

## **MINUTES**

### **MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS & INDUSTRY**

**Call to Order:** By J.D. Lynch, Chair, on January 13, 1993, at 10:00 a.m.

#### **ROLL CALL**

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

Sen. J.D. Lynch, Chair (D)  
Sen. Chris Christiaens, Vice Chair (D)  
Sen. Betty Bruski-Maus (D)  
Sen. Delwyn Gage (R)  
Sen. Tom Hager (R)  
Sen. Ethel Harding (R)  
Sen. Ed Kennedy (D)  
Sen. Terry Klampe (D)  
Sen. Francis Koehnke (D)  
Sen. Kenneth Mesaros (R)  
Sen. Doc Rea (D)  
Sen. Daryl Toews (R)  
Sen. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Council  
Kristie Wolter, Committee Secretary

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

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

Hearing: SB 86  
Executive Action: SB 43

#### **HEARING ON SB 86**

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

Senator Jergeson, Senate District 8, opened on SB 86, stating the Legislative Audit Committee had decided SB 86 would have a cost savings of \$279,000 per year and asked the Committee Chair to request a fiscal note to be attached to SB 86. SB 86 allows for the State Treasurer to use out-of-state financial institutions for services which are not available through in state financial institutions. SB 86 only applies if the services offered by the

out-of-state bank are not offered by any in-state banks. Currently, the treasurer has to use an in-state bank which acts as a middle-man in the processing of transactions with out-of-state banks.

**Proponents' Testimony:**

John Cadby, Montana Bankers Association, rose in support of SB 86.

**Opponents' Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Christiaens queried as to what services out-of-state banks might offer over in-state banks. Jim Manning, member of the Legislative Audit Committee, stated the services of out-of-state banks were safekeeping duties because the actual investments and securities are kept at the Trust Department of Chase Manhattan Bank.

Senator Gage asked Mr. Manning if "financial services" meant the interest rate receivable on investments. Mr. Manning replied the interest rate was not what was meant by "financial services"; "financial services" meant the safekeeping functions. In cases of investment by the State Treasurer, money is drawn out of the in-state treasury account, wired to New York and converted to securities for investment. The investments are liquidated to cash and then wired back to the State Treasurer for safe keeping in the account in Montana. SB 86 would authorize more investments directly with the custodian of the securities.

**Closing by Sponsor:**

Senator Jergeson closed briefly stating he urges the Committee's support of SB 86. He also added SB 86 should not be considered until a fiscal note is attached.

Senator Lynch requested a fiscal note; upon receipt of a fiscal note, the Committee will vote on SB 86.

**Announcements:**

Chair Lynch brought up SB 82 and SB 83 and asked if the Committee would like to take executive action on them.

**EXECUTIVE ACTION ON SB 83**

**Motion:**

Senator Christiaens moved to AMEND SB 83.

**Discussion:**

Bart Campbell, Legislative Council brought to the attention of the Committee that there was objection to the phraseology on page 1 at the bottom of the page. The phrase in question was "such as."

Senator Lynch said the phrase was not a problem.

Senator Bruski-Maus and Senator Koehnke stated the phrase "such as" described the type of institution rather than the institution itself.

Senator Klampe recommended "such as a" and "employment agency or labor union" be left out of SB 83.

Chairman Lynch held SB 83 would come up for Executive Action on January 14 so Mr. Campbell could clarify the language.

**Motion:**

Senator Kennedy moved SB 82 DO NOT PASS.

**Discussion:**

Senator Gage stated parts SB 82 needed to be salvaged.

Chairman Lynch announced SB 82 would be amended and prepared for Executive Action on January 14.

**EXECUTIVE ACTION ON SB 43**

**Motion:**

Senator Christiaens moved SB 43 DO PASS.

**Discussion:**

Senator Harding was confused as to the purpose of the bill. She wanted clarification of whether the hospital would get direct payment from the insurance companies. Senator Lynch stated the payment would go directly to the hospital rather than to the patient.

Senator Klampe asked if the patient can assign payment to their doctor under the Blue Cross Blue Shield plan if the doctor isn't

a member doctor. Mr. John Alke, appearing on behalf of Blue Cross Blue Shield answered no.

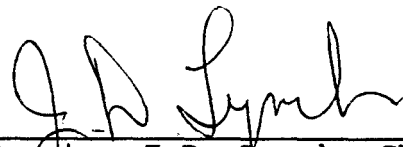
Senator Kennedy suggested another 2 year sunset clause on SB 43.

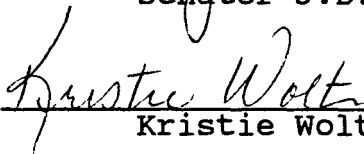
**Vote:**

MOTION CARRIED ON ROLL CALL VOTE. 11 senators voted YES; 2 senators voted NO.

**ADJOURNMENT**

**Adjournment:** 10:55 a.m.

  
\_\_\_\_\_  
Senator J.D. Lynch, Chair

  
\_\_\_\_\_  
Kristie Wolter, Secretary

JDL/klw

# ROLL CALL

SENATE COMMITTEE Business & Industry

DATE Jan 12 1993

| NAME                | PRESENT | ABSENT | EXCUSED |
|---------------------|---------|--------|---------|
| Senator Lynch,      | /       |        |         |
| Senator Christaens  | /       |        |         |
| Senator Bruski-Maus | /       |        |         |
| Senator Gage        | /       |        |         |
| Senator Hager       | /       |        |         |
| Senator Harding     | /       |        |         |
| Senator Kennedy     | /       |        |         |
| Senator Klampe      | /       |        |         |
| Senator Koehnke     | /       |        |         |
| Senator Mesaros     | /       |        |         |
| Senator Rea         | /       |        |         |
| Senator Toews       | /       |        |         |
| Senator Wilson      | /       |        |         |
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Attach to each day's minutes

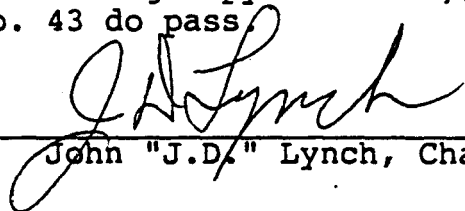
SENATE STANDING COMMITTEE REPORT

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January 13, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 43 (first reading copy -- white), respectfully report that Senate Bill No. 43 do pass.

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

  
John "J.D." Lynch, Chair

## ROLL CALL VOTE

SENATE COMMITTEE Business & Industry BILL NO. SB 43


DATE January 12 1993 TIME 10:25 A.M. P.M.

NAME

YES NO

[illegible]

*Kristen Wolt*  
SECRETARY

  
CHAIR

MOTION: SB 43 - Do Pass