

MINUTES

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

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By CHAIRMAN STEVE BENEDICT, on February 12, 1993,
at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Steve Benedict, Chairman (R)
Rep. Sonny Hanson, Vice Chairman (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 (R)
Rep. Doug Wagner (R)

Members Excused: REP. ELLIS AND REP. COCCHIARELLA

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 460, HB 476, HB 493, HB 509 AND
HJR 14
Executive Action: HB 216, HB 493, HB 509 AND HJR 14

HEARING ON HB 460

Opening Statement by Sponsor:

REP. BOB BACHINI, House District 14, Havre, said HB 460 will
require that any changes in the state's building codes would have

to be reviewed by the state Legislature. He said after the bill was drafted, Mr. Kembel from the Department of Commerce, found that there was more to this bill than meets the eye, plus it will be very costly. REP. BACHINI said he pointed out that there is an advisory council who can look over the codes.

Proponents' Testimony:

None

Opponents' Testimony:

None

Information: Craig Kerzman, Building Official with the city of Kalispell, faxed information in regard to his opposition to HB 460. EXHIBIT 12

Peter Mion, C.B.O., Building Official with the Department of Public Works, Missoula, faxed information on his opposition to HB 460. EXHIBIT 13

Questions From Committee Members and Responses:

None

Closing by Sponsor:

REP. BACHINI closed.

EXECUTIVE ACTION ON HB 460

Motion: REP. DAILY MOVED HB 460 BE TABLED.

Discussion: None

Motion/Vote: The question was called. Voice vote was taken. Motion carried unanimously.

Vote: HB 460 BE TABLED. Motion carried 16 - 0.

HEARING ON HB 476

Opening Statement by Sponsor:

REP. NORM MILLS, House District 90, Billings, said HB 476 deals with appraisers and rules for eliminating any time there is a limit for compiling real estate appraisal experience needed to qualify for a real estate appraiser license. He has been informed by bankers and real estate agents that there is a shortage of appraisers in Montana. If someone completes the

hours required for training and required hours of practice time, they should be licensed at that time and not have to wait for another six-months or every two-years as required. He suggested an amendment on page 2, line 20, to strike "certain period of time".

Proponents' Testimony:

Eugene Stumvoll, Billings Board of Realtors, said he supports HB 476. Due to the new banking regulations that have been developed in the last couple of years in regard to appraisal certification, it is placing a burden on the real estate business to close deals in a certain time period for appraisals. He said it is taking up to six-months to have an appraisal done after the bank has already approved the loan.

David Watts, CEO of Appraisers International, Billings, does not agree that expertise can be measured in length of time, nor are they justified arbitrarily that there will be no time periods. He said the professional in the industry should not be penalized in regard to the 24 month time period in comparison to a person who thinks they can just get into the business without any knowledge.

Jim Campbell, Certified Appraiser, Helena, said the reason they are involved with this legislation at this time is in regard to a federal law, Financial Institutions Reform Recovery and Enforcement Act (FIRREA), which Congress passed when they had the trillion dollar scandal with the S & L. He said this bill deals only with licensed appraisers. There are certified appraisers who have certain criteria of experienced hours affixed, and then there are general appraisers which is the highest level a person can attain. Licensed appraisers need 75 credit hours of education and 2,000 hours of experience. The federal guidelines for the 2,000 hours of experience does not have a time frame attached to it to become licensed. He gave reasons he supports HB 476. He said the Board of Realtors and the Board of Appraisers can, through their own rules, establish what this bill will do.

Steve Mandeville, Montana Association of Realtors, said the association supports HB 476. He said due to the lack of appraisers, there isn't any need to inhibit the time frame. He said in a recent meeting of Board of Appraisers, the rules were changed from one calendar year to 24 months for a person to receive their license with the 2,000 hours.

John Cadby, Montana Bankers Association, said the federal government gave the states the ability to set their own number of required hours to become a licensed appraiser. **Mr. Cadby** said he was before this committee two-years ago and informed the committee that the end result of this licensing act will allow appraisal costs to double and it will take twice as long to get,

and that is what has happened. He urged the committee to pass HB 476

Opponents' Testimony:

Kim Bennett, Appraiser, Canyon Creek, said she opposes HB 476. She distributed written testimony. EXHIBIT 1

J.H. Ellison, Ellison Appraisers, presented written testimony in opposition to HB 476. EXHIBIT 2

Pat Asay, Chair of the Board of Appraisal, distributed written testimony in opposition to HB 476. EXHIBIT 3

Farrell Rose, Appraiser, Helena, stated his opposition to HB 476 and presented written testimony. EXHIBIT 4

Joe Moore, Helena Chapter of Appraisers, said the Helena Chapter opposes HB 476. He said the licensing level was never meant to be an entry or trainee level.

Carol Grill, legal counsel for the Board of Real Estate Appraisers, made two comments: 1) the law on page 2, currently sets rulemaking authority with the board. It was set up by the previous legislature and it should remain. To add a sentence that is proposed to contradict rulemaking authority is not statutory construction at best; and 2) under rulemaking authority the board did promulgate rules regarding the period of time.

Gerald Mitchke, Self, said he just started in the appraisal business last fall and thought this bill would affect him the most because of being a newcomer to the business. He said the current law already states what it needs to say.

Mike Joki, Montana Chapter of Appraisal Institute, wanted to be on record that the Institute is opposed to HB 476.

Questions From Committee Members and Responses:

REP. SIMON asked Pat Asay as president of the board, if he would present the committee with a letter from the board stating they will resolve the issues in this bill? Mr. Asay said the board will address the issue. He didn't think the board could legally adopt a rule, it would have to go through a public hearing process.

REP. SONNY HANSON asked Pat Asay how the Appraisal Foundation compares to the requirements of FIRREA? Mr. Asay said the foundation was formed to comply with federal regulations.

Closing by Sponsor:

REP. MILLS closed.

HEARING ON HB 493Opening Statement by Sponsor:

REP. TIM DOWELL, House District 5, Kalispell, said HB 493 will increase the maximum penalty for insurance agents who violate insurance laws. The present penalty may be imposed following an administrative hearing. The penalties consist of fines, suspensions, and revocation. The fines are limited to \$500 per violation, suspensions are limited to a maximum period of not more than one year. He said in years past, violations of the insurance codes were punishable by a general penalty with a fine of not less than \$50 nor more than \$1,000. The person only faced not less than 30 days, nor more than 90 days in the county jail. The law was changed in 1969 to deal with jail time as a general penalty, and set the maximum fine upon insurance companies at \$5,000 and the maximum fine on insurance producers, consultants, and adjusters at \$500. In 1987, the legislature amended the fine on insurance companies by raising the maximum fine that can be imposed on insurance companies to \$25,000.

Proponents' Testimony:

Frank Cote, Deputy Insurance Commissioner, State Auditor's Office, addressed the issues from the commissioner's office standpoint. He said currently, non-residents that violate the code may be subject to fines up to \$50,000 for any violation and may be suspended or revoked for up to five years. He distributed written testimony. EXHIBIT 5

Clyde Daily, Representing Montana Senior Citizens, said the senior citizens of Montana support HB 493.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

REP. SONNY HANSON asked Frank Cote how many people have been addressed or assessed this year? Mr. Cote said currently there are more people out there violating the law. The auditor's office will pursue the violations of the Montana Insurance Code so the consumers of Montana will not be hurt in the process. Mr. Cote said he was aware that there were between 3 - 5 violations in the past two years, and the office is investigating two cases for violations at this time. REP. HANSON asked if this applied to only in-state? Mr. Cote said yes. Currently non-resident producers are fined \$50,000.

CHAIRMAN BENEDICT asked Roger McGlenn, Executive Director of the Independent Insurance Agents Association of Montana, if he felt it was excessive to go from a \$500 fine to \$5,000. Mr. McGlenn said in reviewing the bill, the association does not feel the

finances are excessive. He said with the amount of money that insurance producers are dealing with they feel it is fair.

Closing by Sponsor:

REP. DOWELL said due to the concerns of the committee in regard to the excessive fines, Larry Akey from the Life Underwriters Association has spoken with Frank Cote, Insurance Commissioner and stated they are proponents to this bill.

HEARING ON HB 509

Opening Statement by Sponsor:

REP. BOB PAVLOVICH, House District 70, Butte, said HB 509 is the new gray bill developed from HB 155, the other cremation bill. There are two new sections in this bill which will provide a way for written instructions and how the burial needs to be done. He said there will be an amendment offered by Bonnie Tippy, and stated he does not have any problems with it.

Proponents' Testimony:

Bonnie Tippy, representing Montana Funeral Directors Association, distributed an amendment. She said without the amendment, this bill will dictate that the loved ones left behind will be responsible to pay the bill. EXHIBIT 6

Opponents' Testimony:

None

Questions From Committee Members and Responses:

REP. BACHINI asked Bonnie Tippy if the funding required up front is the same for a ground burial. Ms. Tippy said this bill only requires that the disposition is funded if the deceased has left specific instructions that legally binds how the disposition is to take place.

CHAIRMAN BENEDICT asked Bonnie Tippy how a person goes about funding for pre-burial if they are only 40 years old and don't plan to leave this world for another 30 years? Ms. Tippy said there are several things that can be done, i.e., a trust which can be made revocable or irrevocable in the state of Montana. The interest from the trust can go towards the cost at the end.

Closing by Sponsor:

REP. PAVLOVICH closed.

HEARING ON HJR 14Opening Statement by Sponsor:

REP. DOUG WAGNER, House District 8, Hungry Horse, said this resolution will send a strong message to the Workers' Compensation Commission in showing them the problems with the system. HJR 14 will reduce the insurance premiums for yew bark harvesters to a level consistent with activities carrying similar risks to the workers.

Proponents' Testimony:

Cecil Noble, President of the Montana Yew Harvesters for Bristol-Meyer Squibb for the Pacific Union, informed the committee at Bristol-Meyer's request, they have gathered 200,000 pounds of the yew bark, and have been asked to gather another 500,000 to 600,000 pounds of yew. He said the yew tree in western Montana is probably the motherlode of all yew wood throughout the northwestern states. He said it takes 10 acres in Montana to produce yew bark compared to 400 acres in Oregon. He explained to the committee how the harvesters take the bark from the yew. The harvesters use putty knives, but are under the same code that loggers/sawyers are. He asked that the rate be the same as it is for hand carvers. The state fund will still make a profit a 2,000 percent based on their claims experience. He said that the yew tree was considered a disease in the forest until 18 months ago. EXHIBIT 7

John White, Noble & Yew, Kalispell, said he is a college student who works with the yew trees in the summer time. He showed the committee the different techniques used in peeling the bark.

Dan Glenn, DAG Consulting, Helena, said he consults for insurance companies, insurance agents, and attorneys who are having problems with insurance companies that are becoming unduly enriched by their mistakes. He is also the underwriting manager for the Montana Loggers Management Corporation, which is the attorney-in-fact for the reciprocal established by the loggers in Montana on January 1, 1993 to escape the spiraling cost of the workers' compensation program. He said that 52 logging contractors in Montana have left the State Fund and have set up their own reciprocal insurance company. He said there isn't any definition in the codes that defines yew harvesters as logging contractors. Noble & Yew, Ltd., does not use any of the same equipment used by loggers. He said the problem started in April 1992, when Noble & Yew, Ltd. applied to belong to Workers' Compensation and was classified in the codes as 2702. There isn't any place in this code 2702 to include bark peeling. The insurance industry placed yew harvesters under the logging code, because it is analogous to logging. He said the state insurance is on the classification rating committee that was set up by the legislature to solve these kinds of problems, and since the problem started in 1992, the committee has only twice.

Ted Doney, attorney representing the Noble & Yew, Ltd., said they are representing Noble and Yew pro bono, because they feel indignant at the high rates charged to bark peelers. Secondly, on a personal note, he has leukemia and feels the FDA needs all of the information and medicine they can find to cure cancer.

Opponents' Testimony:

Jacqueline Lenmark, American Insurance Association (AIA), said the AIA opposes this legislation for reasons stated and also the integrity of the ratemaking process in workers' compensation. She said the AIA strongly resents any effort to be politicked in any way regarding the ratemaking process. She said if legislative attention is focused on one class code, then the whole system will be thrown out of balance. She said if the committee does give this a do pass recommendation, she asked them to broaden it so the entire ratemaking process is addressed. It is not appropriate for this committee to look at this one class code and she pledged to speak with the main person on the CNR committee.

John King, State Fund, said his position is similar to Ms. Lenmark's. He said the office is sympathetic with the taxol industry and the harvesters. He asked that the committee allow the administrative process of the classification rates committee to deal with this matter rather than going through the legislative process. He reported to the committee that the process that went into the handling of this specific policy holder, and the withholding of any knowledge of the system and the classification in such a way to delay, the committee would entertain a different way to re-classify this company. He said the committee is familiar with dealing with evolving industries and the changes in the system, and would be willing to look at this problem more closely. He pointed out that there are some flaws in the bill. On page 2, it talks about the Department of Labor and said that department does not have any jurisdiction in this area. The premium system is with the Insurance Commissioner's office under Chapter 33 of the statutes.

Questions From Committee Members and Responses:

REP. LARSON asked **John King** about the concerns of Noble and Yew, Ltd., and the fact that the rate committee has not addressed the concerns of these people, why haven't they been considered in a new rating? **Mr. King** said they will need to re-evaluate the application and compare the type of work that is being done in comparison to the code 2702. He said the manual placed their work in the wood industry, and maybe it should be revised. He said the rates committee felt they had classified it correctly, but after an inspection of the work, felt it needed to be checked out further. In comparison to the yew harvest in Idaho and Oregon, Montana doesn't harvest trees, they are shrubs.

REP. BACHINI asked Mr. Shontz why this legislation was brought before the committee? Mr. Shontz said they cannot go through Workers' Compensation process, because they are in litigation with the state fund. Mr. Shontz informed the committee of a letter received by Mr. Noble from the State Fund office. The letter was dated November 1992, from the CNR committee to Mr. Noble and advised him they would be hearing his case in December 1992, and still nothing has happened. He also said the State Fund wrote a letter last fall to Mr. Noble, and informed him he could send them a deposit for \$115,000 for 1993. The State Fund was informed by legal counsel that it was in dispute, a few days later Mr. Noble received another letter asking for a deposit of \$155,000 and he informed the office it was still in dispute. Another letter was sent by the office stating that Mr. Noble did not owe anything until the dispute was settled, right after that, another letter was received by Mr. Noble from the State Fund stating he owed them \$244,000 for 1993, and said that is the reason this bill is before the state today.

Closing by Sponsor:

REP. WAGNER closed stating this issue is not about rates, but classification codes. He said that Jacqueline Lenmark's statement is good, in that all of the classification codes should be looked at. He asked the committee for favorable passage of HJR 14.

EXECUTIVE ACTION ON HB 493

Motion: REP. DOWELL MOVED HB 493 DO PASS.

Discussion: None

Motion/Vote: REP. BRANDEWIE called the question. Voice vote was taken. Motion carried unanimously.

Vote: HB 493 DO PASS. Motion carried 18 - 0.

EXECUTIVE ACTION ON HB 509

Motion: REP. PAVLOVICH MOVED HB 509 DO PASS.

Discussion: REP. PAVLOVICH moved to adopt amendment #1.
EXHIBIT 9

REP. BACHINI said the amendment is not needed. REP. LARSON said the committee should adopt it. REP. BRANDEWIE said if the deceased's prearrangement for burial is not taken care of before they pass away, the family will be left with a cost they may not be able to afford.

REP. BRANDEWIE called the question on the amendment. Voice vote was taken. Motion carried 14 - 4 with REPS. BACHINI, STELLA JEAN HANSEN, WAGNER AND SONNY HANSON voting no.

REP. SIMON moved to adopt amendment #2. On page 1, line 15. Paul Verdon said the amendment would be to strike cremation and insert "by any". Voice vote was taken. Motion carried unanimously. EXHIBIT 9

REP. PAVLOVICH moved to adopt amendment #3 on page 3, line 14, strike cremation and insert disposition. Voice vote was taken. Motion carried unanimously. EXHIBIT 9

Motion/Vote: REP. PAVLOVICH MOVED HB 509 DO PASS AS AMENDED. The question was called. Voice vote was taken. Motion carried 16 - 2 with REPS. BRANDEWIE AND STELLA JEAN HANSEN voting no.

Vote: HB 509 DO PASS AS AMENDED. Motion carried 16 - 2.

EXECUTIVE ACTION ON HJR 14

Motion: REP. SONNY HANSON MOVED HJR 14 DO PASS.

Discussion: REP. WAGNER moved to adopt amendment. He discussed the title and page 2 and 3, strike Department of Labor and insert Insurance Commissioner. EXHIBIT 10

CHAIRMAN BENEDICT spoke to the bill stating this resolution does not address the CNR committee. The CNR committee cannot be told by the State Fund and the Insurance Commissioner. The resolution has to address and urge the CNR committee to take immediate action.

REP. SONNY HANSON asked who the members are on the CNR committee? CHAIRMAN BENEDICT said they are appointed. There is one insurance agent, the State Fund, and 3 insurance companies.

CHAIRMAN BENEDICT asked John Shontz if the State Insurance Commissioner can direct the CNR committee to do something. Mr. Shontz said no.

REP. BRANDEWIE called the question. Voice vote was taken. Motion carried unanimously. EXHIBIT 10

Motion/Vote: REP. WAGNER MOVED HJR 14 DO PASS AS AMENDED. REP. PAVLOVICH called the question. Voice vote was taken. Motion carried 17 - 1 with CHAIRMAN BENEDICT voting no.

Vote: HJR 14 DO PASS AS AMENDED. Motion carried 17 - 1.

EXECUTIVE ACTION ON HB 216

Motion: REP. PAVLOVICH MOVED TO RECONSIDER ACTION ON HB 216 AND TAKE FROM THE TABLE.

Discussion: REP. PAVLOVICH said he is reconsidering HB 216 to place the sunset back in. EXHIBIT 11

REP. BRANDEWIE said the bill needs to pass out of committee with the sunset clause inserted back in, then bring it back in two years. With the amendments in the bill, it will give them the opportunity to find out if this is really going on, if it is a problem it can be addressed in two years. If it isn't, then it can die a natural death. REP. MILLS said he would oppose the bill. Because of the tax increases coming up in the state the people do not need to be burdened any more. REP. KNOX said there was enough doubt in the whole issue. The person who presented this cannot compare Wyoming with Montana.

REP. TUSS called the question to take from the table. Roll call vote was taken. Motion carried 12 - 6. EXHIBIT 8

REP. PAVLOVICH moved to adopt amendment to keep the sunset in until 1995. The question was called. Voice vote was taken. Motion carried 15 - 3 with REPS. DAILY, SIMON AND CHAIRMAN BENEDICT voting no.

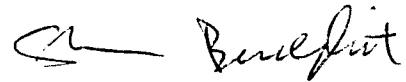
REP. SONNY HANSON moved to amend the bill by striking section 1. He said the bill has two elements to it: 1) to eliminate the sunset provision that is in existing law; 2) react to the court cases that have occurred. He said the bill needs to be left as is at this time and come back in two years to see the comparison. REP. DAILY called the question. Voice vote was taken. Motion carried 15 - 3 with REPS. DAILY, BRANDEWIE AND MILLS voting no.

Motion/Vote: REP. PAVLOVICH MOVED HB 216 DO PASS AS AMENDED. The question was called. Voice vote was taken. Motion carried 12 - 6 with REPS. DAILY, BACHINI, MILLS, SONNY HANSON, SIMON AND CHAIRMAN BENEDICT voting no.

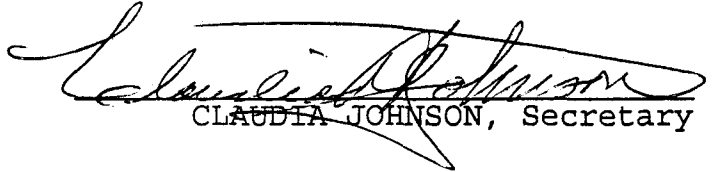
Vote: HB 216 DO PASS AS AMENDED. Motion carried 12 - 6.

ADJOURNMENT

Adjournment: 11:45 A.M.



STEVE BENEDICT, Chairman



CLAUDIA JOHNSON, Secretary

SB/cj

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

ROLL CALL

DATE 2-12-93

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

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HOUSE STANDING COMMITTEE REPORT

February 12, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 216 (first reading copy -- white) do pass as amended .

Signed: Steve Benedict, Chair ✓

And, that such amendments read:

1. Title, lines 4 through 9.
Following: "REVISING" on line 4
Strike: remainder of line 4 through "REMOVING" on line 9 ✓

2. Title, line 11.
Strike: "SECTION 30-14-304, MCA, AND"

3. Page 1, line 15, through page 4, line 2.
Strike: section 1 in its entirety
Renumber: subsequent sections

4. Page 4, line 5.
Following: "~~termination~~"
Insert: "--- termination"

5. Page 4, line 7.
Following: "~~1993~~"
Insert: "and terminates July 1, 1995"

-END-

Committee Vote:
Yes 15, No 6 .

351525SC.Hpf

HOUSE STANDING COMMITTEE REPORT

February 12, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 493 (first reading copy -- white) do pass .

Signed: Steve Benedict, Chair

Committee Vote:
Yes 12, No 7 .

351312SC.Hof

HOUSE STANDING COMMITTEE REPORT

February 12, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 509 (first reading copy -- white) do pass as amended .

Signed: Steve Benedict
Steve Benedict, Chair

And, that such amendments read:

1. Title, line 8.

Strike: "CREMATED OR"

Strike: "OTHER"

Insert: "ANY"

2. Page 1, line 13.

Following: "."

Insert: "(1)"

3. Page 1, lines 15 and 16.

Strike: "through cremation or other"

Insert: "by any"

4. Page 1, line 19.

Following: line 18

Insert: "(2) As used in this section, "prearranged funeral plan" means a plan:

(a) for the final disposition of a person's remains;
and

(b) that has been funded in advance of the death of the person leaving instructions for the disposition of that person's remains."

5. Page 3, line 14.

Strike: "cremation"

Insert: "disposition"

6. Page 3, line 17.

Following: "."

Insert: "the disposition of"

Following: "that"

Strike: "that"

Strike: "be cremated"

Committee Vote:

Yes 12, No 0.

351453SC.Ess

HOUSE STANDING COMMITTEE REPORT

February 12, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that House Joint Resolution 14 (first reading copy -- white) do pass as amended .

Signed: Steve Benedict
Steve Benedict, Chair

And, that such amendments read:

1. Title, lines 6 and 10.

Strike: "DEPARTMENT OF LABOR AND INDUSTRY"

Insert: "COMMISSIONER OF INSURANCE"

2. Page 2, line 25 through page 3, line 1.

Page 3, line 8

Strike: "Department of Labor and Industry"

Insert: "Commissioner of Insurance"

-END-

Committee Vote:
Yes 14, No 1.

351532SC.Rpf

EXHIBIT 1
DATE 2-12-93
HB 476

KIM C. BENNETT-COLVIN
P.O. BOX 471
CANYON CREEK, MT 59633
(406) 368-2242

February 12, 1993

TO: House Business and Economic Development Committee

REGARDING: HB 476 "An act eliminating any time limit for compiling real estate appraisal experience needed to qualify for a Real Estate Appraiser License and amending section 37-54-202, M.C.A."

To the Committee Members;

I am a Certified General Real Estate Appraiser in the State of Montana and a member of the State Board of the American Society of Farm Managers and Rural Appraisers. I am writing this testimony in opposition to HB 476.

It is my opinion that the reason for this bill, as set out by its proponents, is to increase the number of residential appraisers in the state in order to decrease turn-around time and cost of appraisals. In other words, the real estate sales agents and banks believe that there is a shortage of appraisers in the State of Montana. At present, there are approximately 185 licensed and certified appraisers in the state.

At this point, I would like to suggest that there are other factors involved in the "long turn-around times" on appraisals and "availability of residential appraisers". It is my understanding that there is a panel of H.U.D. appraisers in each of several areas throughout the state. These panels of appraisers are appointed and are limited to a certain number of "qualified appraisers". These are the only appraisers that can do work for H.U.D. related lending facilities and institutions. If these appraisers are inundated with work they are bound to be backlogged.

Other residential appraisers who are not on this panel are limited to work on transactions not related to H.U.D., non-federally related transactions and to working for commercial banks that keep loans in house and do not sell them to outside secondary loan markets. Very few banks in this area do not sell their mortgages. Selling mortgages often involves H.U.D. related lending facilities.

2/12/93

It appears that having a limited number of appraisers on each H.U.D. panel is causing part of the backlog. If this work was opened up so that all state licensed and certified appraisers were automatically considered "qualified" to do H.U.D. work there would be no backlog as there are many appraisers who would like the work. This is one avenue that could be further explored to increase turn-around time.

Personally, I often work out-of-state and most of my jobs are related to farms and ranches. Even so, I have been a Certified General Real Estate Appraiser in Montana since September 22, 1992. Since that time I have had no calls from real estate agents or banks to perform appraisal work. If there is such a shortage it would seem logical that those seeking appraisals would inquire at the licensing office in Helena for names and addresses of qualified appraisers. This is another avenue I suggest they pursue.

On to the proposed change in the law. As I am sure you are aware, there was a savings and loan disaster in the mid-eighties. This event triggered deep scrutiny of the appraisal industry resulting in heavy Federal regulation of this profession. In light of this scrutiny the Appraisal Foundation, a non-profit organization, was created in 1986 by the United States professional appraisers to foster professionalism through education by:

- Promoting uniform standards of professional appraisal practice;
- Establishing educational and experience criteria for licensing and appraiser certification;
- Disseminating information on standards and criteria to:

The Appraisal Profession
Governmental Agencies
Users of Appraisal Services; Related Industries
The General Public

- Sponsoring appropriate activities and issues of importance to appraisers and users of appraisal services.

The Uniform Standards of Professional Appraisal Practice (U.S.P.A.P.) was developed by an Ad Hoc Committee in 1986-87. This committee now consists of 13 different organizations including seven appraisal organizations, two real estate organizations, three bank associations and the Urban Land Institute. As appraisers we must take 15 hours of course instruction about U.S.P.A.P. and related ethics to be licensed or certified.

2/12/93

HB 476

The majority of states have adopted the minimum criteria for licensing and certification set forth by the Appraisal Foundation. Their criteria for the residential license consists of appraisal experience of 2,000 hours over a 24 month period and 75 hours of appraisal education. The Montana State Board of Real Estate Appraisal recently passed a ruling that was put on the books on January 28, 1993 that brought the State of Montana into compliance with the Appraisal Foundation's criteria for work experience. Each state's appraisal laws and rules are reviewed by a national subcommittee on appraisal for compliance. This proposed amendment to the Montana appraisal law, according to HB 476, would restrict the Montana Real Estate Appraisal Board from making rules that comply with the Foundation and would most likely not be accepted by the national subcommittee.

The 24 month time period to obtain experience, is felt to be a reasonable internship for the purpose of gaining practical experience in appraisal work. If a person devoted a full 8 hours a day, five days a week, with four holidays that year, they could accumulate 2,056 hours. However, this does take into consideration education time, research time, record keeping for the business and vacations. Besides this, a person must become familiar with the proper uses of the three approaches to value, writing the reports, finding the data, organizing the data and making sure that all parts of the finished product are in compliance with U.S.P.A.P. and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (F.I.R.R.E.A.); also put into place to regulate appraisals in order to protect the public from another banking disaster.

Protecting the public is what this is all about. Making sure that there are competent appraisers who know how to develop a product that complies with U.S.P.A.P. and F.I.R.R.E.A., as well as meeting the needs of their customers. Because of the major reforms in appraisal practice since 1986 and the implementation of F.I.R.R.E.A. in 1989, the appraisal profession has had to take a defensive attitude in order to cope with the litigious nature of this newly regulated business. Therefore, more time is spent in serious documentation of appraisals in order to avoid any negative consequences in the future. These above mentioned items have caused the prices of appraisals to increase everywhere across the country, not just Montana.

A person wishing to become an appraiser has several avenues of gaining experience. An "intern" can gain hours of experience by doing work for non-federally related customers such as, C.P.A.'s and lawyers working on divorces and estate settlements and by doing work on subject properties under the \$100,000 diminimus level. Additionally, they can do Federally related work with a Certified review appraiser signing the report and mentioning the work done by the "intern" in the mandatory

2/12/93

Appraiser Certification Statement that must be included in all appraisals. This would be a valid record of the intern's hours spent in the practice of appraisal.

It should be noted, that before there can be "interns" trained in appraisal for Federally related transactions such as with H.U.D., there must be Certified appraisers willing to instruct, counsel, pay, guide and take legal responsibility for the work of these junior appraisers.

In conclusion, it appears that the supporters of this bill, who obviously require appraisal services, need to further research ways of reforming the current H.U.D. panel appointments and further research the names of available state licensed and certified appraisers by contacting the licensing office in Helena. Additionally, more people will have to want to seek out a career in appraisal and more Certified appraisers will have to hire interns in order to do their part to provide good service to those seeking appraisals. Furthermore, it seems unreasonable and a bit unethical to try to force the Montana State Board of Real Estate Appraisal into noncompliance with the Appraisal Foundation's criteria held so high by Federally related institutions and nearly every other state in the Nation. An appraiser's ability to have reciprocity to do work in other states will be jeopardized if the Montana rules are made to be less than the Foundation's criteria. I feel that HB 476 is unnecessary, unrealistic and does not promote compliance with the licensing criteria and Uniform Standards of Professional Appraisal Practice set forth by the Appraisal Foundation. Therefore, I strongly oppose the passage of this bill.

Respectfully submitted,

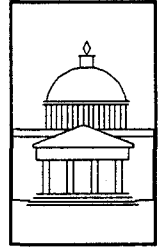


Kim C. Bennett-Colvin
Montana Certified General
Real Estate Appraiser #174

EXHIBIT 2
DATE 2-12-93
HB 476



J. H. ELLISON, IFA
Real Estate Appraiser



P.O. Box 4731, Helena, Montana 59604
TELEPHONE: (406)933-5582

February 12, 1993

Re: HB 476

Honorable Representatives,

As an IFA designated appraiser with 20 years of experience, I ask that you leave the 2 year/2,000 hour experience law requirement intact. The 2 year requirement is mandatory for receiving an IFA designation with the National Association of Independent Fee Appraisal society, a nationally recognized organization with over 8,500 members.

The 2 year/2,000 hour requirement is our Montana law is necessary to obtain qualified appraisers. If the requirement is reduced to 2,000 hours of experience, who determines what constitutes an hour of work experience? Most appraisers know that a single appraisal can take anywhere from 16 hours to 40 or more, depending on complexity and availability of comparable sales. This could mean that an appraiser with only 50 appraisals or less would meet the hours requirement. An what if an appraiser states an appraisal took a month to do? That reduces the number of appraisals to qualify to 12. The combination of 2 years/2,000 hours would guarantee that an aspiring appraiser would be well qualified. When you consider that purchasing real estate will probably be the largest single investment in your life, doesn't it stand to reason that you, the public and the financial institutions would want the best qualified appraiser? To reduce the existing law would also reduce the quality of the profession and could lead to unqualified appraisers entering the field at a great cost to the public and financial institutions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. H. Ellison", written in a cursive style.

J. H. Ellison,
IFA, SC#110

TESTIMONY REGARDING HOUSE BILL 476
FROM PATRICK ASAY, CHAIRMAN
BOARD OF REAL ESTATE APPRAISERS

Thank you for this opportunity to testify. The Board of Real Estate Appraisers opposes House Bill 476 on the grounds that its language is vague and contradicts existing legislation, is narrowly self-serving and out of step with the intent of federal legislation that mandated the state's law in the first place.

BACKGROUND

Title XI of the Financial Institutions Reform Recovery and Enforcement Act (FIRREA) mandates that states provide licensing and certification of real estate appraisers that are involved in the appraisal of federally related transactions. Montana passed the Montana Real Estate Appraisers Act in 1991 to meet this mandate. The Appraisal Subcommittee is the federal agency that has ultimate authority over the state's compliance with the spirit of the FIRREA legislation. There are three levels of appraisal regulation. They are licensing, residential certification and general certification. The license level is the subject of this legislation.

REASONS FOR OPPOSITION

1. The existing legislation states, "The Board shall adopt rules pertaining to real estate appraiser experience that substantially comply with and are not more stringent than those required for compliance with Title XI of the Financial Institutions Reform Recovery and Enforcement Act of 1989." The Board followed criteria suggested in the federal law in establishing all of its rules, including those related to licensing experience. The legislation before you in the form of House Bill 476, limits the Board's authority to set rules necessary to comply with federal mandate and is directly contradictory to the state's existing law.
2. The proposed amendment has not been discussed with the Appraisal Subcommittee as to its effect on Montana's compliance with the spirit of federal law. It makes no sense to pass legislation and then require an opinion from the Appraisal Subcommittee as to whether it is acceptable or not. At a minimum, the sponsors of this legislation should obtain an opinion from the Appraisal Subcommittee.
3. In the past, the fiduciary responsibility of real estate appraisers and the need for independence from the banking and real estate professions was not taken seriously. It was not until taxpayers were forced to pay hundreds of billions of dollars to bail out the savings and loan industry that these issues gained prominence. It is important that the Board of Real Estate Appraisers maintain the flexibility in its rule making process to react to federal mandate regarding the

requirements to become a licensed or certified real estate appraiser. If interested persons honestly feel that the experience rules for licensing are unreasonable, the administrative rule making process is available to them.

4. In Montana, licensing and certification of real estate appraisers is voluntary. The federal government requires that appraisers involved in federally related transactions be licensed or certified. However, there are no requirements for real estate appraisers to be licensed or certified for other real estate appraisal assignments. Even with federally related transactions, licensed and certified appraisers are required only for transactions over \$100,000. Licensed real estate appraisers are authorized by federal legislation to appraise up to \$1,000,000 of transaction value per appraisal. The Board feels, as do most states and the Appraisal Subcommittee in general, that it is not asking too much for appraisers to have at least a minimum of two years of experience. We can try to outguess the decisions of established authoritative bodies, however, the Board feels it is not prudent to do so.

Again, thank you for this opportunity to testify.

Respectfully submitted,

Patrick Asay, Chairman
Montana Board of Real Estate
Appraisers

PA/ts

EXHIBIT 4
DATE 2-12-93
HB 476

TESTIMONY OF BOARD OF REAL ESTATE APPRAISERS
DEPARTMENT OF COMMERCE
HELENA, MONTANA
REGARDING HOUSE BILL 476
"REMOVING 2 YEAR TIME LIMIT TO COMPILE PROPERTY
APPRAISER EXPERIENCE FOR LICENSE"

TO: CHAIRMAN BENEDICT AND COMMITTEE MEMBERS

MY NAME IS A. FARRELL ROSE. I AM AN APPRAISER HOLDING MONTANA
GENERAL CERTIFICATE #47. I AM HERE TODAY AS A BOARD MEMBER ON
BEHALF OF THE BOARD OF REAL ESTATE APPRAISERS.

I AGREE WITH MR. PAT ASSEY, CHAIRMAN OF THE MONTANA BOARD OF
REAL ESTATE APPRAISERS, AND AGAIN REITERATE THAT THE FEDERAL AND
STATE LAW WAS ENACTED TO PROTECT THE PUBLIC, AND THIS IS WHAT THE
BOARD IS DOING WHEN THEY HAVE SET THEIR EXISTING RULES TO GOVERN
BY.

EXHIBIT 5
DATE 2-12-93
HB 493

House Bill 493

House Bill No. 493 is introduced at the request of the State Auditor who is the Ex Officio Insurance Commissioner.

HB 493 increases the maximum penalties for insurance agents who violate insurance laws.

Present penalties may be imposed following an administrative hearing for violations of the Montana Insurance Code, Title 33, by resident insurance producers, consultants and adjusters. These penalties are fines, suspension and revocation. Fines are presently limited to \$500 per violation. Suspensions are limited to a maximum period of not more than 12 months. Issuance of a license to a person that has been revoked may be denied by the Insurance Commissioner for up to 5 years.

For many years violations of the Insurance Code were punishable by a general penalty of a fine of not less than \$50 nor more than \$1000. The person also then faced not less than 30 days nor more than 90 days in the county jail. In 1969 the law was changed to do with the jail time as a general penalty and set the maximum fine upon insurance companies at \$5000 and the maximum fine upon insurance producers, consultants and adjusters at \$500. The 1987 session amended the fine upon insurance companies by raising the maximum fine that can be imposed upon those companies to \$25,000. The \$500 maximum fine as to insurance producers, consultants and adjusters has remained unchanged since 1969. It is apparent that in 1969 a fine of \$500 was necessarily a great deal more severe than it is today, 24 years later.

Nonresidents who violate the code may be subject to fines of \$50,000 for each violation and may be suspended or revoked for a period of up to five years. HB 493 brings the maximum penalties for residents and non residents closer together.

Present penalties are not significant deterrents. These have been the maximum penalties that could be argued for in an administrative hearing, despite the severity of the violation committed. Since these were the maximums, any negotiation in lieu of a hearing typically has to be less than the maximum.

The administrative hearings that impose these penalties are an expensive process, costing up to \$10,000 per hearing which comes directly from the general fund. The payment of fines imposed for violations of the Insurance Code is direct income to the general fund. Increasing the maximum fine will allow the Insurance Department to come closer to recovering costs for the general fund.

EXHIBIT 6
DATE 2-12-93
HB 509

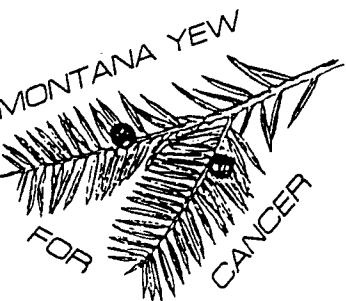
**PROPOSED AMENDMENTS
HOUSE BILL 509**

Submitted by The Montana Funeral Directors Association

Following: line 18

Insert: (2) As used in this section, "prearranged funeral plan" means:

- (a) a plan for final disposition
- (b) that the plan for final disposition has been funded in advance of the occurrence of death of the person leaving instructions for disposition of their remains



Noble and Yew

EXHIBIT 7
DATE 2-12-93
HB HJR 14

The Honorable Sonny Hanson
Montana House of Representatives
Capitol Station
Helena, MT 59620

RE: HJ 14

Dear Rep. Hanson:

We ask that you support House Joint Resolution 14.

The resolution, sponsored by Representative Doug Wagner, (R-Hungry Horse) and cosponsored by over fifty Members of the House and Senate, asks the Montana Workers Compensation State Fund to reexamine the workman's compensation rates charged yew bark harvesters in the state. The 1992 rates assessed by the fund add nearly \$125.00 to the retail cost of taxol. Taxol is a new drug used to treat women with ovarian and breast cancer.

We are assessed \$48.00 per \$100.00 of wages paid to "yew bark peelers" in 1992. Our employees drew benefits from the fund valued at .31(cents) per \$100.00 of wages paid in 1992. The difference translates in a net profit to the fund in excess of \$124.00 per taxol treatment. (See enclosed materials). We are appealing the high rate assessed by the State Fund and appreciate your willingness to direct the fund to listen to our position.

We ask that the rate be the same as it is for hand carvers: \$6.25 per \$100.00 of wages paid. We note that even at this rate, the fund will enjoy a 2,000 percent profit based on our claims experience.

In addition to the health issues, we are concerned about the future of the harvest of yew bark in Montana. In 1992, over 200 people were employed in the harvest of yew bark in the state. Our initial projections peg the projected 1993 Montana yew bark harvest employment at over 400 persons.

Brystol-Meyer Squibb, the distributor of taxol, recently announced that yew bark will not be harvested on federal lands in the United States in 1993. The harvest in Montana will proceed, however, if the cost of Montana bark can be compensative with the bark harvested in other states. Montana contains large tracts of yew brush on non-federal lands. Currently, the cost of Montana yew bark is double the cost of bark harvested in other Northwest states.

We are willing pay premiums that properly cover our harvesters and peelers. We do not, however, think that women in need of this drug should pay inflated prices for drugs. Nor do we think Montanans should be necessarily denied jobs because of excessive insurance rates.

Finally, it is very important that we tell you that any insurance cost decreases that benefit us will be passed directly on to the people we serve: cancer patients.

We appreciate your support and will answer any questions that you may have.

Sincerely,

A handwritten signature in dark ink, appearing to read "David S. Noble". The signature is written in a cursive, flowing style.

EXHIBIT 7
DATE 2-12-93
HB HIR 14

NOBLE & YEW

Cecil Noble of Kalispell, owner of Noble & Yew, Ltd. is engaged in the collection of yew bark. Yew bark is refined into taxol, a substance approved in November 1992 by the U.S. Food and Drug Administration for treatment of ovarian cancer.

During 1992, Noble & Yew paid nearly \$600,000 in wages to employee's working in the collection of yew bark from yew shrubs in northwestern Montana. Workers cut yew shrubs into two foot long branches about four inches in diameter. Other workers then peel the bark from these branches with putty knives. The bark is placed in plastic or burlap bags and hauled to Kalispell.

Last summer Noble & Yew employed 175 part-time workers that harvested 200,000 pounds of yew bark. In 1993, they hopefully will be able to increase that harvest to 600,000 pounds of bark and employ at least 250 individuals, many college students.

Noble & Yew attained their workers' compensation insurance coverage from the State Compensation Insurance Fund. In 1992, seven workers suffered minor injuries and the State Fund paid out a total of \$735.73 and all of these accidents are closed at the current time. For each \$100 paid in wages to workers of Noble & Yew, the total claims costs equaled only twelve cents (12¢). When the average rate in Montana is approximately \$6.00 for each \$100 of payroll, loss costs of 12¢ is very, very impressive.

In May 1992 when insurance coverage was initiated, the State Fund decided to classify Noble & Yew as a "logging & lumbering" enterprise, this requiring them to pay a rate that averaged greater than \$45.00 per each \$100 of payroll. The rate effective January 1, 1993 is \$48.00 and this rate is expected to increase during July of this year.

Since May of 1992, Mr. Noble has been engaged in a losing effort in an attempt to get someone within the State Fund to "reconsider" what they are doing to his enterprise. The State Fund with the assistance of their rating consultant, the National Council on Compensation Insurance (NCCI), have done nothing but attempt to justify why the 120 peelers operating a putty knife have to be rated identical to contract loggers. The State Fund is done working with this risk and has advised them they have the right to appeal this rating to a committee that the State Fund is a member of or take the case into District Court. In addition, the State Fund wants to charge an advance deposit equal to one-half the annual premium that Noble & Yew will pay, \$155,000., also based on the "logging & lumbering" rate.

Noble & Yew asked why they would not qualify for the "Brush Piling & Removal" classification. They were told that the use of this classification is restricted to operations that only utilize heavy machinery such as bulldozers. This class has a rate of \$24.94, high, but much less than the \$48.00. Yet, Noble & Yew cannot use this classification since the "putty knives" don't represent machinery heavy enough to qualify; therefore it is back to the "logging & lumbering" class and rate.

The consultant that the State Fund contracts with visited the operations in Kalispell and indicated that the operators of the putty knives, the "peelers", were not involved in the cutting of the shrubs. They sat on a hillside and scraped the bark and only had to reach into a stack of branches for another piece of wood to scrape when they are done with the one that they are working with. But no one is willing to look past the fact that the work is being done in the forest, therefore it must be rated identical to "logging & lumbering".

It takes 88 pounds of yew bark to produce enough taxol to treat one patient at a cost of \$695.00. In 1992, \$259.12 was paid in wages to yield 88 pounds of bark. Thus, manual premium of \$124.38 is generated based on the rate of \$48.00 per each \$100. of payroll to produce 88 pounds of yew bark. Since only 12¢ in loss costs was incurred by the State Fund per each \$100. of payroll; approximately 31¢ in incurred losses would be expected on \$259.12 in payroll.

The price of this drug is being adversely impacted by the arbitrary actions of individuals who are not willing to consider other alternatives. When classification code manuals are written, they can never predict all of the occupations that may eventually develop. It is up to the professionals within the industry to react in reasonable manner when less than definitive issues arise. The State Fund has not reacted in reasonable manner on this issue that is so very important to Mr. Noble, as well as the user's of taxol. Mr. Noble has been required to seek legal counsel to help him attempt to resolve this issue in a prompt and reasonable fashion.

$$\frac{\text{TOTAL PAYROLL}}{\text{TOTAL POUNDS HARVESTED}} = \frac{588,915}{200,000} = \$2.94458 \text{ payroll per pound harvested.}$$

88 pounds of yew bark is required to produce enough taxol to treat one patient at a cost of \$695.00.

THUS,

$$\$2.94458 \times 88 \text{ pounds} = \$259.12 \text{ or payroll to produce 88 pounds of yew bark.}$$

(times) State Fund Rate-.4800

\$124.38

THEREFORE:

Manual premium of \$124.38 is due the State Fund for each 88 pounds of yew bark that is harvested in Montana. The cost to pay all the claims costs during the 1992 harvest season was only 12¢ for each \$100. of payroll, thus, for 88 pounds of yew bark; the claims cost was approximately 31¢ vs. \$124.38 in manual premium.

EXHIBIT 7
DATE 2/12/93
HSP-14

May 18, 1992 thru June 30, 1992

Accidents Claim Dollars Paid

	<u>NO.</u>	<u>OPEN</u>	<u>INDEMN.</u>	<u>MEDICAL</u>	<u>TOTAL</u>	<u>TOTAL PAYROLL</u>	<u>STATE RATE</u>	<u>MANUAL PREMIUM</u>	<u>PER \$100. LOSS PAYOUT RATE</u>
Cutters:	1	0	.00	212.01	212.01	23,273.	43.30	10,077.	.90
Peelers:	0	0	.00	.00	.00	52,793.	43.30	22,859.	.00
Courier:	0	0	.00	.00	.00	1,530.	43.30	662.	.00
<u>July 1, 1992 to Present:</u>									
Cutters:	4	0	.00	188.38	188.38	92,182.	45.71	42,137.	.20
Peelers:	2	0	80.07	255.27	335.34	409,055.	45.71	186,979.	.08
Courier:	0	0	.00	.00	.00	10,082.	45.71	4,608.	.00
TOTALS:	7	0	80.07	655.66	735.73	588,915.	45.39 (avg)	267,323.	.12

January 1, 1993 State Fund rate is \$48.00

HJR 14

THE FACTS

THE ISSUE

1) The Montana Worker's Compensation Fund is profiteering at the expense of American cancer victims who need taxol to survive.

WHAT

2) The retail cost to treat one American woman with ovarian cancer with taxol is \$695.00.

3) Of the \$695.00, the Montana Workman's Compensation State Fund receives \$124.06 (or 18 percent) per treatment in pure profit.

HOW

4) Taxol is manufactured from the bark of the Montana yew brush (unlike the yew tree which is harvested in Washington and Oregon, the yew in Montana is a prolific selfgenerating brush that is harvested to assure swift regeneration).

5) The Montana Workman's Compensation State Fund charges a Montana yew bark harvester a premium of \$48.00 per \$100.00 of wages paid by the harvester to his employees (this is the same premiums charged to loggers).

6) Most Montana yew bark employees do not "log." The employees sit on stools or on the ground and strip bark off yew limbs with putty knives.

7) In 1992, the yew bark harvester employees claimed, as workman's compensation benefits, a total of 31 cents per \$100.00 of wages paid to the Montana Fund.

8) The Montana yew bark harvester is offering to pay workman's compensation premiums of \$6.25 per \$100.00 of wages paid for bark peelers. Given the 1992 claims experience, the Montana Workman's Compensation Fund will still generate a net profit of \$15.88 per cancer victim (2.2 percent of the retail price of the drug.)

9) All costs and taxes incurred by the harvester are directly passed on to the cancer victim. The premium charged by the Montana Workman's Compensation State Fund significantly adds to the cost of this new important drug.

ADDITIONAL POINTS

10) Aside from (not counting) the charges demanded by the Montana Workman's Compensation State Fund, the cost of harvesting yew bark from brush and bushes in Montana is double the cost of harvesting the bark of non renewable yew trees in Washington and Oregon. Harvesting yew bark in Montana so much more expensive because it is much more labor intensive than harvesting yew bark in Washington & Oregon.

11) The yew harvester in Montana could employ as many as 400 people in the state this year if the cost of Montana yew can be kept reasonably competitive.

12) In 1992, the Montana yew harvest provided enough yew bark to treat about 3,400 American (and Montana) women.

* If you would like more information on this issue, please contact:

John M. Shontz or Ted Doney at

Doney, Crowley & Shontz
(406) 443-7018
Suite 300
The Power Block
Sixth & Last Chance Gulch
Helena, Montana 59601

EXHIBIT 0
DATE 2-12-93
HB 216

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

DATE 2-12-93 BILL NO. HB 216 NUMBER

MOTION: Rep Pavlovich Moved to take from
the table.

Motion Carried 12-6

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

Amendments to House Bill No. 509
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 12, 1993

1. Title, line 8.

Strike: "CREMATED OR"

Strike: "OTHER"

Insert: "ANY"

2. Page 1, line 13.

Following: "."

Insert: "(1)"

3. Page 1, lines 15 and 16.

Strike: "through cremation or other"

Insert: "by any"

4. Page 1, line 19.

Following: line 18

Insert: "(2) As used in this section, "prearranged funeral plan"
means a plan:

(a) for the final disposition of a person's remains;
and

(b) that has been funded in advance of the death of the
person leaving instructions for the disposition of that
person's remains."

5. Page 3, line 14.

Strike: "cremation"

Insert: "disposition"

6. Page 3, line 17.

Following: "1"

Insert: "the disposition of"

Following: "that"

Strike: "that"

Strike: "be cremated"

EXHIBIT 10
DATE 2-12-93
HB HJR 14

Amendments to House Joint Resolution No. 14
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 12, 1993

1. Title, lines 6 and 10.

Strike: "DEPARTMENT OF LABOR AND INDUSTRY"

Insert: "COMMISSIONER OF INSURANCE"

2. Page 2, line 25 through page 3, line 1.

Page 3, line 8

Strike: "Department of Labor and Industry"

Insert: "Commissioner of Insurance"

Amendments to House Bill No. 216
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 12, 1993

1. Title, lines 4 through 9.
Following: "REVISING" on line 4
Strike: remainder of line 4 through "REMOVING" on line 9
2. Title, line 11.
Strike: "SECTION 30-14-804, MCA, AND"
3. Page 1, line 15, through page 4, line 2.
Strike: section 1 in its entirety
Renumber: subsequent sections
4. Page 4, line 5.
Following: "~~termination~~"
Insert: "---- termination"
5. Page 4, line 7.
Following: "~~1993~~"
Insert: "and terminates July 1, 1995"

The City of Kalispell

EXHIBIT

DATE

12
2-12-93

HB

460

Incorporated 1892

Building Department

Telephone (406)752-6600

Fax: (406)752-6639

PO Box 1997

Zip 59903-1997

February 11, 1993

Representative Steve Benedict
Chairman House Business & Economic Development Committee
Capitol Station
Helena, MT 59620

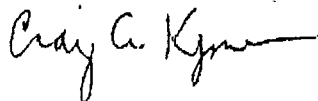
Re: HB 460

The current system of adopting codes serves the safety needs of Montanans. The present system insures that codes are updated in a timely manner to reflect the newest technology as well as ways of dealing with the newest hazards.

Under HB 460 the codes adoption process could more easily be delayed. Also, if the legislature has to approve all building codes, a few influential parties could subvert the process to the detriment of the majority.

I am opposed to HB 460. Public safety could too easily be sacrificed.

Sincerely,



Craig A. Kerzman
Building Official

CAK/mw

Douglas Rauthe
Mayor

Bruce Williams
City Manager

City Council
Members:

Gary W. Nystul
Ward I

Cliff Collins
Ward I

Barbara Moses
Ward II

Fred Buck
Ward II

Jim Atkinson
Ward III

Lauren Granmo
Ward III

Pamela B. Kennedy
Ward IV

M. Duane Larson
Ward IV

Craig Kerzman
Building Official

Brian Wood
Zoning Administrator

Dwain Elkins
Building Inspector

William (Bill) Muller
Building Inspector



DEPARTMENT OF PUBLIC WORKS/BUILDING INSPECTION DIVISION

435 RYMAN • MISSOULA, MT 59802-4297 • (406) 523-4629

EXHIBIT 13DATE 2-12-93HB 4160

February 11, 1993

Representative Steve Benedict
Chairman, Business & Economic Committee
Capitol Station
Helena, MT 59620

RE: House Bill #460

Honorable Representative Benedict:

I am writing, as a code enforcement official, voicing my opposition to House Bill No. 460, requiring the legislature to approve any code changes.

This bill will create a nightmare for enforcement if every code adoption has to go through the legislative process, as witness the present debates on the Sales Tax, and every legislator vying to insert his own special interests. The State presently adopts one of the Nationally recognized Model Codes as the State Building Code; these codes are developed through a consensus process which involves all facets of the building industry. This in turn produces a workable, logically developed document responding to the many life-safety issues in the construction of a building. As you probably already aware, this document covers not only the construction, but also the fire-resistive requirements, exiting, and fire sprinkler systems that are required in these buildings. It would be very destructive to have all this finely tuned building document compromised by a political squabble or compromise.

I thank you for your consideration in defeating this bill.

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter A. Mison".

Peter A. Mison, C.B.C.
Building Official

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Business & Econ. COMMITTEE BILL NO. HB 460
DATE Feb. 12, 1993 SPONSOR(S) D. Pachini

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
W. James Kembel	Public Safety Div DOC		✓
James B. Brown	MONT. TELL COUNCIL		✓
Richard A. Nisbet	City of Helena		✓
Bruce Sumner	Justice LESD		✓
James F. Brown	Bldg. Codes Bureau, DOC		info only
Richard L. Koper	BLDG. CODES BUREAU, DOC		info only
Patrick Asay	Approt Bld		✓
Nancy Griffin	Montana Building Industry Association		✓
Wm. Egan	MT. Conf of E-Lect Wks		✓

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Business Ed

COMMITTEE

BILL NO.

HB 476

DATE Feb. 12, 1993 SPONSOR(S)

N. Mills

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
E.L. Stumvoll 3190 W. MacDonald Bldg	Billing Bd of Realtors	✓	
DAVID WASS 100 N 27TH Suite 400 BILLINGS	APPRAISERS INTERNATIONAL	✓	
Jim Campbell	Self	✓	
Kim Bennett - Colvin P.O. Box 471 Canyon Creek, MT 59633	Self + ASFMRA		✓
GERARD MITCHELL	SELF		X
Tim Moore	Self employed Appraiser		✓
JOHN CADDY	MT BANKERS ASSN		✓
A. FARRELL ROSE	MT Board of R/E App		✓
Mike Ioki	MT. Chp. of Appraisal Inst. Helena Capital National Assoc.		✓
Joe B Moore	Independent Fee Appraisers		✓
J. H. ELLISON	ELLISON - APPRAISERS		✓
Patrick Ray	Appraisal Board		✓
Steve Manderville	MT Assoc Realtors	X	

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HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Business & Econ COMMITTEE BILL NO. HB 493
DATE Feb. 12, 1993 SPONSOR(S) V. Howell

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
LARRY AIKEY	MIT ASSOC OF LIFE UNDERWRITERS	✓	
FRANK COTE	SAO. ST	✓	
Clyde Dailey	Mt. Sevier City Asso.	✓	
Roger McIsaac	IIAM	✓	
Greggeline Denmark	AIA	✓	

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HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Business & Economics COMMITTEE

BILL NO. HJR 14

DATE 2-12-93 SPONSOR(S) D. Wagner

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
DAN GLASSY DAG CONSULTING	HELENA MT	X	
John King	State Fund		X
Ted Dorey	Noble & Yew	X	
Jacqueline J. Seumack	Am. Ins. Assoc.		X
Cecil J Noble	Noble & Yew	X	
John L. White	Noble & Yew	X	

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