

## MINUTES

### MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON JUDICIARY

Call to Order: By Chairman Dick Pinsoneault, on January 18, 1991,  
at 10:00 a.m.

#### ROLL CALL

##### Members Present:

Dick Pinsoneault, Chairman (D)  
Bill Yellowtail, Vice Chairman (D)  
Robert Brown (R)  
Bruce Crippen (R)  
Steve Doherty (D)  
Lorents Grosfield (R)  
Mike Halligan (D)  
Joseph Mazurek (D)  
David Rye (R)  
Paul Svrcek (D)  
Thomas Towe (D)

Members Excused: John Harp (R)

Staff Present: Valencia Lane (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion  
are paraphrased and condensed.

Announcements/Discussion: none

#### HEARING ON SENATE BILL 37

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

Senator Mike Halligan, District 29, said SB 37 was the major product of study and discussion at the January 17, 1991 Senate Judiciary hearings. He explained that the bill looks at funding, payment responsibility, and operations. Senator Halligan said the statement of intent is the summary of the philosophy of the subcommittee. He stated that models were built around the best of what other states are doing and from looking at facilities around the state.

Senator Halligan said the "guts" of the bill begin on page 12, establishing initial detention policy and providing options. He told the Committee section 4 on page 14 which creates regions is a key issue. He explained that incentives for reimbursement depend on getting into a region.

Senator Halligan commented that Yellowstone County can build a region around its existing facility. He advised the Committee that the bill establishes a limit of five youth detention regions for which plans are to be submitted to the Crime Control Division.

Senator Halligan said state grants are addressed in section 8 on page 16 of the bill, along with a policy to reimburse local governments at 75 percent of cost (section 10, page 18). He explained that the state share is 50 percent for secure detention.

Senator Halligan stated that transportation is a key for reimbursement. He said North Dakota has an excellent juvenile detention policy and has a large amount of funds available for transportation.

Senator Halligan advised the Committee that the effective date allows for groups of counties to become regions upon approval of the Division of Crime Control. He said the effective date for everything else addressed in the bill is July 1, 1992.

#### Proponents' Testimony:

Marc Racicot, Attorney General, Department of Justice, said the bill addresses a very real and important problem in the state. He stated that local law officials face these issues daily, and that he believes the state/county approach is sound and will serve the best interests of the public in the long run. Mr. Racicot added that the bill is consistent with the justice system philosophy and puts the state in a supportive role.

Mr. Racicot encouraged the proposed multi-level county approach and said it may serve as a model for other states. He added that it is a proactive response, encompassing a great deal of vision on the part of attorneys in Montana.

Mr. Racicot commented that the intent of this legislation appears at the front-end where it is critical. He said the bill provides the ability to resolve problems at the lowest level of government intervention, leaving responsibility to family and community.

Steve Nelson, Montana Board of Crime Control, provided charts denoting the approximate distribution of Montana jailings. He stated he was trying to impress upon the Committee the dynamic nature of this problem, noting that youth detention is scattered in a wide variety across the state.

Mr. Nelson provided a second chart showing length of term, risk/security and least/most restriction. He said high-risk, short-term youth often are referred to as "temporary jerks".

Mr. Nelson provided a third chart showing a secured detention population daily average of 11.6 percent. He said this figure was picked from Yellowstone County figures. Mr. Nelson advised the

Committee that 45-day evaluations presently total 22.9 percent, but the projected figure is 11.6 percent with appropriate local facilities. He added that this is a generally accepted figure.

Dick Gasvoda, Cascade County, told the Committee he had been involved with juvenile detention the past 18 years. He stated the situation is beyond the resolution of individual counties, and that he believes the provisions of the bill are appropriate. Mr. Gasvoda read from prepared testimony, and also addressed recognition for participation in funding at the local government level.

Mr. Gasvoda told the Committee that in November, 1990 citizens of Cascade County supported a bond issue to construct a local juvenile facility. He encouraged the Committee to support this legislation.

Candy Wimmer, Montana Board of Crime Control, advised the Committee that the Board was chosen as administrative agency for state funds. She stated that \$100,000 the first year would help support administrative costs and allow the five regions to apply for grants of up to \$5,000. Ms. Wimmer said the second year would offer a 50 percent match of the full amount of funds for approved plans. She then outlined criteria for getting approved plans, and said the non-secure program will be matched at 75 percent.

Tim McCauley, Juvenile Probation Officers Association, told the Committee he is a researcher and coordinator with the Board of Crime Control, assisting in developing this bill package. He advised the Committee he would address cost, since it is intended that Reasonable Services be kept small.

Mr. McCauley stated that in looking at an approximately 28-bed facility with varied estimated running costs, those costs could average close to \$200,000 annually. He added that these facilities must also meet licensing requirements of the Department of Family Services, as well as correspond to national standards. He said five facilities will thus cost about \$1 million annually to operate at a 50 percent match.

Mr. McCauley said costs may vary between judicial districts, but average \$15,000, or a total of approximately \$200,000 statewide. He advised the match will be 75 percent county funds and 25 percent state funds. Mr. McCauley told the Committee that evaluations will still need to be purchased, and that they are looking at professional consultant service costs of \$300 or less or \$97,000 annually.

Mr. McCauley reported that transportation costs are projected at \$100,000, using projections equivalent to North Dakota's services, and looking at facilities in Idaho. He added that the Board of Crime Control will need one FTE (full time employee) for administrative responsibility.

Ann Gilkey, Legal Counsel, Department of Family Services (DFS), told the Committee DFS had a contingency on its support of SB 37. Ms. Gilkey referred to item 6 on the fiscal note wherein it is stated that DFS responsibility is repealed. She then advised the Committee that Title 53, chapter 30, section 229 states DFS is responsible for costs enacted in 1989, but was never funded to meet these costs. Ms. Gilkey further stated that there is no bill request in to amend this language during this legislative session.

Ms. Gilkey advised the Committee that DFS has not made payments for detention since the 1989 legislation because it was not funded and because 41-5-808, MCA, says counties are responsible. She added that county responsibility will be repealed by this legislation, and thus DFS will be underfunded by \$44,000 in Fiscal year 93.

Ms. Gilkey also recognized section 6, in SB 37, recommending that language be deleted referring to specific types of facilities for which costs are to be paid by counties.

John Connor, Montana County Attorneys Association, said he believed strongly in this legislation, especially concerning county liability.

Gordon Morris, Montana Association of Counties (MACO), said SB 37 is the centerpiece of all juvenile legislation this session. He stated that section 3 on pages 13 and 14 of the bill require detention facilities via intergovernmental cooperative activity. Mr. Morris referred to section 4 on pages 14 and 15, and said he was optimistic that there would be cooperation in organizing these youth detention districts.

#### Opponents' Testimony:

There were no opponents of SB 37.

#### Questions From Committee Members:

Senator Svrcek asked what the \$25,000 is for on the 75/25 match. Tim McCauley replied that this is addressed in section 10 of the bill, concerning distribution of grants.

Senator Towe asked what the difference is between a hold-over and a detention facility. Steve Nelson replied that hold-overs are non-secure, but are supervised. He stated that Ravalli uses a break room in the Sheriff's office, Chinook uses a jury room, Glendive uses motel rooms, all of which could provide a bed for rest, if necessary.

Senator Towe asked if proponents were addressing new over existing facilities. Steve Nelson replied that a region would be easy to institute around Yellowstone County because it already has an existing facility, and there are hold-overs in smaller, surrounding communities.

Senator Mazurek asked why there were no provisions in section 4 to decide whether regions would be approved or not. Steve Nelson replied that the bill would have, initially, established regions, but a number of counties felt the state should not establish them. He added that as the grant programs are implemented regions will be carved out. Mr. Nelson pointed out that the regions in use by mental health services and other agencies appear to be generally accepted. He said it is expected that the counties will pull together, but "the Board of Crime Control holds the options".

Senator Mazurek asked what would happen if five regions were formed by only ten counties. He stated that someone needs to be given final authority to make region decisions. Steve Nelson replied that a regional application will have to admit more than one or two counties.

Senator Halligan added that the interim subcommittee got a negative reaction from the counties when it discussed setting or dictating regions. He stated that if a county wants to opt out of a region, it must do so in writing. Senator Halligan added that the counties are aware of the extent of this problem and of the application process, and that it appears they are willing to get together.

Chairman Pinsoneault stated that the bill gives a lot of authority to the Board of Crime Control. Senator Halligan replied that the Board will be working with MACO.

Chairman Pinsoneault asked about the problem addressed by Ann Gilkey, DFS. Senator Halligan replied that the Legislature forgot to change this section in 1989, that this is a \$44,000 impact to DFS and that it will have to be addressed. Ann Gilkey stated she would concur on SB 37 if she could rely on the Board of Crime Control to get the funds to give directly to DFS.

Senator Doherty asked about rule-making on page 9 of the bill, and if DFS licensing of facilities implied standards. He then asked if these standards are physical plant and operations, as opposed to jail. Senator Halligan replied that DFS already has licensing authority and it is anticipated they will develop facility standards.

Senator Doherty asked if DFS would be involved with hold-over facilities. Senator Halligan replied he did not believe they would be.

Senator Towe asked if funding were contemplated for on-going costs, and if there were no capital costs. Senator Halligan replied affirmatively for per diem costs, and said this is still part of the regional plan.

Closing by Sponsor:

Senator Halligan advised the Committee that interim subcommittee support of the bill was unanimous, and said he believes the bill will be a model for other states.

HEARING ON SENATE JOINT RESOLUTION 2

Presentation and Opening Statement by Sponsor:

Senator Mike Halligan, District 29, told the Committee SJR 2 gives direction to the Board of Crime Control to meet federal delinquency act requirements to get kids out of jail.

Proponents' Testimony:

Ed Hall, Montana Board of Crime Control, stated his support of SJR 2.

Opponents' Testimony:

There were no opponents of SJR 2.

Questions From Committee Members:

There were no questions from committee members.

Closing by Sponsor:

Senator Halligan made no closing comments.

EXECUTIVE ACTION ON SENATE JOINT RESOLUTION 2

Motion:

Senator Towe made a motion that SJR 2 DO PASS.

Discussion:

There was no discussion on the motion.

Amendments, Discussion, and Votes:

There was none.

Recommendation and Vote:

The motion made by Senator Towe carried unanimously.

HEARING ON SENATE JOINT RESOLUTION 1Presentation and Opening Statement by Sponsor:

Senator Joe Mazurek explained that SJR 1 is part of a nationwide recognition of the 100th anniversary of the National Conference of Commissioners on Uniform State Laws (NCCUSL). He explained that the purpose of the bill is to highlight the history of the organization, formally organized in 1892. Senator Mazurek added that Montana joined the Conference in 1893.

Senator Mazurek told the Committee the Conference organizes proposed legislation first through its executive committee, and then its draft committee which is a balance of 8 to 15 members who study an issue for one year. He said the draft committee then proposes action at an annual eight-day meeting, and that issues are presented for two years before they are acted upon.

Senator Mazurek stated that Montana ranks fourth in utilization of NCCUSL terms of uniform and model acts. He added that Montana ranks third in adopting 49 uniform or model acts, which saves considerable drafting time for Legislative Council staff. Senator Mazurek said the commemorative proposes adoption by all states this year.

Proponents' Testimony:

There were no proponents.

Opponents' Testimony:

There were no opponents.

Questions From Committee Members:

There were no questions from the Committee.

Closing by Sponsor:

Senator Mazurek made no closing comments.

EXECUTIVE ACTION ON SENATE JOINT RESOLUTION 1Motion:

Senator Brown made a motion that SJR 1 DO PASS.

Discussion:

There was no discussion on SJR 1.

Amendments, Discussion, and Votes:

There was none.

Recommendation and Vote:

The motion made by Senator Brown carried unanimously.

EXECUTIVE ACTION ON SENATE BILL 39

Motion:

Senator Svrcek made a motion that SB 39 DO PASS.

Discussion:

There was no discussion of SB 39.

Amendments, Discussion, and Votes:

There were none.

Recommendation and Vote:

The motion made by Senator Svrcek carried unanimously.

EXECUTIVE ACTION ON SENATE BILL 38

Motion:

Senator Halligan made a motion that the amendments prepared by Valencia Lane be approved (Exhibit #1).

Discussion:

Senator Mazurek asked Valencia Lane to explain home arrest. Ms. Lane replied there is a bill in the House dealing with and defining home arrest, but the existing court act does not have a definition. She stated she did not know if home arrest needed to be defined in Senate Bill 39. Ms. Lane said detention would mean temporary holding of youth in other than the youth's home or in a youth's home under home arrest.

Senator Halligan advised the Committee he had no problem with changing the definition.

Amendments, Discussion, and Votes:



Senator Halligan withdrew his previous motion, and made a motion to amend the definition on page 4, line 2, following "youth", by inserting "in the youth's home under home arrest or".

Recommendation and Vote:

The motion made by Senator Halligan to amend SB 38 carried unanimously.

Senator Halligan made a motion that SB 38 DO PASS AS AMENDED. The motion carried unanimously.

EXECUTIVE ACTION ON SENATE BILL 37

Motion:

Senator Towe made a motion that SB 37 DO PASS.

Discussion:

Senator Towe then withdrew his motion.

Amendments, Discussion, and Votes:

Senator Towe made a motion that SB 37 be amended on page 6, line 6, following "youth", by inserting "in the youth's home under home arrest or".

Recommendation and Vote:

The motion made by Senator Towe to amend SB 37 carried unanimously.

Senator Towe then made a motion that SB 37 DO PASS AS AMENDED. The motion carried unanimously.

EXECUTIVE ACTION ON SENATE BILL 59

Motion:

Discussion:

Valencia Lane advised the Committee SB 59 needs the same amendment as made for SB 37 and SB 38.

Amendments, Discussion, and Votes:

Senator Yellowtail made a motion that SB 59 be amended on page 2, line 23, following "youth", by inserting "in the youth's home under home arrest or". The motion carried unanimously.

Recommendation and Vote:

Senator Yellowtail made a motion that SB 59 DO PASS AS AMENDED. The motion carried unanimously.

EXECUTIVE ACTION ON SENATE BILL 56

Motion:

Discussion:

Valencia Lane provided the Committee with the amendment drafted at the request of Candy Wimmer, Board of Crime Control.

Amendments, Discussion, and Votes:

Senator Yellowtail made a motion that SB 56 be amended on page 9, line 18, by striking "be a serious juvenile offender", and inserting "have committed an offense that is transferable to criminal court under 41-5-206". The motion carried unanimously.

Recommendation and Vote:

Senator Yellowtail then made a motion that SB 56 DO PASS AS AMENDED. The motion carried unanimously.

EXECUTIVE ACTION ON SENATE BILL 6

Motion:

Discussion:

Senator Mazurek explained that the provisions addressed in SB 6 were promulgated in 1988, and that a problem was discovered in 1990. He said the bill would adopt the uniform act as amended, protecting people who would otherwise have instruments declared void.

Amendments, Discussion, and Votes:

There was none.

Recommendation and Vote:

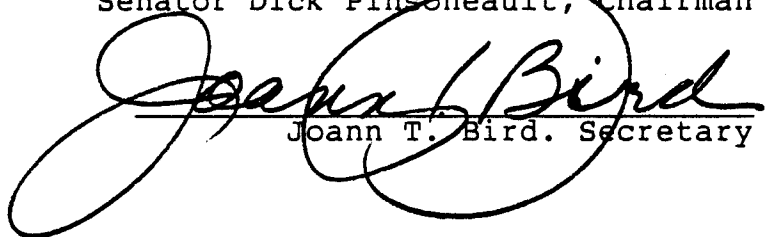
Senator Mazurek made a motion that SB 6 DO PASS. The motion carried unanimously.

ADJOURNMENT

Adjournment At: 11:40 a.m.



Senator Dick Pinsoneault, Chairman



Joann T. Bird, Secretary

DP/jtb

ROLL CALL

SENATE JUDICIARY

COMMITTEE

52<sup>nd</sup> LEGISLATIVE SESSION -- 1991

Date 18 Jan 91

NAME	PRESENT	ABSENT	EXCUSED
Sen. Pinsoneault	✓		
Sen. Yellowtail	✓		
Sen. Brown	✓		
Sen. Crippen	✓		
Sen. Doherty	✓		
Sen. Grosfield	✓		
Sen. Halligan	✓		
Sen. Harp	✓		
Sen. Mazurek	✓		
Sen. Rye	✓		
Sen. Svrcek	✓		
Sen. Towe	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Joint Resolution No. 2 (first reading copy -- white), respectfully report that Senate Joint Resolution No. 2 do pass.

Signed: Richard Pinsoneault  
Richard Pinsoneault, Chairman

Am. Coord.  
Am. Coord.

SB 1-18 2:30  
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Joint Resolution No. 1 (first reading copy -- white), respectfully report that Senate Joint Resolution No. 1 do pass.

Signed: Richard Pinsoneault  
Richard Pinsoneault, Chairman

91 1-18-91 1:15  
Amd. Coord.

SP 1-18 - 2:30  
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Bill No. 39 (first reading copy -- white), respectfully report that Senate Bill No. 39 do pass.

Signed,   
Richard Pinsoneault, Chairman

  
Amd. Coord.

SP 1/18 2:30  
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

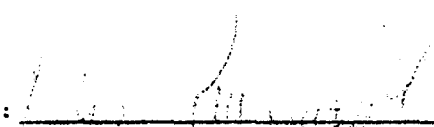
MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Bill No. 38 (first reading copy -- white), respectfully report that Senate Bill No. 38 be amended and as so amended do pass:

1. Page 4, line 2.

Following: "youth"

Insert: "in the youth's home under home arrest or"

Signed:   
Richard Pinsoneault, Chairman

MA 1-14-91 1:15  
/md. Coord.

SB 1-18 2:30  
Sec. of Senate

111302SC.Sji



SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Bill No. 27 (first reading copy -- white), respectfully report that Senate Bill No. 27 be amended and as so amended do pass:

1. Page 6, line 6.

Following: "youth"

Insert: "in the youth's home under home arrest or"

Signed: Richard Pinsoneault  
Richard Pinsoneault, Chairman

for 1-18-91 1:20  
amd. Coord.

SP 1/18 2:30  
Sec. of Senate

111253SC.Sji

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

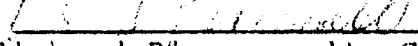
MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Bill No. 59 (first reading copy -- white), respectfully report that Senate Bill No. 59 be amended and as so amended do pass:

1. Page 2, line 23.

Following: "youth"

Insert: "in the youth's home under home arrest or"

Signed:   
Richard Pinsoneault, Chairman

AM 1-18-91 1:10  
Ad. Coord.

SB 1-18 2:30  
Sec. of Senate

111306SC.Sji

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Bill No. 56 (first reading copy -- white), respectfully report that Senate Bill No. 56 be amended and as so amended do pass:

1. Page 9, line 18.

Strike: "be a serious juvenile offender"

Insert: "have committed an offense that is transferable to criminal court under 41-5-206"

Signed: Richard Pinsoneault  
Richard Pinsoneault, Chairman

MA 1-18-91 1:25  
Asst. Coord.

SB 1-18 2:30  
Sec. of Senate

111248SC.Sj1

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
January 18, 1991

MR. PRESIDENT:

We, your committee on Judiciary having had under consideration Senate Bill No. 6 (first reading copy -- white), respectfully report that Senate Bill No. 6 do pass.

Signed: Richard Pinsoneault  
Richard Pinsoneault, Chairman

RP 1/15/91  
Amd. Coord.

SP- 1/18 2:30  
Sec. of Senate

Ex. 1

1-18-91

SB 30

Amendments to Senate Bill No. 38  
White Reading Copy

For the Committee on Judiciary

Prepared by Valencia Lane  
January 18, 1991

1. Page 4, line 2.

Following: "youth"

Insert: "in the youth's home under home arrest or"

STATE OF MONTANA  
**DEPARTMENT OF JUSTICE**  
BOARD OF CRIME CONTROL

11 Jan 91  
Exhibit 3  
SB 37

Marc Racicot  
Attorney General



303 North Roberts  
Scott Hart Building  
Helena, MT 59620

Jordan Browder, Ph.D.  
Chairman  
Missoula, MT 59801

Raig Anderson  
Chief Probation Officer  
Glendive, MT 59330

Jane Barz  
Supreme Court Justice  
Helena, MT 59620

Donald Bjertness  
City Judge  
Billings, MT 59103

Bob Butorovich  
Attorney/Silver Bow Sheriff  
Butte, MT 59701

Andree Deligdisch  
Great Falls, MT 59401

John Flynn  
County Attorney  
Townsend, MT 59644

Frank Hazelbaker  
Boson, MT 59860

Matt Himsl  
State Senator  
Misspell, MT 59901

Gene Kiser  
Chief of Police  
Billings, MT 59103

Jack Later, Sheriff  
Beaverhead County  
Dillon, MT 59725

Max Manuel  
Fairfield, MT 59436

Don Peterson  
County Commissioner  
Boson, MT 59860

Mary Lou Peterson  
State Representative  
Reka, MT 59917

John Pfaff, Jr., M.D.  
Whitefish, MT 59937

Marc Racicot  
Attorney General  
Helena, MT 59620

Jean Turnage  
Chief Justice  
Helena, MT 59620

Edwin L. Hall  
Administrator

January 17, 1991

Senator Dick Pinsoneault, Chairman  
Senate Judiciary Committee  
P.O. Box 250  
St. Ignatius, MT 59865

RE: SB 37 and related Juvenile Detention Bills

Dear Senator Pinsoneault:

During their December 1990 meeting, the Members of the Board of Crime Control unanimously voted to endorse the draft of what is now SB 37. During the meeting, Representative Rice presented the work of the Joint Interim Subcommittee on Adult and Juvenile Detention to the Board. It was clear from the presentation and discussion that the plan developed by the Interim Subcommittee which is inherent in SB 37, and the related bills addressing Juvenile Detention represent an integrated, comprehensive and proactive approach to improving the Justice System.

The Board directed that I relay their endorsement of SB 37 to you and members of your committee.

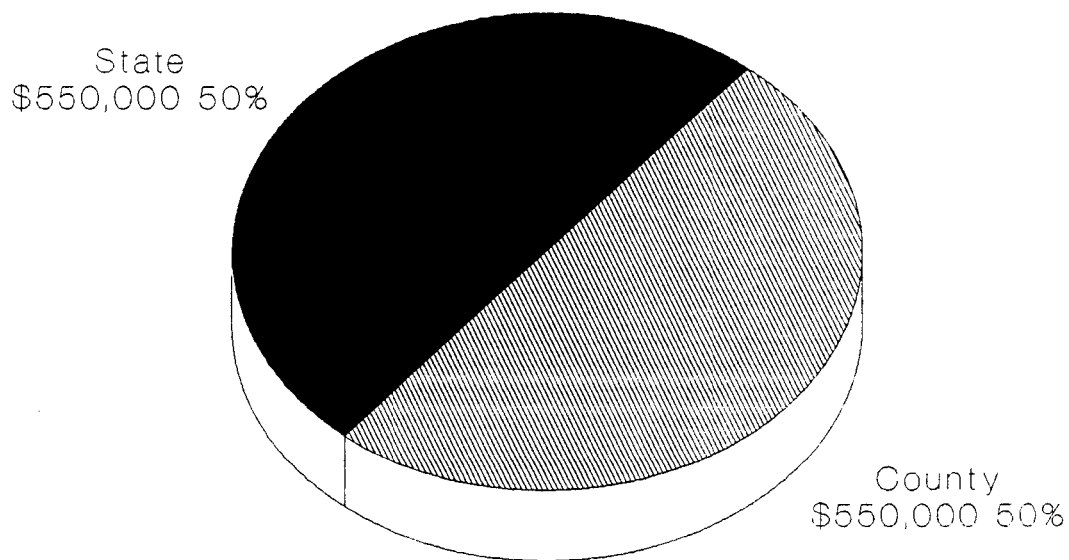
Respectfully,

*Edwin L. Hall*

Edwin L. Hall  
Administrator

cc: File

# Grant in Aid Program 1992 S.B. 37

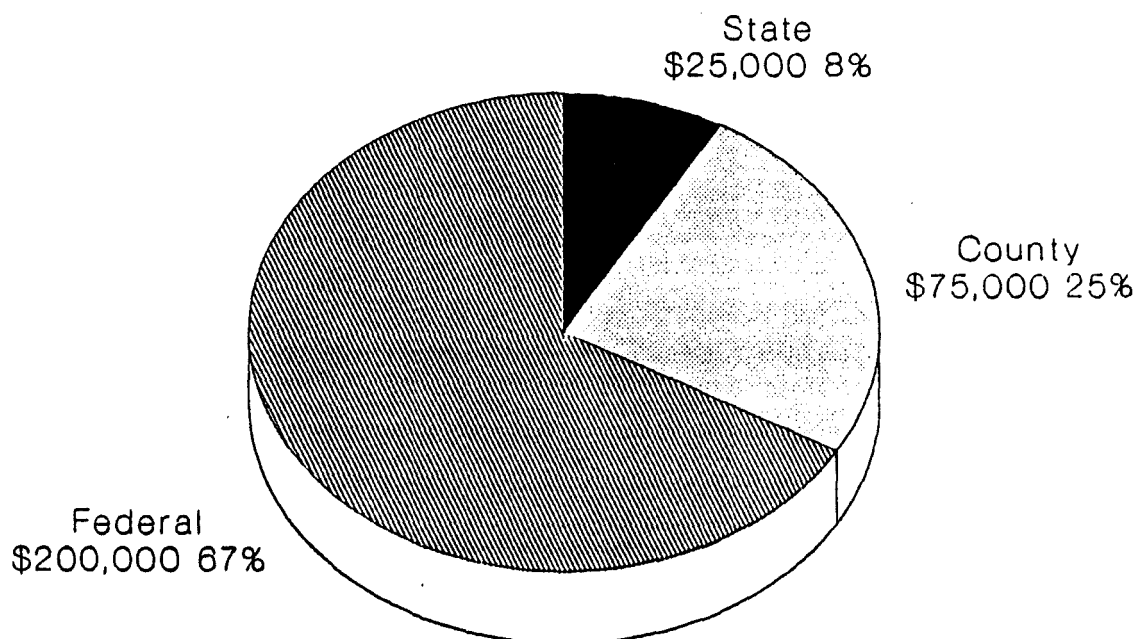


Secure Detention Services  
Regional Facilities  
96 Hour Holding Facilities

Costs to include daily care, education,  
recreation, medical & psych. services,  
and transportation.

Ex. 39  
1-18-91  
SB 37

# Grant in Aid Program 1992 S.B. 37



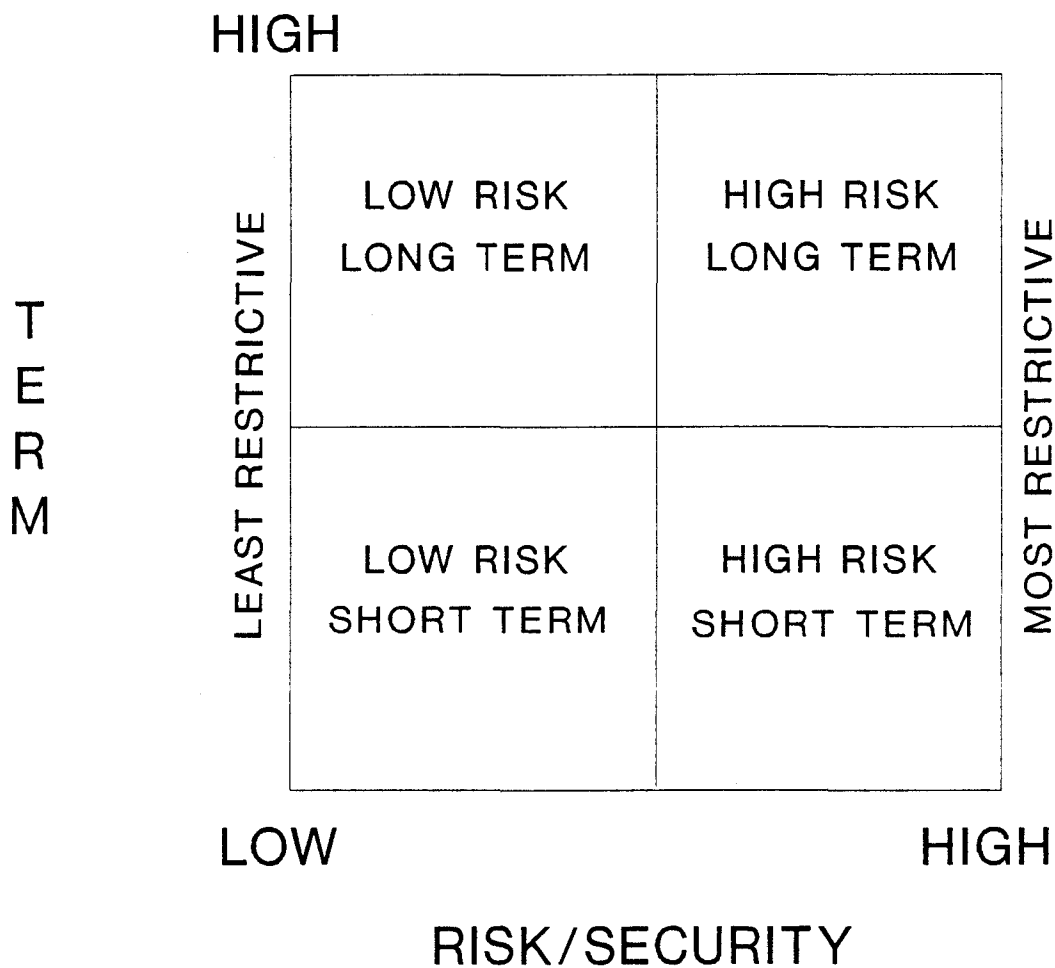
Non-Secure Detention Services  
Hold Over Programs  
Home Detention Programs  
Electronic Monitoring

Costs to include salaries, contractual agreements, training, equipment, per diem rates.



Exhibit # 3a  
18 Jan 91  
SB 37

# Montana's Detained Juveniles



# DEPARTMENT OF FAMILY SERVICES

Exhibit 4  
SB 37



STAN STEPHENS, GOVERNOR

(406) 444-5900

## STATE OF MONTANA

P.O. BOX 8005  
HELENA, MONTANA 59604

### TESTIMONY IN SUPPORT OF SB 37 AN ACT PROVIDING FOR JUVENILE DETENTION FACILITIES

Submitted by Ann Gilkey  
Chief Legal Counsel of the Department of Family Services

The Department of Family Services supports SB 37, with a specific contingency. The fiscal note to SB 37 contains three assumptions made by DFS in determining the financial impact of the passage of SB 37 to the agency. DFS' first assumption (#6) is that DFS' obligation to pay for aftercare detention costs will be repealed. This assumption refers to language in section 53-30-229 that states:

" . . . The department [of family services] shall determine the place and manner of detention and is responsible for the cost of the detention. . . ."

There is no bill request to amend the above language in 53-30-229, nor is the language amended in any of the juvenile detention bills. Although the language requiring DFS to pay for aftercare detention costs has been law since 1989, DFS has never paid for any detention costs because section 41-5-808(3), MCA states that "[t]he county determined by the court as the residence of the youth is responsible for detention costs of the youth, including medical expenses incurred during detention." Furthermore no money has been appropriated to pay for these costs. SB 37 repeals 41-5-808 in its entirety.

If the language requiring DFS to pay for detained aftercare youth is not deleted, assumption number 6 is erroneous and the fiscal note to SB 37 is underestimated by \$44,000 for fiscal year 1993. The department therefore requests that either the sentence quoted above contained in 53-30-299, MCA be deleted by amendment to the detention package, or the fiscal note to SB 37 be amended to reflect an additional appropriation of \$44,000 to DFS for FY 1993. With either of these amendments, DFS will support SB 37.

The department also recommends an amendment to Section 6 of SB 37. Section 6 provides that "all costs for the detention of a youth in a county or regional detention facility, including medical costs incurred by the youth during detention, must be paid by the county at whose instance the youth is detained." The department recommends that this section be amended to delete reference to a specific type of facility by deleting "in a county or regional detention facility". Such an amendment will provide for youth who are detained in facilities other than county and regional detention facilities that do not yet exist.

18 Jan 91  
SJR 1  
EX. 5

To the Honorable Stan Stephens, Governor of the State of Montana

## ANNUAL REPORT FOR 1990

OF

### THE MONTANA COMMISSION ON UNIFORM STATE LAWS

#### SUMMARY

In August 1991, the National Conference of Commissioners On Uniform State Laws will commence the celebration of its Centennial year. Montana became a member of the National Conference in 1893 with the appointment of three commissioners: J. W. Clayberg of Helena, T. C. Marshall of Missoula, and J. W. Strevell of Miles City. From that time to the present there have been only 30 Uniform Laws Commissioners from Montana. The first uniform act adopted in Montana was the Negotiable Instruments Law in 1903. Since that time, through June 1, 1990, Montana has enacted 89 uniform acts. Montana ranks fourth in the total number of enactments, following North Dakota, Wisconsin, and Minnesota. This includes acts that may have been amended or withdrawn by the Conference as obsolete. For Acts currently recommended by the Conference, Montana ranks third in total enactments with 49, following Minnesota and Colorado.

Montana Commissioners are charged by statute (MCA § 1-12-104) "to promote uniformity in state laws." Each biennium the Montana Commissioners recommend certain Uniform Acts for adoption in Montana. The Montana Uniform Laws Commission Recommends that the 1991 Legislature enact the following Uniform Laws, some of which are amendments to uniform laws previously adopted in Montana:

- Uniform Commercial Code--(Amendments and Additions)
- Uniform Conflict of Laws Limitation Act
- Uniform Controlled Substances Act (Amendment)
- Uniform Estate Tax Apportionment Act
- Uniform Foreign Money Claims Act
- Uniform Foreign Money Judgments Recognition Act
- Uniform Fraudulent Transfers Act

Exhibit # 5  
1/18/91 SJR 1

Uniform Marketable Title Act  
Uniform Notarial Act  
Uniform Rights of the Terminally Ill Act  
(Amendment)  
Uniform Statutory Rule Against Perpetuities  
(Amendment)

## HISTORY

In 1889, the New York Bar Association appointed a special committee on uniformity of laws. In the next year, the New York Legislature authorized the appointment of Commissioners:

[T]o examine certain subjects of national importance that seemed to show conflict among the laws of the several commonwealths, to ascertain the best means to effect an assimilation or uniformity in the laws of the states, and especially whether it would be advisable for the state of New York to invite the other states of the Union to send representatives to a convention to draft uniform laws to be submitted for approval and adoption by the several states.

In that same year, the American Bar Association passed a resolution recommending that each state provide for commissioners to confer with the commissioners of other states on the subject of uniformity of legislation on certain subjects. In August 1892, the First National Conference of Commissioners on Uniform State Laws convened in Saratoga, New York. Seven states were represented. In 1893, 11 additional states became members. Montana was one of them. By 1912 every state was participating in the National Conference.

## ORGANIZATION

All commissioners of the National Conference are lawyers. There are about 300 of them. They include lawyers in the public and private sector, judges from the federal and state courts, legislators and law professors. They receive no salaries or fees for their work with the Conference. The governing body is the Executive Committee. It is composed of Commissioners who are officers, certain ex officio members and members appointed

by the President. Certain activities are conducted by standing committees. For example, the Committee On Scope and Program considers all new subject areas for possible Uniform Acts. If a subject is approved, a drafting committee composed of commissioners is appointed to prepare a working draft to be considered at the annual meeting. The Legislative Committee coordinates the relationships of the National Conference with state legislatures. A small staff located in Chicago provides general administration for the National Conference. The legislative director for the Conference is John M. McCabe, a Montana native and former assistant dean at the U of M Law School.

#### OPERATION

Preliminary drafts of proposals are prepared and circulated by the drafting committee to advisers and others interested in the committee's deliberations. That includes every commissioner. Eventually, the committee is ready to present its work at an annual meeting of the Conference for "initial consideration" by every commissioner.

During the annual meeting commissioners assemble for a week, spending every day and some nights considering each "tentative draft" prepared by the drafting committees. The drafts are read "line by line" and then discussed, debated and changed. With hundreds of trained eyes probing every concept and word, it's a rare draft that leaves an annual meeting in the same form it comes in. Because the ULC is a confederation of state commissions on uniform laws, close issues are decided by polling state delegations. Regardless of the number of representatives from each state, each state has only one vote.

Shortly after the annual meeting, the committee with uncompleted drafts begins incorporating changes made during the meeting and dealing with new problems raised by commissioners as well as others. A revised draft is prepared for the next annual meeting.

Proposals are subjected to this rigorous procedure for at least two annual meetings before they become eligible for designation as ULC products. The final decision on whether a proposal is ready for promulgation to the states is made near the close of an annual

meeting--again on a one-state, one-vote basis. But the procedure can take much longer. Because of complexities in the law, more than a decade has elapsed before some proposals were adopted by the ULC.

The work of the ULC simplifies the legal life of businesses and individuals by providing rules and procedures that are consistent from state to state. It also insures that problems can be solved close to home in state courts and agencies rather than lost in overworked federal courts and U.S. departments and agencies.

### FINANCIAL SUPPORT

The Uniform Laws Conference is a state organization. In 1945 Montana enacted a statute providing for the appointment and specifying the responsibilities of Commissioners from Montana to the Conference. It is supported by assessments upon member states and contributions from the American Bar Association. State assessments are determined according to population. Montana is in the lowest category. The dues assessments for 1991 and 1992 will be approximately \$6,000 per year. In addition, states pay traveler expenses for commissioners to attend the annual meeting of the Uniform Conference of Commissioners. On occasion, the Conference has requested financial support from foundations and similar public-spirited groups and persons whenever a proposed uniform act requires extensive research and numerous meetings of advisors. Occasionally, experts in particular fields are retained as reporters to assist the drafting committee on a sustained basis.

ULC gets maximum results from minimum budgets because its major asset--drafting expertise--is donated. The only compensation received by Uniform Law Commissioners is that of knowing they have provided states with solutions to their legal problems. They receive no salaries or fees for their work as commissioners.

This means that lawyers devote hundreds and even thousands of hours--amounting in some cases to millions of dollars worth of time--to the development of ULC proposals. No state could afford the bills for the legal expertise that goes into the drafting of each ULC uniform or model act.

In appraising ULC's value to the states, it is also important to look at its impact on their treasuries. Most ULC proposals rely on "private law," or law governing individual relationships without intervention or regulation by any state agency--except where redress is sought in state courts for breach of a legal obligation. By contrast, "public law" provides for regulation, generally by an executive agency. ULC helps states avoid the costs of creating new regulatory agencies.

Although Montana commissioners are required by statute to attend annual meetings of the Uniform Laws Conference, in each of the last two years, they have not been reimbursed for their expenses allowed by state law. The reimbursement to each commissioner attending the annual meetings of the Conference in 1989 and 1990 has been in the range of 25 percent.

#### MONTANA COMMISSION

The Uniform Laws Conference is a confederation of state commissions. There are five active Montana Uniform Law Conference Commissioners. Three of them serve as appointees of the Governor: E. Edwin Eck III, Joseph P. Mazurek, and James E. Vidal; one serves as an elected life member after 20 years of continuous service--Robert E. Sullivan; one serves as an associate member as a representative of the Legislative Council pursuant to the bylaws of the Conference--Gregory J. Petesch.

Montana commissioners have contributed and continue to contribute, significantly to the work and the product of the Uniform Laws Conference. In recognition of their interest and of the participation of other Montana commissioners over the years, recent appointees have been placed on working committees of the Conference. Commissioner Eck is one of three members of the committee to review the Revised Principal and Income Act before it is submitted to the Conference for consideration. Commissioner Vidal is one of seven members of the Committee on Liaison with the Uniform Law Conference of Canada and International Organizations and one of eight members of the Joint Committee for Cooperation Between Uniform Law Conference of Canada and the National Conference of Commissioners on Uniform State Laws (four members each from Canada and the United States). Commissioner Petesch was the drafting liaison for the Model Surface Use and Mineral Development Accommodation

Act promulgated by the Conference at the 1990 annual meeting. Commissioner Mazurek has served as a member of several drafting committees and is currently Chair of Division B of the Conference. There are seven divisions in the Conference. The Division Chair is a member ex officio of each committee assigned to the division and facilitates the work of each committee. There are seven committees currently assigned to Division B. Commissioner Sullivan has served as a member and chair of several drafting committees and chair of two Division of the Conference on separate occasions for several years. He also served as Vice President of the Conference in 1970 and 1971. He is currently a member of four committees and one subcommittee of the Conference.

DIGEST OF RECOMMENDED ACTS TO THE  
GOVERNOR AND THE LEGISLATURE

The following is a summary of Uniform Acts recommended for introduction and passage by the 1991 Legislature:

UNIFORM COMMERCIAL CODE, ARTICLE 2A--LEASES

The Uniform Commercial Code (UCC), Article 2A--Leases, governs any lease of personal property (or goods), whether the transaction is a "true lease" or a "finance lease." The former occurs when the lessor gives possession and right to use the personal property to the lessee for a fixed period of time in return for rent. A "finance lease" occurs when the lessor is not the fundamental supplier of the goods leased, but leases goods to lessees as a means of financing their sale. Article 2A is largely derived from the sales article of the UCC--Article 2. It provides basic contract rules, including matters of offer and acceptance, statutes of frauds, warranties, assignment of interests, and remedies upon breach of contract.

REVISED UNIFORM COMMERCIAL CODE ARTICLE 3--  
NEGOTIABLE INSTRUMENTS

The law pertaining to drafts, checks, and notes, and the rules for negotiation of these instruments have been contained in Uniform Commercial Code Article 3 since 1951. It carried forward the earlier Negotiable



Instruments Law, promulgated in 1896. These instruments for payment of money or creation of debt are distinguished by the ability to transfer them freely from person to person. They always contain an unconditional promise to pay money and are negotiated by delivery from one holder to another, and in the case of order instruments, by appropriate endorsement. To encourage free transfer of such instruments and to make sure of an unimpeded market, Article 3 establishes the "holder in due course," who is any holder or possessor of the instrument, receiving it for value in good faith and without knowledge of any defects in it. The holder in due course may obtain payment of the instrument when due, even when it is defective. Revised Article 3 continues these principles in an updated form. The revisions do not change the general character of negotiable instruments, but solve problems that have inevitably arisen in the 38 years since Article 3 was promulgated. For example, under revised Article 3, negotiability is assumed for an instrument, unless there is language on the face of the instrument making it nonnegotiable. This contrasts with the original formal and mechanical rules for establishing the character of the instrument. These rules were punitive for any person who made a simple mistake in the drafting of a negotiable instrument. The new Article 3 modernizes the law, hopefully for the next 40 years.

#### UNIFORM COMMERCIAL CODE ARTICLE 4A--FUNDS TRANSFERS

Article 4A is an entirely new article for the Uniform Commercial Code. It governs the transfers of large sums of money between commercial entities, generally by electronic means through the banking system. Consumer transactions are excluded from Article 4A and are subject to federal law under the Electronic Funds Transfer Act of 1978. There are two systems, nationally, that most banks use for large transfers--the Federal Reserve network (Fedwire), and the Clearing House Interbank Payments Systems (CHIPS). The rules of such networks supersede the rules in Article 4A. Article 4A, otherwise, establishes basic rules governing the payment of large sums of money. Payment begins with payment orders initiated by entities to banks with which these entities have contracts for processing such orders. Successive payment orders are sent from bank to bank until the final one reaches the bank designated to receive the payment on behalf of the entity that is to be paid. When the funds are finally available to the entity at the final receiving bank, the

Exhibit # 5  
1/18/91 SJR 1

transfer is complete. The banks then settle their accounts by crediting or debiting appropriate accounts. Article 4A is particularly important for establishing which entity or bank is liable in the event something goes wrong with the ordered payment. Generally, the liability falls to the entity responsible for the error. Banks may mitigate liability by establishing commercially reasonable security systems for the benefit of their customers. Article 4A applies mostly to large corporate transfers of money for which electronic transfers are the most efficient.

#### UNIFORM COMMERCIAL CODE REVISED ARTICLE 6--BULK SALES

Article 6 protects a bulk seller's creditors by requiring the bulk sale buyer to give notice of the sale to those creditors. Under Revised Article 6, a bulk sale is a sale of more than half of a business's inventory and related equipment outside the ordinary course of business. Revised Article 6 provides that the bulk sale buyer may give notice to creditors by filing with the Secretary of State if there are more than 200 creditors or the seller swears that there are more than 200 creditors. Otherwise, each creditor must receive notice. A schedule of distribution for proceeds must be kept by the bulk sale buyer for six months after the sale. The schedule must be given to any creditor who requests a copy. Noncompliance with Revised Article 6 entitles creditors to damages instead of voiding the sale, as was the case under original Article 6. Very small sales and very large sales are excluded from the requirements of Article 6, since creditor protection is not needed in either case. Revised Article 6 provides an updated, less burdensome version of bulk sales law.

#### UNIFORM CONFLICT OF LAWS LIMITATIONS ACT

This Act treats statutes of limitations as substantive, rather than procedural. This means that a forum state, in choosing the law of another state through its choice-of-law rules, would then, also, choose the applicable statute of limitations of that other state. This rule contrasts with the ordinary, existing rule which treats statutes of limitations as procedural. The forum state always uses its own procedural law. But the existing rule, in interstate cases, merely encourages unnecessary forum shopping, which the Uniform Act would

discourage. There is one exception to the rule of this Act. A state may choose its own statute of limitations if the borrowed statute is so unfair that it would deprive a litigant of a right to litigate. This Act replaces and supersedes the Uniform Statute of Limitations on Foreign Claims Act.

#### UNIFORM CONTROLLED SUBSTANCES ACT (1990)

This is a revision of the Act adopted in Montana in 1969. Amendments to the federal law on the subject in 1984 and additional federal legislation in 1986 and 1988 were considered by the drafting committee. Many, but not all, of the federal revisions have been incorporated in this revised Act. Additional provisions, not found in federal law have been incorporated in the revised Act. Advisors to the drafting committee included representatives from the American Bar Association, American Medical Association, and the National Association of State Controlled Substances Authorities. There was also active participation in the work of the drafting committee by representatives of the National Association of Attorneys General, the National District Attorneys Association, and the Federal Drug Enforcement Administration.

#### UNIFORM ESTATE TAX APPOINTMENT ACT

This Act was adopted in Montana in 1974. The 1982 amendments to the Uniform Act clarify the relationship of federal and state law by providing that "liabilities of Federal law control."

#### UNIFORM FOREIGN-MONEY CLAIMS ACT

In the United States, judgments are stated and paid in dollars, notwithstanding the fact that in litigation, arbitration, and other actions pertaining to the allocation of money, a foreign currency may be the better alternative for the establishment of damages or of allocated shares in a fund of money. This Act dissolves the old limitations on acceptance of foreign currency. A litigant can petition to have a lawsuit valued in a foreign currency. If the foreign currency is deemed to be the one most related to the transaction or the legal loss that is the basis of the action, the court may use the

JAN-18-1991 08:43 FROM GOUGH SHANAHAN LAW FIRM TO

Exhibit # 5  
1/18/91 SJR 1

foreign currency to establish damages. Foreign currency can also be used to value an arbitration award, and to value what are called in this Act, "distribution proceedings." Because it may be necessary to obtain actual payment of a judgment in dollars, the Act allows conversion from the foreign currency into dollar value at the date the judgment is paid. This date reduces the risk of currency fluctuation for successful litigants.

#### UNIFORM FOREIGN MONEY-JUDGMENTS RECOGNITION ACT

In most states of the Union, the law on recognition of judgments from foreign countries is not codified. In a large number of civil law countries, grant of conclusive effect to money-judgments from foreign courts is made dependent upon reciprocity. Judgments rendered in the United States have in many instances been refused recognition abroad either because the foreign court was not satisfied that local judgments would be recognized in the American jurisdiction involved or because no certification of existence of reciprocity could be obtained from the foreign government in countries where existence of reciprocity must be certified to the courts by the government. Codification by a state of its rules on the recognition of money-judgments rendered in a foreign court will make it more likely that judgments rendered in the state will be recognized abroad.

The Act states rules that have long been applied by the majority of courts in this country. In some respects the Act may not go as far as the decisions. The Act makes clear that a court is privileged to give the judgment of the court of a foreign country greater effect than it is required to by the provisions of the Act. In codifying what bases for assumption of personal jurisdiction will be recognized, which is an area of the law still in evolution, the Act adopts the policy of listing bases accepted generally today and preserving for the courts the right to recognize still other bases. Because the Act is not selective and applies to judgments from any foreign court, the Act states that judgments rendered under a system which does not provide impartial tribunals or procedures compatible with the requirements of due process of law shall neither be recognized nor enforced.

The Act does not prescribe a uniform enforcement procedure. Instead, the Act provides that a judgment entitled to recognition will be enforceable in the same

manner as the judgment of a court of a sister state which is entitled to full faith and credit.

In the preparation of the Act codification efforts made elsewhere have been taken into consideration, in particular, the [British] Foreign Judgments (Reciprocal Enforcement) Act of 1933 and a Model Act produced in 1960 by the International Law Association. The Canadian Commissioners on Uniformity of Legislation, engaged in a similar endeavor, have been kept informed of the progress of the work. Enactment by the states of the Union of modern uniform rules on recognition of foreign money-judgments will support efforts toward improvement of the law or recognition everywhere.

#### UNIFORM FRAUDULENT TRANSFER ACT

The Uniform Fraudulent Transfer Act substantially revised the Uniform Fraudulent Conveyance Act of 1918. It creates a class of transfers of property by debtors that is fraudulent to creditors. This class of transfers would, generally, have the effect of depriving creditors of assets that would, otherwise, be available to satisfy debts when the debtor becomes insolvent or is about to become insolvent. Transfers that are intended to defraud creditors, that are made "without receiving reasonably equivalent value" to make the debtor "judgment proof," or that are made "without receiving reasonably equivalent value" when the debtor is insolvent are examples of fraudulent transfers. Such transfers are generally voidable on behalf of creditors. Creditors may, also, have damages. The new Act updates terminology that has become obsolete since 1918. It is more specific on what constitutes fraud, and introduces new law on "insider" transactions and on the effect of fraudulent transfers on innocent transferees.

#### UNIFORM LAW ON NOTARIAL ACTS

This Law provides for notarization or signature verification for all forms of acknowledgment, oath taking, witnessing, and certifying, as required in the law of any state. It simplifies all required forms, and standardizes them. Most importantly, it provides for the recognition of out-of-state, federal, and foreign notarial acts in any enacting state. This Law combines and supersedes the

Uniform Acknowledgment Act and the Uniform Recognition of Acknowledgment Act.

UNIFORM MARKETABLE TITLE ACT

The purpose of this Act is to simplify the transfer of interests in land by shortening the necessary period of retrospective title search. The basic idea is to codify the tradition of conducting title searches, not to the original creation of title, but for a reasonable period. It provides that if a searcher of title finds a chain of title with a document at least 30 years old, no further search back in time is required. There are provisions for the recording of intent to preserve an interest if there is a document of record more than 30 years old to prevent a later document from cutting off the effect of documents upon which the claim relies. There are also provisions for rerecording and for the protection of persons using or occupying land to prevent fraudulent use of the Act to eject people who are the true owners of the property. Specified interests in land are excluded from the operation of the Act.

UNIFORM RIGHTS OF THE TERMINALLY ILL ACT (1989)

This Act provides alternative means for a competent adult to provide instructions to a physician regarding withdrawal of life-sustaining treatment when the individual is suffering the last stages of a terminal illness and is no longer capable of communicating with the physician. The first alternative is a declaration that treatment be withdrawn. Such declarations are commonly known as "living wills." The other alternative is a declaration appointing another person to make such decisions as a surrogate or attorney-in-fact. These are fully enforceable declarations. The Act, also, provides for family members to consent to the withdrawal of life-sustaining treatment in such a situation in the event an individual has not executed such a declaration. Family members are able to consent in a specific order of priority.

UNIFORM STATUTORY RULE AGAINST PERPETUITIES (1990)

This is an amendment to the Act adopted in Montana in 1989. It adds a new subsection (e) to Section 1. It

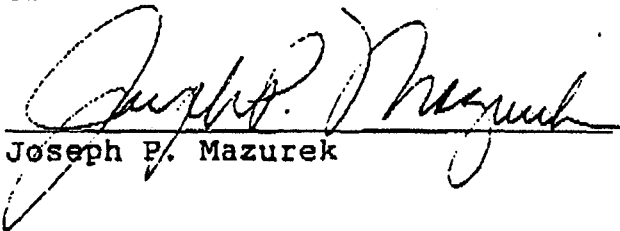
addresses the provisions of a trust or other property arrangement that provides periods of vesting or termination that may be inconsistent with the prescribed 21-year statutory period.

FOR THE MONTANA COMMISSIONERS

E. Edwin Eck III  
Joseph P. Mazurek  
Gregory J. Petesch  
Robert E. Sullivan  
James E. Vidal

October 31, 1990

By:

  
Joseph P. Mazurek

8055M

1-18-91  
SB 6



Norwest Capital Management & Trust Co.  
Montana  
Norwest Bank Building  
Post Office Box 597  
Helena, Montana 59624  
406/447-2050

January 17, 1991

John P. Cadby  
Montana Bankers Association  
One North Last Chance Gulch  
Helena, MT 59601

TO	INITIAL	DATE
John		For Mr. Cadby's use
Cheri		For Mr. Cadby's use
Tammi		For Mr. Cadby's use
Alex		Return Original To
Bev		File
Sharon		

Re: Senate Bill No. 6

Dear Mr. Cadby:

You have asked that I comment as Chairman of the Trust Committee of the Montana Bankers Association concerning Senate Bill No. 6. Senate Bill No. 6 is an amendment to Section 70-1-802 of the Montana Code Annotated. This section of the code is entitled "Uniform Statutory Rule Against Perpetuities" (USRAP). The definition of the Law of Perpetuity is stated in Section 70-1-802 (1) as follows:

A non-vested property interest is invalid unless;  
(a) when the interest is created, it is certain to vest or terminate no later than twenty<sup>one</sup> years after the death of an individual then alive; or (b) the interest either vests or terminates within ninety years after its creation.

Of the above (a) is the old common law rule. If a trust did not fit into this life plus twenty-one years, that portion of the trust was invalid. In 1989, the law was improved by adding (b) which allowed the trustee to keep the trust in effect for up to ninety years to see if the life plus twenty-one years was, in fact, attainable.

I have enclosed a copy of a letter from E. Edwin Eck who was involved in the drafting of this bill wherein he states the purpose of the bill. In his letter he states that the main purpose of this bill is to satisfy the IRS with regard to those irrevocable trusts that are presently grandfathered for generation-skipping transfer tax. Briefly, the generation-skipping transfer tax is a tax on a trust that skips a generation. For example, if you had



John P. Cadby  
January 17, 1991  
Page Two

a trust that continued for the lifetime of your children and distributed to your grandchildren, you are skipping the generation of your children. If the trust is large enough under the Generation-Skipping Transfer Tax Law, a tax would be imposed upon the death of a child; then the trust could continue for the benefit or distribute to the second generation.

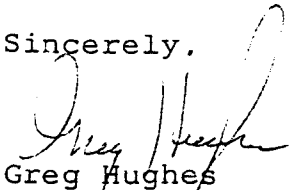
Prior to September 26, 1985, you could skip a generation without incurring a transfer tax. All trusts that were irrevocable prior to September 26, 1985, are grandfathered.

The purpose of this bill, as previously mentioned, is to protect those trusts that are grandfathered for generation-skipping transfer tax.

I realize this is very complicated, as not only does it involve the rule against perpetuities but the generation-skipping transfer tax, both which very seldom come into play, especially here in Montana.

As chairman of the trust committee of the MBA, I do request that the MBA support this bill so Montana is in conformity with the rest of the states that have adopted the uniform code.

Sincerely,



Greg Hughes  
Assistant Vice President  
and Trust Officer

Enclosure

University of  
**Montana**

7 SB 6  
1-18-91  
School of Law  
University of Montana  
Missoula, Montana 59812-1071  
(406) 243-4311

January 10, 1991

Rep. Howard Toole  
Montana House of Representatives  
State Capitol Complex  
Helena, Montana 59620

Re: Uniform International Wills Act  
Uniform Statutory Rule Against Perpetuities Act

Dear Howard:

Just a note to thank you for your willingness to sponsor the above two acts.

I confirmed with the Legislative Council that Sen. Joe Mazurek has already made drafting requests for both of these acts. The amendments to the Uniform Statutory Rule Against Perpetuities Act have been assigned L.C. number 145. The Uniform International Wills Act has been assigned L.C. number 530.

The Legislative Council further advises me that your introduction of both of these acts will not count as bill drafting requests by you.

Uniform Statutory Rule Against Perpetuities Act ("USRAP")- amendment.  
Montana adopted this Act in 1989. The Act validates a number of contingent interests which would have been invalid under the common law rule.

Subsequent to the adoption of USRAP, the Internal Revenue Service raised an issue concerning its application to the federal generation-skipping transfer tax system. The federal generation skipping transfer tax does not apply to irrevocable trusts created before September 26, 1985. Such trusts are said to be "grandfathered" from the tax. The USRAP amendment is designed to save the "grandfather" status of pre-September 26, 1985 trusts which contain certain "savings clauses." The Treasury has given informal approval to this amendment.

Uniform International Wills Act. The purpose of this act (part of the national Uniform Probate Code, but not part of the Montana Uniform Probate Code) is to provide testators with a way of making wills valid as to form in 42 countries which were represented at a 1973 Convention in Washington, D.C. on the topic.

Representative Howard Toole  
January 10, 1991  
Page 2

Conclusion. I appreciate your willingness to sponsor these Acts. If you wish additional information from me or testimony at a hearing, please give me a call at 243-6534.

Again, thank you.

Sincerely,

E. EDWIN ECK  
Professor  
Uniform Law Commissioner

cc:

Sen. Joseph P. Mazurek  
P.O. Box 1715  
Helena, MT 59624

Dean Robert E. Sullivan  
112 Hillcrest Loop  
Missoula, MT 59803

Mr. James E. Vidal  
P.O. Box 728  
Kalispell, MT 59901

*Greg - Here is another way  
to restate the USRAP Amendment*

If a trust termination clause calls for ending the trust at the expiration of (i) a period of years exceeding 21 or (ii) specified lives in being (plus 21 years if the drafter chooses), whichever is later, the first alternative termination date (a period of years) will be disregarded and the clause will operate to terminate the trust only on the expiration of the latter event.

DATE 18 Jan 91

COMMITTEE ON Senate Judiciary

# VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
- Steve Nelson	Crime Control			
- John Connor	MT County Attorneys Assn	37	✓	
- Jan Shaw	Helena Youth Resources	37 <del>02</del>	X	
- Ann Gilling	DFS			
- John Melcher Jr	DFS			
- Tim McCauley	Juvenile Probation Officers Assoc.	37	X	
- Ann Swaback	Juvenile Probation	37	X	
- Mike O'H	Juvenile Prob.	37	X	
- ZICK GASVODA	CASCADE COUNTY	37	X	
- Barbara J. Monaco	Juv. Prob. Lake County	37	X	
- Joe Mallett	DFS	37		
- Rick Latere	Sheriff's & Peace Officers Assn	37	X	
- Dave Anderson	MALCO	37	✓	
- Gordon Morris	MALB	37	✓	
- Ed Hall	MBCC	SB 37	✓	
- Candy Wimmer	MBCC	SB 37	✓	
- Don Meel	Juv Prob off - Don	37	✓	