

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & LABOR

Call to Order: By **CHAIRMAN BRUCE T. SIMON**, on January 27, 1995,
at 8:00 AM.

ROLL CALL

Members Present:

Rep. Bruce T. Simon, Chairman (R)
Rep. Norm Mills, Vice Chairman (Majority) (R)
Rep. Robert J. "Bob" Pavlovich, Vice Chairman (Minority) (D)
Rep. Vicki Cocchiarella (D)
Rep. Charles R. Devaney (R)
Rep. Jon Ellingson (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. David Ewer (D)
Rep. Rose Forbes (R)
Rep. Jack R. Herron (R)
Rep. Bob Keenan (R)
Rep. Don Larson (D)
Rep. Rod Marshall (R)
Rep. Jeanette S. McKee (R)
Rep. Karl Ohs (R)
Rep. Paul Sliter (R)
Rep. Carley Tuss (D)
Rep. Joe Barnett (R)

Members Excused: None.

Members Absent: None.

Staff Present: Stephen Maly, Legislative Council
Alberta Strachan, Committee Secretary

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

Committee Business Summary:

Hearing: HB 307
Executive Action: HJR 12, HB 286, SB 67, HB 239, HB 307,
SB 38

EXECUTIVE ACTION ON HJR 12

Discussion:

Steven Maly stated there was an amendment inserted which has a
whereas clause addressing the funding. There were questions on

whether to specify an amount. Because the composition of the study is not addressed in the resolution itself, it is not known how many meetings will be held, who is going to participate, who is and is not going to get paid and that \$5,000-\$10,000 is not going to buy much of study. That is the risk of setting a number. Unless there is an understanding from the banking people they are willing to pay whatever is required.

REP. DON LARSON asked if language could not be inserted in the bill that it would be understood the banking community will fund the entire cost.

CHAIRMAN BRUCE SIMON stated they did want to have some kind of a bracket around the figure because there might be a \$50,000 study and they are not willing to pay that kind of money.

REP. JOE BARNETT said he agreed they were going to do this study anyway and suggested this bill be tabled which would take pressure off the committee.

REP. LARSON said in regard to some of the activities which are taking place in regard to the budget, they may not be able to conduct the study anyway.

REP. VICKI COCCHIARELLA questioned whether the committee could ask each group to report to the committee their own findings sometime before the next session.

CHAIRMAN SIMON stated he could have a letter from the committee requesting both sides to share the results of their independent study of the issue. He said he was sensing there was not enough support on the committee to pass the resolution out and so he was hesitant to have the staff invest any more time in the issue.

Motion/Vote: **REP. BARNETT MOVED TO TABLE HJR 14. Motion carried 14-4 with REPS. ELLINGSON, PAVLOVICH, DEVANEY and ELLIS voting no.**

Motion/Vote: **REP. COCCHIARELLA MOVED TO HAVE A LETTER COMPOSED TO THE MONTANA BANKERS ASSOCIATION AND THE MONTANA INDEPENDENT BANKERS ASSOCIATION WHICH WOULD CONTAIN ANY INFORMATION WHICH MIGHT BE PROVIDED TO THE COMMITTEE CONCERNING RESEARCH THEY DO BEFORE THE NEXT SESSION. Motion carried 18-0.**

EXECUTIVE ACTION ON HB 286

Motion: **REP. BOB PAVLOVICH MOVED HB 286 DO PASS. REP. PAVLOVICH ALSO MOVED THE HOPGOOD AMENDMENTS.**

Discussion:

Steven Maly explained the Hopgood amendments.

REP. LARSON said he supports the amendment because it relieves much of the concern for Anheuser Busch.

REP. ALVIN ELLIS questioned if Mr. Browning had commented on the amendment.

REP. JON ELLINGSON stated in sub-section 1 it is prohibited that anyone persuade any person to set a price and then the amendment says the wholesaler can suggest a price. He asked "Is this stating that they can't persuade, but can suggest?"

REP. ELLIS said this may be a good enough point that the committee should revise the bill.

Vote: Motion carried 18-0 to adopt the Hopgood amendments.

Motion: REP. ELLIS MOVED TO ADOPT THE ELLIS AMENDMENT.

Discussion:

CHAIRMAN SIMON stated he spoke against the amendment because "persuade" is a very strong term and "suggest" is a passive term.

REP. PAVLOVICH said he agreed on the Ellis amendment.

REP. LARSON said the beer brewers come in and are heavy handed with the wholesalers. They indicate what they are selling and handle the invoicing. That is the way they do it. This bill is intended to stop that.

Vote: Motion carried 17-1 to adopt the Ellis amendment with CHAIRMAN SIMON voting no.

Motion/Vote: REP. PAVLOVICH MOVED HB 286 DO PASS AS AMENDED.
Motion carried 18-0.

EXECUTIVE ACTION ON SB 67

Motion: REP. PAVLOVICH MOVED SB 67 BE CONCURRED IN. REP. PAVLOVICH MOVED THE LYNCH AMENDMENT.

Discussion:

REP. PAVLOVICH explained the amendment.

CHAIRMAN SIMON questioned the retention of the 70 years of age.

REP. PAVLOVICH said that should be omitted.

CHAIRMAN SIMON then said anyone 30 years in the business in Montana would be exempt from the requirements of continuing education.

REP. COCCHIARELLA said this amendment would not work based upon the fact 30 years ago there was no tracking for licenses. Rates and service would be a factor here. She said they were adding a burden to the Auditor's Office which they cannot handle. They may end up in court on this matter.

REP. PAUL SLITER spoke in favor of the amendment because it is not the responsibility of the Auditor's Office, it is the responsibility of the individual that wants the assumption to prove their service.

REP. LARSON said under the terms of the proposed amendment, he said he could go to the Auditor's Office and take the test and pass it. He can, in turn, state he had worked as long as 30 years as an agent. He wondered how they would know.

CHAIRMAN SIMON said he was going to vote against the amendment because it would create an administrative nightmare for the insurance department.

Vote: Motion to adopt the amendment failed with REPS. SLITER, PAVLOVICH, KEENAN, ELLIS and LARSON voting yes.

Discussion:

REP. BOB KEENAN said he had contacted insurance agencies and concluded there was more to this bill. This is a dynamic industry and people should be kept up to date on changes through continuing education.

REP. ROSE FORBES said she had a current license with the state to be a nurse and it terrified her to think of walking into a hospital and trying to be a nurse. The field changes so rapidly and there should be a great deal of concern of consumer safety. She also said continuing education should be required. Nursing services do not require this and should. Ten hours is not a great deal of time. Once this is established, if it does, this community is going to be hit with everybody out there who requires continuing education.

REP. PAVLOVICH said at 70 years and older there are not too many people out there that are still really selling insurance.

REP. SLITER said Mr. Coty showed that there were 391 agents and there could be as many as 25,000 policies. It would be a dis-service.

CHAIRMAN SIMON said that number (391) was the number of agents over 70 years of age.

REP. LARSON said if there was an age criteria inserted does the state face the possibility of discrimination?

REP. ELLINGSON said this would occur because there is an absolute prohibition in the Constitution.

Motion/Vote: REP. PAVLOVICH MOVED SB 67 BE CONCURRED IN. Motion failed. REP. SLITER MOVED TO TABLE SB 67. Motion carried 16-2 with REPS. LARSON and PAVLOVICH voting no.

EXECUTIVE ACTION ON HB 239

Motion: REP. CARLEY TUSS MOVED DO PASS ON HB 239. REP. TUSS MOVED THE FIRST TUSS AMENDMENTS TO HB 239.

Discussion:

REP. TUSS explained the amendments. **EXHIBIT 7**

REP. CHARLES DEVANEY said he opposed the amendment because when they start accepting all of those things, what is happening is an unfunded mandate to local government; cities and counties in rural areas that now must go through all of the directives to get a license, pay for an inspection, and submit a plan as a local government. There is no funding here.

REP. LARSON stated under current law, apartment buildings, trailer parks and condominiums that are above a well are considered to be on a public water supply and are already regulated. A swimming pool uses water. It is appropriate to remain in the bill if there is a bill.

Vote: Motion to adopt the amendments failed.

Motion: REP. TUSS MOVED THE SECOND TUSS AMENDMENT ON HB 239.

Discussion:

REP. TUSS explained the amendment would strike the intent on page 1, maintain the language in section 1 and strike the remainder of the bill. She said all of the money from inspections goes into local government and now it will go into state government.

REP. COCCHIARELLA said the new amendment must include the amending of the title also.

CHAIRMAN SIMON asked if the Tuss amendment should not also include striking the critical point violation definition which is included. If the remainder of the bill is being stricken the critical point violation will be in the law and therefore that language should not be included.

Motion: REP. TUSS MOVED TO AMEND THE SECOND TUSS AMENDMENT TO INCLUDE THE CRITICAL POINT DEFINITION.

Motion: REP. LARSON MADE A SUBSTITUTE MOTION ON HB 239 DO NOT PASS.

Discussion:

REP. TUSS stated she wished to support the amendment because without that exemption the Cascade County Health Department and the health departments in all communities have the authority to enter private property.

Vote: Motion to adopt the Larson amendment failed 17-1 with REP. LARSON voting yes.

Vote: Motion carried on the second Tuss amendment carried 17-1 with REP. COCCHIARELLA voting no.

Motion/Vote: REP. TUSS MOVED HB 239 DO PASS AS AMENDED. Motion carried 18-0.

HEARING ON HB 307

Opening Statement by Sponsor:

REP. DAN HARRINGTON, HD 38, Silver Bow County said this bill was an act creating an express "title only" procedure for certain dealers of used motor vehicles; allowing a motor vehicle dealer, broker, or wholesaler to transfer a used motor vehicle to another motor vehicle dealer, broker, or wholesaler by use of a dealer reassignment section on a certificate of ownership; requiring a fee; requiring application for a certificate of ownership in certain circumstances; and appropriating money from the general fund to the Department of Justice for implementation.

Proponents' Testimony:

Mark Steffes, Montana Independent Auto Dealers Association said this bill will create an express title only for a motor vehicle dealer, broker or wholesaler to transfer ownership of a used motor vehicle to another motor vehicle dealer, broker or wholesaler by use of a dealer reassignment section on a certificate of ownership. This bill will also allow the Justice Department's Motor Vehicle Division to hire two additional employees to handle this effort. **EXHIBIT 1**

Scott Mitchell, MGM Auto Brokers said he wished to supply letters and statements which has been added to the Informational Testimony.

Steve Turkiewitz, Executive Vice President, Montana Auto Dealers Association said he supports this bill.

Dave Brown, Montana Independent Automobile Association said the \$15 fee which is in this bill was considered to be more than

enough to cover the cost of additional FTE and should be reduced to \$5. There is a government service which needs to be done and the industry is willing to finance the change.

Dean Roberts, Administrator, Motor Vehicle Division, Department of Justice stated there was not a problem with the bill as written. He then discussed the fiscal impacts of the bill.

TAPE 1, SIDE B

Opponents' Testimony:

None.

Informational Testimony:

Frontier Chevrolet; MGM Auto Brokers, Inc.; Mick O'Brien Used Car & Truck Center; McMennings Sunshine Auto Inc.; Mining City Motors; Grizzly Auto Center; Nickel Cars; Jim Downen's Nissan; Kalispell Credit Cars; Montana Auto Finance; Terry Chevrolet; Worden Motors; Big Boys Used Cars; Ryan Automotive; Mikies Central Auto; Montana Truck and Car; CJ's Auto Sales; Montana Muffler and Auto; Billings Auto Auction; Big Sky Auto; Northland Wholesale; Park County Auto; Bob Smith Lincoln Mercury; Randash Auto and Truck Center, Inc.; J.R.'s Used Cars; Auto Brokers of Montana; Ken's Auto Sales; Red Barn Tack and Trailer Sales; Montana Independent Auto Dealers Association; Auto Acres; AAA Auto Rental; Top Notch Trailer Mfg.; The Chassis Works, Inc.; D & D Automotive; Car World Auto Sales; Montana Mustang's; ABC Auto Sales; Leroy's Auto; Pierce Truck Equipment; Where Travel Traditions Begin; Active Auto; K & K Auto Brokers; Where You're At Auto; Backwoods Auto Sales; Auto Acres; Avis; Tour America RV Center, Inc.; Mark's A Lot; T & A Auto; Fort Benton Motor Co.; Clarks Fork Valley Auto; D & N Sales; Chief Auto Sales; Luxury Auto Sales; Takala Enterprises, Inc.; Glendive Sales Corporation; TAW, Inc.; Bill's Sunrise Auto; CH Auto; Rather Fox Ford Mercury, Inc.; Central City Auto Sales; Check Camper Sales; Larry's Auto Sales; K & B Co.; Boggs Chevrolet Olds; R & N Auto; Alco; Gardner Auto Auctions; Low Cost Auto Sales; Western States; Mitchell Motors; Electric City Auto Auction; Barney's Used Cars; Gabes Auto; King Motors; Sunshine Auto, Inc.; A & A Sales and Rentals, Inc.; Taylors Used Cars; Way More Auto; Radian Motors; Executive Motors; Petes Auto Sales, Inc.; Auto Corner. EXHIBIT 2

Questions From Committee Members and Responses:

REP. DAVID EWER asked if many other states had the process which is contemplated in this bill. Mr. Roberts said many states have title only and allow dealers to title only. REP. EWER asked how taxes get paid in concert with titles and if there is any public policy in regard to this process. Mr. Roberts said there is no loss of revenue to the states or counties in this bill. There are no other public policy issues.

REP. ROD MARSHALL asked how the lien holder was protected for a car that goes through an auction. Mr. Roberts said that is part of the title-rating process. If a lien release does not arrive with the title, then the lien is still maintained. A lien release from a lending institution must come in with this. When a lien is filed on a title, a 37A form is sent to the lending institution.

REP. PAVLOVICH asked if this bill were enacted how many days is the turnaround. Mr. Roberts said 48-hour turnaround maximum.

REP. DEVANEY asked if the new title would be returned to the dealer in his name. Mr. Roberts said this was correct.

REP. LARSON said he was concerned about the protection of consumers. He asked if there was the possibility of mischief in this system. Mr. Roberts said this title is not going to be quickly rated. That is the reason for the additional help. This does not make the car business any better or any worse.

REP. ELLINGSON asked if the state was not going to be involved until all of the dealer reassignment sections has been filled up. Mr. Roberts said dealers may get a title only when he possesses the vehicle. He must get a title only when all of the dealer reassignments on the title are filled. Mr. Brown said used car dealers and public opinion has changed a lot especially with odometer readings. This bill is also a benefit to consumers.

REP. COCCHIARELLA said in reading the bill she wondered if faxing would be feasible. Mr. Roberts said no.

CHAIRMAN SIMON said the question arose about whether a dealer wanted to go through this process before they filled out all of the three transfers that are allowed on the back of the title. Why would anyone want to utilize this process before they filled up all three slots on the title. Mr. Steffes said once in awhile there might be a problem in the way the paperwork was filled out. Sometimes a title may be in need of being in a person's name because of an auction, etc.

Closing by Sponsor:

The sponsor closed.

EXECUTIVE ACTION ON HB 307

Motion: REP. PAVLOVICH MOVED HB 307 DO PASS. REP. PAVLOVICH MOVED THE AMENDMENT.

Discussion:

REP. COCCHIARELLA said the important part of this amendment also is to include the FTE which are necessary and asked if this should this be a separate amendment.

REP. EWER said he liked the previous rationale for letting the Appropriations Committee see the fiscal note and change it if they see fit.

Vote: Motion to adopt the amendment carried 15-3 with REPS. EWER, HERRON and MARSHALL voting no.

Discussion:

REP. COCCHIARELLA said these people rate as "7's" and are doing 24,750 of these titles per year. That is 12 per hour. If this bill is passed, that workload can be distributed. It would be more than fair to add 3.0 FTE.

REP. LARSON said they would be encountering more work than anticipated.

REP. COCCHIARELLA said this is a quick process and if something is going to occur more quickly, then one every five minutes, you may need more help to do that.

Mr. Roberts said he anticipated they would be doing an additional 54,000 titles per year. Out of that addition, the amount they will send back to counties and customers is 16%. That is a total of 62,640 titles which, divided by 24750 is equal to 2.53 of an FTE's rate. The other .47 would be utilized by the assistance to the dealers and problem resolution.

REP. LARSON then said Montana has been known as the state to get an easy title for the purpose of chopping automobiles and titling illegally and stolen automobiles from other states. He said he was concerned about the bill although he said he will support it.

Motion/Vote: **REP. PAVLOVICH** MOVED HB 307 DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON SB 38

Motion: **REP. FORBES** MOVED SB 38 BE CONCURRED IN. **REP. SLITER** MOVED THE BENEDICT AMENDMENTS.

Discussion:

REP. PAVLOVICH questioned the amendments.

CHAIRMAN SIMON said the 20% would be used for the cost of administering and the rest of the money would then go into the revolving fund which is used to continue the loan.

Vote: Motion to adopt the amendments carried 18-0.

Motion: REP. FORBES MOVED SB 38 BE CONCURRED IN AS AMENDED.

Discussion:

REP. EWER said he wanted to acknowledge that he was employed by the Board of Investments so perhaps there is a conflict of interest here. The Board can already do this. He said it was hard for him to speak of this bill. This is a real public policy issue which must be decided. John Noel said that in regard to these loans the state is going to be the last in. There are state bureaucrats doing the loans for this action. The Board of Investments are state bureaucrats too. There are no bankers in the Department of Commerce. Money is loaned to the private sector. The Board of Investments works under the prudent expert rule. That is a lower standard than the prudent man. If you have expertise you may take larger risks. The Board does not make soft dollar loans. The Board likes to get paid back. He said he was not going to support this bill.

REP. LARSON said the committee previously had tried very hard to make sure that the Treasure State Endowment Program was not a pork barrel program. This is a development like that. This is another aspect of the financing for the small businesses in Montana. The way this bill is set up he said he perceives this as having the potential for handing out loans by people who do not necessarily have the expertise to properly qualify those borrowers. The problems will probably be worked out.

REP. JACK HERRON said this sounds like a good bill for the state to promote business, but he said he had trouble with the figure of 20%. That is a lot of money. He was concerned about the "chipping away" of the money and the payback.

REP. MARSHALL said the loans that are made out of this fund would be the highest risk loans that could be made. The securities are the last on the line and if it was a descent loan one could go to SBA through a good bank and get it.

REP. ELLIS said he would probably vote against this bill. There is no need for this kind of legislation.

REP. DEVANEY said this bill is an augmentation of the Community Development Block Grant Program (CDBG). This program involves the local government. They approve the loan and matching funds must be available. They must in turn go to the bank to find those matching funds. The bank will make an SBA guaranteed loan for those matching funds. The SBA guaranteed loan will be a first mortgage on all assets of the business. The Department of

Commerce, by virtue of their particular loan fund, will have a second mortgage on all of the assets. The terms of payment will be extended.

REP. MILLS said CDBG is not expected to be paid back.

REP. KARL OHS said he spoke in favor of the bill. That little push with this bill could make the difference whether or not a business will succeed or not. It is really important if the coal tax trust fund is for investment in the state that is exactly what should be considered. Perhaps there is some risk.

CHAIRMAN SIMON said he was interested in economic development and seeing the economy grow. There are, however, some concerns in this bill. This whole concept has not really been thought through and planned as carefully as it might and therefore there is the creation of serious risk of \$8 million for the taxpayer with the prospect of getting repaid because of the subordinate positions that the state is going to be in. He is concerned about setting up a mini-bank situation in the Department of Commerce where they are in the business of loaning money. They are acting like bankers. All of the loans they make are ending up in the subordinate positions. It is a risky situation even if it has the Governor's approval.


REP. ELLINGSON said the concerns raised on this issue bother him. He said he would be much more comfortable with the bill if it were administered by bankers rather than by people in the Department of Commerce.

Motion/Vote: Motion failed 13-5 with REPS. OHS, FORBES, COCCHIARELLA, LARSON and PAVLOVICH voting yes.

Motion/Vote: REP. NORM MILLS MOVED TO TABLE SB 38. Motion carried 17-1 with REP. PAVLOVICH voting no.

ADJOURNMENT

Adjournment: 10:10 AM



BRUCE T. SIMON, Chairman



ALBERTA STRACHAN, Secretary

BTS/ajs

HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL

DATE 1-27-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bruce Simon, Chairman	X		
Rep. Norm Mills, Vice Chair, Maj.	X		
Rep. Bob Pavlovich, Vice Chair, Min.	X		
Rep. Joe Barnett	X		
Rep. Vicki Cocchiarella	X		
Rep. Charles Devaney	X		
Rep. Jon Ellingson	X		
Rep. Alvin Ellis, Jr.	X		
Rep. David Ewer	X		
Rep. Rose Forbes	X		
Rep. Jack Herron	X		
Rep. Bob Keenan	X		
Rep. Don Larson	X		
Rep. Rod Marshall	X		
Rep. Jeanette McKee	X		
Rep. Karl Ohs	X		
Rep. Paul Sliter	X		
Rep. Carley Tuss	X		



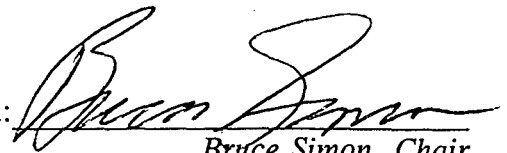
HOUSE STANDING COMMITTEE REPORT

January 27, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Business and Labor report that House Bill 286 (first reading copy -- white) do pass as amended.

Signed:


Bruce Simon, Chair

And, that such amendments read:

1. Page 1, line 13.

Following: first "coerce"

Strike: ", "

Following: "or"

Insert: "or"

Following: second "coerce"

Strike: ", or persuade"

2. Page 1, line 15.

Following: "department"

Strike: "; "

Insert: ". However, nothing in this part prohibits a brewer or beer importer from suggesting wholesale prices for products to distributors or from discussing wholesale prices with distributors."

-END-


Committee Vote:

Yes 18, No 0.

231359SC.Hbk




HOUSE STANDING COMMITTEE REPORT

January 27, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **House Bill 239** (first reading copy -- white) do pass as amended.

Signed: 
Bruce Simon, Chair

And, that such amendments read:

1. Title, lines 5 through 18.
Following: "BATHING AREAS;"
Strike: remainder of line 5 through "ACCOUNT;" on line 18
Following: "AMENDING" on page 18
Strike: "SECTIONS"
Insert: "SECTION"
2. Title, line 19.
Strike: line 19 in its entirety
3. Page 1.
Strike: lines 22 through 30 in their entirety
4. Page 2, lines 6 through 8.
Strike: subsection (1) in its entirety
Renumber: subsequent subsections
5. Page 2, line 26 through page 9, line 8.
Strike: sections 2 through 14 in their entirety

-END-

mm
1/27

Committee Vote:
Yes 11, No 0.

231401SC.Hbk



HOUSE STANDING COMMITTEE REPORT

January 27, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Business and Labor report that House Bill 307 (first reading copy -- white) do pass as amended.

Signed: _____

Bruce Simon
Bruce Simon, Chair

And, that such amendments read:

1. Page 1, line 30.
Following: "charge of"
Strike: "\$15"
Insert: "\$5"

-END-

1/27
mm

Committee Vote:
Yes 18, No 0.

231403SC.Hbk

MIADA

EXHIBIT 1
DATE 1-27-95
HB 307

Montana Independent Auto Dealers Association

1001 1st. Ave N.
Billings, Montana 59101
(406) 245-7451 Mark Steffes

January 27, 1995

TESTIMONY IN SUPPORT OF HOUSE BILL-307
HOUSE BUSINESS AND LABOR COMMITTEE

Mr. Chairman, my name is Mark Steffes. I own Auto Acres Trucks and Trailers in Billings, Montana. I appear here today as President of the Montana Independent Automobile Dealers Association. We are in strong support of House Bill 307 and appreciate Representative Dan Harrington sponsoring this bill on our behalf.

HB-307 will create an "Express Title Only" for a motor vehicle dealer, broker, or wholesaler to transfer ownership of a used motor vehicle to another motor vehicle dealer, broker or wholesaler by use of a dealer reassignment section on a certificate of ownership. This bill will also allow the Justice Department's Motor Vehicle Division to hire two additional employees to handle this effort. We, the dealers, are willing to pay the cost involved through a new fee because of the significant benefit to our industry.

Let me briefly explain the benefits this bill provides to our industry and to the consumer of used and new vehicles.

This bill will provide both new and used car dealers with a "Marketable or Negotiable" title. A negotiable title will allow Montana dealers more competitive outlets to sell their products. Because most dealers specialize in certain types or certain price ranges of vehicles, or simply may need to restructure his or her inventory, it is common practice for a vehicle to be sold to several different dealers before being sold to the consumer. Often these transfers create many off title dealer reassignments; however, most other states are moving toward issuing a standardized title, and do not allow off title reassignments. Although the new Montana title does have three dealer reassignments on the reverse side, the title has only been in use for a very short time. Furthermore, the majority of Montana titles in circulation only have one (1) reassignment and many older titles do not have any at all. To the credit of the Montana Motor Vehicle Division, Montana freely accepts foreign titles. However, selling a Montana vehicle with off title reassignments out of state in many aspects is like going to the grocery store with Russian Rubles. You are probably going to go home without anything to eat. Viewing this from a wholesaler's perspective, a marketable title is crucial. His livelihood depends on being able to sell vehicles out of state. Often the dealer depends on the wholesaler to sale certain types

of vehicles that do not sell well in Montana. By providing additional outlets to sell vehicles, dealers can pass the savings on to the consumer through higher trade in values and lower trade in differences.

Beyond marketability, HB 307 will allow dealers to obtain a title in a reasonable time between three (3) and five (5) business days. Under the current system dealers have to wait anywhere from six (6) to eight (8) weeks to receive a title. This can be devastating to consumers, smaller dealers, and wholesalers. Title delays also bring up legal issues. Typically the dealer has to sell a vehicle before receiving the title, and sometimes cause the dealer to take trade ins before receiving the title. This is a very gray area in the law. HB 307 could reduce these problems.

HB 307 will also allow dealers and the motor vehicle division to work more efficiently together by having a direct dealer phone line. Better dealer access to the Motor Vehicle Division will also reduce titling errors. This alone should greatly reduce the department's and the dealer's costs. By being able to correct problems as they occur and before the titles are submitted we can eliminate titles being sent back to the dealer two and three times for corrections. Government and Business working together to provide faster, more effective results for everyone. Thank you for your time and consideration.

EXHIBIT 2
DATE 1-27-95
HB 307

January 24, 1995

Auto Corner
3849 10th Ave So
Box 6534
Great Falls, MT 59405

Dealer# 20054

Representative Bruce Simon
House Business & Labor

Dear Sir:

I SUPPORT HB 307; AN ACT TO CREATE AN EXPRESS TITLE.

Cordially,

Allen R. Bundtrock

Allen R Bundtrock
Owner
Auto Corner

The original of this document is stored at
the Historical Society at 225 North Roberts
Street, Helena, MT 59620-1201. The phone
number is 444-2694.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 1-27-95

BILL NO. HB 307 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Dean Roberts	Dept. of Justice		
Pete Joseph	MFT		
DAVE BROWN	Mt. Eagle Auto Dealers Assn	X	
MARK Steffes	IND Auto DLRS IND DLR AUTO ASSN	X	
Scott Mitchell	MGM Auto	X	
Steve Turkiewicz	Mt Auto Dealers Assn	X	

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