a \$7.5 million pool of capital allowed for their management, to use \$2 million of that \$7.5 million to consider making investments in other investment companies. The total amount they would ever be able to put in other investment companies is \$2 million.

Vote: Motion that HB 703 be amended passed unanimously.

Motion/Vote: REP. PAVLOVICH MADE A SUBSTITUTION MOTION HB 703 AS AMENDED DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON HB 707

Motion: REP. SCOTT MOVED TO RECONSIDER ACTION ON HB 707 AND TAKE IT FROM THE TABLE.

Discussion:

REP. DOWELL said if the Committee passes the bill to the House floor, Lewis and Clark County Commissioner, Linda Stoll-Anderson said she would have amendments so no one would be taxed who did not receive service. That was not the intention of the drafters of this bill. TCI owns 20% of Turner Broadcasting, 18% of broadcasting is Turner Broadcasting, and Turner in turn owns the Atlanta Braves and the Atlanta Hawks. A single company owns a team, markets the team, and sells that broadcasting. It is an unregulated monopoly and the time has come to deal with that. He urged the Committee to pass this bill.

REP. BENEDICT said he disagreed with REP. DOWELL. The bill had a good hearing. It seemed to be a localized Helena problem and the state doesn't need to get in the business of deciding how to regulate something in Helena.

Vote: Motion that HB 707 be taken off the table passed 10 to 8.

Motion: REP. SCOTT MOVED HB 707 AS AMENDED DO PASS. EXHIBIT 18

Discussion: Paul Verdon said the repealer was adopted yesterday.

Vote: Motion that HB 707 DO PASS AS AMENDED failed 9 to 9 with REPS. KNOX, BENEDICT, STEPLER, RICE, BARNETT, ELLIS, TUNBY, WALLIN and SONNY HANSON voting No.

Motion: REP. LARSON MOVED HB 707 DO NOT PASS. Motion carried 10 to 8 with REPS. McCULLOCH, PAVLOVICH, LARSON, DOWELL, KILPATRICK, RICE, BACHINI, STELLA JEAN HANSEN, SCOTT and WALLIN voting AYE.

EXECUTIVE ACTION ON HB 626

Motion: REP. LARSON MOVED TO RECONSIDER ACTION ON HB 626 AND TAKE IT FROM THE TABLE.

Discussion:

REP. LARSON stated this is the bill deleting an English language proficiency test for Canadian nurses. REP. LARSON feels this bill did not get a fair hearing. The bill says merely, "An act to allow nurses from Canada to apply for a license to practice as registered professional nurses in Montana without taking an

English proficiency examination." Obviously, if they can't read English, they can't take the exam. He said the medical profession wants the bill and the nurses do not.

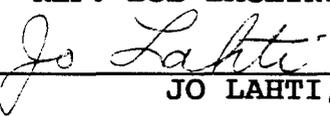
Vote: Motion to take HB 626 from the table failed.

ADJOURNMENT

Adjournment: 12:05 p.m.



REP. BOB BACHINI, CHAIRMAN



JO LAHTI, SECRETARY

BB/jl

1:00
2-22-91
JDB

HOUSE STANDING COMMITTEE REPORT

February 22, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 782 (first reading copy -- white) do pass as amended .

Signed: 
Bob Bachini, Chairman

And, that such amendments read:

1. Page 7, line 19.

Following: "Shielding"

Strike: "--"

Insert: "and removal of"

2. Page 7, line 22.

Following: "view"

Insert: "or remove the vehicles to a licensed motor vehicle wrecking facility or to a licensed motor vehicle graveyard after the vehicles are released from the owner"

Bob Bachini

HOUSE STANDING COMMITTEE REPORT

February 22, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 854 (first reading copy -- white) do pass as amended .

Signed:

Bob Bachini
Bob Bachini, Chairman

And, that such amendments read:

1. Page 7, line 23.

Strike: "monthly"

Insert: "quarterly"

2. Page 8, line 1.

Strike: "monthly"

Insert: "quarterly"

2. Page 8, line 4.

Strike: "the"

Insert: "each"

Following: "month"

Insert: "of the quarter"

HOUSE STANDING COMMITTEE REPORT

February 22, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 719 (first reading copy -- white) do pass as amended .

Signed: _____

Bob Bachini
Bob Bachini, Chairman

And, that such amendments read:

1. Page 2, line 9.

Strike: "A"

Insert: "Except as provided in subsection (2), a"

2. Page 2, line 25.

Following: line 24

Insert: "(2) Nothing in this section prevents a health care insurer from requesting other medical review of a patient's condition or treatment."

Renumber: subsequent subsection

HOUSE STANDING COMMITTEE REPORT

February 22, 1991

Page 1 of 3

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 703 (first reading copy -- white) do pass as amended .

Signed: _____
Bob Bachini, Chairman

And, that such amendments read:

1. Title, line 5.

Strike: "UP TO \$2"

Insert: "NOT MORE THAN \$1"

2. Title, line 10.

Strike: "90-3-501, 90-3-502, 90-3-503, 90-3-504,"

3. Page 4, line 24 through page 9, line 22

Strike: sections 2 through 5 in their entirety

Renumber: subsequent sections

4. Page 10, line 2.

Strike: ", "

Following: "or"

Insert: "or"

Strike: ", or investment business"

5. Page 10, line 8.

Following: "financing7"

Insert: ", "

Strike: "or"

Following: "marketing7"

Insert: ", "

6. Page 11, line 1.

Strike: "subsection (3)"

Insert: "[section 5]"

7. Page 11, lines 3 and 4.

Strike: ":

(a)"

8. Page 11, line 6.

Strike: "(i)"

Insert: "(a)"

Re-number: subsequent subsections

9. Page 11, line 24.

Strike: "(b)"

Insert: "(2) (a) In addition to the provisions in 90-3-522 and subsection (1) of this section, a seed capital project loan agreement"

10. Page 12, line 4.

Strike: "(2)"

Insert: "(b)"

11. Page 12, line 7.

Strike: "(3)"

Insert: "NEW SECTION. Section 4. Venture capital companies.

The board may make up to \$2 million of its funds available under 17-6-308 for seed capital project loans to venture capital companies in order to further the development of seed capital resources available for investment in technology-oriented business development and expansion activities if the venture capital companies meet the criteria in subsections (1) and (2):

(1) Venture capital companies must be selected for loans by the board on the basis of the demonstrated ability of the companies' principals to make sound investments and the principals' business development experience.

(2) The company has raised or is in the process of raising its investment capital under the terms of a prospectus or other offering document that gives the board assurance that the company:

(a) is in compliance with the United States securities and exchange commission and Montana securities laws and regulations applicable to venture capital companies;

(b) will use equity or quasi-equity investment mechanisms for at least three-fourths of its investments and will not use conventional secured debt mechanisms for more than one-fourth of its investments;

(c) will otherwise conduct its investment strategy and investment management practices in a manner that conforms to standard venture capital industry practices; and

(d) has a management team that will dedicate the equivalent of at least one full-time manager to the operation of the company.

(3) The board may adopt rules governing loans to venture capital companies to implement the terms of this

section and to ensure that the loans meet the requirements of 90-3-501 through 90-3-504.

NEW SECTION. Section 5. Seed capital project loan agreement with venture capital company."
Renumber: subsequent section

12. Page 12, line 9.
Strike: "(a)"
Insert: "(1)"
Renumber: subsequent subsection
Strike: "\$1 million"
Insert: "\$500,000"

13. Page 12, line 10.
Strike: "\$2"
Insert: "\$1"

14. Page 12, line 12.
Strike: "(i)"
Insert: "(a)"
Renumber: subsequent subsections

HOUSE STANDING COMMITTEE REPORT

February 22, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 707 (first reading copy -- white) do not pass as amended .

Signed: _____

Bob Bachini
Bob Bachini, Chairman

And, that such amendments read:

1. Title, line 6.

Strike: "AND"

Following: "MCA"

Insert: "; AND REPEALING SECTION 7-13-2511, MCA"

2. Page 1, line 20.

Following: line 19

Insert: "NEW SECTION. Section 2. Repealer. Section 7-13-2511, MCA, is repealed."

HOUSE STANDING COMMITTEE REPORT

February 22, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 690 (first reading copy -- white) do pass as amended .

Signed: _____

Bob Bachini 00
Bob Bachini, Chairman

And, that such amendments read:

1. Title, line 8.
Following: "ACCEPTED"
Insert: "AGRICULTURAL AND"
2. Page 1, line 24.
Following: "serious"
Insert: "illness or"
3. Page 3, line 1.
Following: "accepted"
Insert: "agricultural and"

AMENDMENTS TO HOUSE BILL 703
(Introduced Bill)

1. Page 5, line 7.
Following: "determines"
Strike: "i:"
2. Page 5, line 8.
Strike: "(a)"
3. Page 5, line 11.
Following: "~~(a)~~"
Strike: "(i)"
Insert: "(a)"
4. Page 5, line 12.
Following: "~~(b)~~"
Strike: "(ii)"
Insert: "(b)"
5. Page 5, line 13.
Following: "~~(c)~~"
Strike: "(iii)"
Insert: "(c)"
6. Page 5, line 14.
Following: "~~(d)~~"
Strike: "(iv)"
Insert: "(d)"
7. Page 5, line 15.
Following: "~~(e)~~"
Strike: "(v)"
Insert: "(e)"
8. Page 5, line 16.
Following: "~~(f)~~"
Strike: "(vi)"
Insert: "(f)"
9. Page 5, line 17.
Following: "~~(g)~~"
Strike: "(vii)"
Insert: "(g)"
10. Page 5, line 18.
Following: "~~(h)~~"
Strike: "(viii)"
Insert: "(h)"

11. Page 5, line 19.
Following: "~~(i)~~"
Strike: "~~(ix)~~"
Insert: "(i)"
Following: "disposal"
Strike: ";or"
Insert: "."
12. Page 5, line 20 through line 22.
Strike: subsection (b) in its entirety
13. Page 5.
Following: line 22
Insert: (3) The board may make seed capital project loans with up to 25% of the funds for seed capital project loans that do not:
(i) address the innovative technologies listed in subsection (2) above; and
(ii) target real estate or oil and gas exploration.
However, said seed capital projects must comply with the specific criteria for seed capital project loans contained in 90-3-504(2) through (10).
14. Page 6, line 4.
Following: "technology"
Insert: ";
15. Page 6, line 5.
Strike: page 6, line 5 in its entirety.
16. Page 6, line 11.
Following: "methodology"
Strike: ", or".
17. Page 6, line 12.
Strike: "investment strategy".
18. Page 6, line 23.
Following: "involves"
Strike: "investment in"
19. Page 7, line 18.
Following: "and"
Strike: ":
20. Page 7, line 19.
Strike: "(1)"
21. Page 7, line 20.
Following: "~~(1)~~"
Strike: "(a)"
Insert: "(1)"
Renumber: subsequent subsections.

22. Page 8, line 20.
Following: "commercialization"
Strike: "; or"
Insert: "."
23. Page 8, line 21 through page 9, line 22.
Strike: subsection (2) in its entirety.
24. Page 10, line 2.
Following: "product"
Strike: "; or"
Insert: "or"
Following: "process"
Strike: "; or investment business"
25. Page 10, line 8.
Following: "financing"
Strike: "; or"
Insert: ","
Following: "marketing"
Strike: ";"
26. Page 11, line 1.
Following: "in"
Strike: "subsection (3), in"
Insert: "[new section 9]"
27. Page 11, line 3.
Following: "loan"
Strike: ";"
28. Page 11, line 4.
Strike: "(a)"
29. Page 11, line 6.
Following: "a"
Strike: "(i)"
Insert: "(a)"
Re-number: subsequent subsections
30. Page 11, line 22.
Strike: page 11, line 22 and 23, in their entirety.
Insert: "(2)(a) In addition to the provisions in 90-3-522 and subsection (1), a seed capital project loan agreement"
31. Page 11, line 24.
Strike: "(b)"
32. Page 11, line 25.
Strike: "(i)"
Insert: "(a)"
Re-number: subsequent subsections

33. Page 12, line 4.
Following: "~~(b)~~"
Strike: "(2)"
Insert: "(b)"
Following: "However"
Strike: "~~the~~ The"
Insert: "the"
34. Page 12, line 7.
Strike: subsection (3) in its entirety.
35. Page 12.
Following line 7
Insert: "NEW SECTION. Section 8. Venture capital companies. (1) The board may make up to \$2 million of its funds available under 17-6-308 for seed capital project loans in venture capital companies in order to further the development of seed capital resources available for investment in technology-oriented business development and expansion activities. (2) Venture capital companies must be selected for loan by the board on the basis of the company's demonstrated ability to make sound investments and its business development experience. The board shall adopt rules governing such loans to venture capital companies to ensure that any money made available to venture capital companies is used to make seed capital technology investments that meet the requirements of 90-3-501 through 504.
(2) The board shall adopt rules setting forth the eligibility criteria and selection process for venture capital companies to receive seed capital project loans.
(3) The board may only make a seed capital project loan to a venture capital company that meets the criteria adopted by the board in its administrative rules."
- "NEW SECTION. Section 9. Seed capital project loan agreement with a venture capital company. A seed capital project loan agreement with a venture capital company must contain the following terms:
(1) a loan amount that may not be less than \$500,000 or more than \$1 million; and
(2) payback provisions:
(i) that are structured as contracted debt;
(ii) that allow debt to be repaid in portions of the original loan amount or as interest on the original loan amount in the same proportion as any paybacks made to the other investors or lenders that make up the remaining capitalization of the venture capital company, based upon

the original capital invested in or loaned to the venture capital company by the other investors or lenders;

(iii) that are not more or less favorable than the repayment and earnings provisions applicable to other investors or lenders that make up the remaining capitalization of the venture capital company; and

(iv) that are based on a term no greater than 10 years."

- End -

EXHIBIT 2.

2-22-91

HB 703

Testimony of Jon Marchi
As a Proponent with Amendments
House Bill 703 - Science and Technology
52nd Legislative Session - State of Montana
Business & Economic Development Committee
7:00 A.M. February 22, 1991

Mr. Chairman,

Members of the Committee, for the record my name is Jon Marchi. In my testimony today I represent myself and the Montana Private Capital Network as a Director and Officer. I have been active in State economic development efforts for the past ten years and currently serve on several state, local and private boards. I have served on the Montana Science and Technology Development Board for the past six years. The MPCN is a non-profit statewide organization whose sole mission is to facilitate and improve access to venture capital for Montana entrepreneurs. Over the past four years we have co-sponsored four successful venture capital forums in Helena, Bozeman, Missoula and Billings. MPCN recently received a substantial grant from the US West Foundation to expand on its important mission.

We support this legislation only if it is amended to include qualified Montana Capital Companies as defined in the Montana Capital Company Act, as amended.

As the legislation is now written it is too restrictive. It is doubtful that there is currently a venture capital company in Montana that would qualify for a Science and Tech loan. Four years ago similar legislation was passed but then only Montana Capital Companies could qualify for a Science and Tech loan. That legislation was later reversed by the Montana Supreme Court because it gave the entire Science and Tech program bonding authority. We now have several well capitalized Montana Capital Companies operating in the State. A few of these are seasoned with experienced boards and management. In addition, we already have an infrastructure in place that monitors and audits these Capital Companies. The Department of Commerce recently introduced HB 901 which does an excellent job of further strengthening the audit and follow-up functions.

Let us coordinate and strengthen our existing economic development efforts by including qualified Montana Capital Companies in HB 703.

Thank you.

Jon Marchi
7783 Valley View Road
Polson, MT. 59860 883-5470

Amendments to House Bill No. 854
First Reading Copy

EXHIBIT 2A
DATE 2-22-91
854

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 22, 1991

1. Page 7, line 23.
Strike: "monthly"
Insert: "quarterly"

2. Page 8, line 1.
Strike: "monthly"
Insert: "quarterly"

2. Page 8, line 4.
Strike: "the"
Insert: "each"
Following: "month"
Insert: "of the quarter"

Exhibit # 2

DEPARTMENT OF
HEALTH AND ENVIRONMENTAL SCIENCES



STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

Solid & Hazardous Waste Bureau
Telephone: (406) 444-1430

EXHIBIT 3
DATE 2-22-91
HB 782

February 22, 1991

DHES TESTIMONY ON HOUSE BILL 782
AN ACT TO CLARIFY THE REQUIREMENTS CONTAINED IN THE
MONTANA MOTOR VEHICLE RECYCLING AND DISPOSAL ACT.

The Department of Health and Environmental Sciences has proposed the legislation contained in H.B. 782 to provide clarification and guidance to the provisions of the Montana Motor Vehicle Recycling and Disposal Act. By making these changes it will help counties to understand their responsibilities in the program and allow for more uniform enforcement of the laws and rules across the state.

In Section 1 of the Bill a change is being made to add a definition of "component part" and provide for the consistent use of the term in the Act. This term has been used in the definition of a junk vehicle in the Act since it first began, but there has been no uniform explanation of the meaning of "component part" itself. The inclusion of this definition will provide all program personnel at the state and county level along with motor vehicle wrecking facility owners with a precise understanding of the term and eliminate misunderstanding when this term is used in communications concerning the requirements of the Act.

In Section 2 of the legislation is an amendment to 75-10-503 (2), MCA, which was added to the Motor Vehicle Recycling and Disposal Act during the previous legislative session to provide for the sale of individual junk vehicles from county motor vehicle graveyards. The department's efforts to promulgate the required rules for this section have been unsuccessful. Without clarification of this section, the rules implementing the statute can not be properly written without conflicting with other laws and the purpose of the program itself. By providing the proposed clarification to this section, it will allow the department to proceed with the sale of junk vehicles from county graveyards in a way that will benefit private industry while the program can continue its efforts to keep unsightly junk vehicles

to keep unsightly junk vehicles out of public view.

With the exception of the proposed clarifications to the last legislature's amendment concerning the sale of junk vehicles from county graveyards, all of the proposed changes are being made to comply with the recommendations of the office of the legislative auditor contained in the June 1990 Performance Audit Report on the Motor Vehicle Recycling and Disposal Program. By implementing these recommended changes, it will improve the administration, the operation, and the overall effectiveness of the program.

Since none of the proposed changes require an increase in program personnel or in program spending, and do not change the maximum annual grants available to the counties, there will be no negative fiscal impacts on the program's funding. However, there may possibly be a positive fiscal impact to the program's earmarked funds resulting from the sale of junk vehicles from county graveyards.

The department would like to thank you for your consideration of our request and for your support of our efforts to improve the Motor Vehicle Recycling and Disposal Program.

DEPARTMENT OF
HEALTH AND ENVIRONMENTAL SCIENCES

Exhibit # 3
2-22-91 HB 782



STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

Solid & Hazardous Waste Bureau
Telephone: (406) 444-1430

February 22, 1991

DHES TESTIMONY ON HOUSE BILL 782
AN ACT TO CLARIFY THE REQUIREMENTS CONTAINED IN THE
MONTANA MOTOR VEHICLE RECYCLING AND DISPOSAL ACT.

The Department of Health and Environmental Sciences has proposed the legislation contained in H.B. 782 to provide clarification and guidance to the provisions of the Montana Motor Vehicle Recycling and Disposal Act. By making these changes it will help counties to understand their responsibilities in the program and allow for more uniform enforcement of the laws and rules across the state.

In Section 1 of the Bill a change is being made to add a definition of "component part" and provide for the consistent use of the term in the Act. This term has been used in the definition of a junk vehicle in the Act since it first began, but there has been no uniform explanation of the meaning of "component part" itself. The inclusion of this definition will provide all program personnel at the state and county level along with motor vehicle wrecking facility owners with a precise understanding of the term and eliminate misunderstanding when this term is used in communications concerning the requirements of the Act.

In Section 2 of the legislation is an amendment to 75-10-503 (2), MCA, which was added to the Motor Vehicle Recycling and Disposal Act during the previous legislative session to provide for the sale of individual junk vehicles from county motor vehicle graveyards. The department's efforts to promulgate the required rules for this section have been unsuccessful. Without clarification of this section, the rules implementing the statute can not be properly written without conflicting with other laws and the purpose of the program itself. By providing the proposed clarification to this section, it will allow the department to proceed with the sale of junk vehicles from county graveyards in a way that will benefit private industry while the program can continue its efforts to keep unsightly junk vehicles

to keep unsightly junk vehicles out of public view.

With the exception of the proposed clarifications to the last legislature's amendment concerning the sale of junk vehicles from county graveyards, all of the proposed changes are being made to comply with the recommendations of the office of the legislative auditor contained in the June 1990 Performance Audit Report on the Motor Vehicle Recycling and Disposal Program. By implementing these recommended changes, it will improve the administration, the operation, and the overall effectiveness of the program.

Since none of the proposed changes require an increase in program personnel or in program spending, and do not change the maximum annual grants available to the counties, there will be no negative fiscal impacts on the program's funding. However, there may possibly be a positive fiscal impact to the program's earmarked funds resulting from the sale of junk vehicles from county graveyards.

The department would like to thank you for your consideration of our request and for your support of our efforts to improve the Motor Vehicle Recycling and Disposal Program.

Office of the Legislative Auditor

State of Montana

EXHIBIT 4

DATE 2-22-91

HB 782



Report to the Legislature

June 1990

Performance Audit Report

Motor Vehicle Recycling and Disposal Program

Department of Health and Environmental Sciences

This report contains recommendations for improvements in program operations. The recommendations address:

- ▶ Program enforcement activity.
- ▶ Clarification of state and county level responsibilities.

Direct comments/inquiries to:
Office of the Legislative Auditor
Room 135, State Capitol
Helena, Montana 59620

89P-28

Amendments to House Bill No. 782
First Reading Copy

EXHIBIT 4A
DATE 2-22-91
NO. 782

Requested by Representative Stella Jean Hansen
For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 21, 1991

1. Page 7, line 19.
Following: "Shielding"
Strike: "--"
Insert: "and removal of"

2. Page 7, line 22.
Following: "view"
Insert: "or remove the vehicles to a licensed motor vehicle
wrecking facility or to a licensed motor vehicle graveyard
after the vehicles are released from the owner"

EXHIBIT 5
DATE 2-22-91
HB

Federated Humane Societies of Montana



February 22, 1991

House Business & Economic Development Committee
Mr. Bob Bachini, Chairman

Testimony in support of HB690

By: Judith Fenton, Secretary/Treasurer
Federated Humane Societies of Montana
Blue Sky Heights #26
Clancy, MT 59634
(406) 933-5922 or 458-5670

Although the 12 Humane Societies in Montana have no enforcement authority under State law, we are often called upon to check out possible animal cruelty incidents. The general public expects us to do something. Often the situation can be corrected by educating the people involved in the proper care of their animals or informing them how Montana law requires proper care of animals. Along with Montana animal control people we frequently work with this section of law. For several years we have discussed at our joint annual Federated Humane Societies and Montana Animal Control Assoc. meeting how the law could be reworded to aid cruelty investigations. We were interested in making only a few simple changes to clarify the law.

Section 1 (b) adds the word confining to clarify a situation where dogs have been locked in cars and suffered or died of heat stroke. This has happened several times in the last few years at our local Lewis & Clark County fairgrounds.

Adding the requirement for veterinary care under Section 1 (c) seems to be addressing an obvious thing that any responsible owner would do, but we often see neglect of this type. Recently a man in Anaconda with 142 dogs and 19 cats set the broken leg of one of his dogs himself. It ended up sticking out to the side.

Section 1 (e) would allow sanctioned endurance races of more than 2 miles to bring Montana law in line with what is already happening.

One reason for adding additional penalty for multiple convictions of animal cruelty is that persons convicted under this Statute seldom inflict cruel treatment upon only one animal, and if convicted they often repeat the offensive behavior. Also it is difficult to get County Attorneys and Judges to take cruelty to animals seriously when the penalty is so minor.

The general public acknowledges that animal cruelty will not be tolerated by civilized society. This attitude is growing. When the law falls short of doing anything about a bad situation then we must resort to publicity to correct the problem. Montana certainly doesn't need anymore adverse publicity in this area. HB690 is a chance to strengthen our cruelty Statutes and ensure the proper treatment of animals in our State.

Thank you for your kind attention to this matter.

EXHIBIT 6
DATE 2-22-91
RE 690

Exhibit #5

WITNESS STATEMENT
Tim Sweeney -- House Bill 690

Mr. Chairman and Representatives, my name is Tim Sweeney and I am President of the Lewis & Clark Humane Society. I am appearing today on behalf of the Lewis & Clark Humane Society and the Missoula Humane Society.

I wish to express our collective support for House Bill 690 and its amendments to Section 45-8-211, MCA.

There are people or groups who will tell you that animal cruelty laws are not deserving of your time and attention. There are still others who will maintain that animal cruelty laws are the fodder of animal rights activists. I would respectfully submit to you that not only are these people wrong, but also that the majority of Montanans do not share their opinions.

The majority of Montanans, your constituents included, are people who call our animal shelters concerned about the welfare of a neighbor's animal. And these same people are the ones who bring us animals that have been subjected to mistreatment or neglect. And, they are also the ones who wonder why their local shelter cannot do more or why cruelty goes unabated.

If you think I am talking about little old ladies calling in about Fluffy looking thin or Rover running free, you are dead wrong. If you think I am talking about animal rights activists complaining about livestock practices, you are equally wrong.

I am talking about people such as yourselves who can't stand to see puppies and kittens abandoned in garbage dumpsters,

or pets suffocating in a sealed car in the heat of summer, or bare-ribbed horses starving in the dead of winter.

I can assure that we are not talking about small segment of Montana's population here, because these people, your constituents, are giving us more business than we can emotionally or financially handle.

And, nor are we just talking about animal rights activists. Ranchers and farmers do not tolerate the abuse and neglect of their animals. Ask ranchers or farmers how they treat their stock and you will be told that their animals receive the best of care. I would therefore maintain that we are not debating an animal rights issue. No, when we are talking about cruelty, we are talking about acceptable standards of human conduct.

So why do we need House Bill 690? We need House Bill 690 because Section 45-8-211 contains gaps which prohibit effective enforcement of the cruelty laws. The kind of gaps that result in frustration for your constituents when we cannot prevent or remedy a certain form of cruelty.

We also need House Bill 690 because it stiffens the penalties for animal cruelty. The commonly accepted rationale for jail sentences and fines is that such penalties are a deterrent against prohibited conduct. If the assigned penalties do not provide a sufficient deterrent, then there is an argument for stiffer penalties.

If you agree that animal cruelty is crime deserving of a penalty strong enough to deter violations, then the prevalence

of animal cruelty cases argues for the stiffer penalties provided by House Bill 690.

For all the above reasons, the Lewis & Clark Humane Society and the Missoula Humane Society urge this Committee to give House Bill 690 a "Do Pass" recommendation.

PROPOSED AMENDMENTS TO HOUSE BILL 690

Submitted by
The Lewis & Clark Humane Society

Section 1, (1)(ii), Line 24:
Following "serious"
Insert "illness or"

We would also propose that violations of Section 45-8-211, MCA, be designated as felony violations. Such treatment would be in accord with the seriousness of the crime.



February 20, 1991

The Honorable Bob Bachini
Chairman, House Business & Economic Development Committee
State Capitol
Helena, Montana 59620

Dear Representative Bachini:

The Missoula Humane Society applauds HB 690 and the effort to amend section 45-8-211 of the criminal code to better protect animals from cruelty. We would suggest some additional provisions which we believe would further strengthen this law:

- 1) In section 1(ii), we would recommend adding the words or illness after injury. The need for medical care for a seriously ill animal is just as great as the need for treatment of a seriously injured animal.
- 2) It would be helpful to qualify, by definition, what is meant by a "sanctioned" endurance race to prevent any exploitation of this exception.
- 3) The Missoula Humane Society suggests that violations of section 45-8-211 be a felony, with corresponding penalties. Animal cruelty is a serious offense, and should be treated as such under the law. Intentional acts of animal cruelty represent a basic disregard for the value of life and the suffering of sentient beings. It further reveals a basic inhumanity which may later be expressed in acts of violence against fellow human beings.
- 4) Finally, we would suggest that the reference to humane destruction, as described in section 1(4a), be changed to humane euthanasia. We would further suggest that euthanasia be performed by a licensed veterinarian, or a qualified animal shelter technician unless the animal was in acute pain, or circumstances prevented access to such euthanasia.

Again, we commend the sponsors of HB 690 for their efforts to strengthen this important state law, and we appreciate your consideration of these suggested additional provisions.

Sincerely,

Michelle Frodey-Hutchins
Education Coordinator, Missoula Humane Society

cc: Members of the committee

HOUSE OF REPRESENTATIVES

WITNESS STATEMENT

EXHIBIT 7
DATE 2-22-91
NO. 690

PLEASE PRINT

NAME SHARON LANGDORF BILL NO. HB690

ADDRESS 1712 E. CUSTER AVE. Helena, MT DATE 2-22-91

WHOM DO YOU REPRESENT? LEWIS & CLARK HUMANE SOCIETY

SUPPORT OPPOSE AMEND

COMMENTS: _____

General comments and personal experiences & examples to support this necessary adjustment to HB690.

Feb. 22, 1991

Montana Cattle Raisers
Montana Stock Growers
690

House Business
H.B. 690

We support the concept of HB 690 and believe in humane treatment of animals in our care.

Modern farm animal production is no accident. Improved animal housing, handling practices and healthy, nutritious feeds are a result of billions of dollars of private and governmental research into how to raise healthy animals. As American agriculture grows and changes, farmers and ranchers remain committed to the welfare of their livestock so that we can provide the public with the highest quality and safest food in the world.

We are concerned with the wording in the bill on page one, line 21, where it speaks of "confining". There may be times when we have to confine animals to both protect them and to protect our property and livelihood.

would suggest amendment

Two ways to improve this bill would be to either omit the word confining or else in the last sentence of the bill it could be worded "in the use of commonly accepted agricultural practices".

EXHIBIT 9
DATE 2-21-91
HB 719

Exhibit #9

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE!

I AM ROGER COMBS, A PRACTICING CHIROPRACTIC PHYSICIAN FROM LIBBY, MONTANA. I AM IMMEDIATE PAST PRESIDENT OF THE MONTANA BOARD OF CHIROPRACTORS, AND PRESENTLY REPRESENT MONTANA, ALONG WITH 9 OTHER WESTERN STATES AS A DIRECTOR ON THE NATIONAL BOARD OF CHIROPRACTIC EXAMINERS.

THE MISSION STATEMENT OF BOTH PROFESSIONAL ORGANIZATIONS IS TO PROTECT THE PUBLIC. HOUSE BILL 719 IS NECESSARY TO PROTECT THE PEOPLE OF THE STATE OF MONTANA FROM UNQUALIFIED FRAUDULENT OUT-OF-STATE PRACTITIONERS.

IN THE PAST 6 YEARS, WHILE SERVING ON THE BOARD OF CHIROPRACTORS, I HAVE WITNESSED NUMEROUS COMPLAINTS AND INQUIRIES BY CONSUMERS AND ALSO PRACTITIONERS, ABOUT THE HANDLING OF INSURANCE CLAIMS, BASED ON THE OPINION OF A NON RESIDENT PRACTITIONER.

THE REGULATING BOARD IS POWERLESS TO TAKE ACTION
AGAINST THESE PRACTITIONERS BECAUSE THEY DO NOT HAVE MONTANA
LICENSES OR RESIDE IN THE STATE BOUNDARIES.

WE HAVE FOUND THAT MOST OF THESE PRACTITIONERS HAVE NOT
MET THE MINIMUM REQUIREMENTS FOR MONTANA LICENSURE.. I HAVE
COLLECTED A CONSIDERABLE AMOUNT OF DATA WHICH DOCUMENTS THE
PROBLEM IN MONTANA. THERE IS NOT SUFFICIENT TIME IN THIS
HEARING TO PRESENT IT TO YOU. However, I have it available
TO DISCUSS IT WITH YOU IN GREATER DETAIL AFTER THE HEARING.

IT IS ABSURD TO ARGUE THAT AN OUT-OF-STATE PRACTITIONER,
WHO HAS NOT HAD THE BENEFIT OF A HANDS ON EXAMINATION IS
QUALIFIED TO ASCERTAIN THE COMPLETE AND ACCURATE PICTURE OF
A PATIENT'S CONDITION AND MAKE RECOMMENDATIONS REGARDING HIS
OR HER PRESENT AND FUTURE HEALTH CARE NEEDS.

PAGE 3

TESTIMONY - ROGER COMBS

HOUSE BILL 719

YOU MAY ALREADY BE AWARE OF A CONSTITUENT OR FAMILY
MEMBER WHO HAS BEEN ADVERSELY AFFECTED BY THE BIASED OPINION
OF AN OUT-OF-STATE UNLICENSED PRACTITIONER EMPLOYED
BY THE INSURANCE INDUSTRY TO REVIEW CLAIMS.

A DO PASS RECOMMENDATION FROM THIS COMMITTEE ON
HOUSE BILL 719 WILL BE A POSITIVE STEP TOWARDS THE
PROTECTION OF THE HEALTH CARE OF THE PEOPLE OF MONTANA.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE

THANK YOU FOR YOUR TIME.

House Business : Econ. Development

EXHIBIT 10
DATE 2-22-91
HB. 719

**THE AMERICAN
MEDICAL ASSOCIATION
FOUND GUILTY OF
CONSPIRACY**

United States Court of Appeals—February 7, 1990
United States District Court—August 27, 1987

**The complete opinion and summary of the
United States Court of Appeals Decision
follows:**

In the
United States Court of Appeals
For the Seventh Circuit

Nos. 87-2672 & 87-2777

Dr. Chester A. Wilk, D.C.,
Dr. James W. Bryden, D.C.,
Dr. Patricia B. Arthur, D.C., and
Dr. Michael D. Pedigo, D.C.

*Plaintiffs-Appellees,
Cross-Appellants,*

v.

American Medical Association,

*Defendant-Appellant,
Cross-Appellee.*

Dr. Chester A. Wilk, D.C.,
Dr. James W. Bryden, D.C.,
Dr. Patricia B. Arthur, D.C., and
Dr. Michael B. Pedigo, D.C.,

Plaintiffs-Cross-Appellants,

v.

American Medical Association,
Joint Commission on Accreditation
of Hospitals, American College
of Physicians and American Academy
of Orthopaedic Surgeons,

Defendants-Cross-Appellees.

Appeal from the United States District Court
for the Northern District of Illinois, Eastern Division.
No. 76 C 3777—Susan Getzendanner, Judge.

Argued December 1, 1988—Decided February 7, 1990

Exhibit 10 contained a 21-page summary of Wilk v. AMA. The original is stored at the Montana Historical Society, 225 North Roberts, Helena, MT 59601. (Phone 406-444-4775)

Ruling for chiropractors in suit against AMA is upheld by appeals court

By **BRENDA C. COLEMAN**
Associated Press

CHICAGO — A federal appeals court has upheld a 1987 ruling that the American Medical Association (AMA) violated antitrust laws by trying to destroy the profession of chiropractic, attorneys in the case said Thursday.

The 7th U.S. Circuit Court of Appeals on Wednesday affirmed the finding of U.S. District Judge Susan Getzendanner, who permanently barred the nation's largest organization of physicians from boycotting chiropractors, who treat patients with physical manipulation focused on the spine.

"The experience of the AMA in this case should now put other medical associations, and hospitals dominated by them, on notice that chiropractors will fight for the rights of their patients," attorney George McAndrews, who represented the chiropractors, said in a statement.

Those rights include "fair treatment by tax-supported institutions, hospitals, insurance plans, HMOs and other groups that have burdened those patients with anti-competitive barriers," McAndrews said. HMOs are health maintenance organizations.

The AMA has yet to decide if it

will appeal, said association attorney Kirk Johnson.

The plaintiffs alleged AMA policy had prevented doctors from referring patients to chiropractors or taking referrals from them. The doctors were accused of preventing chiropractors from treating patients at hospitals controlled by medical doctors.

After an eight-week trial, Ms. Getzendanner issued a permanent injunction on Sept. 25, 1987, barring the AMA from "restricting, regulating or impeding" its 275,000 members or the hospitals where they work from associating with chiropractors.

The injunction came four weeks after she found the Chicago-based AMA had engaged in a conspiracy "to contain and eliminate the chiropractic profession."

A three-judge appellate panel, which heard arguments in the case in December, ruled unanimously that Ms. Getzendanner had reached a "reasonable" decision in granting the injunction.

The lawsuit, filed in 1977 by four chiropractors in different states, didn't seek monetary damages but challenged the refusal of medical doctors to acknowledge chiropractors' professional abilities.

BOARD OF CHIROPRACTORS
DEPARTMENT OF COMMERCE

STAN STEPHENS, GOVERNOR

ARCADE BUILDING
111 N JACKSON

STATE OF MONTANA

(406) 444-5433

HELENA, MONTANA 59620-0407

February 20, 1991

Mr. Bob Bachini, Chairman
Business and Economic Development Committee
Montana House of Representatives
Helena, Montana

Dear Mr. Bachini;

I know of no insurance company that would settle a claim on a damaged automobile without first having one of their agents inspect the car and probably take photos to send to their district office.

Yet, the good people of the State of Montana, who are insured for chiropractic care by various companies, are subjected to a "paper review" by "out of state" and "out of profession" consultants whose first allegiance is to their employers, namely the insurance companies, and who do not have either the opportunity or the desire to examine the patient to make a competent or fair evaluation of the condition for which the patient is, or has been treated.

It makes sense, that if you drive a Ford, you seek a competent Ford dealership for services. If you drive a Cadillac or Mercedes, you don't go to a Honda repair center. For the same reason, medical doctors should review medical claims, and chiropractors should review chiropractic claims, and they should be reviewed by Montana doctors who are familiar with and understand Montana laws and protocol.

Montana chiropractors welcome review of their patients insurance claims, but we do desire that it be done in fairness, with the patients well being in mind.

As chairman of the Montana Board of Chiropractors, I am personally aware of the abuses by out of state and out of profession consultants and the hardships both in terms of finances and physical distress that those abuses result in, not to mention the ill-gained profits of the insurers.

The Montana Board of Chiropractors therefore, very humbly, requests your support for HB 719, limiting independent medical evaluations to chiropractors licensed in the state of Montana.

Sincerely yours,



Lou G. Sage, D.C., President
Montana Board of Chiropractors

WASHINGTON, DC -- The U.S. Supreme Court announced Nov. 26 that it would decline to review a Trial Court and a Court of Appeals finding that the American Medical Association had been guilty of a "lengthy, systematic, successful and unlawful boycott" of doctors of chiropractic and their patients.

The denial of review came after the four chiropractic plaintiffs in the Wilk et al v. AMA et al suit had argued in their opposition to the AMA's petition for a writ of certiorari that the "AMA had no justification whatsoever for its direct but private challenge to the 50 state legislatures that licensed chiropractic... Millions have suffered and continue to suffer because of the AMA's arrogant abuse of power."

The lawsuit was filed Oct. 13, 1976. During the ensuing 14 years of litigation, the AMA had attempted to justify its boycott while the chiropractors argued that the AMA knew at an early date that chiropractic was licensed, effective, desired by many millions of consumers and a competitive threat to medical physicians.

"The ACA is extremely pleased that this 14-year legal battle has ended in chiropractic's favor," said ACA Executive Vice President J. Ray Morgan. "However, the chiropractic community must be aware that it has won simply that, a legal battle. The real fight lies ahead in that the chiropractic profession must work together with the medical community for the betterment of the nation's health care."

"This makes the third time that the AMA has lost in the Supreme Court," said the plaintiffs' attorney and ACA General Counsel George P. McAndrews, Esq. "In fact, it has never won at that level. Time has been running out on the AMA's ability to bully other health care providers in the increasingly competitive health care market. The studies, from reputable medical and governmental sources, have been increasingly pointing to the fact that members of the AMA have been deprived of access to more effective health care procedures by a boycott that denied them and their patients access to the documented skills of doctors of chiropractic. The AMA has been tripped up by the very scientific studies that it demanded and which now have been used in court to confirm the finding of guilty in the antitrust case. It is certainly hoped that medical and chiropractic physicians, recognizing the scientific proof of the efficacy of chiropractic care, will now cooperate for the benefit of patients everywhere."

The chiropractors in their opposition to the AMA's request to have the Supreme Court review the case, were aided by numerous scientific studies that have found that chiropractic care is up to twice as effective as medical physician care for non-surgical, neuro-mechanical correction of problems related to the musculo skeletal system. As recently as June of 1990, a lengthy, prospective, scientific study of chiropractic care in Great Britain, when measured against corresponding medical care at 10 hospital outpatient centers, concluded that "chiropractic almost certainly confers worthwhile, long-term benefit in comparison with hospital outpatient management,"

particularly for those suffering with "chronic or severe pain."

The chiropractors argued that the study in England, combined with earlier state workmen's compensation studies in the United States for industrial accident victims, which indicated that chiropractic was twice as effective as traditional medical care in returning injured workers to their jobs, made a mockery of any argument of the AMA to have acted in "good faith."

In fact, the trial court had found that the AMA's position, in view of the existing scientific evidence, was "objectively unreasonable."

In a brief statement issued Nov. 26, AMA General Counsel Kirk B. Johnson, J.D., said the AMA is "disappointed, but not surprised" by the court's decision, explaining that the "high court only agrees to hear about 1 percent of the cases requesting a writ."

"We still believe that the lower courts erred in their decision," Johnson continued. "However, their decision did not call for the AMA to change any policies. The lower court found that AMA's policy for the past 10 years regarding professional interaction between physicians and chiropractors was lawful. The court's decision did not endorse chiropractic. No damages were awarded. Therefore, the decision will have little to no impact on patients and their physicians."

The case must now go back for implementation of the trial court's Injunction Order and for a determination of the claim of the chiropractors for more than \$14 million in legal fees and costs associated with the suit. In 1987, U.S. District Court Judge Susan Getzendanner, following an eight week trial, found the AMA guilty of violating the antitrust laws and ordered the AMA to public her Injunction Order to all 280,000 members of the AMA; to print, and permanently index, her Injunction Order in the Journal of the American Medical Association; to amend all rules of the association to allow its members to fully cooperate with chiropractic physicians; and to pay reasonable attorneys fees and costs to the plaintiff-chiropractors.

Further proceedings in the case will take place before U.S. District Judge John A. Nordberg in Chicago.

#

[November 28, 1990: D]

HOUSE BILL 719, INTRODUCED BY REPRESENTATIVE DAVE BROWN: A BILL FOR AN ACT ENTITLED: "AN ACT RESTRICTING PERSONS WHO MAY CONDUCT A PHYSICAL EXAMINATION OR REVIEW OF CHIROPRACTIC RECORDS ON BEHALF OF AN INSURER;

Question: Are these people full-time employees of insurance companies?

Exhibit # 10
2-22-91 HB 719

Answer: Many times they are, and we believe that this creates a definite conflict of interest. Are they evaluating patient records in order to determine what is best for the patient or what is best for the insurance company? HB 719 solves many of these problems.

Question: Do chiropractors perform IMEs on patients of medical doctors?

Answer: Absolutely not, and if it ever happened, the M.D.s would be incensed. What is good for one type of provider should be good for the next. Montana chiropractors are primary health care providers, with extensive training and skills in diagnosis and treatment. These diagnostic skills help them to know when to refer a patient to another type of provider.

Question: Didn't a bill similar to this pass last session.

Answer: Yes, last session a bill was passed which required that, in worker's compensation cases, if the treating physician is a chiropractor, then the impairment evaluation can be done by a chiropractor. The bill, at our request, also required that in order to do an impairment evaluation, chiropractors must be certified as evaluators by the state board. The rules implemented require a minimum of 36 hours of education followed by a day-long test on impairment evaluation. The Doctors of Chiropractic in Montana have asked for, and received, a tougher criteria for doing these evaluations than medical doctors, and many workers compensation employees will say that they are some of the best evaluators in the state because of it.

In a nutshell:

HB 719 is a fair bill. It mirrors legislation which has passed in several other states, including Minnesota just last year. We believe that insurers should be willing to deal in good faith with the people paying the bill. . . health insurance consumers. Those consumers, should they choose to use a chiropractor for their health care, deserve to have their reviews done by a chiropractor. There is still a great deal of prejudice against D.C.s by the traditional medical community, and patients of chiropractic should not also be subjected to this prejudice. This is legislation which, if argued on its merits only, should pass easily. Please do not allow insurers to kill it by quiet assassination by making unfair and erroneous comments about just what this bill does and about chiropractic care in general.

**BONNIE TIPPY-EXECUTIVE DIRECTOR AND LOBBYIST
MARGARET RICHARDSON-ASSOCIATION COORDINATOR AND LOBBYIST**

Question: What does HB 719 do?

Answer: HB 719 insures that when an independent medical examination is done either by study of a physicians records or by an actual physical examination of the patient, that if that individual is a chiropractic patient, the independent examiner will be a chiropractor. In addition, that chiropractor must be licensed by and practicing in the state of Montana. Remember, the treating physician will never perform this function.

Question: What is an independent medical evaluation?

Answer: In the course of treatment of a patient, from time-to-time an insurer will request that an exam should be done by a physician not in charge of the current treatment of the patient. This exam is done in order to determine if the current course of treatment is the best course, if the patient is improving, and if anything needs to be changed. These exams can be done through a paper review of physicians' chart notes, an actual physical examination of the patient, and oftentimes both.

Question: Don't chiropractors perform IME's on chiropractic patients now?

Answer: It is the general practice that IME's of chiropractic patients are performed by chiropractors, but there some insurers who do not follow this practice. We are unable to find the reasons for this. In some instances, the examination is actually done by someone located out-of-state, as far away as Peoria, Illinois. There are cases where these reviews will be performed by a nurse or a medical doctor, individuals who have little, if any, knowledge of chiropractic care.

Question: Why is it a problem for an out-of-state chiropractor to do these evaluations?

Answer: First and foremost, an out-of-state physician cannot perform a physical examination of a patient. It is very difficult in many cases to make a determination regarding patient care and future treatment needs without doing a physical examination. Also, out-of-state people have very little, if any, knowledge regarding Montana law or protocols. All they can do is a paper review.

**THE MONTANA CHIROPRACTIC ASSOCIATION
442-7275**

49ers put game in chiropractors' hands

NEW ORLEANS — Chiropractor Nicholas J. Athens stripped the megahyped Super Bowl to its bare bones.

Athens, whose practice is in San Carlos, Calif., says 35 of the 47 49ers came to him and associate Jody L. Serra of Lebanon, N.J., for treatment Saturday night in the Hilton Hotel.

Others visited him Sunday morning, just hours before the Super Bowl.

"I'm like a body mechanic," Athens said. "When something feels good to their bodies, they stick with it."

Athens is paid by the players, not the 49ers. He said trainers and team physicians still don't embrace his methods. "They are set in their ways and may never change," he says.

He began working with Roger Craig in 1982.

"He was seven years ahead of his time. He stood up to the controversy," said Athens. "He wanted drug-free health care, and he hasn't missed a game in eight years."

Athens says "one by one" the 49ers have started to come to him. Jerry Rice and Joe Montana are among his patients.

The chiropractic game plan is to keep the spine balanced. "We look at spine as the circuit breaker to the body," Athens said.

Players like Athens' pre-game treatment enough that Serra comes to their hotel when they play road games. He hopes someday the team will employ him as its chiropractor.

— Kevin Allen

HB 719
Written Testimony of
Patrick J. Sweeney
President, SCMIF

EXHIBIT 11
2-22-91
719

This bill would to deny a workers' compensation insurer the right to have a physical examination of a patient or review of the patient's records by a medical doctor if the patient is being seen by a chiropractor, when the insurer is attempting to determine whether or not further chiropractic care of a patient or whether certain chiropractic services should be allowed.

The bill only allows a chiropractor to determine whether or not chiropractor services should be covered or continued.

Problems with this bill are as follows:

1. This bill interferes with an insurance company adjuster's ability to handle a claim which is in the workers' and the employer's best interest. Typically a medical review of a chiropractor's treatment is only requested when treatment has gone on for a prolonged period of time with no or little results or certain services are questioned. At that time a claims adjuster may question whether or not the claimant has a condition which should be treated instead by a medical physician or whether or not continued chiropractic care is warranted. This bill would potentially injure a claimant in that they may not realize that additional medical care is warranted, ~~as noted by the following~~

~~_____~~ *

In addition it is not cost effective for an employer's compensation policy to pay for continued chiropractic care if it is unwarranted or unneeded.

2. The State Fund has attempted to work with the chiropractors to arrive at guidelines for chiropractic care in Montana, however, at this point the parties have not been able to reach any agreements on guidelines for chiropractic care. The State Fund is interested in working out these guidelines for chiropractic care with the chiropractors in Montana in that it would give both chiropractors and insurance adjusters some parameters on what treatment is acceptable and what treatment is not acceptable, ~~as well~~ as the duration of such treatment.

However, the State Fund will consider supporting this bill if the committee would add an amendment to HB 719. An amendment would limit chiropractic care for a period of 30 days from the date of the first visit on the claim or for 12 visits, whichever ever first occurs. We feel this amendment would be reasonable and not without precedent in that it is based upon a statute recently passed in Oregon for their Workers' Compensation Act. By limiting treatment times, this also limits any need for a claims adjuster to be concerned as to whether a claimant's condition warrants medical treatment vs. chiropractic treatment or whether or not treatment has gone on for an unwarranted period of time.

EXHIBIT 11
DATE 2-22-91
HB 719

Exhibit #18

HB 719
(Introduced)

1. Page 5.

Following: line 10

Insert: "NEW SECTION, Section 3. 39-71-704. Payment of medical, hospital, and related services -- fee schedules and hospital rates. (1) In addition to the compensation provided by this chapter and as an additional benefit separate and apart from compensation, the following must be furnished:

(a) After the happening of the injury, the insurer shall furnish, without limitation as to length of time or dollar amount, reasonable services by a physician or surgeon, reasonable hospital services and medicines when needed, and such other treatment as may be approved by the department for the injuries sustained. *EB*

However, treatment by a licensed chiropractor is limited to a period of 30 days from the date of first visit on the injury or for 12 visits, whichever occurs first.

(b) The insurer shall replace or repair prescription eyeglasses, prescription contact lenses, prescription hearing aids, and dentures that are damaged or lost as a result of an injury, as defined in 39-71-119, arising out of and in the course of employment.

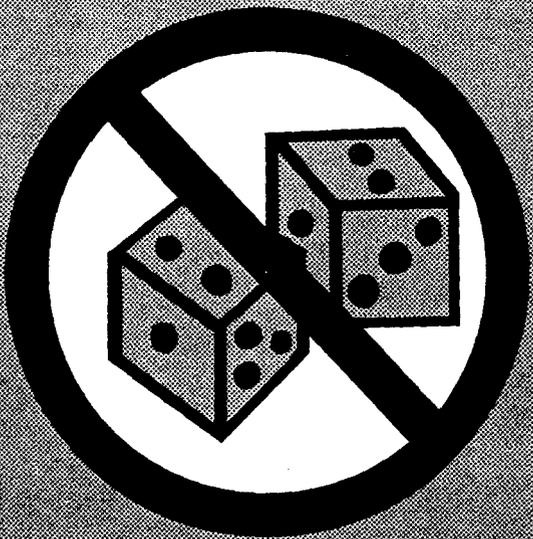
(2) A relative value fee schedule for medical, chiropractic and paramedical services provided for in this chapter, excluding hospital services, must be established annually by the workers' compensation department and become effective in January of each year. The maximum fee schedule must be adopted as a relative value fee schedule of medical, chiropractic, and paramedical services, with unit values to indicate the relative relationship within each grouping of specialties. Medical fees must be based on the median fees as billed to the state compensation insurance fund during the year preceding the adoption of the schedule. The state fund shall report fees billed in the form and at the times required by the department. The department shall adopt rules establishing relative unit values, groups of specialties, the procedures insurers must use to pay for services under the schedule, and the method of determining the median of billed medical fees. These rules must be modeled on the 1974 revision of the 1969 California Relative Value Studies.

(3) Beginning January 1, 1988, the division shall establish rates for hospital services necessary for the treatment of injured workers. Approved rates must be in effect for a period of 12 months from the date of approval. The division may coordinate this rate-setting function with other public agencies that have similar responsibility.

(4) Notwithstanding subsection (2), beginning January 1, 1988, and ending January 1, 1990, the maximum fees payable by insurers must be limited to the relative value fee schedule established in January 1987. Notwithstanding subsection (3), the hospital rates payable by insurers must be limited to those set in January 1988, until December 31, 1989.

EXHIBIT 12932 *Exhibit No. 12*
DATE 2-22-91
HB 932

GAMBLING



Montana
Religious Legislative Coalition (MRLC)
Committee of the
Montana Association of Churches
Revised 1987

Montana Religious Legislative Coalition
[M.R.L.C.]
P.O. Box 745
Helena, Montana 59624

Non-Profit Org.
U.S. Postage
PAID
Permit No. 249
Helena, Montana
59624

Address Correction Requested

Ex 12 2-22-91 HB 932

Montana Association of Churches
Position Statement on

GAMBLING

POSITION STATEMENT

Because of our deep concern for family life and social values, the Montana Association of Churches:

- 1) urges the Montana Legislature to study the social costs associated with gambling;
- 2) opposes any attempt to expand authorized gambling;
- 3) calls for the repeal of laws authorizing electronic gambling machines and devices in Montana;
- 4) supports strict governmental control of all gambling enterprises in Montana.

SUPPORTING STATEMENT

In spite of the defeat of Initiative 92 in November, 1982, the Montana Legislature has continued to expand authorized gambling in Montana. The Montana Association of Churches has consistently opposed bills to authorize electronic gambling machines, and we now call for legislation to prohibit them.

We are concerned about the expansion of gambling in Montana because of its social costs. Since Montana licenses electronic poker machines and authorizes several other forms of gambling, the State has the responsibility to look not only at the immediate financial benefits, but the social costs as well. The State has the obligation to consider the results of its policies, determine the social costs, hold them up to public scrutiny and take actions to prevent or mitigate the effects of those policies.

The New York State Legislature has declared that "compulsive gambling represents a serious social problem and there is evidence that the availability of legalized gambling increases the risk of compulsive gambling..."* The human suffering that has resulted from the increase in gambling in Montana is reflected by the establishment of Gamblers Anonymous groups. Montanans have also begun seeking treatment for compulsive gambling in alcohol and drug dependency programs.

We are convinced that commercial gambling poses a serious threat to any social order. Non-productive in nature, gambling provides no essential services to a community. It undermines our economic and social order, places an added strain on the family structure, potentially corrupts government at all levels, and sets up many related crime and law enforcement problems.

*Policy Statement of New York Assembly Bill #1057 which passed and became effective 10/19/81.

MONTANA RELIGIOUS LEGISLATIVE
COALITION
(MRLC)
P.O. BOX 745
HELENA, MONTANA 59624

MONTANA ASSOCIATION OF CHURCHES
POSITION PAPERS

CAPITAL PUNISHMENT
CORPORATE & GOVERNMENTAL
RESPONSIBILITY IN MATTERS OF PLANT
CLOSURE &/OR LAYOFFS
CORRECTIONS
ENERGY & ENVIRONMENT
EQUAL RIGHTS FOR WOMEN
FAITH VS TIME - Release time for religious education
FAMILY FARM
FUNDING FOR CONCILIATION COURTS
GAMBLING
HOME HEALTH CARE
HUMAN RIGHTS COMMISSIONS
MRLC - HISTORY, PROCESS & RATIONALE
PORNOGRAPHY
PRE-MARITAL COUNSELING FOR MINORS
PUBLIC FUNDING OF THE ARTS
TAX EXEMPTION
TAX REFORM
TRAFFIC SAFETY
VICTIMS OF CRIME
WELFARE & FINANCIAL SUPPORT

1988

**MEMBER UNITS OF THE MONTANA
ASSOCIATION OF CHURCHES**

American Baptist Church of the Northwest
Christian Church (Disciples of Christ)
Episcopal Church, Diocese of Montana
Evangelical Lutheran Church in America
(Montana Synod)
Presbyterian Church (USA)
Glacier Presbytery
Yellowstone Presbytery
Roman Catholic Church -
Diocese of Great Falls-Billings
Diocese of Helena
United Church of Christ
United Methodist Church

**SINGLE MEMBER CONGREGATIONS
(NON-VOTING)**

Christ's Church on the Hill, Great Falls
Holy Trinity Serbian Orthodox Church, Butte

Amendments to House Bill No. 932
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 22, 1991

1. Page 1, line 15.

Following: "games"

Insert: ", provided that a machine capable of allowing play of more than one game must be charged a license fee under 23-5-612 for each game that is offered to the public on the machine and that each game offered on the machine must be counted against the machine limits provided in 23-5-611."

EXHIBIT 17
DATE 2/22/91
NO. 690

Amendments to House Bill No. 690
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 22, 1991

1. Title, line 8.
Following: "ACCEPTED"
Insert: "AGRICULTURAL AND"

2. Page 1, line 24.
Following: "serious"
Insert: "illness or"

3. Page 3, line 1.
Following: "accepted"
Insert: "agricultural and"

EXHIBIT 15
DATE 2-22
HB 719

Amendments to House Bill No. 719
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 22, 1991

1. Page 2, line 9.

Strike: "A"

Insert: "Except as provided in subsection (2), a"

2. Page 2, line 25.

Following: line 24

Insert: "(2) Nothing in this section prevents a health care insurer from requesting other medical review of a patient's condition or treatment."

Renumber: subsequent subsection

EXHIBIT 16
DATE 2-22-91
HB 719

HOUSE OF REPRESENTATIVES

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

DATE Feb. 22, 1991 ROLL CALL VOTE
BILL NO. HB 719 NUMBER 1

MOTION: _____

Table 719

Motion Failed

NAME	AYE	NO
REP. JOE BARNETT	✓	
REP. STEVE BENEDICT	✓	
REP. BRENT CROMLEY	✓	
REP. TIM DOWELL		✓
REP. ALVIN ELLIS, JR.		✓
REP. STELLA JEAN HANSEN		✓
REP. H.S. "SONNY" HANSON	✓	
REP. TOM KILPATRICK		✓
REP. DICK KNOX	✓	
REP. DON LARSON		✓
REP. SCOTT MCCULLOCH		✓
REP. BOB PAVLOVICH		✓
REP. JOHN SCOTT		✓
REP. DON STEPPLER		✓
REP. ROLPH TUNBY		✓
REP. NORM WALLIN		✓
REP. SHEILA RICE, VICE-CHAIR		✓
REP. BOB BACHINI, CHAIRMAN		✓
TOTAL	5	13

JO LAUTI

EXHIBIT 19
DATE 2-22-91
HB 703

Amendments to House Bill No. 703
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 22, 1991

1. Title, line 5.

Strike: "UP TO \$2"

Insert: "NOT MORE THAN \$1"

2. Title, line 10.

Strike: "90-3-501, 90-3-502, 90-3-503, 90-3-504,"

3. Page 4, line 24 through page 9, line 22

Strike: sections 2 through 5 in their entirety

Renumber: subsequent sections

4. Page 10, line 2.

Strike: "1"

Following: "ex"

Insert: "or"

Strike: ", or investment business"

5. Page 10, line 8.

Following: "financing₇"

Insert: ", "

Strike: "or"

Following: "marketing₇"

Insert: ", "

6. Page 11, line 1.

Strike: "subsection (3)"

Insert: "[section 5]"

7. Page 11, lines 3 and 4.

Strike: "i"

(a)"

8. Page 11, line 6.

Strike: "(i)"

Insert: "(a)"

Renumber: subsequent subsections

9. Page 11, line 24.

Strike: "(b)"

Insert: "(2)(a) In addition to the provisions in 90-3-522 and subsection (1) of this section, a seed capital project loan agreement"

10. Page 12, line 4.

Strike: "(2)"

Insert: "(b)"

Ex. 17
2-22-91
HB 703

11. Page 12, line 7.

Strike: "(3)"

Insert: " NEW SECTION. Section 4. Venture capital companies.

The board may make up to \$2 million of its funds available under 17-6-308 for seed capital project loans to venture capital companies in order to further the development of seed capital resources available for investment in technology-oriented business development and expansion activities if the venture capital companies meet the criteria in subsections (1) and (2):

(1) Venture capital companies must be selected for loans by the board on the basis of the demonstrated ability of the companies' principals to make sound investments and the principals' business development experience.

(2) The company has raised or is in the process of raising its investment capital under the terms of a prospectus or other offering document that gives the board assurance that the company:

(a) is in compliance with the United States securities and exchange commission and Montana securities laws and regulations applicable to venture capital companies;

(b) will use equity or quasi-equity investment mechanisms for at least three-fourths of its investments and will not use conventional secured debt mechanisms for more than one-fourth of its investments;

(c) will otherwise conduct its investment strategy and investment management practices in a manner that conforms to standard venture capital industry practices; and

(d) has a management team that will dedicate the equivalent of at least one full-time manager to the operation of the company.

(3) The board may adopt rules governing loans to venture capital companies to implement the terms of this section and to ensure that the loans meet the requirements of 90-3-501 through 90-3-504.

NEW SECTION. Section 5. Seed capital project loan agreement with venture capital company."

Renumber: subsequent section

12. Page 12, line 9.

Strike: "(a)"

Insert: "(1)"

Renumber: subsequent subsection

Strike: "\$1 million"

Insert: "\$500,000"

13. Page 12, line 10.

Strike: "\$2"

Insert: "\$1"

14. Page 12, line 12.

Strike: "(i)"

Insert: "(a)"
Renumber: subsequent subsections

Σx, 17
2-22-91
HB 703

EXHIBIT 18
DATE 2-22-91
HB 707

Amendments to House Bill No. 707
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 22, 1991

1. Title, line 6.
Strike: "AND"
Following: "MCA"
Insert: "; AND REPEALING SECTION 7-13-2511, MCA"

2. Page 1, line 20.
Following: line 19
Insert: "NEW SECTION. Section 2. Repealer. Section 7-13-2511,
MCA, is repealed."

[Handwritten signature]

HOUSE OF REPRESENTATIVES

1 of 2

VISITOR'S REGISTER

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

HB 690

BILL NO. HB 703

DATE FEB. 22, 1991

SPONSOR(S) REP. HARPER

REP. BRADLEY

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Samuel Hubbard Bowman	Interwest Development Associates	703		X
Stuart Huntington Helms	Mountain West Ventures	703		X
TIM SWEENEY ELLISTON	LEWIS & CLARK HUMANW SOC MISSOULA HUMANW SOCIETY	690		X
Judith Fenton	Federated Humm. Soc. of Mt	690		✓
SARON LANGDORF	LEWIS & CLARK Hum. Soc	690		✓
Carl Russell	MIT Sci + Tech Alliance	703		✓
Alan Nicholson	Development Corp of Mt.	703		✓
Kay Foster	Billings Chamber	703		✓
Dave Secor	Board of Home Invest	703		✓
JOE MARCHI, POLSON	MT. PRIVATE CAP. NETWORK	703		✓ w/ Amend.
Jim Smith	MRCCA	703	✓	X
John Skufca	Dept. of Livestock	690		✓
CAROL MOSTER	MT. CATTLE WOMEN	690		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

X

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

BILL NO. HB 932

DATE FEB. 22, 1991

SPONSOR(S)

REP. ROGER DeBRUYCKER

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
John F. Poslow	Mont Coin Machine Ep. Assn			✓
LARRY AKEY	GAMING INDUSTRY ASSOC		✓	
JOE ROBERTS	DON'T GAMBLE WITH THE FUTURE		✓	
HARLEY WARNER	MONTANA ASSOC. OF CHURCHES		✓	
Mark [Signature]	MIA		✓	
Ray Bennett	WLC Inc			✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

BILL NO. HB 719
HB 811

DATE FEB. 22, 1991 SPONSOR(S) REP. DAVE BROWN

REP. MENAHAN

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
George Wood	Int Self Insurance Assoc	719	✓	
Gregory Blom - Helms	MCA	719		✓
Tom Hopgood	HHLT's Assoc Amr	719	✓	
M.H. Paudis, DC	MCA	719		✓
Lee S. Hudson, DC	MCA	719		✓
Boyer & Combs	Self MCA	719		✓
DAVE BROWN	SPONSOR. HO #72	719	●	✓
Reginald N. Jewell	American Ins Assoc	719	✓	
Brian Zins	MT. Medical ASSN	719	X	
GEORGE PHILLIPS	AMER. ALLIANCE INS	719	X	
R Asherman	State Farm Ins	719	X	
Steve Brown	Blue Cross - Blue Shield	719	X	
Oliver Goe	Montana Mutual Insurance Auth	719	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

Bonnie Tappin

MCA

719

✓

Don C. Rilly

ins all

✓

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

HB 854
BILL NO. HB 782

DATE FEB 22, 1991 SPONSOR(S) REP. FOSTER

REP. S.J. HANSEN

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Mike Foster	House Distr. #32			✓
Tom Haggood	HHH Ins Assoc Amer	854		✓
LARRY AKEY	MIT ASSOC OF LIFE UNDERWRITERS	854		✓
Jon Dilliard	Dept. of Health	782		✓
Will I. Selsler	LTC City-Co Health	782		✓
Henry E Lohr	Hank's Salvage Townsen	782		✓
PATRICK M DRISCOLL	AMERICAN COUNCIL OF LIFE INSURANCE	782		✓
Rose Hughes	MT-Health Care Assn	854		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.