

## MINUTES

### MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By Chairman J.D. Lynch, on March 20, 1991, at  
10:00 a.m.

#### ROLL CALL

##### Members Present:

J.D. Lynch, Chairman (D)  
John Jr. Kennedy, Vice Chairman (D)  
Betty Bruski (D)  
Eve Franklin (D)  
Delwyn Gage (R)  
Jerry Noble (R)  
Gene Thayer (R)  
Bob Williams (D)

Members Excused: Thomas Hager (R)

Staff Present: Bart Campbell (Legislative Council).

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

Announcements/Discussion: None

#### HEARING ON HOUSE BILL 742

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

Representative David Wanzenried, sponsor of the bill, stated that HB 742 strengthens the requirements for being a boat dealer in Montana. The bill expands the number of days in a grace period to thirty days for getting the actual proof of ownership of the boat. The bill requires that in order to conduct business as a boat dealer in Montana you have to post bond. The bill requires that a principle place of business be maintained.

##### Proponents' Testimony:

Ken Hoovestahl, representing the Montana boating association, stated that the primary purpose of the bill is not restricting the enterprise. The bill controls the use of dealer plates. It is patterned very much after the snowmobile law.

##### Opponents' Testimony:

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Daryl (Bud) Schoen, representing the department of justice motor vehicle division, stated that the department does not oppose this bill, they are neutral.

Questions From Committee Members:

Senator Kennedy asked if this would effect occasional sales.

Representative Wanzenried stated that the bill only deals with people that are holding themselves out as boat dealers selling a particular line of boats.

Ken Hoovestahl stated that it does not have any effect of individual selling. It does not have any effect on a boat dealer that calls himself a dealer, and buys wholesale and sells retail who doesn't want to use strictly dealer plates.

Closing by Sponsor:

Representative Wanzenried closed. Senator Kennedy to carry the bill to the floor.

EXECUTIVE ACTION ON HOUSE BILL 742

Motion:

Senator Noble moved HB 742 be concurred in.

Discussion:

None

Amendments, Discussion, and Votes:

None

Recommendation and Vote:

The motion made by Senator Noble that HB 742 be concurred in passed unanimously.

HEARING ON HOUSE BILL 703

Presentation and Opening Statement by Sponsor:

Representative Dorothy Bradley, sponsor of the bill, stated that the purpose of HB 703 is to place two million dollars, which is out of the seven point five million seed capital fund of the science and technology alliance, given the option to place that into two venture capital firms.

Proponents' Testimony:

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Senator Bruce Crippen, co-sponsor of the bill, stated that this is a continuation of a number of bills that we have seen in this legislature, and previous legislative sessions that deal with using some of our resources that we have as a state to help build our economy. At the present time, Montana is hopefully coming out of a recession. While we are largely dependent on some of the circumstances that are outside of the state, to great extent we are dependent on what we can do within the state. Montana is a good example of the type of an area that an information age.

Don Peoples, chief executive officer of the Montana technology company, stated private venture capital is a needed element in Montana's economic development, and it is a missing component in our economic development program in the state. Without this bill, he would have serious concerns whether we will be able to put together a private venture capital fund in the state of Montana. It is a necessary, complimentary program to the Montana science and technology efforts, and also a complimentary effort to private companies such as Montana technology company.

Dave Lewis, executive director of Montana board of investments, stated they did enter into a contract with an outside venture capital manager. They committed about twenty million dollars to this venture capital manager, and in return for that commitment they have asked them to review all of the Montana deals that they submit to them. They have looked at fifteen to twenty different deals. The kinds of things that we have in Montana don't fit the normal competitive market for venture capital. We're much more early stage than the kinds of things that they are looking at nationally. The logical and most reasonable thing to do is give science and technology alliance the authority to make the correct venture capital investments in the state.

Carl Russell, executive director of the Montana science and technology alliance, stated the board has looked at the bill, they support the bill along with the commerce department.

Mark Simmons, vice president of investment banking for D.A. Davidson company in Great Falls, Montana, stated that the measure in body in HB 703 is necessary and deserving of the committee's support. It is not simply an academic issue, there is truly a capital gap in Montana. There are many promising young businesses in Montana that are very deserving of funding with one or two professionally managed private venture firms. Those businesses will have a place turn. HB 703 is a measure that is both fiscally responsible and economically vital for Montana.

Steve Huntington, one of the managing general partners in mountain west ventures, stated that there are good opportunities to invest in the state. Venture capital is a highly specialized form of finance that has been badly missing in Montana forever. This bill allows mountain west to make loans to private venture capital companies. It is not a grant, the state should get a significant return on its money. The bill is permissive, it does not require mountain west ventures to do this, it allows it to seek private funds in which it might want to invest. This is not

BU032091.SM1

new money, this is money that is already available from science and technology.

Jim Smith, representing the Montana residential childcare association, stated that the state's economy is a no growth economy. The state began with a venture capital loan.

Buck Boles, representing the Montana chamber of commerce, stated that these provisions in this bill will help begot some other opportunities, and cause some attention to be placed in Montana which might open up some other opportunities.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Thayer stated that he was confused about the language in the title section five, page thirteen.

Representative Bradley stated that the total out of that seven point five million that can go to venture capital is no more two million. No more that one million can go to one entity.

Senator Lynch stated the language is not grammatically correct.

Closing by Sponsor:

Representative Bradley closed. Senator Crippen to carry the bill to the floor.

EXECUTIVE ACTION ON HOUSE BILL 703

Motion:

Senator Thayer moved to amend HB 703.

Senator Thayer moved HB 703 be concurred in as amended.

Discussion:

None

Amendments, Discussion, and Votes:

The motion made by Senator Thayer to amend HB 703 passed unanimously.

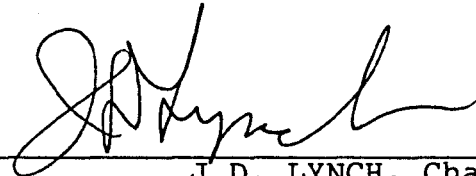
Recommendation and Vote:

The motion made by Senator Thayer that HB 703 be concurred in as amended passed unanimously. Senator Crippen will carry the

bill to the floor.

ADJOURNMENT

Adjournment At: 11:10 a.m.



J.D. LYNCH, Chairman



DARA ANDERSON, Secretary

JDL/dia

ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

DATE

3/20/91

52ND LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BRUSKI	X		
SENATOR FRANKLIN	X		
SENATOR GAGE	X		
SENATOR HAGER			X
SENATOR NOBLE	X		
SENATOR THAYER	X		
SENATOR WILLIAMS	X		
SENATOR KENNEDY	X		
SENATOR LYNCH	X		

Each day attach to minutes.



ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 3/20/91 Bill No. HB 703 Time 10 a.m.

NAME	YES	NO
SENATOR WILLIAMS	X	
SENATOR THAYER	X	
SENATOR NOBLE	X	
SENATOR HAGER	X	
SENATOR GAGE	X	
SENATOR FRANKLIN	X	
SENATOR BRUSKI	X	
SENATOR KENNEDY	X	
SENATOR LYNCH	X	

DARA ANDERSON

J.D. LYNCH

Secretary

Chairman

Motion:

AMEND THE TITLE



Amendments to House Bill No. 703  
Third Reading Copy

For the Committee on Business and Industry

Prepared by Bart Campbell  
March 20, 1991

1. Title, line 7.

Following: "TO"

Insert: "USE UP TO \$2 MILLION TO"

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 3/20/91 Bill No. HB703 Time 10 a.m.

NAME	YES	NO
SENATOR WILLIAMS	X	
SENATOR THAYER	X	
SENATOR NOBLE	X	
SENATOR HAGER	X	
SENATOR GAGE	X	
SENATOR FRANKLIN	X	
SENATOR BRUSKI	X	
SENATOR KENNEDY	X	
SENATOR LYNCH	X	

DARA ANDERSON

J.D. LYNCH

Secretary

Chairman

Motion: BE CONCURRED IN AS AMENDED  
CRIPPEN TO CARRY

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 3/20/91 Bill No. 1-13742 Time 10 a.m.

NAME	YES	NO
SENATOR WILLIAMS	X	
SENATOR THAYER	X	
SENATOR NOBLE	X	
SENATOR HAGER		
SENATOR GAGE		
SENATOR FRANKLIN		
SENATOR BRUSKI	X	
SENATOR KENNEDY	X	
SENATOR LYNCH	X	

DARA ANDERSON

J.D. LYNCH

Secretary

Chairman

Motion: Be Concurred In.

SENATE STANDING COMMITTEE REPORT

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March 20, 1991

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration House Bill No. 703 (third reading copy -- blue), respectfully report that House Bill No. 703 be amended and as so amended be concurred in:

1. Title, line 7.

Following: "TO"

Insert: "USE UP TO \$2 MILLION TO"

Signed: \_\_\_\_\_

  
John J. Lynch, Chairman

3-20-91  
And. Coord.

SB 3-20  
Sec. of Senate

12:31

SENATE STANDING COMMITTEE REPORT

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March 20, 1991

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration House Bill No. 742 (third reading copy -- blue), respectfully report that House Bill No. 742 be concurred in.

Signed: \_\_\_\_\_

  
John "J.D." Lynch, Chairman

*LM 3-20-91*  
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Amd. Coord.

\_\_\_\_\_  
Sec. of Senate

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