

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - SPECIAL SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By CHAIRMAN STEVE BENEDICT, on December 1, 1993,
at 9:00 A.M.

ROLL CALL

Members Present:

Rep. Steve Benedict, Chairman (R)
Rep. Bob Bachini (D)
Rep. Joe Barnett (R)
Rep. Vicki Cocchiarella (D)
Rep. Fritz Daily (D)
Rep. Tim Dowell (D)
Rep. Stella Jean Hansen (D)
Rep. Dick Knox (R)
Rep. Don Larson (D)
Rep. Bob Pavlovich (D)
Rep. Bruce Simon (R)
Rep. Carley Tuss (D)
Rep. Doug Wagner (R)

Members Excused: Rep. Sonny Hanson, Vice Chairman (R), Rep. Ray Brandewie (R), Rep. Alvin Ellis (R), Rep. Jack Herron (R), and Rep. Norm Mills (R)

Members Absent: None

Staff Present: Susan Fox, Legislative Council
Claudia Johnson, Committee Secretary

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

Committee Business Summary:

Hearing: HJR 1
Executive Action: HJR 1

HEARING ON HJR 1

Opening Statement by Sponsor:

REP. ROBERT RANEY, House District 82, said HJR 1 is a request from the Senate and House to the Department of Commerce (DOC) to conduct a review of professional and occupational licensing practices and to report the results of its review to the 54th Legislature. He said there are 40 licensing boards. These 40

agencies have accumulated \$9 million in non-spendable money drawing fees from citizens to establish these boards. He said the money belongs to the citizens who paid the fees to the board, and not to the legislature or the government. The DOC administers these boards; he believes the boards should be looked at by the DOC to reduce the number of boards by either eliminating, consolidating, or privatizing them. He said the DOC needs to check to see what can be done to reduce the fees, and how to rebate the \$9 million that has been taken from the citizens. He suggested eliminating the fees for a number of years to make up this loss to the citizens. **REP. RANEY** said this is the electronic age and the boards do not need to meet in Helena any longer to involve per diem expenses and all the paper work involved. He said the board members can log onto a computer with a phone line to check the state bulletin board and find out what is going on, then have a telephone conference call. He said this can be done legislatively or administratively. He doesn't see any reason why the legislators, who know nothing about the boards to become involved when the legislature can direct the Racicot administration to do it. The administration has informed him that "yes, they want to do it", they believe that there is the potential to eliminate half of what they do in licensing. He said this will be a significant cut in government that will benefit the citizens and save money. He said the DOC is going to stand up here and tell the committee that they support this and they intend to do it. **REP. RANEY** said he spoke with Jon Noel, Director of the Department of Commerce and asked him to speak with the governor's people to make sure they are committed to doing this before they come here and testify in favor of it. If they appear here, it means that the administration all the way to the governor is in favor of doing this. He said "and they are here". He said to Mr. Noel "if you will do that, and you commit yourself to doing this, I will then ask the committee to table the bill". If the DOC is willing to do it and they don't need a legislative mandate anyway, then there is no sense in going through the cost of moving this resolution on through both houses of the legislature. He informed the committee that if they approve of this idea, then the Racicot administration is going to do it. He asked the committee to send their comments or copies of this transcript of this hearing to the director of the DOC so he will know that the committee did in fact go along with this idea.

Proponents' Testimony:

Jim Kembel, Administrator of Public Safety Division, Department of Commerce, informed the committee members he is before the committee on behalf of the Jon Noel, Director of the Department of Commerce. He said the department is in agreement with the proposed legislation from **REP. RANEY**. The director has been reviewing the entire operation and has spent the first part of his duty looking at business assistance and working with clients to go ahead with this, and there will be no problem with him in incorporating what is included in the bill. **Mr. Kembel** informed

the committee through the early retirement incentive offered to employees, three administrators will be eliminated at the end of this year, plus one quitting. He said the department wants to point out in regard to the sunset some years ago and they are concerned with all of the numerous licensing programs created session after session and will probably have it demanded in the future. This will need to be addressed as they go through this process. During the sunset there were a number of attendees at the hearings on those particular issues and DOC will need a lot of support from legislature when it comes time to do whatever they decide to do with the licensing programs. **EXHIBIT 1**

Opponents' Testimony:

None

Questions From Committee Members and Responses:

REP. BACHINI asked **REP. RANEY** to suggest how these changes will take place. **REP. RANEY** said it has to be done by the 1995 Legislature. The department will present the legislative committee with an itemized menu to be taken care of. These changes are done statutorily, and the department will have to come before the legislature to request the changes. He said the legislators will have to find the fortitude because the halls will be filled with people protecting their licenses which have caused monopolizing. He said HJR 1 is a study to bring before the 1995 Legislature.

CHAIRMAN BENEDICT asked **REP. RANEY** if he will come to the forum the committee will be having next week with the department and representatives from the various boards. **REP. RANEY** said yes. He said this will give the department some guidance from the outside instead of internally. **CHAIRMAN BENEDICT** asked the department to develop an outline of ideas that will generate discussion in the forum.

REP. BACHINI said this study will open the doors for the young people who are blocked out of these fields because the requirements are too stringent.

REP. LARSON asked **REP. RANEY** if there will be a certain element of consumer protection lost with this consolidation, and if he is concerned about potential lawsuits. **REP. RANEY** said no to both. All of the changes will have to be initially approved in this committee.

REP. S.J. HANSEN said she is concerned with the reciprocity among the boards, and felt there should be some mechanism for licensing whether it be from the private sector or from the state. The legislature and state employees allowing these people to come to Helena to take their test to be licensed is like placing a stamp of approval on the qualifications to their job.

Jim Kembel said it will help solve the problem by standardizing the legislation in creating boards; standardize the sizing, the authority, and place specific requirements on education. What the committee members want to see in regard to the qualification of the licensees is the comparison of the qualifications in the statutes. He said this will take care of most of the concerns. The DOC has worked for a number of years to bring together a uniform licensing system.

Steve Meloy, Bureau Chief of Occupational Licensing Bureau, DOC, said his division has found that the professions that are similar and want to comply are the professions that have the greatest animosity towards each other. He said it makes a lot of sense to have the Board of Barbers and the Board of Cosmetology in one board where they will need only one inspector. He said some of the boards are afraid of losing their identity.

Closing by Sponsor:

REP. RANEY closed stating this is good legislation and felt it is a good direction for the department to follow. He said on page 3, lines 11 through 14, it states that a review should consider more efficient ways for the boards and department to conduct business. He said it is time to move into the electronic age, the use of the state bulletin board, and electronic transfers. He said that Montana is prime and the "modem cowboys" are moving in.

EXECUTIVE ACTION ON HJR 1

Motion: REP. WAGNER MOVED TO TABLE HJR 1

Discussion: REP. COCCHIARELLA said for the record REP. RANEY asked for some statement of commitment from this committee for the department and asked if she will be out of order to make a substitute motion. CHAIRMAN BENEDICT said this bill is flexible.

Motion: REP. COCCHIARELLA MADE A SUBSTITUTE MOTION TO PLACE INTO THE RECORD THAT THE COMMITTEE SUPPORTS THE CONCEPT OF THIS RESOLUTION AND TO URGE THE DEPARTMENT OF COMMERCE TO MOVE FORWARD WITH THIS CONCEPT.

Motion: REP. WAGNER WITHDREW HIS TABLE MOTION.

Discussion: REP. DOWELL asked if a letter to that effect could come from the committee and be sent to the department as a commitment from the legislature as to the direction they would like to see this take place.

Vote: HJR 1 BE PLACED ON RECORD THAT THE COMMITTEE SUPPORTS THIS CONCEPT. Motion carried unanimously.

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Motion/Vote: REP. DAILY MOVED HJR 1 BE TABLED. REP. DOWELL called the question. Motion carried unanimously.

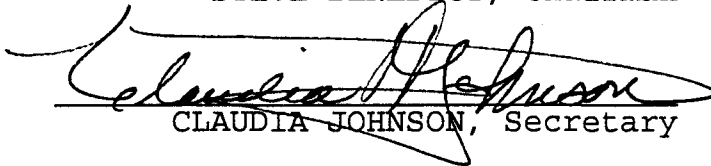
Vote: HJR 1 BE TABLED. Motion carried 18 - 0.

ADJOURNMENT

Adjournment: 9:40 A.M.



STEVE BENEDICT, Chairman



CLAUDIA JOHNSON, Secretary

SB/cj

HOUSE OF REPRESENTATIVES
BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL

DATE 12-1-93

NAME	AYE	NO
REP. STEVE BENEDICT, CHAIRMAN	✓	
REP. SONNY HANSON, VICE CHAIRMAN EX		✓
REP. BOB BACHINI	✓	
REP. JOE BARNETT	✓	
REP. RAY BRANDEWIE EX		✓
REP. VICKI COCCHIARELLA	✓	
REP. FRITZ DAILY	✓	
REP. TIM DOWELL	✓	
REP. ALVIN ELLIS EX		✓
REP. STELLA JEAN HANSEN	✓	
REP. JACK HERRON EX		✓
REP. DICK KNOX	✓	
REP. DON LARSON	✓	
REP. NORM MILLS EX		✓
REP. BOB PAVLOVICH	✓	
REP. BRUCE SIMON	✓	
REP. CARLEY TUSS	✓	
REP. DOUG WAGNER	✓	

HR:1993

wp:rlclvote.man

CS-11

EXHIBIT 1
DATE 12-1-93
HB HJR 1PROFESSIONAL & OCCUPATIONAL LICENSING BUREAU
BUSINESS REGULATORY SERVICES DIVISION
DEPARTMENT OF COMMERCE

TESTIMONY CONCERNING HJ 1

URGE COMMERCE TO REVIEW COST EFFECTIVENESS OF LICENSING BOARDS

I am appearing on behalf of Jon Noel, Director, Department of Commerce, who is currently involved in another hearing.

The Department is in agreement with the intent of Representative Bob Raney's proposed legislation. The Department is reviewing its entire operation and can incorporate the concerns expressed by the subject legislation.

The Department would like to point out several concerns with the review process. One is that in the past new licensing requirements have been passed at most all of the recent Legislative sessions. A second concern is that in the past any major Legislative actions concerning licensing has resulted in numerous private interest groups appearing before Legislative committees. The review process will require Legislative support to be successful.