

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - SPECIAL SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By **CHAIRMAN STEVE BENEDICT**, on December 8, 1993,
at 9:00 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 (D)
Rep. Doug Wagner (R)

Members Excused: None

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: HB 68; and an informational hearing on
the consolidation and licensing
procedures of the boards.

Executive Action: HB 68

CHAIRMAN BENEDICT said the informational hearing will be about
methods the state can use to bring some order and reorder to the
boards and eliminate the conflicts in the licensing procedures
and in the boards. He said through this discussion there will be
awareness developed to present to 1995 Legislature with concrete

ideas to work with. He said the Department of Commerce will be working for the next year on reorganizing board procedures in the state to better serve Montana.

HEARING ON HB 68

Opening Statement by Sponsor:

REP. CHASE HIBBARD, House District 46, was not present and **CHAIRMAN STEVE BENEDICT**, House District 64, opened on HB 68. **REP. BENEDICT** said HB 68 is to take care of a technical problem from the banking bill that was passed in the regular session. HB 68 has a one word change. The directors of the banks involved were not supposed to be included in the bill because they are covered under federal law as protection to the consumer and to the public.

Proponents' Testimony:

Joe Thares, Executive Secretary of the Montana Independent Bankers Association, said the correction is needed from the passage of HB 201 from the last session. HB 201 is a codification bill that recodified all of the banking laws in Montana which have not been done since 1929. HB 68 eliminates "directors" of the banks and prohibits the directors that are not managing officers from borrowing from the bank. It will allow those citizens that serve on the bank boards to borrow from the bank.

John Cadby, Montana Bankers Association, said the association supports HB 68.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

REP. LARSON asked **John Cadby** what size of loan a bank director may borrow. **Mr. Cadby** referred the question to **Don Hutchinson**, Banking Commissioner. **Mr. Hutchinson** said the director is also a managing officer and is restricted to the same borrowing limits of the managing officer and vice versa which is not to exceed 2.5% of capital and surplus. If the director is not a managing officer, the limit falls under the provision of 432, a section of federal law, which states the director may borrow under the same lending rules as anyone else or 20% of capital and surplus. If the bank has a lower or different limit, the rules will follow for that adjustment.

REP. LARSON asked about a certain incident where a bank officer in his community borrowed a large amount to run for U.S. Senate and asked if it was legal. **Mr. Hutchinson** said at the time that incident happened, HB 201 was not in effect. He said it can be

looked at in two different ways: as a non-managing officer he could borrow, or as an insider transaction for the purpose of collateral, or if the financial statement of the person justifies that type of credit. He said the directors, managing officers and principal shareholders are limited to borrowing no more than the total capital and surplus of the bank. There is currently a federal provision that is being looked at where a bank that has under \$100 million in assets can double the amount of their capital and surplus borrowed in the smaller communities to attract directors, etc.

REP. SONNY HANSON asked Mr. Hutchinson if FIREA required additional reporting requirements than what was previously held for directors. Mr. Hutchinson said yes they do.

Closing by Sponsor:

REP. BENEDICT said it is important that HB 68 be cleaned up and asked the committee for favorable consideration.

EXECUTIVE ACTION ON HB 68

Motion/Vote: REP. BRANDEWIE MOVED HB 68 DO PASS. The question was called. Voice vote was taken. Motion carried 17 - 1 with REP. DAILY voting no.

The informational meeting took place at this time on the consolidation of the boards and licensing procedures.

Jim Kembel started the discussion for the Department of Commerce. The following people testified why they should or should not be consolidated: Joyce Asay, Chairperson for the Board of Nursing Home Administrators; Nancy Heyer, President, Board of Nursing; Chris Herbert, Board of Dentistry; Jerry Wells, Board of Outfitters; JoAnne Chance, Board of Sanitarians; Amy Adler, Board of Barbers; Don Herzog, Electrical Board; Pat Conroy, Dental Hygienist; Marsha Allen, Board of Realty Regulation; Dr. Bjorgstrum, Board of Chiropractors; Shirley Warehime, Board of Certified Public Accountants; Diana Leonard, Board of Occupational Therapy; Farrell Rose, Appraisers Board; Tim Prather, Board of Passenger Tramways; Tom Moerer, Board of Medical Examiners; Guy Miser, Board of Funeral Services; and Dr. Ken Bruchez, Board of Veterinarians.

Patricia England, Professional Licensing Bureau, distributed a letter given to her from Dr. Richard W. Beighle regarding the consolidation of the boards. EXHIBIT 1

ADJOURNMENT

Adjournment: 11:40 a.m.



STEVE BENEDICT, Chairman



CLAUDIA JOHNSON, Secretary

SB/cj

HOUSE OF REPRESENTATIVES
BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL

DATE 12-8-93

NAME	PRESENT	ABSENT	EXCUSED
REP. STEVE BENEDICT, CHAIRMAN	✓		
REP. SONNY HANSON, VICE CHAIRMAN	✓		
REP. BOB BACHINI	✓		
REP. JOE BARNETT	✓		
REP. RAY BRANDEWIE	✓		
REP. VICKI COCCHIARELLA	✓		
REP. FRITZ DAILY	✓		
REP. TIM DOWELL	✓		
REP. ALVIN ELLIS	✓		
REP. STELLA JEAN HANSEN	✓		
REP. JACK HERRON	✓		
REP. DICK KNOX	✓		
REP. DON LARSON	✓		
REP. NORM MILLS	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON	✓		
REP. CARLEY TUSS	✓		
REP. DOUG WAGNER	✓		

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HOUSE STANDING COMMITTEE REPORT

December 8, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that
House Bill 68 (first reading copy -- white) do pass.

Signed: _____

A handwritten signature in cursive script, appearing to read "Steve Benedict", is written over a horizontal line.

Steve Benedict, Chair

Committee Vote:
Yes __, No __.

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10/30*

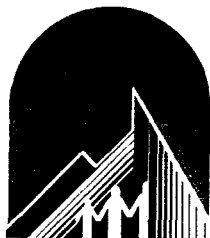
Rocky Mountain Eye & Ear Center, P.C.

RECEIVED
DEC 08 1993

700 West Kent
Missoula, Montana
59801

December 7, 1993

EXHIBIT 1
DATE 12-8-93
HB 68



Eye Department

Contact Lens (406) 728-3504
Optical (406) 543-6000

Appointments / Physicians
In Montana (800) 445-5836
Missoula (406) 728-3502
Butte (406) 494-3145
Polson (406) 883-5922

Richard W. Beighle, M.D.
Glaucoma Treatment and Surgery
Phacoemulsification with IOL

Roger C. Furlong, M.D.
Glaucoma Evaluation and Surgery
Anterior Segment Surgery
Phacoemulsification with IOL

Otto G. Klein, Jr., M.D.
Medical Retina and Laser
Phacoemulsification with IOL

Michael R. Peterson, M.D.
Oculoplastic Surgery
Strabismus
Phacoemulsification with IOL

James G. Randall, M.D.
Vitreoretinal Surgery
Phacoemulsification with IOL

John D. Salisbury, M.D.
Corneal and Anterior Segment Surgery
External and Corneal Disease
Phacoemulsification with IOL

Ear, Nose, Throat Department

Audiology (406) 549-3997

Appointments / Physicians
In Montana (800) 255-8698
Missoula (406) 728-3506
Hamilton (800) 255-8698

Daniel E. Braby, M.D.
Head and Neck Surgery
Facial Plastic and Reconstructive Surgery
Otology

David M. Hayes, M.D.
Facial Plastic and Reconstructive Surgery
Head and Neck Surgery

Thomas C. Hoshaw, M.D.
Treatment and Surgery of Ear Disease
Hearing Disorders

Darlene I. Timmerhoff
Administrator
(406) 728-3505

Ms. Patricia England
Professional Licensing Bureau
111 North Jackson
Helena, MT 59601-9952

Dear Patricia:

I have been contemplating the up and coming meeting tomorrow, regarding the consolidation of licensing boards. My feeling is that we would only dilute the quality of board action if we have other health related boards added on to our board. It is hard enough now to have the expertise to be able to evaluate and process complaints that come forth from the health boards we have now. We could grow to become such a cumbersome group that it would be very difficult to work efficiently. With our heavy work load, it is imperative that we have an efficient board and are able to evaluate complaints rather rapidly. It has taken us years to get to the point where we are starting to do a good job in protecting the public as we are obligated to do.

About reducing licensing fees, the budget of the board of medical examiners now is fairly tight and dropping the fees would only cause further problems. If reducing the total cost is the concept, why don't we just be removed from the umbrella of the Chamber of Commerce and become an independent board answering to the state legislature. We could then regulate our fees according to our budget more easily, without having to worry about what the other boards are doing. I know you have thought about this before and it is probably not feasible, but it certainly would cause a big drop in the overall government budget if we were to become independent like the Oregon Board of Medical Examiners.

Sincerely,


Richard W. Beighle, M.D.

RWB/csc

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Business COMMITTEE BILL NO. HB 68
 DATE 12-8-93 SPONSOR(S) Chase Hibbard

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<u>Joe Shores</u> <u>2030 11th AVE HELENA</u>	<u>MONTANA</u> <u>INDEPENDENT BANKERS</u>			<u>X</u>
<u>Diana Leonard</u> <u>2518 1st Ave S</u> <u>CATFILLS MT</u>	<u>Occupational Therapy</u> <u>LISC. BOARD</u>		<u>X</u>	
<u>JOHN H. GILDERSLEEVE</u> <u>6145 NORTH MONTANA AVE</u> <u>HELENA MT 59601</u>	<u>RESPIRATORY CARE</u> <u>LIC. BOARD</u>			
<u>Nancy Hoyer, RN</u> ^{5809 Bonanza Pl} <u>Missoula</u>	<u>Board of Nursing</u>		<u>X</u>	
<u>Joyce Aray</u>	<u>Board of M. H. Care</u>		<u>X</u>	
<u>Joanne C. Chance, RS.</u>	<u>Board of Sanitariums</u>	<u>?</u>	<u>?</u>	<u>?</u>
<u>Glenn Schneider</u>	<u>Boordg Clinical Pract.</u> ^{Lab}	<u>1</u>		

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

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

BUSINESS + ECONOMIC DEV. COMMITTEE

BILL NO. _____

DATE 12/8/93 SPONSOR(S) Informational - Board Reorganization

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jim Kambel	DOC		
Don Herzog	ELECTRICAL WORKERS		
Amy Allen	Board of Barbers		
Shirley Warehime	Board of Public Accountants		
Guy Miser	BOARD OF FUNERAL SERVICE		
TOM MEAGHER	BOARD OF PHYSICAL THERAPY		
A. Farrell Rose	Board of R/E Appraisers		
MARCIA ALLEN	BOARD OF REALTY REG		
Tim Prother	Board of Passenger Tramways		
Ken Brucher	Board of Veterinarians		
Michael Bergkamp	Alternative Health Board		
JERRY WELLS	Board of Outfitters		

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