

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT**

**Call to Order:** By **CHAIRMAN STEVE BENEDICT**, on January 7, 1993,  
at 8:00 A.M.

#### **ROLL CALL**

##### **Members Present:**

Rep. Steve Benedict, Chair (R)  
Rep. Sonny Hanson, Vice Chair (R)  
Rep. Bob Bachini (D)  
Rep. Joe Barnett (R)  
Rep. Ray Brandewie (R)  
Rep. Vicki Cocchiarella (D)  
Rep. Fritz Daily (D)  
Rep. Tim Dowell (D)  
Rep. Alvin Ellis (R)  
Rep. Stella Jean Hansen (D)  
Rep. Jack Herron (R)  
Rep. Dick Knox (R)  
Rep. Don Larson (D)  
Rep. Norm Mills (R)  
Rep. Bob Pavlovich (D)  
Rep. Bruce Simon (R)  
Rep. Carley Tuss (X) (D)  
Rep. Doug Wagner (R)

**Members Excused:** All Present

**Members Absent:** None

**Staff Present:** Paul Verdon, Legislative Council  
Claudia Johnson, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: HB 29, HB 56 AND HB 59  
Executive Action: HB 51 AND HB 56

#### **HEARING ON HB 29**

##### **Opening Statement by Sponsor:**

**REP. VIVIAN BROOKE**, House District 56, Missoula, said HB 29  
prohibits the sale of fine art or signed reproductions without

written disclosure of pertinent information and creates an express warranty respecting information disclosed. She said this bill has created a lot of controversy and there would be a number of witnesses. Because of the proponents' concerns she asked that the committee indulge in resolving the differences by continuing the hearing at a later date if necessary.

#### Proponents' Testimony:

**Dennis Kern, Montana Art Gallery Director's Association**, said this bill was initiated and composed by the association because of the many concerns of artists. Art educators are constantly faced with the misunderstanding of what constitutes an original print. Non-profit galleries are continually confronted with misunderstandings that often arise from how works of art are represented in the marketplace. He said that disclosure should be required when a work of art is being represented as something other than a reproduction. There have been instances where such editions have sold out and another edition has been printed, then a third etc., than the edition is not limited. He said there are 11 states that have statutes covering sale and disclosure of fine art. He presented written testimony. **EXHIBIT 1**

**Rep. Bob Ream, House District 54, Missoula**, stated his support for HB 29. With the size of Montana and influx of people moving here, there is a high volume of artists coming into the state who need to be protected. He urged the committee to keep an open mind and work with the artists before they voted against it.

**REP. JOHN BOHLINGER, House District 94, Billings**, said he was involved with the Yellowstone Fine Arts Council and was past president of the Council. Without present legislation, people are able to copy original works of art, take them to the market place and identify them as limited editions and sell them for huge profits. He urged the committee to consider HB 29.

#### Opponents' Testimony:

**Robert F. Morgan, Artist, Clancy**, said he has been actively involved in the art community for the past 50 years. He said HB 29 creates more problems than it solves. A simple inquiry of artists or dealers will give the buyer any information required. The integrity of the artist or dealer is the cornerstone of legitimate sales and longevity. He urged the committee to kill HB 29. **Mr. Morgan** presented written testimony, a letter from Jack Hines, Big Timber, and a petition from Mark Ogle Studios, Kalispell. **EXHIBITS 2, 3 and 4.**

**Russ Ritter, representing himself, Paul Mason Gallery and Dr. Vankirk Nelson** who also owns a gallery in Kalispell, spoke on behalf of the two galleries stating they all supported Mr. Morgan and urged the committee to not pass HB 29.

Cliff Cason, Cason Gallery, Helena, said the art dealers do not need this piece of legislation, and urged the committee do not pass HB 29.

No-Ponent:

Gloria Hermanson, Montana Cultural Advocacy Coalition, said she is neutral in this issue. The intent of this bill is appropriate, but there is a rift in the art community regarding the content of the bill. She supports REP. BROOKE'S request for the committee to further work on the bill so they can come to a compromise on the issues with the art community.

Informational Testimony:

CHAIRMAN BENEDICT asked the committee if any of them objected to continuing HB 29 at a later date. He informed the committee if there is one objection for the continuation then it would be cancelled and they would have to take some kind of action on the bill at this time.

Questions From Committee Members and Responses:

REP. PAVLOVICH asked if a poll had been taken in Montana of all the artists and art galleries to determine if they were for or against HB 29. Dennis Kern said they have asked galleries, art students, the Fine Arts Association, and people in the communities, and everyone was for HB 29, but a direct poll was not taken.

REP. BRANDEWIE asked how many non-profit galleries belong to the Fine Arts Association. Dennis Kern said there are approximately 20 galleries. REP. BRANDEWIE asked if a list of the non-profit galleries that support this bill could be submitted to the committee. Mr. Kern replied that he would.

Closing by Sponsor:

REP. BROOKE said she will continue this discussion on January 13, 1993.

HEARING ON HB 56

Opening Statement by Sponsor:

REP. LINDA NELSON, House District 19, Medicine Lake, said HB 56 is a request from the Department of Commerce (DOC) revising performance bond requirements for lottery contracts. HB 56 will give the commission the authority to determine the amount of the performance bond secured by the vendors when a contract is aborted. The law currently requires that a bond equal to the amount of the contract (this is acceptive, and may result in the lottery receiving less than favorable bids) makes it difficult to comply with, if not impossible. Contracts are usually awarded

for several years and it is impossible to project accurately that far in advance the amount of sales that will take place. HB 56 does not expand the lottery or gambling, but will give the lottery more flexibility in their rules.

**Proponents' Testimony:**

**Sandra Guedes, Outgoing Director of Montana Lottery**, said she does not perceive any negative impact against HB 56. HB 56 will allow the lottery to operate as efficiently as possible. **Ms. Guedes** urged the committee to support HB 56.

**Rep. Bob Pavlovich, House District 70, Butte**, wanted to be on record in support of HB 56.

**Opponents' Testimony:**

None

**Questions From Committee Members and Responses:**

**REP. MILLS** asked if this bill was left open-ended would it be possible for the commissioner of the board to say that a person is undesirable and make the bond higher knowing that person wouldn't be able to match it? **Sandra Guedes** said when the bids are let the request for proposal specifies what the requirements are. The vendors know upfront when they are selected that they will have to put out so much for the bonds for each year of the contract and all the items required of them in the contract. It would be impossible for the lottery commission to make any arbitrary decision after the fact. **REP. MILLS** asked if everything is done on a bid basis? **Ms. Guedes** said that is correct. **Ms. Guedes** said the lottery has very stringent security requirements before a bid is awarded to any contractor.

**REP. SIMON** asked if there are any contracts about to expire or need to be re-negotiated. **Ms. Guedes** said there are two major contracts that will be available: 1) the lottery terminals and services associated with it, but will not expire for approximately three years; and 2) printing of the scratch tickets is available now. The printers have delivered the last of the tickets under their contract. The request for proposal is being finalized at this time and she expected the contract to be signed sometime in March.

**Closing by Sponsor:**

**REP. NELSON** closed.

HEARING ON HB 59Opening Statement by Sponsor:

REP. LINDA NELSON, House District 19, Medicine Lake, said HB 59 is an act giving the state lottery commission discretion to set time periods and installment amounts for payment of lottery prizes in excess of \$100,000. HB 59 added a short sentence on page 2, line 8 to give the lottery commission the discretion to set the time period of payments. Currently, the law requires a minimum payment of \$20,000 over a period not to exceed 20 years. The lottery is part of a multi-state lottery associated with the powerball lotto game which comprises 46% of Montana's sales.

REP. NELSON said of the 15 member states, Montana is the only one that has such restrictions on prize payments. This could create a problem if there is ever a need to exercise that option and cause Montana to be dropped from the association. REP. NELSON said the lottery is a bright spot in Montana's economic future and needs this legislation. She urged the committee to support HB 59.

Proponents' Testimony:

REP. BOB PAVLOVICH, House District 70, BUTTE, stated his support for HB 59.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

REP. SONNY HANSON said the changes on section 3, page 2, line 6-9, looks like the commission can determine how long they want to pay off a winning lottery ticket, i.e. if a person won \$10 million, the commission could take 50 years to pay it off.

Sandra Guedes replied that is correct. She said if there is nothing to specifically prohibit the commission from doing this they could, but Montana's requirement is more stringent. Within the industry itself, there has never been an incident where the lottery commission has prolonged the payments. The reason involves two issues: 1) the integrity of the lottery, the trust that people have in the lottery being a fair game; and 2) the public relations aspect of the lottery using the winners in advertisements to generate more sales. She said the powerball game that took over the America lottery makes up 46% of the Montana lottery sales and Montana lottery sales make up only 3% of the total multi-state lottery association sales. The intent of the lottery commission is to have lotteries that have legislation that is compatible and have options in case there ever is a problem.

REP. BRANDEWIE asked what is the percentage of the players' dollar returned to Montana. Ms. Guedes said it is approximately 50%.

REP. SIMON asked if the commission in Helena pays out for the powerball or is it a different entity. Ms. Guedes said the Montana Lottery Association is composed of a board of directors from each 15 member state who report and respond to their commission back home. It is not the commission making the decision, but the board of directors.

REP. WAGNER asked if the other states had limits in regards to a payoff. Ms. Guedes said this bill will bring Montana into compliance with the other states.

REP. DAILY asked CHAIRMAN BENEDICT if Ms. Guedes could prepare some amendments that would separate the two areas.

REP. BACHINI asked if there would be a problem in paying off a Montana lotto of \$180,000. Ms. Guedes said each time money comes in, 50% is reverted back to the people, but a small percentage of that goes into a reserve account which covers prizes larger than the average.

Closing by Sponsor:

REP. NELSON closed.

Information: CHAIRMAN BENEDICT informed the committee that executive action on HB 59 would be held 1/8/93.

EXECUTIVE ACTION ON HB 56

Motion: REP. PAVLOVICH MOVED HB 56 DO PASS.

Motion/Vote: The question was called. Voice vote was taken. Motion carried with REP. LARSON voting no.

Vote: HB 56 DO PASS. Motion carried 17 - 1.

EXECUTIVE ACTION ON HB 51

Motion: REP. SONNY HANSON MOVED HB 51 DO PASS.

Discussion: REP. SONNY HANSON explained the architect seals required on plans. For many years a public building was required to have an architectural seal or an engineer's seal on it to show evidence that it was built according to codes. Mike Greely, former attorney general of Montana, ruled and defined a public building as one built with public funds and the codes did not apply for the requirement of an architectural seal on any building that the public had access too. The building codes state that a person must have a license, architect or engineer seal stamped on the drawings. He called it a monolithic slab (a

state that a person must have a license, architect or engineer seal stamped on the drawings. He called it a monolithic slam (a particular structural relationship), i.e. if a person builds a garage that has a monolithic slam they have to have the seal.

**Rep. Hanson** said each city in Montana has different building codes, i.e. in Helena any building under 20 square feet does not require a seal. Any addition to a commercial facility in Helena and 3 miles out of the city limits requires a building permit and that facility automatically requires a seal. Small projects with no structural changes (additions) do not require seals.

**Rep. Larson** asked **Rep. Sonny Hanson** if the architects signed this bill. **Rep. Sonny Hanson** said the bill is not self-serving. He said HB 51 will not make much of a difference to the financial picture, it is usually a fixed figure.

Motion/Vote: REP. BRANDEWIE MADE A SUBSTITUTE MOTION THAT HB 51 DO NOT PASS. Rep. Daily called the question. Roll call vote was taken. Motion CARRIED 13 - 5 with Reps. Ellis, Knox, Larson, Simon, Hansen and Chairman Benedict voting no. EXHIBIT 5

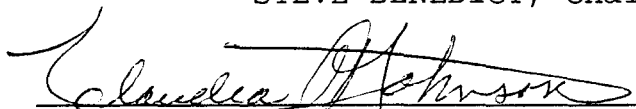
Vote: HB 51 DO NOT PASS. Motion CARRIED 13 - 5.

ADJOURNMENT

Adjournment: 9:50 a.m.



STEVE BENEDICT, Chair



CLAUDIA JOHNSON, Secretary

SB/cj

HOUSE OF REPRESENTATIVES  
53RD LEGISLATURE - 1993  
BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL

DATE

1-7-93

NAME	PRESENT	ABSENT	EXCUSED
REP. ALVIN ELLIS	✓		
REP. DICK KNOX	✓		
REP. NORM MILLS	✓		
REP. JOE BARNETT	✓		
REP. RAY BRANDEWIE	✓		
REP. JACK HERRON	✓		
REP. TIM DOWELL	✓		
REP. CARLEY TUSS	✓		
REP. STELLA JEAN HANSEN	✓		
REP. BOB PAVLOVICH	✓		
REP. VICKI COCCHIARELLA	✓		
REP. FRITZ DAILY	✓		
REP. BOB BACHINI	✓		
REP. DON LARSON	✓		
REP. BRUCE SIMON	✓		
REP. DOUG WAGNER	✓		
REP. SONNY HANSON, VICE CHAIRMAN	✓		
REP. STEVE BENEDICT, CHAIRMAN	✓		

HR:1993

wp.rollcall.man



HOUSE STANDING COMMITTEE REPORT

January 7, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 51 (first reading copy -- white) do not pass.

Signed: Steve Benedict  
Steve Benedict, Chair

HOUSE STANDING COMMITTEE REPORT

January 7, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic  
Development report that House Bill 56 (first reading copy --  
white) do pass .

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

Steve Benedict, Chair

**Testimony prepared in favor of Fine Arts Disclosure 1/7/93 (8:00am)**

EXHIBIT 1  
DATE 1-7-93  
# 29

For the Business and Economic Development Committee of the <sup>5</sup>93rd Legislative Session of the State of Montana

--Prepared by Dennis Kern

This bill was composed because of concerns that many of us who work in the field of Fine Art have had for many years. Arts educators are constantly faced with the misunderstanding of what constitutes an original print. Non-profit galleries are continually confronted by these misunderstandings, also. These misunderstandings often arise from how works of art are represented in the marketplace.

The sale of works of Fine Art in the State of Montana is a large and growing business. This is the result of the excellent environment and relatively reasonable cost of living that Montana provides. There are a large number of working artists residing here who have garnered for themselves reputations on an international level. Their work is sought after by collectors and museums around the world.

The fact that so many successful artists live and work here make the issues that brought this bill before you issues of consequence for artists, patrons, collectors, and dealers. The sale of works of art generates income from outside of the state as well as stimulates the growth of small businesses and cottage industries. Among these businesses are specialized fine art printing establishments, Fine Art Dealers and Galleries, and important corporate sponsorship of the arts.

This bill brings forth three major points to be considered.

We have had many complaints from individuals misled as to what constitutes an original work of art, what determines its value, and what the processes are in creating original prints. Through accurate disclosure many of the problems causing those complaints would not occur. This bill establishes a standardized set of definitions to be used in disclosure, provides uniform requirements and civil remedies for misrepresentation.

The definitions in this bill clarify to artists, dealers, and consumers the proper definitions that accurately represent a work of art. A common misunderstanding, for example, is the inappropriate use of the word "print" to describe what is in reality a photomechanical reproduction of a watercolor, oil painting or other image not conceived in the graphic medium. Many photomechanical impressions have been produced, signed by the artist, numbered as a limited edition and represented as an original print. In the literature of the field of Fine Art, however, an original print is an image which the artist engraved, drew, or in some other manner executed directly in the print matrix and the image does not exist in any other medium.

Disclosure should be required when a work of art is being represented as something

other than a reproduction. The production of limited edition reproductions is one of the most lucrative aspects of the fine art marketplace. Some publishers will produce what is called a limited edition in a number of 45,000. They eventually reach the marketplace selling for as much as \$1500.00 or, in some cases, more than that. The reproduction marketplace has borrowed the nomenclature of the field of fine art. In doing so they have confused the consumer in regards to the definitions that make up an original print.

There have been instances where such editions have sold out and another edition has been printed, a 2nd limited edition, then a third, etc. Thus you can see that such an edition is not truly limited.

Original prints, on the other hand, require more than photo offset technology to produce. The artist, working directly in the medium, has to have an understanding of the inherent qualities of a print medium to make a successful image. These prints are usually produced by hand and are limited to a small number, often less than 100, simply because of the amount of skill and labor required or because of a limited life span of the Matrix. Disclosure would clarify to the consumer that this is an image produced in a much different way than a photomechanical offset lithograph process which is capable of producing an infinite number of copies of an image originally done in a completely different medium.

There are currently at least 11 states that have statutes covering sale and disclosure of Fine Art. These states, because of their support of the fine art marketplace, realized that the consumer needs to be informed in making investment decisions. When consumers purchase stocks or bonds as an investment, they have the right to expect that these investments are being disclosed accurately, and there are civil remedies for misrepresentation. A consumer purchasing a work of fine art has that right also, but there are presently no statutes in Montana which provide the same protection.

While some might think that requiring disclosure would place a burden on dealers, the fact is that most dealers already provide certificates of authenticity, licensed appraisals and documentation for work that is deemed to have investment value. If these certificates are accurate, there is no further work involved. Disclosure does require, however, that when one is dealing in works of fine art, one has to take it upon themselves to learn the details of their product, much the same as anyone selling any product must do to accurately inform a consumer. That does require work, but reputable dealers assume that responsibility.

Providing this statute would establish a uniform means to assist reputable dealers in providing information and increase the credibility of the Fine Art marketplace. Under this statute a dealer has the option to simply state that no documentation or provenance of a work of art exists. If they choose to disclose or document a work, then that disclosure must accurately use the definitions provided by the laws of the state of Montana and the recognized authorities in the field of fine art. In order to maintain a credible profile in this growing market it is in the best interest of the people of Montana

that this bill be enacted.

One cannot legislate honesty or accuracy. One can only provide uniform requirements as a vehicle for reputable dealers to disclose the nature of their products and enable consumers to protect themselves by providing civil remedies for violations. That is the intended purpose of this bill.

EXHIBIT 1  
DATE 1/7/93  
HB 29



EXHIBIT 2  
DATE 1-7-93  
HB 29

R.F. MORGAN

MR. CHAIRMAN

MEMBERS OF THE COMMITTEE

LADIES AND GENTLEMEN

MY NAME IS ROBERT F. MORGAN. I MAINTAIN A STUDIO/HOME SOUTH OF HELENA IN THE ELKHORN MOUNTAINS NEAR MONTANA CITY. FOR THE PAST FIFTY YEARS I HAVE BEEN ACTIVELY INVOLVED IN THE ART COMMUNITY, AS AN ILLUSTRATOR, EXHIBITS DESIGNER, CURATOR OF COLLECTIONS AND ACTING DIRECTOR OF THE MONTANA HISTORICAL SOCIETY. FOR OVER FIFTY OF THOSE YEARS I HAVE BEEN A WORKING <sup>FREE LANCE</sup> ARTIST FULL TIME. IN ADDITION I ALSO APPRAISE FINE ART AND ACT AS A CONSULTANT ON ART FOR MAJOR GALLERIES, COLLECTORS, DEALERS, AUCTION HOUSES, MAJOR MUSEUMS AND STATE AND FEDERAL AGENCIES. YOU WILL FIND ME LISTED IN "WHO'S WHO IN AMERICAN ART", SAMUELS ENCYCLOPEDIA OF ARTISTS OF THE AMERICAN WEST, AND AM RECOGNIZED AS ONE OF FOUR AUTHORITIES ON THE WORK OF C. M. RUSSELL.

AS AN ARTIST I AM REPRESENTED IN MAJOR COLLECTIONS THROUGHOUT THE UNITED STATES AND CANADA. I HAVE MAJOR WORKS HANGING IN THE SHERATON HOTEL, BILLINGS, THIRTEEN PIECES, CITY/COUNTY BUILDING, HELENA, MUNICIPAL AIRPORT, HELENA, AND FIRST SECURITY BANK, ANACONDA, THREE PIECES.

I RECENTLY COMPLETED A WALL MURAL NINE BY FOURTEEN FEET FOR THE TOPPENISH, WASHINGTON MURAL SOCIETY. MY PIECE WAS THE THIRTEENTH PIECE FINISHED FOR THE TOPPENISH SOCIETY. ARTISTS REPRESENTED IN THIS PROJECT ARE FROM CALIFORNIA, OREGON, WASHINGTON, IDAHO AND THUS FAR I AM THE ONLY MONTANAN TO BE INCLUDED.

I WORK IN NEARLY ALL MEDIUMS, BUT PRIMARILY IN OILS AND THE GOUACHE TECHNIQUE. I HAVE PRODUCED LIMITED EDITION BRONZES AND LIMITED EDITION MECHANICAL LITHOGRAPHIC PRINTS. IN THIS LIGHT, ~~WHEN~~ I WOULD RECOMMEND TO THIS COMMITTEE THAT HB 29 BE KILLED IN THIS COMMITTEE.

MY REASONS FOR THIS RECOMMENDATION ARE AS FOLLOWS:

1. THIS PROPOSED BILL CREATES MORE PROBLEMS THAN IT SOLVES. THE PRINT BUSINESS IS SELF REGULATED AND THE DECISIONS OF THE INTERNATIONAL ~~GRAPHIC~~ <sup>GRAPHIC</sup> ARTS SOCIETY AND THE AMERICAN PRINT COUNCIL ~~ARE~~ <sup>STIPULATE</sup> THE CORRECT MANNER IN WHICH THE VARIOUS PRINT FORMS BE HANDLED. FURTHER REGULATION WOULD BE EITHER AT ODDS OR OF NO PRACTICAL USE. THE FACT THAT AN ARTIST NUMBERS EACH PRINT AND THEN SIGNS THE PRINT IS THE BEST VERIFICATION THAT WORK IS AS REPRESENTED. A SIMPLE INQUIRY OF ARTIST OR DEALER WILL GIVE THE BUYER ANY INFORMATION REQUIRED. INTEGRITY OF ARTIST AND DEALER IS THE

CORNERSTONE OF LEGITIMATE SALES AND LONGEVITY. I CANNOT SEE WHERE ANY\*  
THING PROPOSED IN HB 29 SUPPLANTS THIS BASIC ~~PRINCIPLE~~<sup>CANON</sup> OF GOOD BUSINESS.

THERE ARE NO SECRETS IN THE ART BUSINESS ANYMORE. THERE IS A WEALTH  
OF INFORMATION AVAILABLE IN MANY FORMS TO EDUCATE ANYONE WHO HAS THE DESIRE  
TO SEEK THIS INFORMATION. THIS INCLUDES DEALERS, GALLERY OWNERS AND OTHERS  
WHO ARE AVAILABLE TO PROVIDE THE INFORMATION TO ASSURE A TRANSACTION OF  
SATISFACTION TO BOTH THE BUYER AND SELLER. SURELY YOU WOULD NOT INVEST  
IN STOCKS OR BONDS WITHOUT PRIOR KNOWLEDGE OR ASSISTANCE.

2. THE PRODUCTION OF MULTIPLE PRINTS AND SCULPTURE (THREE DIMENSIONAL  
IF PREFERRED) PROVIDES A SIZABLE INCOME FOR ARTISTS AND DEALERS ALIKE.  
IN MONTANA IT IS A MUST, THAT IN ORDER TO REACH THOSE WHO WOULD COLLECT  
OR SIMPLY ENJOY A WORK OF ART, THAT FORMS OF ART IN VARIOUS PRICE RANGES  
BE AVAILABLE. THE CURRENT PRINT MARKET AND THREE DIMENSIONAL MARKET  
INDICATES THAT THIS NEED IS BEING MET. TO IMPOSE THE RESTRICTIVE DIS-  
CLOSURE INFORMATION, WARRANTY, AND CIVIL REMEDY BLIZZARD OF PAPER-WORK  
AND LEGAL RAMIFICATIONS WILL STIFLE AND KILL A BUSINESS IN EXCESS OF TWO  
MILLION DOLLARS YEARLY. I BELIEVE THAT MONTANA NEEDS THAT REVENUE AND THE  
RESULTING TAXES THAT ARE TAKEN BY LOCAL, STATE AND FEDERAL AGENCIES.

3. THE ART COMMUNITY OF WORKING FULL-TIME ARTISTS AND DEALERS AND GALLERIES  
HAVE DONE A GOOD JOB OF POLICING THEIR OWN RANKS OVER THE YEARS. I CAN  
PERSONALLY CITE INSTANCES WHERE THE WHEELER - DEALER TYPES HAVE FOLDED,  
ARTISTS OF SOME UNSAVORY SKILLS, AND OTHERS HAVE DROPPED BY THE WAYSIDE,  
THROUGH THEIR OWN MISDEEDS. INTEGRITY IS THE KEY WORD IN THIS BUSINESS.  
I SERIOUSLY DOUBT THAT THERE ~~IS~~<sup>EXISTS</sup> ADEQUATE FUNDS TO POLICE THE PROPOSALS  
OF HB 29. I CAN THINK OF NO SINGLE INDIVIDUAL WHO COULD BEGIN TO DO THE  
NECESSARY WORK INVOLVED AND TO MY KNOWLEDGE THERE IS NO EXISTING STATE  
AGENCY THAT COULD BEGIN TO HANDLE THIS JOB. I SERIOUSLY DOUBT THAT THIS  
IS THE TIME TO START TALKING ABOUT A NEW ~~STATE~~<sup>BUREAUCRATIC</sup> POLICE FORCE.

4. I WOULD ASK YOU TO REFLECT FOR A MOMENT ON THE MANY FUND-RAISING EVENTS  
THAT TAKE PLACE IN MONTANA UTILIZING THE TIME AND TALENTS OF MONTANA ARTISTS.  
THE TIME AND PRODUCTS THAT ARE OUTRIGHT CONTRIBUTIONS TO WORTHY CHARITIES,  
BENEFITS AND INDEED, POLITICAL CANDIDATES AMOUNT TO A SUBSTANTIAL AMOUNT  
OVER A GIVEN YEAR. WITH THIS NEW GOVERNMENTAL INTRUSION I FEAR FOR THE  
MANY RECIPIENTS OF THIS GENEROSITY IN THE FUTURE. HB 29 IS NOT NEEDED. IF  
IT NOT WELCOMED BY THE WORKING ART COMMUNITY AND REPRESENTS AN INTRUSION  
ON THE RIGHTS OF THE ARTISTS AND DEALERS WHO ADD TO THE COMMUNITIES,  
A SOURCE OF AESTHETIC CULTURE AND ENJOYMENT.

I ONCE AGAIN EMPLOY THIS COMMITTEE TO KILL THIS BILL HERE AND NOW  
AND NOT ADD TO THE BURDEN OF AN ALREADY STRUGGLING ARTIST COMMUNITY.

THANK YOU FOR YOUR TIME AND CONSIDERATION.

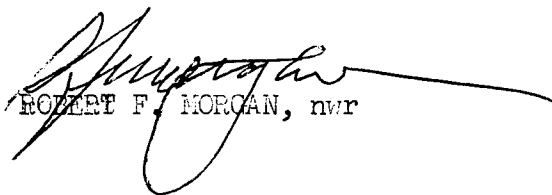
  
ROBERT F. MORGAN, nvr

EXHIBIT 2

DATE 1/7/93

HB 29



EXHIBIT 3  
DATE 1-7-93  
HB 29

Telegram sent to legislators - 1/6/93

REFERENCE - HB 29. Like religion, the creation and collecting of art are emotional and deeply personal matters, not to be impinged upon by governmental edict. Montana has sufficient fiscal grief without establishment of an art bureaucracy policing, birthed by a pedantic elite.  
Reject HB 29

Jack Hines  
Big Timber, MT.

## IN REFERENCE TO HB 29

1. As proposed, the law would necessitate an additional administrative burden, thereby aggravating the state's already desperate fiscal condition and budgeting shortfalls.

2. Much of the art that is marketed in Montana originates out-of-state. The proposal would subject outside suppliers to conformation to Montana law and the implied risks in HB 29. The result is sure to be a lessening of intercourse between Montana galleries and their outside sources, thereby crippling a business which contributes significantly to state tax revenues.

3. Divulgence of artist's methods, forced by such a law, constitutes an invasion of artistic privacy. Individual methods are esoteric in nature, difficult to explain and often would amount to the giving away of trade secrets important to the uniqueness of the artist's work.

4. Care must be taken to establish awareness ~~of~~ that the proposal could demand such accounting, down to the level of inexpensive art prints such as are marketed by the likes of Woolworth and Ben Franklin stores' decorating departments. Enforcement is impossible and the door would be opened to the possibilities of ~~thousands of~~ frivolous law suits and fraud claims. Our crowded court dockets need no such added burden.

5. This proposal is a clearly defined move toward restraint of trade imposed by a small pressure group. It is reflective of an effort by an elitist, pedantic group of academics to levy their art standards upon the entire field of art marketing.

A cursory inquiry into the source of this proposal, as submitted by Vivian Brooke, reveals that it was <sup>GENERATED</sup> ~~submitted~~ by the Department of Fine Arts at the University of Montana in Missoula. There exists a broad historic and philosophical disagreement between university-level academics in the art field and those whose tastes and acceptances in art run to more representational and subjective material.

For such a group to author legislation of the type represented by HR 29 presents an obvious attempt to throttle freedom of expression by both artists, collectors and non-spending lovers of visual art.

Imagine the confusion and dismay at a traditional Montana fund-raising function such as the C.M. Russell Annual Auction, were this law in effect and being forcibly applied at that event.

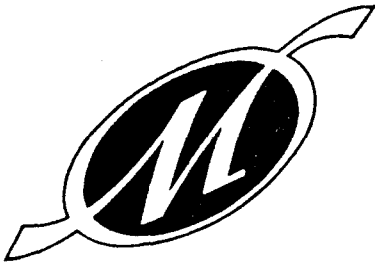


EXHIBIT 4  
DATE 1-7-93  
HB 29

## MARK OGLE STUDIOS

Janurary 4 1993

Chairman of House Business Committee

Rep. Benedict,

Dear Sir,

We the undersigned are very concerned about the passage of House Bill No 29.

As professional artists we feel it will only impede as very fragile and delicate balance between artists and dealers.

The excess burden of documation we feel will cause dealers to severely limit the amount of work they will handle or sell for us. We have talked to several art dealers who have said they will discontinue buying of or handling any art under \$10,000.00.

We understand the concern for protecting art buyers but this is totally impractical and will only cause mass confusion in the entire art market. We feel that the artists and dealers in Montana are extremely honest and reputable there is no need for this additional nightmare of paperwork.

Respectfully Submitted

*Mark S. Ogle*  
Mark S. Ogle

*Cherry Seaman*  
*Engel*

*88003*

*London S. Lohls*

*Fred L. Longhart*

*Anita Kephart*

*Kimberly J. Love*

*Barbara Melblom*

*Clifford D. Darrow*  
*W. P. Andrews*

*Margaret Graziano*

*Paul Mosa Gallery Ltd.*  
*Paul Mosa*

EXHIBIT 5  
DATE 1-7-93  
HB 51

HOUSE OF REPRESENTATIVES  
53RD LEGISLATURE - 1993  
BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE  
ROLL CALL VOTE

DATE 1-7-93 BILL NO. HB 51 NUMBER \_\_\_\_\_

MOTION: Rep. Brandewie made the motion  
that HB 51 Do not pass.

Motion Carried 13-5

NAME	AYE	NO
REP. ALVIN ELLIS	✓	
REP. DICK KNOX	✓	
REP. NORM MILLS	✓	
REP. JOE BARNETT	✓	
REP. RAY BRANDEWIE	✓	
REP. JACK HERRON	✓	
REP. TIM DOWELL	✓	
REP. CARLEY TUSS	✓	
REP. STELLA JEAN HANSEN		✓
REP. BOB PAVLOVICH	✓	
REP. VICKI COCCHIARELLA	✓	
REP. FRITZ DAILY	✓	
REP. BOB BACHINI	✓	
REP. DON LARSON		✓
REP. BRUCE SIMON		✓
REP. DOUG WAGNER	✓	
REP. SONNY HANSON, VICE CHAIRMAN		✓
REP. STEVE BENEDICT, CHAIRMAN		✓
	13	5

HR:1993

wp:rlclvote.man

CS-11

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

Business & Econ

COMMITTEE

BILL NO. 4B 29

DATE JAN 8 1993

SPONSOR(S)

Rep Brooke

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
R. F. MORGAN	SELF / NWIZ		X
ANDREW R. SANGRAY	ARTFUL FRAMERS GALLERY		X
RUSS RITH	Self		X
Gloria Lermanon	MT Cultural Advisory	Neutral	
Gayle Shasahan	Self		
Paul C. Larson	LARSON GALLERY		X
David A. Keltman	Ghost Art Gallery		X
Jim C. Worthington	HD 94	X	
Susan Near	MT HTH. Soc.		X
<del>Susan Near</del>			

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 & Economics

**COMMITTEE**

BILL NO. H.B. 56, 59

DATE 7 JAN 93

**SPONSOR (S)**

Rep Linda Nelson

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**PLEASE PRINT**

**PLEASE PRINT**

[illegible]

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