

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: By CHAIRMAN RUSSELL FAGG, on March 12, 1993, at 8:00 a.m.

ROLL CALL

Members Present:

Rep. Russ Fagg, Chairman (R)
Rep. Randy Vogel, Vice Chairman (R)
Rep. Dave Brown, Vice Chairman (D)
Rep. Ellen Bergman (R)
Rep. Jody Bird (D)
Rep. Bob Clark (R)
Rep. Scott McCulloch (D)
Rep. Jim Rice (R)
Rep. Tim Sayles (R)
Rep. Liz Smith (R)
Rep. Bill Tash (R)
Rep. Howard Toole (D)
Rep. Tim Whalen (D)
Rep. Karyl Winslow (R)
Rep. Diana Wyatt (D)

Members Excused: Rep. Vivian Brooke (D)
Rep. Duane Grimes (R)
Rep. Angela Russell (D)

Members Absent: None

Staff Present: John MacMaster, Legislative Council
Beth Miksche, Committee Secretary

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

Committee Business Summary:

Hearing: SB 153, SB 9, SB 251
Executive Action: None.

HEARING ON SB 153

Opening Statement by Sponsor:

SEN. STEVE DOHERTY, Senate District 20, Great Falls, said that SB 153 is the result of the coordination of the Department of Justice (DOJ), the insurance industry, and the American Automobile Association (AAA). This bill is an attempt to increase the penalties to make sure people will get insurance for

their automobiles.

Proponents' Testimony:

Peter Funk, Department of Justice, said he is on the Legal Advisor Task Force and focused on three areas of the bill: Section 5 page 10 which raises the fine amounts; Section 5, line 21, subsection (3) forfeiting the vehicle registration and license plate; and Section 6, page 11, drivers license points.

As the bill was originally proposed, the DOJ wanted to cover more than a registered owner operating a vehicle. The DOJ's proposal states that the registration of an individual convicted of this offense would be cancelled. The DOJ felt quite strongly that owners should be responsible for determining who had insurance before they loaned their cars out. The DOJ didn't see any way to emphasize that other than to put the registration sanction on the registrar to determine whether that vehicle is driven without insurance.

One important aspect of the bill is in sections 2, 3, and 4, particularly, page 8. When a person registers his vehicle, he has to sign on the registration receipt attesting that he has liability insurance. This system has basically never worked in Montana. There's no way a prosecutor can research every single automobile insurance company. It's an unprovable criminal offense. Beyond that problem, there's also the problem of coordinating county treasurers to actually obtain signatures. The DOJ has seen cases where some county treasurers require some people to sign their registration receipt, and others don't. Mr. Funk reemphasized that the system that exists now simply doesn't work.

Joe Roberts, Department of Justice, stated that over, past year and a half, phones calls from law enforcement constituents to the DOJ have been asking what the department is planning to do about liability insurance. There is clearly at least a perception that nobody does anything to people who don't have insurance. Montana has a very high number of passenger vehicles compared to other states that only carry liability insurance. Mr. Roberts pointed out that probably 50 percent of the vehicles in Montana only carry liability insurance, and 25 percent carry no vehicle insurance at all.

Rea Childs, Montana Collision Repair Service, submitted written testimony. EXHIBIT 1

Ron Ashabraner, State Farm Insurance Company, said he served on the Attorney General's Task Force. SB 153 does have the effect of protecting all people, especially low income people, meet the financial costs of purchasing automobile insurance.

Roger McGlenn, Executive Director, Independent Insurance Agents

Association of Montana (IIAA), stated that he also served on the Attorney General's Task Force. He pointed out that insurance agents face the problem of clients who suffer property damage or bodily injury caused by uninsured motorists. This bill shows responsibility to the public towards the uninsured motor problem.

Dawn Nobey, American Automobile Association of Montana, also served on the Attorney General's Task Force. AAA has over 90,000 members in Montana; a recent survey showed that an overwhelming 90 percent of its members believe that penalties for not carrying liability insurance would cause an immediate effect on the problem. **Ms. Nobey** said that uninsured liability is often the biggest reserve for insurance companies because it is an unknown.

Gene Phillips, National Association Independent Insurers (NAII), noted NAII's support of SB 153.

Jacqueline Lenmark, American Insurance Association (AIA), stated that AIA supports SB 153.

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. BIRD asked **Mr. Funk** why the courts shouldn't have to follow up on people who don't sign the insurance registration. She also commented that low income people are not able to pay fines and that money should be used to purchase automobile insurance rather than paying fines anyway. **Mr. Funk** said would be up to individual courts. Initially, the court is not going to be able to retain jurisdiction beyond the maximum potential jail sentence involved with the violation. The DOJ is looking at courts only being able to retain jurisdiction for probably a time period of about ten days. Long-term follow-up would be difficult.

REP. BERGMAN asked **Mr. Funk** why people aren't required to show proof of insurance when showing the state drivers license. **Mr. Funk** explained there about 8 or 10 years ago Montana drivers had to show proof of insurance to a county treasurer in order to register a vehicle. That system generated such an outcry from the citizens of the state that the signature requirement was put into effect in its place.

REP. BIRD referred to fiscal note assumption #2 which essentially says that an "counseling sessions will increase for those offenders driving without insurance if this bill is passed" and asked **Mr. Funk** why counseling is needed for lack of insurance. The **Motor Vehicle Division (MVD)** does not distinguish amongst offenses for the requirement of counseling session. Right now, whenever someone hits the current threshold of 20 points, then that person is required to have this counseling. One of the purposes of counseling is to let the individual know how close he

is to a three-year revocation of his drivers license. Once someone accumulates 30 conviction points within a three-year period, he is then statutorily classified as a habitual traffic offender and loses his license for a period of three years. At least one-tenth of the counseling session would allow the opportunity to talk to people about these specific violations.

Closing by Sponsor: None

HEARING ON SB 9

Opening Statement by Sponsor:

SEN. THOMAS TOWE, Senate District 46, Billings, said the purpose of SB 9 is to specifically authorize the representation in justice courts, city courts and lower courts by non-attorneys. Many people cannot afford an attorney to represent them. At the present time, people do not have to hire an attorney to represent them in small claims court. Why not allow some people to develop expertise in this area and allow them, with some regulation, to represent people in justice court, city court, and any other court that requires a jurisdiction? This works very well on Indian reservations right now where tribal courts use paralegals as their representatives.

Proponents' Testimony:

Craig L. Hoppe, Montana Magistrates Association, pointed out there are two main changes to the bill: 1) Providing that service of process in small claims courts is the same as in justice court and 2) The amount of the claim, exclusive of costs, does not exceed (changed from \$2,500) to \$3,000.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: None

HEARING ON SB 251

Opening Statement by Sponsor:

SEN. THOMAS TOWE, Senate District 46, Billings, said that SB 251 adds city court judges as well as justice court judges in a number of places where they ought to be placed in code. It is an act clarifying the law relating to the city court jurisdiction;

providing for the service of a summons outside of the county in which a city court is located; and providing concurrent jurisdiction over landlord-tenant matters.

Proponents' Testimony:

Craig L. Hoppe, Montana Magistrates Association, said that changes that occur in this bill should actually have been addressed in SB 1. In going through that bill, Mr. Hoppe noticed those changes weren't present and spoke with Greg Petesch, Legislative Council, about the need to address these issues.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor:


SEN. TOWE said this bill deals with the Landlord Tenant Act and city court and justice court summons. An additional court will be available for landlords and tenants because of this bill. That is a substantive change. He doesn't see the purpose in an effective date in this bill.

ADJOURNMENT

Adjournment: 11:00 a.m.



REP. RUSSELL FAGG, ~~Chairman~~



BETH MIKSCHKE, Secretary

RF/bcm

HOUSE OF REPRESENTATIVES

Judiciary

COMMITTEE

ROLL CALL

DATE

3-12-93

NAME	PRESENT	ABSENT	EXCUSED
Rep. Russ Fagg, Chairman	✓		
Rep. Randy Vogel, Vice-Chair	✓		
Rep. Dave Brown, Vice-Chair	✓		
Rep. Jodi Bird	✓		
Rep. Ellen Bergman	✓		
Rep. Vivian Brooke			✓
Rep. Bob Clark	✓		
Rep. Duane Grimes			✓
Rep. Scott McCulloch	✓		
Rep. Jim Rice			
Rep. Angela Russell			✓
Rep. Tim Savles	✓		
Rep. Liz Smith	✓		
Rep. Bill Tash	✓		
Rep. Howard Toole	✓		
Rep. Tim Whalen	✓		
Rep. Karyl Winslow	✓		
Rep. Diana Wyatt	✓		

HR:1993

wp.rollcall.man

CS-09

Increasing Fines and Penalties
 on Uninsured Motorists
 March 5, 1993

Insurance Rate Comparison

Couple with '78 pickup and '89 cutlass supreme; liability on the truck, full basic coverage on the auto. A few months later they add their teenager as an occasional driver. Lastly, the teen becomes the driver of his own vehicle. The rates shown are for 25/50/25 with \$500 deductible on comp and collision.

				Semi-Annual
Allstate	Pickup	Auto	Pickup #2	Total
Basic Coverage	168.00	293.00		466.00
Teen On Pickup	196.00	329.00		525.00
Teen Own Vehicle	168.00	329.00	472.00	969.00
Farmers Union				
Basic Coverage	129.86	315.78		445.64
Teen On Pickup	270.85	315.78		586.63
Teen Own Vehicle	129.85	315.78	401.95	846.73
State Farm				
Basic Coverage	168.90	370.70		539.60
Teen On Pickup	268.85	370.70		652.55
Teen Own Vehicle	168.90	370.70	364.68	902.28
Farmers				
Basic Coverage	123.00	302.60		425.60
Teen on Pickup	241.00	302.60		543.60
Teen Own Vehicle	123.00	302.60	270.90	696.50

Further Information regarding agents, regional breakouts within Montana and other insurance companies can be supplied upon request.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Judiciary COMMITTEE BILL NO. SB 9
DATE March 12, 1993 SPONSOR(S) T. Towe

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

[illegible]

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Judiciary COMMITTEE BILL NO. SB 251
DATE March 12, 1993 SPONSOR(S) T. Towe

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
CRAIG L. ADGE	MT MAGISTRATES ASSN	X	

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Judiciary
DATE *March 12, 1993*

COMMITTEE

BILL NO.

SB. 153

SPONSOR(S)

S. R. Doherty

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PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Pat Oulde</i>	<i>MT Collision Repair Soc.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Glenna Whitman - Obie</i>	<i>AAA Montana</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Dean Roberts</i>	<i>Deputy Justice MVD</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Roger McGLENN</i>	<i>IIAM</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Greg Van Housen</i>	<i>State Farm Ins</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Tom Ashabramov</i>	<i>State Farm Ins</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>GENE PHILLIPS</i>	<i>N A I I</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Jacqueline Lemmark</i>	<i>AIA</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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