

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By CHAIRMAN STEVE BENEDICT, on January 19, 1993,
at 9:00 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: SB 11 & 21, HB 170
Executive Action: HB 130, HB 170 AND SB 11 & 21

HEARING ON HB 170

Opening Statement by Sponsor:

REP. BOB GILBERT, House District 22, Sidney, said HB 170 will add a member of the association of Montana Aerial applicators to the Board of Aeronautics.

Proponents' Testimony:

Bill Sheets, President of Flying Service, AMAA, Big Sandy, distributed 2 exhibits. He said the air carriers have diminished in the last two decades, and urged a do pass for HB 170.

EXHIBITS 1 & 2

Mike Ferguson, Administrator of Aeronautics Division, Department of Transportation, said that currently there is a staff of seven including himself. It will cost \$1,816 to add another member to the board, but there isn't a fiscal note. **Mr. Ferguson** recommended an amendment to add a one cent (1¢) per gallon on aviation fuel. He said it would bring in \$350,000 a year to be used towards the upkeep of the smaller airports throughout Montana. He urged the committee's support in the passage of HB 170.

David Owen, Montana Chamber of Commerce, said the Chamber of Commerce supports HB 170. He felt those with corporate planes needed to take a position and voice their opinions. He urged the committee to support HB 170.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

Rep. Ellis asked **Rep. Gilbert** if he would have a problem if the committee amended the bill to have one of their members replaced with a public member? **Rep. Gilbert** hesitantly replied he wouldn't.

Rep. Daily asked **Rep. Gilbert** if there are other boards that do not have public members on them? **Rep. Gilbert** didn't know, but said the Aeronautics Board is more business oriented than public oriented.

Rep. Simon asked if the \$300 cost per meeting was for the new aerial member. **Mr. Ferguson** replied that it was.

Rep. Gilbert said that he and **Rep. Ted Schye** would carry the bill if the committee wanted to drop a member off of the board.

Rep. Daily asked **Mike Ferguson** if he would mind if the committee added a one cent (1¢) increase on the fuel. **Mr. Ferguson** said he wouldn't mind, it would give them \$350,000 per year they would have to maintain the airports in the smaller communities.

Closing by Sponsor:

Rep. Gilbert closed stating he supports the amendment recommended by **Mike Ferguson** to add the 1¢ per gallon on aviation fuel. He encouraged the committee to place the yearly applicator on the

Board of Aeronautics. He asked the committee for a do pass recommendation on HB 170.

HEARING ON SB 11

Opening Statement by Sponsor:

SENATOR TOM TOWE, Senate District 46, Billings, gave some history regarding SB 11. He said before time it has always been questioned to charge interest in loans, it was a big moral issue to charge interest on loans in the middle ages. A usury concept has been developed to not charge too much interest. If a higher rate of interest is charged then what is permitted by law then there should be a fine or be penalized for it. He said SB 11 is based on this concept. The problem has been, what should the interest rate be? For a long time Montana was charging 10% for usury fee. In the late 1950s, a problem developed and people wanted to be exempted from the usury fee. From that, banks, trust companies, savings and loans companies, credit companies and consumer loan companies were able to set laws that allowed them to go higher, particularly consumer loans, and retail finance companies were allowed to do this with special exemptions. In the 1980s, interest rates rose to an all time high of 18%, 19% and 20% on a routine basis. When that happened, these organizations came back wanting more protection, because of this the federal law came in and said that states could not regulate interest rates on national banks. In 1979 or 1980 a law was enacted in Montana that national banks were not subject to usury fees anymore. He said if an individual like himself loans money on a regular basis to more than two people, i.e., kids, brothers or sisters, or a company on an informal basis, they are still bound by the usury law. Sen. Towe introduced a bill in 1979 that allowed a floating rate that rises and drops when the prime rate rises or drops with the New York prime rate. Any loan that is made within six percentage points of the New York prime is ok. Usury law prohibits loans in excess of six percentage points above the prime rate. The problem with this, interest rates have dropped way down, and at the present time it is only down on short term loans and not long term loans nor most consumer loans. The New York prime rate today is six percent, six plus six which places it at twelve percent. If a person loans money to, i.e., sister, brother or anyone else, and this person is not a regulated lender or licensed consumer loan company, the maximum this person can charge is 12%. If this person charges more than the 12%, they will not only lose the interest, but double the interest as a penalty. The Board of Investments on long term loans have raised their interest rates to 13% and 14%. The problem with the 6% law, it covers everything, whether it is short term or long term loans. Most small consumer finance loans, i.e., car loans, furniture loans, etc., are 13% and 14%. If an individual did this, they would be in violation of the usury law. He said this bill will change that law. SB 11 will place a "floor on the ceiling". The maximum rate a person could charge under this bill would be 15%

for a usury loan, no matter where the prime rate goes. He said that generally, private individuals making loans are willing to take the risk more so than the banks. He apologized for the long explanation, but wanted the committee to understand how this bill works. SB 11 will protect the lenders that are not exempted altogether under some other law.

Proponents' Testimony:

John Cadby, Montana Banker's Association, said there is a private agriculture lender here in Helena, they borrow money from the bank at prime rate, and re-lend it to primarily farmers/ranchers. They are not exempted from the usury fee because they are private, and they support SB 11 because of the flexibility it provides.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

Rep. Ellis asked Sen. Towe to give the committee an example of any lender that was close to the ceiling? Sen. Towe said he represents a family bank that falls under this ceiling. The bank lends to some people that will have a first mortgage to i.e., a federal land bank. Some regulated banks are making small loans and charging up to 24%. A regulated lender can do this, but not a private company.

Rep. Pavlovich wanted to know why this bill is to be effective upon passage of approval? Sen. Towe said to stop anyone that is processing a loan from getting into any trouble, and foregoing any credit that otherwise might be available.

Rep. Daily asked if under this bill, wouldn't there still be the same problem with a person charging over 15%, doesn't this bill only regulates the rate, not solve the problem? Sen. Towe said that is correct. He said maybe the usury rate should be eliminated altogether, but said he wasn't ready to do that. He didn't want to lose the bill by raising the rate too high.

Rep. Simon asked Sen. Towe to give an example of anyone he might know that has been in some kind of trouble where this bill will help? Sen. Towe said he is defending a case in court at this time in which bank stock was sold and the provision came about that if the loan wasn't paid on time, the interest rate would go up to 18%. He said this is not an uncommon position for these lenders to make.

Rep. Sonny Hanson said in the 1991 session, Rep. Sheila Rice introduced a bill that took the usury off of the insurance companies. He asked Sen. Towe if it wouldn't be best to take the usury fee out completely? Sen. Towe said that is a good

question. He said that down the road, Montana will probably come to that point. He felt this issue was important enough for the companies that are making these loans, to receive some relief without jeopardizing the bill, because some people feel there should be some limit, somewhere. Sen. Towe felt if that was done, it would probably be lost altogether. He said at the present time there is less need for usury law then was perceived 20 years ago. All SB 11 will do is help prevent 25% and 30% loans.

Closing by Sponsor:

Sen. Towe closed.

HEARING ON SB 21

Opening Statement by Sponsor:

SENATOR TOM TOWE, Senate District 46, Billings, said SB 21 clarifies the Montana Consumer Loan Act that was passed back in the 1950s to allow small loan companies to make very small loans at very high interest rates. This was repealed in the 1980s, but allowed a person to purchase a license and charge any rate they wanted, but the loan had to be less than \$2,500, that could be avoided by purchasing a second license and make any size loan they wanted which doesn't have to be to a consumer anymore. He said the question is raised, why is this still on the books. His concern is the language that is used in the consumer loan law. In the existing language on page 1, line 11, it states that no persons shall engage in the business of making loans except as provided in and authorized by this chapter. This does not allow for banks, savings and loans, nor the private lender from making more than one loan, they will have to comply with this chapter. Everyone that is in the business of making loans would be required to comply with this chapter by applying for a license and reporting requirements, etc.. The old language on page 2, lines 12 through 19, states that anyone who fails to comply with this act the loan itself will be entirely void, and will not be able to collect the principle nor interest. He felt the original intent of the old language was lost due to a number of amendments that have been added over a period of years. SB 21 clarifies what the original intention of the law was suppose to do. Anyone exempted from the usury law is not required to comply with this chapter.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members and Responses:

None

Closing by Sponsor:

Sen. Towe closed stating his concern for the language and hoped the committee would pass this bill to clarify language.

EXECUTIVE ACTION ON HB 170

Motion: REP. BRANDEWIE MOVED HB 170 DO PASS.

Motion: Rep. Brandewie proposed an amendment to replace the aerial applicator with a public member to the Board of Aeronautics. EXHIBIT 6

Discussion: Rep. Brandewie spoke on his amendment. He said out of a nine member board and with the requirement of the people that are appointed, the public is covered. The Aeronautics Division has a very tight budget because the gas tax has never been passed out of committee. The Aeronautics Division is responsible for maintaining all of the navigational equipment, i.e., light beacons that are used at the smaller airports in Montana.

CHAIRMAN STEVE BENEDICT clarified Rep. Brandewie's amendment. On page 1, line 13, strike the ten members and keep it at nine members. On page 2, line 4, delete public member and insert aerial applicator.

Rep. Daily said he does not know of any other board that doesn't have a public member on it. He said there is a reason for a public member on the board, and that is so one group will not have control. Rep. Daily wanted to leave the bill as is and have the extra member.

Rep. Ellis said in most cases public members are on the boards to protect the consumers. He felt that all the members on the Aeronautic Board are consumers that this board oversees. It was pointed out that a public member seldom attends a meeting anyway.

Rep. Mills said a member of the Chamber of Commerce is representing the public and should continue public membership through this avenue.

Rep. Bachini said he is against the amendment. It is very important when looking at all the boards in the state, there is always a public member involved. He said there is a bill in this session to increase the number of public members on a board. He said if this is eliminated, it will take an important part of the board out. He said that maybe the aerial applicator should be taken out and insert corporate member. This way the board can

take whatever they have in Montana to attend these meetings.

Rep. Brandewie said between the Chamber of Commerce, county commissioners, member of league from cities and towns who are not actively in the flying business, the non-aviation people are well represented in on the board.

Motion/Vote: The question was called. Roll call vote was taken. Motion CARRIED 10 - 8 with Reps. Bachini, Cocchiarella, Daily, Dowell, Stella Jean Hansen, Larson, Tuss and Pavlovich voting no. EXHIBIT 3

Motion/Vote: REP. BRANDEWIE MOVED HB 170 DO PASS AS AMENDED. The question was called. Roll call vote was taken. Motion CARRIED 12 - 6 with Reps. Bachini, Daily, Dowell, Larson, Tuss and Pavlovich voting no. EXHIBIT 4

Vote: HB 170 DO PASS AS AMENDED. Motion CARRIED 12 - 6.

EXECUTIVE ACTION ON SB 11

Motion: REP. BACHINI MOVED SB 11 BE CONCURRED IN.

Discussion: REP. SIMON proposed an amendment to strike new section 2, which will delete the immediate effective date. He said it would cost the legislative council extra money to prepare it. EXHIBIT 7

Motion/Vote: The question was called to strike new section 2. Voice vote was taken. Motion CARRIED 13 - 5 with Reps. Bachini, Cocchiarella, Pavlovich, Stella Jean Hansen, and Chairman Steve Benedict voting no.

Discussion: Rep. Daily said the bill will only raise the interest rate by 3%.

Rep. Ellis said he agreed with Rep. Daily when he said the committee is not doing very much with this bill, but he does disagree in regards to raising the interest rates. The only one that will be paying the 15% in the current environment, are people that use short term loans i.e., credit cards, or people that who cannot justify a loan from anyone who normally makes loans and are exempted from usury laws, etc.. He said someone mentioned the agriculture office here in Helena that makes loans, and said they are much closer to the prime rate on operating loans then those that have the 6% above ceiling. He said the people that are effected by this bill are those that use pawn shops, because they cannot find money any other way.

Motion/Vote: Rep. Daily called the question. Roll call vote was taken. Motion CARRIED 11 - 7 with Reps. Barnett, Brandewie, Daily Wagner, Simon Pavlovich and Sonny Hanson voting no. EXHIBIT 7

Vote: SB 11 BE CONCURRED IN AS AMENDED. Motion CARRIED 11 - 7.

EXECUTIVE ACTION ON SB 21

Motion: REP. FRITZ MOVED SB 21 BE CONCURRED IN.

Discussion: None

Motion/Vote: Rep. Simon proposed an amendment to strike section 2. EXHIBIT 8

Discussion: None

Motion/Vote: Rep. Daily called the question. Voice vote was taken. Motion CARRIED 16 - 2 with Reps. Cocchiarella and Stella Jean Hansen voting no.

Motion/Vote: REP. BACHINI MOVED SB 21 BE CONCURRED IN AS AMENDED. The question was called. Voice vote was taken. Motion CARRIED unanimously.

Vote: SB 21 BE CONCURRED IN AS AMENDED. Motion CARRIED 18 - 0.

EXECUTIVE ACTION ON HB 130

Motion: REP. DAILY MOVED HB 130 DO PASS.

Discussion: Rep. Sonny Hanson informed the committee how corporations' borrow money from the Board of Investments. He gave an example of a case he was involved in. Buttreys wanted a \$15 million loan from Norwest Bank in Billings who denied them because they were at maximum for individual accounts, so Buttery's went to Security Federal who loaned them \$3 million, then they went to the Board of Investments and asked for the difference which was \$12 million. Buttreys submitted the necessary paper work and waited several months to receive tentative approval. For some reason, the Board of Investments refused the loan application. To his knowledge, the Board of Investments has not gone out on a limb for loans to a direct corporation.

Rep. Daily said that is the problem with loaning to an individual directly, it was better to do it indirectly.

Rep. Brandewie said he didn't have a problem with the bill, and felt there was conflict between the Constitution and HB 130, on lines 14, 15 and 16, with the explanation of what private corporate capital stock was. He said no one in the room could come up with an answer. He felt there should be an explanation of the definition.

Paul Verdon, Legislative Council, said there was never any conflict with the Constitution. He said if there was any conflict of terms it was on line 7, which states "common stock", and line 15 states, "private corporate capital stock". The Board of Investments said they are comfortable with the amendment and Mr. Verdon felt there was nothing wrong with it. The Board of Investments wanted this bill.

Rep. Pavlovich asked if the committee would allow Carroll South, Board of Investments to explain private corporate capital stock. Mr. South said the problem with the language is in the Constitution. He said although the language says private corporate capital stock, the entire debate he studied in the Constitution was about common stock. He felt when the word "private" was used, it was to differentiate between private and government. He said the Constitution permits the investment of retirement funds in private corporate capital stock, but it doesn't make provision for other funds. He said it is necessary to define the term private corporate capital stock, and they (the board) are convinced it means common stock.

Motion/Vote: Question was called. Voice Vote was taken. Motion CARRIED unanimously.

Vote: HB 130 DO PASS. Motion CARRIED 18 - 0.

ADJOURNMENT

Adjournment: 10:55 A.M.



STEVE BENEDICT, Chair



CLAUDIA JOHNSON, Secretary

SB/cj

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

ROLL CALL

DATE

1-19-93

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 19, 1993

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1993

1 of 1

Chair: We, the committee on Business and Economic
Development report that House Bill 130 (first reading copy --
to pass).

copy --

Signed: Steve Benedict
Steve Benedict, Chair

Chair

"WITH"

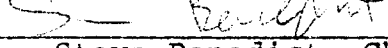
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HOUSE STANDING COMMITTEE REPORT

January 19, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 11 (third reading copy -- blue) be concurred in as amended .

Signed: 
Steve Benedict, Chair

And, that such amendments read: Carried by: Rep. Cocchiarella

1. Title, line 5.

Following: "TRANSACTIONS;"

Insert: "AND"

2. Title, lines 6 and 7.

Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 2, lines 1 and 2.

Strike: section 2 in its entirety


HOUSE STANDING COMMITTEE REPORT

January 19, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 21 (third reading copy -- blue) be concurred in as amended .

Signed: _____


Steve Benedict, Chair

And, that such amendments read:

Carried by: Rep. Cocchiarella

1. Title, line 5.
Following: "ACT;"
Insert: "AND"

2. Title, lines 5 and 6
Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 3, lines 2 and 3.
Strike: section 2 in its entirety

EXHIBIT 1
DATE 1-19-93
HB 1710

2-15-1811

GOVERNMENT STRUCTURE
AND ADMINISTRATION

284

Municipal Finance Consolidation Act, Title
17, ch. 5, part 16.
Unified investments, Title 17, ch. 6, part 2.

Montana Capital Company Act, Title 90, ch.
8.

2-15-1809 reserved.

2-15-1810. Repealed. Sec. 24, Ch. 316, L. 1989.

History: En. Sec. 3, Ch. 701, L. 1985.

2-15-1811. Board of county printing — composition — allocation — compensation. (1) There is a board of county printing.

(2) The board consists of five members appointed by the governor with the consent of the senate for terms of 2 years.

(3) The members are:

(a) two members of the printing industry;

(b) two county commissioners;

(c) one member of the general public.

(4) The board is allocated to the department for administrative purposes only as prescribed in 2-15-121.

(5) The members of the board shall be compensated and reimbursed in the same manner and amount as provided for in 37-1-133.

History: (1) thru (4) En. 82A-904 by Sec. 1, Ch. 272, L. 1971; amd. Sec. 103, Ch. 348, L. 1974; Sec. 82A-904, R.C.M. 1947; (5) En. Sec. 4, Ch. 280, L. 1967; amd. Sec. 59, Ch. 348, L. 1974; Sec. 16-1228, R.C.M. 1947; R.C.M. 1947, 16-1228, 82A-904; amd. Sec. 1, Ch. 247, L. 1981; MCA 1979, 2-15-1102; reds. 2-15-1811 by Sec. 12, Ch. 274, L. 1981; amd. Sec. 2, Ch. 474, L. 1981.

Cross-References

County printing, Title 7, ch. 5, part 24.

2-15-1812. Board of aeronautics — qualification — allocation — quasi-judicial. (1) There is a board of aeronautics.

(2) The board consists of nine members. The members are:

(a) one member of the Montana pilots' association;

(b) one member of the Montana chamber of commerce;

(c) one representative of the Montana airport management association;

(d) one member of the Montana county commissioners association;

(e) one person actively engaged in aviation education in this state;

(f) one person representative of interstate commercial airline operators, who must at the time of appointment be an employee or official of an interstate commercial airline operator and a resident of this state;

(g) one member of the Montana league of cities and towns;

(h) one person representing the general public; and

(i) one person who must at the time of appointment be an active fixed base operator in this state, or an official of a fixed base operator in this state, of flying services or flying schools.

(3) The board is allocated to the department for administrative purposes only as prescribed in 2-15-121.

(4) The board is designated as a quasi-judicial board for purposes of 2-15-124.

History: En. 82A-905 by Sec. 1, Ch. 272, L. 1971; amd. Sec. 104, Ch. 348, L. 1974; R.C.M. 1947, 82A-905; MCA 1979, 2-15-1103; reds. 2-15-1812 by Sec. 12, Ch. 274, L. 1981; amd. Sec. 3, Ch. 685, L. 1983.

AMAA

EXHIBIT 2
DATE 1-19-93
HB 170

AMAA Newsletter

Fall-Winter 1992

Pam Langley, editor

Annual Meeting Jan. 25 in Great Falls

AMAA's annual meeting and election of the board of directors is set for Monday, Jan. 25 and Tuesday, Jan. 26 at the Heritage Inn in Great Falls, according to Bill Sheets, Big Sandy Flying, AMAA president.

Events will begin with registration from 11 a.m. to 1 p.m. on Monday and feature three points for pesticide recertification. The MABA pesticide workshop on Tuesday is available for an additional six recertification points.

The MABA/MGEA Trade Show will again this year begin on Monday for the AMAA meeting and include companies of specific interest to aerial applicators.

Monday Program

Point sessions on tap at the AMAA meeting include a presentation by Monsanto beginning at 1 p.m. on Monday by Martin Lemon, Denver. Lemon, an environmental specialist for Monsanto, will address in drift prevention.

Included in Lemon's presentation will be proper application, laws affecting aerial applicators, application equipment, environmental considerations such as weather and typography, product information on toxicology and environmental fate, product characteristics, handling and mixing, effects of additives, managing movement of aerial spray, public perception issues, rights and responsibilities, political considerations, and making public relations work for you.

The opening session will be followed by a workshop on single engine air tankers (SEAT) with Rick Burger, chief of the Air Operations Bureau of the Montana Department of State Lands, which is scheduled for 4:00 to 4:30 p.m.

The business meeting and election will be from 4:30 to 6:00 p.m. During the meeting, 1992 activities will be recapped including the calibration flyin and work on containment rules, legislative issues will be discussed and the election of the 1993 board of directors will be

conducted.

Members who have other issues they would like discussed at the business meeting or who are interested in serving on the AMAA board of directors are encouraged to contact AMAA President Bill Sheets, Big Sandy Flying Service. He can be reached by calling 378-2240 or by writing him at PO Box 565, Big Sandy, 59520.

The cocktail hour at 6:30 and dinner at 7:30 at the Heritage Inn. The dinner is sponsored by **Monsanto** and the cocktail hour is being sponsored by **Miles**.

Tuesday Morning Program

After a Tuesday morning breakfast at 7 a.m., Nanette Simonian, Miles, Billings, will present a session on closed system safety at 8 a.m. and Barry Beaudoin, Wilbur-Ellis, Great Falls, will discuss the 1993 Montana pesticide container recycling program from 8:30 to 9 a.m. when the meeting concludes.

MABA's pesticide workshop begins at 9 a.m. on Tuesday morning and is available for six recertification points.

The cost of registration for the AMAA annual meeting is \$10 for members and \$25 for nonmembers while the cost of the MABA pesticide workshop on Tuesday is \$30 in advance and \$35 on site.

AMAA members also may be interested in attending the MABA/MGEA Convention on Wednesday, Jan. 27, and Thursday, Jan. 28. That convention will feature three half-day seminars. The first two will cover the nuts and bolts of EPA, OSHA and DOT compliance while the final session is entitled "Personanalysis: Improving Sales Skills by Understanding Your Customers." The advance registration fee for the MABA/MGEA Convention is \$85 and the on site fee will be \$95.

To make reservations at the Heritage Inn, call 761-1900. Convention room rates are \$50 for a single and \$56 for a double plus tax.

President's Message

by Bill Sheets
AMAA President

"You need this organization." Those were the words of U.S. Rep. Ron Marlenee as he addressed our first annual Association of Montana Aerial Applicators (AMAA) meeting last year in Great Falls.

Thanks to you, initial AMAA membership and growth during the first two years has been strong and positive.

Membership presently stands at 53, approximately 20 per cent of which are allied industry members.

By now, you probably recognize the purpose of this message is to remind you that this is the time of year to concentrate our efforts on 1993 membership and membership renewal.

Most aerial applicators are frustrated and confused with the ever increasing demands of government regulations in our industry. But, some have not, yet recognized the importance of joining AMAA in the effort to protect our business interests.

Your AMAA dues also make you a member of the Montana Agricultural Business Association (MABA). This AMAA/MABA coalition greatly increases our power to deal with the issues vital to the future of our common agri-business interests.

Your involvement is critical to the future of our industry. Every day special interest groups and bureaucrats are attempting to impose more complex and expensive regulations.

With your voice, we can turn most of these challenges into positive conclusions. It's a matter of numbers folks!

Please do you part for the Association of Montana Aerial Applicators by joining or renewing your 1993 AMAA membership now.

Just complete and mail the enclosed for today.

Having opened with the quote of a politician, I shall also close with one by Herbert Hoover. "The dues you pay to your industry organization is simply the rent you owe for the space you occupy within the industry."

AMAA Board Members featured in Ag Air Update

Two AMAA board members were featured in the national ag aviation newspaper *Ag Air*

Update in its November 1992 edition.

Mike Biggerstaff, Big B Flying Service, Stanford, and John Semple, SB Spraying, Helena, were the subjects of a feature story in the monthly newspaper which is published in Georgia.

The teaser on the feature was "Montana isn't a state known for its vast number of ag aircraft. But aerial application does exist in Montana. The article then describes each operation and how "Montana's unique ag operators diversify for profit."

The two-page feature by writer Bill Lavender also contained several photos.

Ag pilots wanting to subscribe to *Ag Air Update* may do so for \$15 a year. The address is PO Box 548, Perry, GA, 31069. Two-year subscriptions are \$25.

In Memory of Monte Blain

Reprinted from Oct. 1992 "Montana and the Sky"

Monte Wallace Blain of Joliet was killed May 27 in an auto accident west of Billings. He was born August 31, 1948, a son of Wallace and Marge Blain. He spent his entire life in the Joliet area.

Monte began ground school in Billings at the age of 16 and learned to fly at Hoffman Flying School. He knew he wanted a career that would allow him to fly and became involved in his father's flying service. He later became owner-operator of Joliet Flying Service and expanded the business built on his father's foundation into one of the top ag operations in the state.

Monte's wife Linda, son Wade and daughter Shelley, have all been involved in the business. Linda and Wade will continue to operate the flying service.

Monte believed firmly in creating an organization of ag pilots and strongly supported the successful creation of the Association of Montana Aerial Applicators (AMAA) which was formed and held it's first convention last year.

Although a strong business competitor, Monte was highly respected by his peers and will be missed by all.

Memorial may be sent to: Monte Blain Scholarship Fund, AMAA, PO Box 5415, Helena, MT 59604.

(Editor's Note: To date, more than \$1,000 has been received for the scholarship fund. Ag pilots who have not yet contributed are encouraged to send in their contributions.)

AMAA Board of Directors

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Frontier Aviation
PO Box 208
Dutton, MT 59433
476-3332

John Semple, Treasurer
S.B. Spraying
2507 Roberts
Helena, MT 59601
443-7487

Roger Stradley
Agricola Pennatus
PO Box 1287
Belgrade, MT 59714
388-6733

F.H. Buster Ness
Ag Air Inc.
PO Box 670
Chester, MT 59522
759-5191

Ron Rowland
G & R Air Spray
PO Box 226
Geraldine, MT 59446
737-4488

Boyd Morgan
Quality Spraying Service
18866 Dry Creek Road
Belgrade, MT 59714
388-4449

Andy Taylor
Taylor Aviation, Inc.
Po Box 134
Fort Benton, MT 59442
622-5682

AMAA Getting Ready for Legislative Session

Your association's legislative committee is preparing for the 1993 Montana Legislature which is scheduled to begin Jan. 4.

During the session, you can reach your representative or senator by calling 444-4800 and leaving a message. To find out the status of legislation when you know the bill number--which House it is in, any scheduled hearing dates, etc.--you can call 800-237-5079. And, of course, your lobbyist John Semple can be reached by calling 443-7487.

Join AMAA in 1993

With the 1993 Montana Legislature just a few days away, AMAA is asking your support to be able to represent our industry.

A membership application is printed below. If you've not already paid your 1993, we encourage you to join and also encourage you to participate in AMAA by attending the annual meeting Jan. 25.

Dues are \$250 for aerial applicators and \$100 for allied industry nonvoting members of the association. Allied industry may pay \$250 and receive full voting membership.

1992 AMAA members included:

AERIAL APPLICATORS:

Ag Air Inc., Chester
Agwagon Inc., Bozeman
Baldwin Spraying, Ismay
Big Sandy Flying, Big Sandy
Elgen Aerial, Culbertson
First State Co., Cut Bank
French Aero, Hobson
G&R Air Spray, Geraldine
High Plains, Shelby
J & J Aerial, Brady
Joliet Flying, Joliet
Lohse Air Spray, Carter
Mountain Ag, Hamilton
Newton Ag Inc, Lewistown
Pearcy Aviation, Miles City
Quality Spraying, Belgrade
S. B. Spraying, Helena
Weibert Aerial, Hardin
John Drydahl, Shelby
Flathead Helicopter, Lakeside

Agricola Pennatus, Belgrade
B & B Enterprises, Valier
Big B Flying, Stanford
Dillon Ag Application, Dillon
Farm Spray Service, Big Sandy
Flying Farmer, Chester
Frontier Aviation, Dutton
Gliko Aerial, Belt
Hutchinson Spray, Hingham
J & L Aviation, Hardin
Lincoln Spraying, Gildford
Moore Quality Flying, Roundup
Nelson Spraying, Chester
Nitumo Helicopter, Choteau
Pluhar Aerial, Angela
Russaero Flying, Malta
Taylor Aviation, Fort Benton
Yellowstone Air, Big Timber
Russell Pederson, Circle

ALLIED INDUSTRY FULL VOTING MEMBERS:

Rhone Poulenc, Billings *Hoechst Roussel, Great Falls*

ALLIED INDUSTRY MEMBERS:

DowElanco, Ulm *DuPont, Billings*
DuPont, Great Falls *FMC, Greeley, Colorado*
Miles Inc., Billings *Sandoz, Great Falls*
Westchem, Billings *Wilbur Ellis, Billings*
Wilbur Ellis, Great Falls *Wilbur Ellis, Minot*
Gallatin Farmers, Belgrade *Helena Aircraft, Helena*
Sky Tractor, Hillsboro, ND *Loveland Industries, Billings*

Washington D.C. Update

by John Semple, NAAA Legislative Committee Chairman

NAAA Produces New Video

"Agriculture's Airforce" is the title of a new educational video produced by NAAA which targets grade school age children but also is useful for use in civic groups. Almost all of the production cost was absorbed by donations from state associations and others.

For information on how to obtain the video, give me a call at 443-7487.

1993 Congressional Action

Little happened in the U.S. Congress in 1993 to affect our industry except for the exemption from a \$300 hazardous material fee. And, that exemption came thanks to legislation sponsored primarily by **Sen. Conrad Burns**, R-Montana.

While reauthorization of the Clean Water Act did not move out of a Senate committee, its chief sponsor **Sen. Max Baucus** and his staff made significant changes to the legislation during the year which are beneficial for agricultural and agribusiness but at the same time provide environmental protection.

Members are encouraged to thank both of Montana's senators for their efforts this year.

Hazmat Training Required April 1, 1993

Aerial applicators are affected by U.S. Department of Transportation's new requirement for training of all employees involved with the transportation of hazardous materials.

The new requirement is effective April 1, 1993 and has no minimum volume--workers must be trained if they handle any quantity of hazardous material for transportation by roadway or rail.

DOT considers aviation fuel and some but not all pesticides hazardous material. The bottom line appears to be that if either fuel or pesticides are not delivered by someone else to you at your landing site, you are affected by the new rule.

AMAA members should refer to the MABA November-December Newsletter they recently

received for more detailed information. In addition, MABA may be sponsoring a workshop in Great Falls in February or March to help members comply.

Worker Protection Standards April 1994

EPA has set April 1994 for compliance with its training requirements for Worker Protection. Currently EPA is drafting its Worker Protection Compliance manual and has set March as its target date for completion of the manual and September for distribution of the manual.

A section of the requirements that impacts ag pilots is 170.240 which covers personal protective equipment. If a label requires, pilots will have to wear long-sleeve shirts and respirators, even in a closed cockpit environment. The new rule also requires ag pilots to wear chemical resistant gloves when entering or leaving the cockpit.

No Montanan on U.S. House Ag Committee

For the first time in many years, Montana will not have a U.S. Congressman on the U.S. House of Representatives Agriculture Committee in 1993. The Ag Committee has been reorganized and Montana's lone congressman, Rep. Pat Williams, is not a member of the committee.

NAAA Working on Tank Exemption

The NAAA is working on your behalf for a temporary waiver from the U.S. Department of Transportation's requirement for over the road fuel tanks as the DOT is wanting to upgrade their original requirements.

Recordkeeping May Be Delayed

Final completion of 1990 USDA Farm Bill pesticide recordkeeping requirements, originally expected to be completed January 1, may now be delayed until February or even later due to the changeover in the Administration. The obvious impact on aerial applicators is that farmers may be requesting assistance in keeping these records.

AMAA

PO Box 5415

Helena, MT 59604

EXHIBIT 2
DATE 1/19/93
HP 170

AMAA 1993 Membership

Name _____ Phone _____

Business _____

Address _____

City _____ State _____ Zip _____

Please send \$250 for 1993 AMAA membership to:

AMAA
PO Box 5415
Helena, MT 59604

1993 AMAA Annual Meeting Registration

Name _____

Business _____

Address _____

City _____ State _____ Zip _____

Member Registration (@\$10).....\$ _____

NonMember Registration (@\$25.....\$ _____

MABA/MGEA Pesticide Workshop @\$30.....\$ _____

MABA/MGEA Convention @85.....\$ _____

TOTAL.....\$ _____

EXHIBIT 3
DATE 1-19-93
HB 170

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

DATE 1-19-93 BILL NO. HB 170 NUMBER _____

MOTION: Rep. Brandewie Moved to Adopt
Amendment pg 2, line 4
Motion Carried 10-8

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	✓	

EXHIBIT 4
DATE 1-19-93
HB 170

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

DATE 1-19-93 BILL NO. HB 170 NUMBER _____

MOTION: DPAA

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	✓	
	12	6

EXHIBIT 5
DATE 1-19-93
SB 11

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

DATE 1-19-93 BILL NO. SB 11 NUMBER _____

MOTION: Be Concurred as amended

Motion Carried 11-7

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	✓	
	11	7

Amendments to House Bill No. 170
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
January 19, 1993

1. Title, line 4.

Strike: "ADDING"

Insert: "REPLACING THE REPRESENTATIVE OF THE GENERAL PUBLIC WITH"

2. Title, line 5.

Strike: "TO"

Insert: "ON"

3. Page 1, line 13.

Strike: "10"

Insert: "nine"

4. Page 2, line 4.

Strike: "person representing the general public"

Insert: "member of the association of Montana aerial
applicators;"

Following: "and"

Insert: "and"

5. Page 2, lines 8 through 10.

Following: "schools" on line 8

Strike: remainder of line 8 and through "applicators" on line 10

EXHIBIT 7
DATE 1-19-93
SB 11

Amendments to Senate Bill No. 11
Third Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
January 19, 1993

1. Title, line 5.

Following: "TRANSACTIONS;".

Insert: "AND"

2. Title, lines 6 and 7.

Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 2, lines 1 and 2.

Strike: section 2 in its entirety

EXHIBIT 8
DATE 1-19-93
SB 21

Amendments to Senate Bill No. 21
Third Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
January 19, 1993

1. Title, line 5.
Following: "ACT;"
Insert: "AND"

2. Title, lines 5 and 6
Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 3, lines 2 and 3.
Strike: section 2 in its entirety

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Business

COMMITTEE

BILL NO.

SB 11

DATE

1-19-93

SPONSOR(S)

Lawe

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
JOHN CADDY, #1 N LAST CHANCE BULCH, HELENA, MT	MT BANKERS ASSN.	X	

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 COMMITTEE Albert BILL NO. HB170
DATE 1-19-93 SPONSOR(S) _____
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
John Semple 2507 Roberts Helena	Assoc of MT Aerial Applicators	X	
BILL SHEETS Box 565 Big Sandy	AMAA	X	
David OWEN RR 173 Helena 59624	MT chamber of Commerce	X	
James Wynn unintelligible	unintelligible		
Klausner Bergen	H-14		
Mike Ferguson	Dept of TRANS (DOT) Aeronautics Div	X	

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 COMMITTEE BILL NO. SB 21
DATE 1-19-93 SPONSOR(S) James

PLEASE PRINT

[illegible]

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