

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By J.D. Lynch, Chair, on February 19, 1993, at 10:00 a.m.

ROLL CALL

Members Present:

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

Members Excused: None.

Members Absent: None.

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

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

Committee Business Summary:

Hearing: SB 423, SB 420, SB 419, SJR 27, SB 390,
SB 398, SB 387
Executive Action: SJR 27, SB 390, SB 398, SB 423, SB 420,
SB 419, SB 387, SB 197

HEARING ON SB 423

Opening Statement by Sponsor:

Senator Lynch, Senate District 35, stated SB 423 should be tabled. He stated SB 423 is modeled after a Minnesota law which states a nursing home may not charge two different prices. He stated nursing homes charge one price for private nursing care and one price for public pay systems. He stated the private rate is

substantially higher than the price for public pay. He stated the private payers are subsidizing the public payers. Senator Lynch suggested the private pay patients are not subsidizing the public pay patients and the nursing homes are "eating" the difference. He stated the rooms, service and care are equal for both patients, but the rate depended on whether a person could afford to pay their own room and board or if the state was picking up the bill.

Proponents' Testimony:

Larry Akey, Montana Association of Life Underwriters, stated the Association had an interest in SB 423 because they sell long-term-care insurance. He stated long-term-care insurance is priced too high. He stated it is priced too high because private pay individuals are subsidizing medicaid and medicare pay individuals. He stated he felt there must be a solution to the long-term-care issues and the cost-shifting problems which occur. Mr. Akey stated his support of SB 423.

Opponents' Testimony:

Peter Blouke, Director, Department of Social Rehabilitation Services stated the Department opposed SB 423. He stated there is a problem with cost-shifting and medicaid does not fully compensate the nursing home industry for their patients costs. He stated there would be a bill before the Committee which will address rate increases for reimbursement to the nursing homes. Mr. Blouke stated SB 423 would impose substantial administrative costs. He stated another problem with SB 423 would be that none of the costs would be available through administrative matches and all of the funds would be taken from the general fund.

Rose Hughes, Executive Director, Montana Health Care Association (MHCA) stated SB 423 addressed important issues. She stated if SB 423 passed, two things would happen: medicaid would be forced to raise their rates to cover the costs and the nursing homes would find themselves up to \$22 million short. She stated the shortage of funds would cause the nursing homes to provide less services.

Jim Ayres, President, Hospital Association, stated his opposition to SB 423.

Questions From Committee Members and Responses:

Senator Klampe asked Ms. Hughes how much money from medicaid would be needed to cover the cost-shifting. Ms. Hughes stated it would cost approximately \$14 million in state and federal funds and the state would absorb 30% of the cost.

Senator Bruski-Maus asked Ms. Hughes what the average cost for a private pay patient would be. Ms. Hughes stated the average cost was estimated between \$67 and \$77 per day.

Senator Rea asked Ms. Hughes what a long-term-care policy would cost. Ms. Hughes stated the cost varies by age, but generally starts at around \$30 per month if it is bought at age 40. She stated the price is higher according to the age of the purchaser and when they start the policy. Senator Rea asked Ms. Hughes what costs a long-term-care policy would cover. Ms. Hughes stated a long-term-care policy would cover people's costs which were not covered by medicaid.

Closing by Sponsor:

Senator Lynch stated the coverage of nursing home expenses by the state is causing people to transfer and sell property. He stated people are figuring out it is cheaper to sell all assets and let medicaid pay for the nursing home expenses. He asked that SB 423 be tabled by the Committee.

HEARING ON SB 420

Opening Statement by Sponsor:

Senator Lynch, Senate District 35, stated SB 420 would allow joint debtors to be covered under a joint policy of credit life or credit disability insurance. He stated the present law is currently interpreted so only individuals are covered under credit life or credit disability insurance. He stated the reason for SB 420 is there is no longer "soul providers" in households. He stated in today's society, joint debt is incurred by husbands, wives and partnerships. He stated SB 420 would allow people to jointly purchase insurance which is currently only available to individuals.

Proponents' Testimony:

Jerry Loendorf, Montana Consumer Finance Association, explained credit insurance to the Committee. He stated that upon incurring a debt, a person may purchase credit life or credit disability insurance. He stated if a person were to die or become disabled, the insurance would make payments on the debt. He stated the law should include joint debt because all laws which apply to singular usually apply to the plural. Mr Loendorf stated the law prohibits the issuance of disability insurance to joint debtors. He stated under joint disability insurance, if one of the debtors were to die or become disabled, the debt would be paid. Mr. Loendorf stated there were two words in SB 420 which needed to be changed. He referred to page 3, line 23 and stated the word "creditors" needed to be changed to "debtors". He then stated

the same change needed to be applied to page 4, line 1. He stated joint insurance rates will be regulated by the insurance commissioner upon the passage of SB 420.

John Cadby, Montana Bankers Association, stated he supported SB 420.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Senator Lynch closed on SB 420.

HEARING ON SB 419

Opening Statement by Sponsor:

Senator Lynch, Senate District 35, stated SB 419 would be explained by the proponents.

Proponents' Testimony:

Jerry Loendorf, Montana Consumer Finance Association stated SB 419 would make three changes to the current law. He stated the first change would authorize "non-filing insurance". He stated under normal circumstances on a loan a person would sign a security agreement. The lender would then file the security agreement with the Secretary of State's office. Mr. Loendorf stated there is a filing fee when the lender files with the Secretary's office. He stated the filing of the security agreement would make any other lien against the property fall behind the original lien in priority status. Mr. Loendorf stated the original lender would then always have the first lien on the property in the case of bankruptcy or default on a loan. He stated SB 419 would allow the lender to not have to file the security agreement. He stated the non-filing would be insured for a premium no more than what it would cost to file the document. Mr. Loendorf stated the premium would be included in the closing costs of the loan. He stated the advantage to the seller or the lender would be the elimination of a trip to the Secretary of State's office and SB 419 would saved expenses because there would be no title searches. He stated the person who loaned the money or sold the property would still have the

obligation to foreclose on the secured item. He stated the non-filing insurance now exists in more than 10 states and is effective.

Mr. Loendorf stated the second change regards delinquency charges. He stated the law currently states the amount of a delinquency charges may be %5 or \$5, whichever is less. He stated SB 419 would change the law to state the delinquency charges may be %5 or \$15, whichever is less.

Mr. Loendorf stated the third change is an adjustment in the dollar amounts under 8-80-307 (Exhibit #1). He stated the change occurs on page 12 on lines 23 through 25. He stated the dollar amounts have been adjusted according to the consumer price index. He went over the changes in Exhibit #1 and how they were integrated into SB 419.

John Cadby, Montana Bankers Association, stated the Association supported SB 419.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Christiaens asked Mr. Loendorf why the language in the bill was changed from \$300 to \$450. Mr. Loendorf stated the limit was changed because of requirement by law.

Senator Toews asked Mr. Loendorf what would control the non-filing lien. Mr. Loendorf stated there was no controlling device and the non-filing was at the risk of the insurer.

Closing by Sponsor:

Senator Lynch closed on SB 419.

HEARING ON SJR 27

Opening Statement by Sponsor:

Senator Christiaens, Senate District 18 stated SJR 27 would urge Congress to fully fund the completion of the Lewis and Clark National Historic Trail Interpretive Center in Great Falls. He stated community involvement in the Lewis and Clark center has been immense in the Great Falls area. He stated the funds have been raised on the local level through a dedicated group which has been involved in the planning process from the beginning. He stated the community has raised \$500,000 on the local level.

Proponents' Testimony:

Marcia Staigmiller, Portage Route Chapter, Lewis and Clark Trail Heritage Foundation, read from prepared testimony in support of SJR 27 (Exhibit #2).

Mike Labriola, President, Lewis and Clark Interpretive Center Fund, read from prepared testimony in support of SJR 27 (Exhibit #3).

Bob Doerk, Lewis and Clark Trail Heritage Foundation supplied written testimony in support of SJR 27 (Exhibit #4).

Submitted by Mr. Labriola were letters from the Great Falls Area Chamber of Commerce (Exhibit #5) and the Great Falls Hotel/Motel Association (Exhibit #6) in support of SJR 27.

Gene Johnson, Upper Missouri Group, Great Falls stated his support of SJR 27.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Gage asked Mr. Labriola why a city the size of Great Falls had only raised \$100,000 in support of the project. Mr. Labriola stated the foundation was still working on fund raising.

Senator Rea asked Mr. Labriola if the project would be self funded after it was completed. Mr. Labriola stated it would be operated by the United States Forest Service and funded in part by the federal government. He stated the foundation hoped to use the project as a pilot for the first forest service interpretive center and there would be user fees charged.

Closing by Sponsor:

Senator Christiaens asked the Committee to please vote "yes" and to continue the vision of Lewis and Clark.

EXECUTIVE ACTION ON SJR 27

Motion/Vote:

Senator Mesaros moved SJR 27 DO PASS. The motion CARRIED UNANIMOUSLY.

HEARING ON SB 390Opening Statement by Sponsor:

Senator Christiaens, Senate District 18, stated SB 390 pertains to taverns which sell alcoholic beverages. He stated SB 390 would change the situation in which a tavern is operating under the same roof as another business. He stated the proponents would explain SB 390 further.

Proponents' Testimony:

Mark Staples, Montana Tavern Association (MTA), stated there had been an unintended consequence of the gaming bill which was gaming machines in convenience store settings. He stated the convenience stores were using the gaming machines to attain beer and wine licenses and then turning the convenience stores into taverns. He stated the MTA worked with the Department of Revenue (DOR) and the convenience store owners to clarify the definition of a "premises" where liquor could be provided. He stated there had been a rule change which would separate the premises. He stated page 13, section 8 defined the premises on which gaming could occur and liquor could be sold. He stated the DOR proposed the "premises" would be separated by four permanent walls and would have no inside access. He stated the MTA agreed separation made sense, but did not want the walls to be floor to ceiling. He stated the DOR grandfathered walls which did not run from floor to ceiling, and only new establishments would be required to have four full walls. Mr. Staples stated inside access was still in the provision and the MTA felt inside access was not necessary. He stated the grandfather clause for inside access was only in effect until a building owner decided to remodel. He stated there had been unintended consequences from the denial of inside access which caused the people who want to remodel to have split a building into two separate businesses. He stated SB 390 would allow for inside access to gaming machines with separating walls. He stated the DOR would have to work with the businesses on the definition of inside access.

Gary Ehnes, Hi-Ho Tavern and Laundromat, Great Falls, stated his support of HB 390. He stated the current law makes it expensive to remodel in any fashion.

Larry Akey, Montana Coin Machine Operators, stated his support of SB 390.

Paul Slider, Montana Petroleum Marketers Association, stated many of the members of the Association own retail outlets with gaming machines. He stated he supported SB 390.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Senator Christiaens closed on SB 390.

EXECUTIVE ACTION ON SB 390

Motion/Vote:

Senator Rea moved SB 390 DO PASS. The motion CARRIED UNANIMOUSLY.

HEARING ON SB 398

Opening Statement by Sponsor:

Senator Rea stated SB 398 addressed some of the problems with the Montana Landlord/Tenant Act. He stated SB 398 would clarify the landlord's rights to make the tenant vacate the building. He stated SB 398 would also change the amount of time a tenant is allowed to clean a rental unit upon receipt of notice. He stated SB 398 would change the amount of damages allowable for withholding of the security deposit. Senator Rea stated SB 398 would clarify the time and delivery of the landlord's written report of the condition of the rental premises.

Proponents' Testimony:

Greg VanHorssen, Montana Landlord Association, Income Property Managers Association, stated his associations' support of SB 398. He stated the changes in section 1 would expedite the process of preparing a rental unit for the next tenant when a prior tenant has vacated or will be vacating the premises. He stated the reduction from 48 to 12 hours for the tenant to complete cleaning was in addition to a 3 day period allowed for mailing. He stated the provisions of section 1, page 2, lines 14 - 18 allow the landlord immediate access to a tenants security deposit for cleaning purposes but only if the tenant has not given notice of intent to vacate. He stated the provision addressed the tenant vacating the premises without providing notice and it becoming necessary to clean the premises immediately and prepare it for another tenant. He stated the provision would encourage communication between the tenant and landlord. Mr. VanHorssen stated the changes in section 4 would bring practicality to the statute. He stated is unreasonable to require a landlord to provide every potential tenant with a report stating the condition of the rental premises. Mr. VanHorssen stated section

4, page 5, lines 2 - 5, remove a redundancy in the statute which requires a statement of the current condition of the premises and any statement of damages caused by the preceding tenant. He stated the statement of condition of the premises is to be produced at the beginning of a new tenancy.

Lance Clark, Montana Association of Realtors, stated his support of SB 398.

Melissa Case, Montana Peoples Action (MPA), stated her support of SB 398. She stated MPA had a concern with line 11, page 2 and proposed an amendment to change "12" to "24".

Stan Cloutier, President, Montana Landlord's Association, Kalispell stated he supports SB 398. He stated the 12 hour provision was sufficient since most tenants have given or received a 30 day notice to vacate. He stated the law provides for a 7 day period prior to moving in which the tenant may ask for inspection of the premises by the landlord. He stated the tenant, upon moving, should have the property in condition for the next tenant.

Ed Eaton stated SB 398 would relieve the losses of a landlord's operation and strengthen the business environment. He stated SB 398 would promote the availability of rental housing.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Mesaros asked Mr. VanHorssen if a person could hand deliver a notice and still require the tenant to clean the apartment within 12 hours. Mr. VanHorssen stated that was correct, but the majority of notices were sent through the mail. He stated the 12 hour provision was to "streamline" the process.

Closing by Sponsor:

Senator Rea closed on SB 398.

EXECUTIVE ACTION ON SB 398

Discussion:

Senator Mesaros stated he felt the 12 hour provision was too narrow and a compromise should be reached.

Motion/Vote:

Senator Mesaros moved SB 398 BE AMENDED (change "48 hours" to "24 hours"). The motion CARRIED 11 to 2 with Senator Rea and Senator Wilson voting NO.

Motion/Vote:

Senator Mesaros moved SB 398 DO PASS AS AMENDED. The motion CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 423

Motion:

Senator Klampe moved SB 423 BE TABLED.

Discussion:

Senator Toews asked if SB 423 shouldn't be given a Do Not Pass Recommendation.

Senator Lynch stated he would prefer not pleading his case on the floor because it was time consuming and the issues had been introduced.

Senator Klampe stated the situation occurs in dentistry and medicaid doesn't pay full reimbursement.

Senator Koehnke asked if the private charges were all the same amount. Senator Lynch stated there was a set rate and medicaid sets the low rate.

Senator Rea asked if all of a person's assets are considered when determining if a person would qualify for medicaid. Senator Lynch stated all of a person's assets are considered and spent before the person qualifies for medicaid.

Vote:

The motion CARRIED 9 to 4 with Senators Lynch, Wilson, Bruski-Maus and Kennedy voting NO.

EXECUTIVE ACTION ON SB 420

Motion/Vote:

Senator Kennedy moved SB 420 BE AMENDED. The motion CARRIED UNANIMOUSLY.

Motion/Vote:

Senator Kennedy moved SB 420 DO PASS AS AMENDED. The motion CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 419

Motion:

Senator Toews moved SB 419 DO NOT PASS.

Discussion:

Senator Toews stated the non-filing portion of SB 419 would allow for double and triple mortgages and he didn't think it was safe. Senator Toews asked if a person filed a lien with the state, there was a record so a person could not do a second mortgage on the item.

Senator Bruski-Maus asked if the non-filing insurance would be the same as title insurance.

Senator Lynch stated the liens only applied to retail installment transactions.

Senator Toews said Mr. Loendorf had stated the mortgages could be doubled and tripled.

Senator Mesaros stated he agreed with Senator Toews.

Senator Rea referred to line 6, page 1 and stated it applied to "any title or lien" for securing a loan. Senator Lynch stated the explanation sheet says, "It authorizes the utilization of non-filing insurance in the place of filing, or recording, or otherwise perfecting any lien taken by the seller, in connection with a retail installment transaction. It requires the premium can be no more than what the seller would have to pay to record a security interest at the court house."

Bart Campbell stated SB 419 is actually coming from the seller or the person who would finance the loan. He stated Senator Toews concerns about the seller protecting their interests are correct because it is from their point of view. He stated what the sellers are asking for is a non-filing insurance instead of a lien perfecting filing. He stated any losses to the lender would be covered by the non-filing insurance.

Senator Mesaros asked what would preclude a person from buying something, putting a lien on it, and then going elsewhere and putting another lien on the same property. Mr. Campbell stated the title would reflect the lienholder's name and the title would have to be presented to another lender before a lien could be

filed.

Senator Toews stated he understood SB 419 to say the title on the boat would show no lien holders because no lien has been filed.

Mr. Campbell stated the lien would show the name of the lender.

HEARING ON SB 387

Opening Statement by Sponsor:

Senator Bianchi, Senate District 39, stated SB 387 would protect insurance consumers from changes in their coverage which adversely affect them when the changes are based on incidences which are not the insurance company's fault. He stated problems arise when numerous natural disasters are claimed against an insurance company and the insurance policy is canceled upon renewal. He stated the individual insured has no control over the "act of God" and should not have his policy canceled. Senator Bianchi stated if there are two claims on a policy within a two year period which are not an "act of God", the insurance company may increase the premium by not more than 10%. He stated that if there is a third claim on the policy which is an "act of God," the insurance company may cancel the policy. He stated he had two amendments which he disbursed to the Committee (Exhibits #7 and #8).

Proponents' Testimony:

Bill Olson, State Legislative Committee for the American Association of Retired Persons (AARP) read from prepared testimony in support of SB 387 (Exhibit #9).

Roseanne Richardson, Insurance Commissioner read from a letter in support of SB 387 (Exhibit #10).

Opponents' Testimony:

Greg VanHorssen, State Farm Insurance, stated he opposed SB 387. He stated the concern of State Farm was with the practical application of the SB 387. He stated SB 387 would remove the flexibility an insurer needs when addressing an undesirable risk. He stated State Farm has never canceled a policy because of acts caused solely by God. He stated he felt there was a need for the insurance company to have the ability to non-renew if there are continuous losses. He stated "act of God" needed further definition. He stated "act of God" would be subject to differing opinions and would depend on the circumstances. He stated insurers would be placed at risk each time they chose to non-renew insurance because of the definition of "act of God". He stated the 25% limitation on premium adjustment would eliminate the insurer's ability to raise premiums for any reason. He also stated section 2, subsection 2, page 3, would allow an individual

insured to bring an action against the insurer for violations of SB 387. He stated the vagueness in the language would make it inappropriate for the insured to bring action against the insurer.

Gene Phillips, National Association of Independent Insurers (NAII), stated the NAII disagreed with section 1, line 17. He stated the section refers to "specified dwellings" which are never defined. He stated SB 387 would provide for criminal punishment of violators. He referred to subsection 2, line 22 and stated it refers to the cancellation of the insurance policy in "whole or in part". He stated the section referred to made no sense. He stated SB 387 would provide for a misdemeanor which could also be enforced by the private right of action by an individual. He referred to the section in SB 387 which allowed for the person pressing the charges to recover attorney's fees and stated that under the provision the insurer would also be allowed to recover attorney's fees. He stated "act of God" is defined in Montana statutes as follows:

"An accident or casualty produced by physical cause which is not preventable by human foresight".

He stated the definition was too vague and would cause problems. He stated SB 387 would foster a large amount of litigation between individuals and insurers.

Jacqueline Lenmark, American Independent Insurers, stated she opposed SB 387.

Questions From Committee Members and Responses:

Senator Lynch asked Mr. Phillips to clarify the phrase "intent" regarding a misdemeanor. Mr. Phillips stated if an attorney is going to prove a misdemeanor, they must prove there was an "intent." Senator Lynch asked Mr. Phillips if the "intent" was the cancellation of the policy. Mr. Phillips stated there may have been an intent to cancel, but there had to be clarification on if the cancellation was because of something other than an "act of God." Senator Lynch asked Mr. Phillips if "specified dwellings" referred to what was insured and was listed in the policy. Mr. Phillips stated under criminal law "dwelling" is defined broadly. Senator Lynch stated the insurance policy would specify exactly what "dwelling" was covered. Mr. Phillips stated that was correct.

Senator Harding asked Ms. Richardson if she supported the insurer or the consumer. Ms. Richardson stated there would be a risk to the insurers and they agree with a surcharge for high risk areas.

Senator Klampe asked Ms. Richardson how many cancellations or non-renewals had occurred because of an "act of God". Ms. Richardson stated she didn't have the information available. Senator Klampe asked Ms. Richardson if the cancellations because of an "act of

God" were highly prevalent. Ms. Richardson stated there has been a problem in the last year because of the large number of storms in the area. She stated the cancellations are occurring because of the claims from the storms in addition to other claims on policies.

Senator Gage asked Bart Campbell if the increase was 37 1/2% in two years. Mr. Campbell stated the increase was 37 1/2% in certain scenarios where a person chose to keep insurance with a company.

Senator Rea asked Ron Ashobraner, State Farm, how a policy cancellation was determined. Mr. Ashobraner stated there was no dollar criteria for a cancellation. He stated the criteria was a risk which extended past something which would normally occur in a certain time period.

Senator Christiaens asked Mr. Ashobraner about the Billings area and how many policies were cancelled because of the hail storm. Mr. Ashobraner stated he didn't know of any cancellation of automobile policies, but had no statistics on homeowners policies. Senator Christiaens asked Mr. Ashobraner if cancellations in the Billings area would be because of new underwriting material which would have caused a raise in the premium. Mr. Ashobraner stated that was correct.

Closing by Sponsor:

Senator Bianchi closed by stating that there was a new law addressing mid-term cancellations and the reasons for those cancellations. He stated the coverage of the reasons for mid-term cancellations were enough to cover the problems which would arise with SB 387. Senator Bianchi stated SB 387 addressed the problem of cancellation of policies when people have no control over the circumstances which caused the cancellation. He stated "act of God" would be difficult to define and stated the definition provided would be sufficient. He stated if a person has their insurance policy cancelled because of an "act of God" and the insured has to use an attorney to get their policy reinstated, the insurance company should be liable to pay the attorney's fees.

EXECUTIVE ACTION ON SB 387

Motion:

Senator Kennedy moved SB 387 BE AMENDED (Exhibit #7).

Discussion:

Bart Campbell stated he felt a clarification of an "act of God"

was not needed, and the only amendment which was necessary was the one supplied by Senator Bianchi.

Senator Kennedy stated he would like to only move the amendment supplied by Senator Bianchi.

Vote:

The motion CARRIED UNANIMOUSLY.

Motion:

Senator Wilson moved SB 387 DO PASS AS AMENDED.

Discussion:

Senator Christiaens stated there was not that big of a problem and the issue was being over exaggerated. He stated he did not feel SB 387 was a good bill.

Senator Mesaros stated he had reservations about SB 387. He stated he felt SB 387 was a good bill and focused on consumer protection, but he felt the Commissioner should be the one to protect the consumer.

Senator Bruski-Maus stated she had a situation where the window of her trailer home had fallen out and her insurance agent told her to say it was "vandalism". She stated the insurance agent told her they couldn't prove "act of God". She asked if the situation involved was an example of why "act of God" was difficult to define.

Vote:

The motion CARRIED 7 to 6 on ROLL CALL VOTE.

EXECUTIVE ACTION ON SB 197

Motion/Vote:

Senator Christiaens moved SB 197 be AMENDED (Exhibit #11). The motion CARRIED UNANIMOUSLY.

Motion/Vote:

Senator Rea moved SB 197 DO PASS AS AMENDED. The motion CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 419

Discussion:

Chair Lynch stated the amendment on the floor was SB 419 DO NOT PASS.

Senator Toews stated he still had some concern about SB 419. He asked Mr. Loendorf if it was possible for a double or triple mortgage on a piece of property. Mr. Loendorf stated it was possible for a double mortgage to happen, but the same thing could happen if a security agreement was not filed. He stated the insurance would insure against the risk of a second mortgage.

Senator Lynch asked Mr. Loendorf if SB 419 was against the consumer. Mr. Loendorf stated SB 419 was not against the consumer in any way.


Senator Gage asked Mr. Loendorf if the second lender on a piece of property would be covered without filing a lien. Mr. Loendorf stated there was a section on page 4 which would protect the subsequent lenders only if they chose to insure the loan.

Motion/Vote:

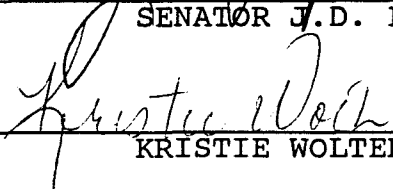
Senator Christiaens made a substitute motion SB 419 DO PASS. The motion CARRIED 12 to 1 with Senator Toews voting NO.

ADJOURNMENT

Adjournment: 11:55 a.m.



SENATOR J.D. LYNCH, Chair



KRISTIE WOLTER, Secretary

JDL/klw

ROLL CALL

SENATE COMMITTEE Business & Industry DATE 2/19/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Lynch	✓		
Senator Christaens	✓		
Senator Bruski-Maus	✓		
Senator Gage	✓		
Senator Hager	✓		
Senator Harding	✓		
Senator Kennedy	✓		
Senator Klampe	✓		
Senator Koehnke	✓		
Senator Mesaros	✓		
Senator Rea	✓		
Senator Toews	✓		
Senator Wilson	✓		

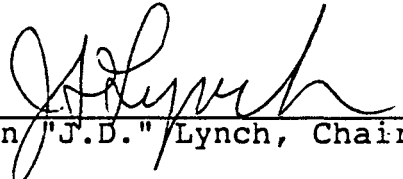
SENATE STANDING COMMITTEE REPORT

Page 1 of 2
February 19, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 197 (first reading copy -- white), respectfully report that Senate Bill No. 197 be amended as follows and as so amended do pass.

Signed: _____


Senator John "J.D." Lynch, Chair

That such amendments read:

1. Title, line 5.

Following: "LANDLORD"

Insert: "OR THE LANDLORD'S ASSIGNEE"

2. Title, line 6.

Following: "DETECTOR;"

Insert: "ALLOWING THE TENANT TO INSTALL A SMOKE DETECTOR;"

3. Page 3, following line 25.

Insert: "(5)(a) At the start of a tenancy, the landlord or the landlord's assignee shall obtain written verification from the tenant that the tenant has been informed of the tenant's right to install a smoke detector and to deduct the cost from the next month's rent if no working smoke detector is on the premises or shall obtain written verification from the tenant that a smoke detector has been installed on the premises and that it is in working order.

(b) If the landlord or the landlord's assignee fails to install a working smoke detector, the tenant may send written notice by certified mail, return receipt requested, to the landlord or the landlord's assignee that if a working smoke detector is not installed within 72 hours of receipt of the letter, the tenant may install a smoke detector and deduct the cost, up to \$25, from the tenant's next month's rent.


(c) Upon installation of a working smoke detector, the tenant is responsible for maintaining the smoke detector in working order."

Renumber: subsequent subsections

4. Page 4, line 1.

Following: "landlord"

Insert: "or the landlord's assignee"

 Amd. Coord.
Rec. of Senate

411433SC.San

5. Page 4, line 5.

Following: "landlord"

Insert: "or the landlord's assignee"

6. Page 4, lines 5 and 6.

Strike: "install" on line 5 through "of" on line 6.

Insert: "notify the tenant of the tenant's right to install"

7. Page 4, line 7.

Strike: "(1)(g)"

Insert: "(5)"

8. Page 4, line 7.

Strike: "is injured"

Insert: "suffers serious bodily injury, as defined in 45-2-101,"

9. Page 4, line 8.

Following: "landlord"

Insert: "or the landlord's assignee"

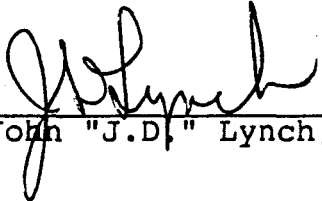
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 19, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 420 (first reading copy -- white), respectfully report that Senate Bill No. 420 be amended as follows and as so amended do pass.

Signed: 

Senator John "J.D." Lynch, Chair

That such amendments read:

1. Page 3, line 23.

Strike: "creditors"

Insert: "debtors"

2. Page 4, line 1.

Strike: "creditors"

Insert: "debtors"

-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 19, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 387 (first reading copy -- white), respectfully report that Senate Bill No. 387 be amended as follows and as so amended do pass.

Signed: _____

Senator John J. Lynch, Chair

That such amendments read:

1. Page 2, line 21.

Following: "claims"


Insert: "for losses not attributable to an act of God"

2. Page 2, line 23.

Following: "claim"

Insert: "for losses not attributable to an act of God"

-END-

 Amd. Coord.
Sec. of Senate

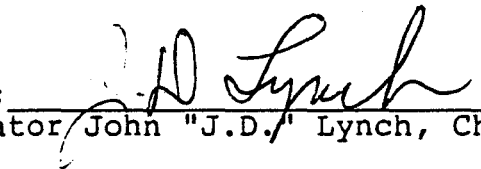
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SENATE STANDING COMMITTEE REPORT

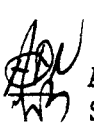
Page 1 of 1
February 19, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Joint Resolution No. 27 (first reading copy -- white), respectfully report that Senate Joint Resolution No. 27 do pass.

Signed: 

Senator John "J.D." Lynch, Chair

 Amd. Coord.
Sec. of Senate

411410SC.San


SENATE STANDING COMMITTEE REPORT


Page 1 of 1
February 19, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 390 (first reading copy -- white), respectfully report that Senate Bill No. 390 do pass.

Signed: _____


Senator John "J.D." Lynch, Chair

 Amd. Coord.
Sec. of Senate

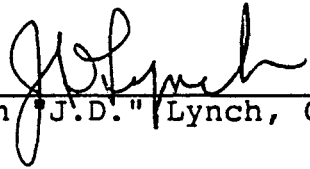
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
SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 19, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 419 (first reading copy -- white), respectfully report that Senate Bill No. 419 do pass.

Signed: 
Senator John "J.D." Lynch, Chair

 Amd. Coord.
 Sec. of Senate

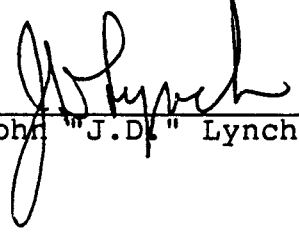
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 19, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 398 (first reading copy -- white), respectfully report that Senate Bill No. 398 be amended as follows and as so amended do pass.

Signed: 

Senator John "J.D." Lynch, Chair

That such amendments read:

1. Page 2, line 11.

Strike: "12"

Insert: "24"

-END-

ROLL CALL VOTE

SENATE COMMITTEE Business & Industry BILL NO. 387

DATE _____ TIME _____ A.M. P.M.

NAME	YES	NO
Senator Gage		✓
Senator Hager		✓
Senator Harding		✓
Senator Misaros		✓
Senator Toews	✓	
Senator Wilson	✓	
Senator Rea	✓	
Senator Klampe		✓
Senator Koehnke	✓	
Senator Bruski-Mails	✓	
Senator Kennedy	✓	
Senator Christensen		✓
Senator Lynch	✓	

SECRETARY

CHAIR

MOTION: To Pass As Amended

(f) amount of refund.

(3) Licensees shall indelibly record on borrower's loan card as separate items the amount of each installment payment, refund, or collection. (History: Sec. 32-5-401, MCA; IMP, Sec. 32-5-401, MCA; Eff. 12/31/72.)

8.80.306 RECORDS OF LICENSEE (1) On and after January 1, 1960 each licensee shall establish and maintain in current condition a general ledger, located in the place of business maintained in this state for contracting consumer loans.

(2) Each general ledger shall contain as a minimum the following accounts appropriate to the licensed organization:

ASSETS	LIABILITIES & CAPITAL
Cash on Hand	Capital
Cash in Bank	Surplus
Notes Receivable	Net Worth
Real Estate	Notes Payable
Furniture & Fixtures	Due Parent Company
Expenses	Income
Other Assets	Other Liabilities

(3) Please bear in mind that the foregoing list is intended as a minimum guide only. Any reasonable change in title or additional breakdown of information will be satisfactory.

(4) The general ledger of each licensee shall be sufficiently complete to show all assets, liabilities, income, and expense. Every ledger entry shall be supported by original source documents, which must be available for examination. (History: Sec. 32-5-401, MCA; IMP, Sec. 32-5-401, MCA; Eff. 12/31/72.)

8.80.307 DOLLAR AMOUNTS TO WHICH CONSUMER LOAN RATES ARE TO BE APPLIED (1) The dollar amounts in the following statutory sections are changed to the new designated amounts as follows:

Authority	Stated Amount	Changed Designated Amount
Section 32-5-201 (4)	\$1,000.00	\$1,500.00
Section 32-5-302 (3)	\$ 300.00	\$ 450.00
	\$1,000.00	\$1,500.00
	\$2,500.00	\$3,750.00
Section 32-5-306 (7)	\$ 300.00	\$ 450.00

(History: Sec. 32-5-104, MCA; IMP, Sec. 32-5-104, 32-5-201, 32-5-301, 32-5-302, 32-5-306, MCA; NEW, 1984 MAR p. 922, Eff. 6/15/84; AMD, 1988 MAR p. 2034, Eff. 9/23/88; AMD, 1991 MAR p. 1274, Eff. 7/26/91; AMD, 1992 MAR p. 1353, Eff. 6/26/92.)

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 1

DATE 2/19/93

BILL NO. SB 419

PORTAGE ROUTE CHAPTER

LEWIS &
CLARK

TRAIL HERITAGE
FOUNDATION INC.



*We proceeded
up the river passing a succession
of rapids and cascades to the falls,
which we had heard for several miles
making a deadly sound.....I beheld
these cataracts with astonishment...
-Jim Clark
June 17th, 1805*

TESTIMONY PRESENTED BY
MARCIA STAIGMILLER
ON BEHALF OF THE
PORTAGE ROUTE CHAPTER, LEWIS & CLARK TRAIL
HERITAGE FOUNDATION

SENATE BUS. & INDUSTRY

EXHIBIT NO. 2

DATE 2/11/93

BILL NO. STB 27

MR CHAIRMAN & MEMBERS OF THE COMMITTEE, I REPRESENT THE PORTAGE ROUTE CHAPTER OF THE LEWIS & CLARK TRAIL HERITAGE FOUNDATION IN SUPPORT OF SENATE JOINT RESOLUTION REAFFIRMING MONTANA'S STRONG SUPPORT FOR THE COMPLETION OF THE NATIONAL LEWIS & CLARK TRAIL INTERPRETIVE CENTER TO BE LOCATED IN MONTANA NEAR GREAT FALLS.

DURING YOUR TENURE IN THIS 53RD LEGISLATIVE ASSEMBLY YOU HAVE MANY GRAVE DECISIONS TO MAKE- BUDGETS, FAIR AND CREATIVE METHODS OF FUNDING THE NEEDS OF OUR STATE AND ITS DESERVING PEOPLE. THIS RESOLUTION SHOULD BE A BREATH OF FRESH AIR FOR YOU ALL!

THE VISION OF A NATIONAL INTERPRETIVE CENTER GREW FROM A TINY CLUSTER OF MONTANANS CELEBRATING THEIR HERITAGE THROUGH A RE-ENACTMENT OF THE PORTAGE AROUND THE GREAT FALLS OF THE MISSOURI DURING THE CITY'S CENTENNIAL YEAR OF 1984, THREE CONGRESSIONAL ATTEMPTS AND SUCCESSFUL DESIGNATION AUTHORIZING A NATIONAL LEWIS & CLARK TRAIL INTERPRETIVE CENTER. IT WAS APPARENT TO CONGRESS THAT AN IMPORTANT ELEMENT OF OUR NATIONS HISTORY WAS MISSING. WE WERE LIVING IN A PLACE WHERE THE VERY DIRECTION OF A YOUNG NATION WAS DETERMINED BY THE CHOICES MADE BY THIS BAND OF BRAVE TRAIL SEEKERS. THEIR PERSERVERANCE, ABILITY TO THINK ON THEIR FEET, TO MAKE ACCURATE OBSERVATIONS AND TO MAINTAIN PRECISE RECORDS WHILE BUILDING RAPPORT WITH THE NATIVE PEOPLES ALONG THE WAY, CREATED THE OPPORTUNITY FOR THE GROWTH AND DEVELOPMENT WE ENJOY TODAY. WHAT BETTER PLACE TO TELL THIS STORY, THE HEART OF THE TRAIL, THE HALF WAY POINT, THE LYNCHPIN OF HISTORY-IN MONTANA WHERE MORE MILES WERE TRAVELED, MORE NEW SPECIES IDENTIFIED, MORE DANGERS OVERCOME. WHERE ONE COULD STILL GET IN TOUCH WITH THE REALITIES THE CORPS EXPERIENCED.

P.O. BOX 2424GREAT FALLS, MONTANA.....59403

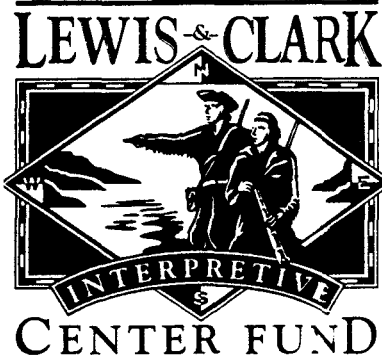
IN PREPARATION FOR THE CONSTRUCTION OF THE CENTER THE PEOPLE OF MONTANA AND GREAT FALLS HAVE BEEN FAR SIGHTED AND BUSY. THEY HAVE BUILT AN INTER RELATED NETWORK OF PROJECTS, SITES AND MATERIALS THAT WOULD ENHANCE AND SERVE AS A BACKDROP FOR THE CENTER. THE INVESTMENT OF MILLIONS OF DOLLARS AND PERSONAL TIME ARE LEGENDARY. FUNDS WERE RAISED AND LIAISONS BUILT BETWEEN THE PUBLIC AND PRIVATE SECTOR TO EXPAND THE SIZE OF GIANT SPRINGS HERITAGE STATE PARK. IN THE PROCESS, IMPORTANT RIVERFRONT LAND HAS BEEN PLACED IN THE PUBLIC DOMAIN FOR THE USE OF ALL CITIZENS. BEAUTIFUL OVERLOOKS WERE BUILT, MILES OF RIVERS EDGE TRAIL WERE CONSTRUCTED, IMPROVED SIGNAGE INSTALLED, EASEMENTS TO HISTORICALLY IMPORTANT SITES SUCH AS SACAGAWEA SPRINGS HAVE BEEN SECURED. TO SUPPORT THESE MAJOR PHYSICAL DEVELOPMENTS, EDUCATIONAL MATERIALS HAVE BEEN CREATED, MAPS, GUIDES, A VIDEO PRESERVING THE ARTISTIC LEGACY STIMULATED BY THE SAGA OF LEWIS & CLARK, A LANDMARK HEROIC BRONZE DEDICATED, A GIGANTIC MURAL DEPICTING THE RIGORS OF THE PORTAGE AROUND THE FALLS INSTALLED...ALL THROUGH THE EFFORTS OF THE PRIVATE SECTOR. THE LEWIS & CLARK HONOR GUARD AND A RE ENACTMENT CREW HAVE BEEN FORMED, BOTH DEDICATED TO HISTORIC ACCURACY. THE FIFTH ANNUAL LEWIS & CLARK FESTIVAL WILL DRAW VISITORS FROM AROUND THE WORLD IN LATE JUNE. THIS OPPORTUNITY TO EXPERIENCE HISTORY "FIRST HAND" HAS GAINED NATIONAL ATTENTION FOR ITS UNIQUE BLEND OF EDUCATION AND FUN FOR PARTICIPANTS AND VISITORS ALIKE. PULITZER PRIZE WINNING AUTHOR JAMES RONDA, LEWIS & CLARK HISTORIAN AND EDITOR DR. GARY MOULTON ARE EAGER TO PARTICIPATE IN THE PROGRAM BECAUSE OF ITS HIGH CALIBER AND THE RECOGNITION THE FESTIVAL IS RECEIVING. THIS SINGLE WEEKEND IS THE BASIS FOR THE EDUCATIONAL ELEMENT POSSIBLE EVERY DAY IN THE INTERPRETIVE CENTER ONCE IT IS COMPLETED. IT WILL PUT MONTANA ON THE MAP AS A LEARNING CENTER FOR ALL AGES.

THE ONGOING SUPPORT OF THE PEOPLE OF MONTANA HAVE ALLOWED THIS VISION TO CONTINUE ITS STEADY PROGRESS. IT IS EVER MORE IMPORTANT THAT THIS LEGISLATURE SEND THIS RESOLUTION ON TO WASHINGTON TO SHOW THE COMMITMENT HAS NOT WAIVERED. IT IS A LESSON WE HAVE LEARNED FROM LEWIS & CLARK...TO FACE NEW CHALLENGES, TO OVERCOME HARDSHIPS AS AN INVESTMENT IN THE GREATER GOOD OF A PEOPLE DETERMINED TO KNOW FREEDOM INTIMATELY.

Marcia Staigmiller

Discover
The Expedition...

Continue
The Vision



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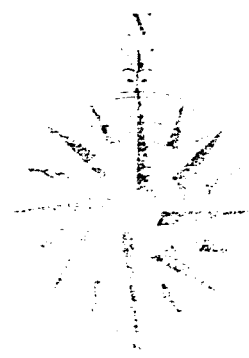
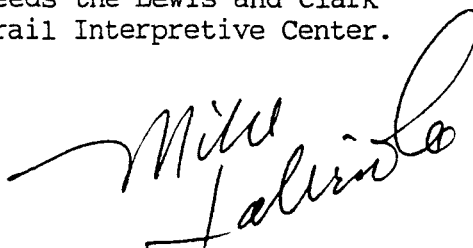
SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 3
DATE 2/19/93
BILL NO. STB 27

TESTIMONY OF MIKE LABRIOLA, PRESIDENT
LEWIS AND CLARK INTERPRETIVE CENTER FUND

In October 1988 the United States Congress authorized the Lewis and Clark National Historic Trail Interpretive Center to be established in Great Falls. This action opened a wonderful window of opportunity for the entire state as well as Great Falls. The 1991 Montana Legislature recognized the economic and cultural potential of the Lewis and Clark Interpretive Center with a pledge of matching funds and with a resolution sent to Congress urging full funding of this project by the federal government. The resolution before you today is similar to that previously passed. It is our hope that you will reaffirm the support of the State of Montana for the Lewis and Clark National Historic Trail Interpretive Center.

Since the spring of 1991 the supporters of this project have worked hard to raise funds to differentiate our Lewis and Clark Interpretive Center proposal from projects in other states that we are competing with. More than 500 private citizens and businesses have contributed over \$100,000 because they believe in this Interpretive Center. The City of Great Falls and the government of Cascade County have each pledged \$200,000 in anticipation of federal matching funds for construction. These are not easy sums for a community of our size to raise, particularly during the difficult times we now face. Our city and county fathers, and our citizens, have recognized the need to invest in the future. Above all they recognize that the Lewis and Clark National Historic Trail Interpretive Center means jobs. The economic impact of this project will be felt the length and breadth of Montana. More than 400 documented unspoiled historic points of interest along the Lewis and Clark Trail in Montana establish our state as a virtual 145,000 square mile outdoor museum. The bicentennial of the Louisiana Purchase and the Lewis and Clark expedition is near and will provide us with the opportunity to make Montana the focal point of a national epic. The Interpretive Center will also bring increased attention to the story of the Native American cultures on the high plains.

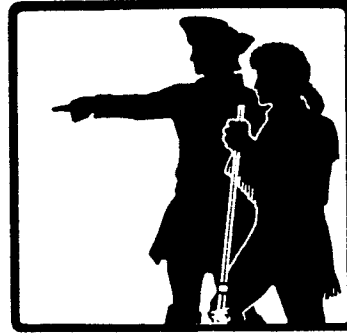
We ask you to join with us and pledge your support for this project. We urge you to once again place the message before Congress that Montana wants and needs the Lewis and Clark National Historic Trail Interpretive Center.



Lewis and Clark Trail

HERITAGE FOUNDATION, INC.

ROBERT K. DOERK, JR., *Chairman*
NATIONAL LEWIS & CLARK TRAIL COORDINATION COMMITTEE
1443 Park Garden Road • Great Falls, MT 59404
Phone (406) 453-7091



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MY NAME IS BOB DOERK, PAST PRESIDENT OF THE LEWIS AND CLARK TRAIL HERITAGE FOUNDATION, AND CURRENT CHAIRMAN OF IT'S TRAIL COORDINATION COMMITTEE. THIS VOLUNTEER, NON-PROFIT FOUNDATION WAS ESTABLISHED IN 1969 FOLLOWING THE COMPLETION OF A PRESIDENTIAL COMMISSION WHICH DETERMINED THERE WAS ENOUGH SIGNIFICANT TRAIL LEFT TO JUSTIFY IT'S PRESERVATION AND USE BY ALL AMERICANS. THE FOUNDATION CONTINUES TO BE THE LEWIS AND CLARK TRAILS PRINCIPAL SUPPORT GROUP WITH 1500 MEMBERS IN ALL 50 STATES AND 4 FOREIGN COUNTRIES.

THE LEWIS AND CLARK TRAIL HAS BEEN LIKENED TO A "LONG, THIN MUSEUM" STRETCHING FROM THE DOORSTEP OF MONTICELLO ALL THE WAY TO THE MOUTH OF THE COLUMBIA RIVER. IT PASSES BY SUCH CITIES AND TOWNS AS WASHINGTON, DC, PHILADELPHIA, PITTSBURGH, LOUISVILLE, ST. LOUIS, OMAHA, BISMARCK, VIRTUALLY EVERY MUNICIPALITY IN MONTANA (EXCEPT BUTTE), BY LEWISTON, VANCOUVER, AND PORTLAND, TO ASTORIA, OREGON. IT BINDS THIS COUNTRY TOGETHER CULTURALLY, GEOGRAPHICALLY, AND RECREATIONALLY. THERE ARE MUSEUMS, VISITORS CENTERS, MONUMENTS, AND SIGNAGE ALONG THE ROUTE BUT ONLY TWO INTERPRETIVE CENTERS, ONE IN ST. LOUIS (UNDER THE ARCH) AND ONE AT FORT CLATSOP, NEAR THE MOUTH OF THE COLUMBIA. THERE IS NO INTERPRETIVE CENTER

AT THE MID-POINT OF THE LEWIS AND CLARK EXPEDITION AND THIS IS WHERE MONTANA HAS A GOLDEN OPPORTUNITY.

THE LEWIS AND CLARK TRAIL HERITAGE FOUNDATION HAS NEVER HAD A PERMANENT HEADQUARTERS, BUT WITH IT'S RECENT GROWTH IN MEMBERSHIP AND ACTIVITY, ONE IS NEEDED AND SINCE 1984, IN CONJUNCTION WITH THE INTERPRETIVE CENTER PROPOSAL, THE FOUNDATION BOARD HAS BEEN IN FAVOR OF LOCATING IT IN GREAT FALLS (AND IN MONTANA), WHERE THE EXPEDITION TRAVELED MORE MILES, CAMPED MORE OFTEN, AND FACED MORE CHALLENGES THAN IN ANY OTHER MODERN STATE. THE DESIGN FOR THE INTERPRETIVE CENTER INCLUDES SPACE FOR A FOUNDATION EXECUTIVE SECRETARY, IT'S MEMBERSHIP FUNCTION, THE EDITOR OF WE PROCEEDED ON, THE QUARTERLY MAGAZINE, AS WELL AS SPACE FOR IT'S EXTENSIVE ARCHIVAL AND LIBRARY COLLECTIONS. MANY VOLUNTEERS THROUGHOUT MONTANA HAVE WORKED HARD TO ENSURE THAT THE ANNUAL VOTE BY THE FOUNDATION BOARD KEEPS GREAT FALLS DESIGNATED AS THE PERMANENT HEADQUARTERS LOCATION. ~~THE CREDIBILITY OF HAVING THE FOUNDATION HEADQUARTERS LOCATED IN MONTANA ARE MANY...~~ AND THERE IS STRONG COMPETITION FROM ST. CHARLES, ST. LOUIS, AND OMAHA AS WELL AS PORTLAND, OREGON.

THE TRAIL UNDER DISCUSSION IS PART OF THE NATIONAL LONG DISTANCE TRAILS SYSTEM, COMPOSED OF 19 NATIONAL HISTORIC AND SCENIC TRAILS AUTHORIZED BY CONGRESS. THE PONY EXPRESS AND CALIFORNIA TRAILS WERE ADDED LAST FALL. I AM PROVIDING YOU WITH A BROCHURE/MAP DELINEATING 17 OF THESE TRAILS AND YOU CAN SEE HOW THEY CRISS-CROSS THE NATION, EACH ONE SERVING AS AN INDIRECT AMBASSADOR FOR MONTANA AS INTEREST IN RETRACING THESE TRAILS CONTINUES TO GROW.



**GREAT
FALLS AREA
CHAMBER OF COMMERCE**

P. O. Box 2127
GREAT FALLS, MONTANA 59403
(406) 761-4434

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 5

DATE 2/19/93

BILL NO. SJR 27

February 18, 1993

Senate Business and Industry Committee
State Capitol
Helena, MT

RE: Senate Joint Resolution SJ 27

Dear Members of the Senate Business and Industry Committee,

Tourism has become a major factor in the economy of Montana in the past few years. In order to insure continued growth in the industry, we must look to new opportunities and attractions. The Lewis and Clark Interpretive Center presents a major new tourism opportunity for the Great Falls area and for all of Montana. We would therefore urge your support of SJ 27 which will demonstrate to Congress that Montana wants and needs the Center.

Sincerely,

C. Dennis Anderson
President

CDA:cz

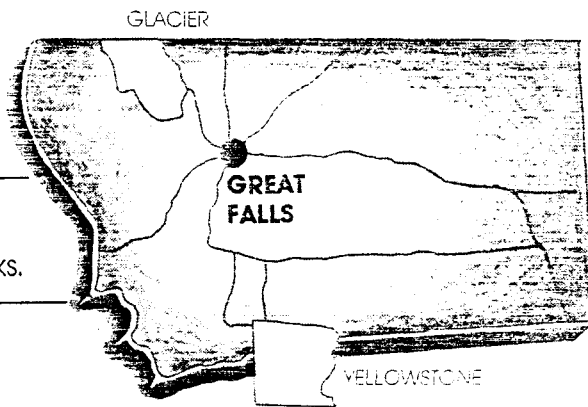
GREAT FALLS HOTEL/MOTEL ASSOCIATION

MONTANA'S CENTER OF ACTIVITY

A Sparkling City Between Glacier and Yellowstone National Parks.

GREAT FALLS CHAMBER OF COMMERCE

P.O. BOX 2127 • GREAT FALLS, MONTANA 59403



The Great Falls Hotel/Motel Association would like to ask for your support of LC-1557. The Lewis and Clark Interpretive Center project is vitally important to the community of Great Falls and the entire hospitality industry.

We request that the Legislature of the State of Montana would reaffirm its commitment to this project to compliment the ongoing efforts of the local community and the U.S. Congress.

Thank you for your consideration.

Sincerely Yours,

A handwritten signature in cursive script that reads "James L. Twedt".

James L. Twedt
President

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 10

DATE 2/19/93

BILL NO. STR 27

AMENDMENT TO SENATE BILL NO. 387

Section 1. Subsection (6). On line 21 after the word "claims" add; " for losses not attributable to an act of God". On line 23 after the word "claims" add; "for losses not attributable to an act of God".

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 7
DATE 2/15/93
BILL NO. SB 387

Act of God An accident or event that is the result of natural causes, without any human intervention or agency, that could not have been prevented by reasonable foresight or care, such as floods, lightning, earthquake, or storms.

DICTIONARY OF INSURANCE

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 8
DATE 2/19/93
BILL NO. SB 387

Lewis E. Davids

Illinois Bankers Professor of Bank Management
College of Business and Administration
Southern Illinois University—Carbondale

Sixth Revised Edition
1983

MONTANA STATE LEGISLATIVE COMMITTEE



Bringing lifetimes of experience and
leadership to serve all generations.

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(406) 388-6982

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Mr. Robert J. Souhrada
915 13th Street West
Columbia Falls, MT 59912
(406) 892-4642

SECRETARY
Mrs. Florence R. Coslet
312 Cook Street
Lewistown, MT 59457
(406) 538-2674

AARP Testimony

Insurance Bill SB 387

February 19, 1993

Mr. Chairman & Members of the Committee:

For the record I am Bill Olson and I am a member of the State Legislative Committee for the American Association of Retired Persons (AARP). AARP has approximately 110,000 members in the State of Montana - one in every eight persons in the state. Our members are 50 years of age and older.

AARP's state legislative program is determined by a survey of AARP chapters throughout the state and priorities are developed as a result of that survey. From the material distributed to you, you will note that one of our 1993 legislative priorities is the issue of cancellation/non-renewal of insurance policies as addressed in SB 387. We strongly support SB 387 and urge your favorable consideration of the bill.

One might look upon SB 387 as a consumers protection bill. As outlined in Section 1, lines 12 thru 20, that is true. I would point out however, that paragraphs (2), (3) and (4) are insurer oriented by spelling out circumstances that provides the insurer the right to assess a surcharge and/or not renew a policy.

Para. (5) lines 15 thru 19 is consumers protection as is para. (6), outlining notification of possible non-renewal.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 9

DATE 2/19/93

BILL NO. SB 387



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MONTANA STATE LEGISLATIVE COMMITTEE

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Mr. Gene Quenemoen
606 Frank Road
Belgrade, MT 59714
(406) 388-6982

VICE CHAIRMAN
Mr. Robert J. Souhrada
915 13th Street West
Columbia Falls, MT 59912
(406) 892-4642

SECRETARY
Mrs. Florence R. Coslet
312 Cook Street
Lewistown, MT 59457
(406) 538-2674

The bill, in our estimation, has enough checks and balances so it cannot be perceived as totally consumer oriented or totally insurer oriented. You may wonder about automobile insurance. A thorough review by the state Insurance Commissioner's office has determined that current code 61-6-103(7) addresses adequately motor vehicle coverage. Application of forementioned subsection (7) to motor vehicle policies has been the practice of the insurance commissioners' office and it provides consumer protection in much the same manner as SB 387 does for homeowner/ranch-farm owner (Sec. 1 lines 12 thru 20).

AARP strongly supports SB 387, which is a good bill, and deserves your full support and "do pass" recommendation.

Thank you.

William Olson



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leadership to serve all generations.

MONTANA STATE LEGISLATIVE COMMITTEE

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Belgrade, MT 59714
(406) 388-6982

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Mrs. LeDean B. Lewis
6425 Timber Trail
Helena, MT 59601
(406) 458-6195

SECRETARY
Mr. Robert J. Souhrada
915 - 13th Street West
Columbia Falls, MT 59912
(406) 892-4642

**Montana AARP State Legislative Committee
1992 Position Paper**

INSURANCE CANCELLATION

POSITION: The Montana AARP State Legislative Committee strongly supports the enactment of state insurance statutes which prohibit insurance companies from canceling health and automobile policies without reasonable cause.

PROBLEM: It has been the policy of some insurance companies to cancel insurance without reasonable cause. When the insurance is canceled, the information is communicated through CLUE, thus immediately notifying other insurance companies of the cancellation. One must pay a higher rate to obtain insurance.

SOLUTION: Establish a standard guide or regulation to be enacted by a state auditor or the Commissioner of Insurance to supervise and control the operations of a business that affects the general public. The Commissioner of Insurance should have the authority in statute to establish regulations and enforce them for the protection of society.

CONTACT: Mr. Gene Quenemoen, State Legislative Committee Chairman
606 Frank Road
Belgrade, MT 59714
(406) 388-6982

MT 8/31/92
POSPAPER.003

(ii) \$50,000 because of bodily injury to or death of two or more persons in any one accident; and

(iii) \$10,000 because of injury to or destruction of property of others in any one accident.

(3) An operator's policy of liability insurance must insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to the operator's policy of liability insurance.

(4) A motor vehicle liability policy must state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period, and the limits of liability and contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this part as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this part.

(5) A motor vehicle liability policy need not insure any liability under any workers' compensation law or any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured or while engaged in the operation, maintenance, or repair of a motor vehicle or any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

(6) A motor vehicle liability policy is subject to the following provisions, which need not be contained therein:

(a) The liability of the insurance carrier with respect to the insurance required by this part becomes absolute whenever injury or damage covered by the motor vehicle liability policy occurs. The policy may not be canceled or annulled as to the liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage. No statement made by the insured or on his behalf and no violation of the policy may defeat or void the policy.

(b) The satisfaction by the insured of a judgment for the injury or damage may not be a condition precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage.

(c) The insurance carrier has the right to settle any claim covered by the policy, and if the settlement is made in good faith, the amount is deductible from the limits of liability specified in subsection (2)(b).

(d) The policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of this part constitute the entire contract between the parties.

(7) A motor vehicle policy is not subject to cancellation, termination, nonrenewal, or premium increase due to injury or damage incurred by the insured or operator unless the insured or operator is found to have violated a traffic law or ordinance of the state or a city, is found negligent or contributorily negligent in a court of law or by the arbitration proceedings contained in chapter 5 of Title 27, or pays damages to another party, whether by settlement or otherwise. In no event may a premium be increased during the term of the policy unless there is a change in exposure.

STATE AUDITOR
STATE OF MONTANA

Mark O'Keefe
STATE AUDITOR



COMMISSIONER OF INSURANCE
COMMISSIONER OF SECURITIES

SB 387

February 19, 1993

The purpose of this bill is to protect the Montana insurance consumer from having their home or ranch owner policies cancelled or nonrenewed for claims resulting from an act of God. For example, insureds have no control over hail storms, wind storms and tornadoes.

As I am sure you are aware, there were at least three (3) major hail storms that hit the eastern part of Montana in 1991. The storms in themselves were a great hardship on the State of Montana and her people. In 1992 however, another "storm" so to speak, hit these consumers. It was the storm of their insurance policies being cancelled or nonrenewed for frequency of claims. This action has not been limited to any one insurance company.

There is an obvious risk to insurers providing coverage in areas where hail and wind storms are prevalent. Passage of this bill would protect the Montana consumer while still allowing the insurance industry to surcharge for losses attributable to an act of God if the surcharge is in effect for the entire rating territory.

In addition to the aforementioned, this bill would also keep the Montana consumer abreast of his standing with his insurance coverage. This bill requires an insurer to provide notice to an insured who has filed 2 claims not attributable to an act of God, in a period of less than 2 years, if the insured files a third claim during the 2 year period the company may decline to renew the policy.

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 10
DATE 2/19/93
BILL NO. SB 387

Amendments to Senate Bill No. 197
First Reading Copy

Requested by Senator Christiaens
For the Committee on Business and Industry

Prepared by Bart Campbell
February 10, 1993

1. Title, line 5.

Following: "LANDLORD"

Insert: "OR THE LANDLORD'S ASSIGNEE"

2. Title, line 6.

Following: "DETECTOR;"

Insert: "ALLOWING THE TENANT TO INSTALL A SMOKE DETECTOR;"

3. Page 3, following line 25.

Insert: "(5)(a) At the start of a tenancy, the landlord or the landlord's assignee shall obtain written verification from the tenant that the tenant has been informed of the tenant's right to install a smoke detector and to deduct the cost from the next month's rent if no working smoke detector is on the premises or shall obtain written verification from the tenant that a smoke detector has been installed on the premises and that it is in working order.

(b) If the landlord or the landlord's assignee fails to install a working smoke detector, the tenant may send written notice by certified mail, return receipt requested, to the landlord or the landlord's assignee that if a working smoke detector is not installed within 72 hours of receipt of the letter, the tenant may install a smoke detector and deduct the cost, up to \$25, from the tenant's next month's rent.

(c) Upon installation of a working smoke detector, the tenant is responsible for maintaining the smoke detector in working order."

Renumber: subsequent subsections

4. Page 4, line 1.

Following: "landlord"

Insert: "or the landlord's assignee"

5. Page 4, line 5.

Following: "landlord"

Insert: "or the landlord's assignee"

6. Page 4, lines 5 and 6.

Strike: "install" on line 5 through "of" on line 6.

Insert: "notify the tenant of the tenant's right to install"

7. Page 4, line 7.

Strike: "(1)(g)"

Insert: "(5)"

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 11
DATE 2/19/93
BILL NO. SB 197

8. Page 4, line 7.

Strike: "is injured"

Insert: "suffers serious bodily injury, as defined in 45-2-101,"

9. Page 4, line 8.

Following: "landlord"

Insert: "or the landlord's assignee"

DATE 2/19/93

SENATE COMMITTEE ON Business & Industry

BILLS BEING HEARD TODAY: SB 419, SB 420, SB 423, SJR 27, SB 390, SB 387, SB 398

Name	Representing	Bill No.	Check One	
			Support	Oppose
MIKE LABRICA	LEWIS & CLARK INTERPRETIVE CENTER FUND INC. & GREAT FALLS CHAPTER OF COMMI.	SJR 27	✓	
Marcia Staigmiller	Lewis & Clark Trail Heritage Portage Route Chapter	SJR 27	✓	
Bill Olson	AARP	SB 387	✓	
GENE PHILLIPS	NAII	SB 387		X
Jerome Loenderk	Mt. Cassner Farm	SB 419 SB 420	X X	
Ken Hoover Tol	Self	SS-27	X	
Jacqueline J. Denmark	AIA	SB 387		X
R. Whedron	State Farm Ins	SB 381		X
Greg Van Horssen	State Farm Ins	SB 387		X
Greg Van Horssen	IPMA/MLA	SB 398	✓	
Ed Egan	Self	SB 398	✓	
LARRY AKEY	MT ASSOC OF LIFE UNDERWRITERS	SB 423 SB 420	✓ -	-
LARRY AKEY	COIN OPERATORS ASSOCIATION	SB 390	✓	
JOHN CADDY	MT BANKERS	SB 419 SB 420	✓ ✓	
Clint Backwood	Travel Montana	SJR 27	X	
DEBBIE BERNEY	PROFESSIONAL INS. AGENTS MT	SB 387		L

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 2/19/93

SENATE COMMITTEE ON Business and Industry

BILLS BEING HEARD TODAY: SB 423, SB 420, SB 419, SB 27,
SB 390, SB 398, SB 387

Name	Representing	Bill No.	Check One	
			Support	Oppose
Matthew Colver	Dept of Commerce	SJR 27	X	
Stuart Duggett	MT Insurance	SJR 27	X	
James Clark	MT Assn Realtors	SB 398	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY