

HOUSE BILL NO. 578

INTRODUCED BY VINCENT, KITSELMAN

IN THE HOUSE

January 30, 1981	Introduced and referred to Committee on Business and Industry.
February 21, 1981	Committee recommend bill do pass as amended. Report adopted. Statement of intent attached.
February 23, 1981	Bill printed and placed on members' desks. Second reading, pass consideration.
February 24, 1981	Second reading, do pass.
February 25, 1981	On motion rules suspended and bill placed on third reading this day. Third reading, passed. Ayes, 98; Noes, 0. Transmitted to Senate.

IN THE SENATE

March 3, 1981	Introduced and referred to Committee on Business and Industry.
March 21, 1981	Committee recommend bill and Statement of intent be concurred in as amended. Report adopted.
March 24, 1981	Motion pass consideration.
March 25, 1981	Second reading, pass consideration.
March 26, 1981	Second reading, concurred in.
March 28, 1981	Third reading, concurred in as amended. Ayes, 49; Noes, 0.

IN THE HOUSE

March 28, 1981

Returned from Senate with amendments.

April 8, 1981

Second reading, amendments concurred in.

April 9, 1981

Third reading, amendments concurred in. Ayes, 97; Noes, 0. Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 578
2 INTRODUCED BY VINCENT Kitzelmann

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO STREAMLINE STATE
5 SMALL BUSINESS LICENSING PROCEDURES; AUTHORIZING THE
6 ADOPTION OF RULES FOR THIS PURPOSE; AND PROVIDING AN
7 IMMEDIATE EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Short title. [This act] may be cited as the
11 "Montana Small Business Licensing Coordination Act".

12 Section 2. Purpose. The purposes of [this act] are to:

13 (1) eliminate retail, wholesale, consumer service,
14 manufacturer, and distributor licensing requirements,
15 administrative procedures, and forms that are unnecessary
16 for the protection of the public interest;

17 (2) streamline and minimize the total government and
18 business costs of necessary licensing and inspection
19 procedures; and

20 (3) distribute equitably the costs of licensing.

21 Section 3. Definitions. As used in [this act],
22 "license" means the whole or part of any agency permit,
23 license, certificate, approval, registration, or charter or
24 any form or permission required by law or administrative
25 rule to engage in any retail, wholesale, consumer service,

1 manufacturing, or distributing activity.

2 Section 4. Designation of small business licensing
3 coordination center -- duties of center. The governor shall
4 designate an agency to administer a small business licensing
5 coordination center. The small business licensing
6 coordination center shall:

7 (1) document and analyze current licensing
8 requirements, fees, and procedures;

9 (2) recommend elimination of unnecessary licensing
10 requirements, administrative procedures, or forms or parts
11 of forms that can be eliminated in the public interest;

12 (3) recommend efficient and effective improvements in
13 the administration and enforcement of licensing laws,
14 including the development of a permanent master license
15 certificate to be displayed on the premises of any Montana
16 business whose annual state license fees have been paid;

17 (4) recommend revisions in the license fee structure
18 to distribute the cost of licenses equitably and to provide
19 financing for continuing improvements in licensing
20 administration and enforcement;

21 (5) develop and distribute information to the business
22 community concerning state requirements for starting and
23 operating a business in Montana;

24 (6) provide technical assistance to business
25 enterprises to facilitate their compliance with state

1 licensing requirements;

2 (7) maintain a supply of license and permit forms or
3 applications for all licenses and actively assist the
4 businessman in answering application questions;

5 (8) maintain a master list of the business types
6 existing in the state and a corresponding list of the
7 licenses or permits needed to operate or start that type of
8 business;

9 (9) maintain a copy of the Administrative Rules of
10 Montana in order to provide an applicant with the basic
11 rules of any agency with regard to licensing;

12 (10) encourage agencies to provide informational
13 brochures through the center, especially in the case of
14 complex licensing procedures;

15 (11) maintain contact with licensing agencies in order
16 to enable the center to assist an applicant with setting up
17 appointments or otherwise facilitate the application
18 process;

19 (12) perform other administrative tasks delegated to
20 the center to improve state business license administration.

21 Section 5. Implementation of administrative
22 recommendations -- authority of governor to change
23 expiration dates by rule. (1) On the basis of the
24 recommendations of the business license coordination center,
25 the governor may, in his discretion and consistent with law,

1 direct changes in license administration. Executive agencies
2 shall implement any such changes.

3 (2) Whenever the implementation of improvements in
4 license administration is prevented by renewal dates
5 specified by law or administrative rule, the governor may,
6 in his discretion, adopt rules to change the license renewal
7 period or expiration date. These rules may vary renewal
8 periods or expiration dates by type of license or type of
9 business. With the exception of a transition period from one
10 license expiration date to another, the length of time that
11 by law a license is effective may not be changed by these
12 rules. For a transition period from one license expiration
13 date to another, the rules shall prorate license fees
14 according to the time a license is to be effective.

15 Section 6. Language added to license expiration
16 provisions. Wherever a license expiration date is provided
17 for in the MCA, there is added, immediately following that
18 date or in another appropriate place, the following
19 language: "or such other date as is prescribed by the
20 governor in accordance with the provisions of [sections 1
21 through 5]" or other substantively equivalent and
22 appropriate language. The code commissioner may add such
23 language to all appropriate sections and may make such other
24 additions and changes as are necessary and appropriate to
25 carry out the intent of this section. The code commissioner

1 may not, in making such additions and changes, make any
2 substantive change beyond that stated in this section.

3 Section 7. Appropriation. There is appropriated
4 \$39,662 in fiscal year 1982 and \$34,962 in fiscal year 1983
5 from the general fund to the agency designated by the
6 governor to administer the small business licensing
7 coordination center for the purpose of carrying out the
8 provisions of this act.

9 Section 8. Implementation schedule. The following
10 schedule shall be adhered to by the agency designated as the
11 agency to administer the small business licensing
12 coordination center:

13 (1) by July 1, 1981, hire or appoint the head of the
14 center;

15 (2) by September 1, 1981, develop a list of the
16 business types (retail in the first year) currently doing
17 business in the state;

18 (3) by September 1, 1981, develop a list of all
19 licenses or permits required to do business in the state
20 including the name of the licensing agency, the contact
21 person in the agency, the cost of the license, ARM rules or
22 statutes governing, and other pertinent data;

23 (4) by October 1, 1981, open the office; and

24 (5) by November 1, 1981, prepare in handbook form for
25 dissemination to the public, the list of business types

1 presently in operation in the state combined with the
2 permits or licenses required for each.

3 Section 9. Effective date. This act is effective on
4 passage and approval.

-End-

1 STATEMENT OF INTENT

2 HOUSE BILL 578

3 House Business and Industry Committee
4

5 A statement of intent is required for HB 578 in that it
6 delegates rulemaking authority to the governor in Section 5.

7 1. Subsection (1) of section 5 provides that the
8 governor has the power to direct changes in license
9 administration, consistent with law. The governor may direct
10 certain changes based on the recommendation of the small
11 business license coordination center. The duties of the
12 small business license coordination center are set forth in
13 section 4 of this bill. As a point of clarity, the
14 governor's authority to direct changes in executive agencies
15 already exists. It is not intended that subsection (1) of
16 section 5 delegate new authority or additional power to the
17 governor.

18 2. In subsection (2) of section 5, the governor is
19 authorized to adopt rules to change the license renewal
20 period or expiration date of any license. This authority
21 has been delegated to the governor in order to realize the
22 primary goal of this legislation. Presently, any one
23 business may require more than one license that expires on
24 different dates. The intent of this bill is to create a
25 uniform licensing procedure if possible, to eliminate

1 unnecessary steps if the applicant could apply for more than
2 one license at one time. If the objectives of consistency
3 and uniformity are to be met, it is imperative that the
4 governor have the power to change license expiration and
5 renewal dates. Any rule adopted that relates to changing the
6 expiration of renewal date of a license shall be consistent
7 with the provisions of the Montana Administrative Procedure
8 Act.

Approved by Committee
on Business and Industry

1 HOUSE BILL NO. 578
 2 INTRODUCED BY VINCENT, KITSELMAN
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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO STREAMLINE STATE
 5 SMALL BUSINESS LICENSING PROCEDURES; AUTHORIZING THE
 6 ADOPTION OF RULES FOR THIS PURPOSE; AND PROVIDING AN
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 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Short title. [This act] may be cited as the
 11 "Montana Small Business Licensing Coordination Act".
 12 Section 2. Purpose. The purposes of [this act] are to:
 13 (1) eliminate retail, wholesale, consumer service,
 14 manufacturer, and distributor licensing requirements,
 15 administrative procedures, and forms that are unnecessary
 16 for the protection of the public interest;
 17 (2) streamline and minimize the total government and
 18 business costs of necessary licensing and inspection
 19 procedures; and
 20 (3) distribute equitably the costs of licensing.
 21 Section 3. Definitions. As used in [this act],
 22 "license" means the whole or part of any agency permit,
 23 license, certificate, approval, registration, or charter or
 24 any form or permission required by law or administrative
 25 rule to engage in any retail, wholesale, consumer service,

1 manufacturing, or distributing activity. "LICENSE" DOES NOT
 2 INCLUDE LICENSES, PERMITS, OR REGISTRATIONS ISSUED UNDER
 3 TITLE 30, CHAPTER 10, PARTS 1 THROUGH 3, TITLE 33, TITLE 37,
 4 AND TITLE 80. SUCH LICENSES ARE EXCLUDED FROM THE COVERAGE
 5 OF [THIS ACT].
 6 Section 4. Designation of small business licensing
 7 coordination center -- duties of center. The governor shall
 8 designate an agency to administer a small business licensing
 9 coordination center. The small business licensing
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 21 (4) recommend revisions in the license fee structure
 22 to distribute the cost of licenses equitably and to provide
 23 financing for continuing improvements in licensing
 24 administration and enforcement;
 25 (5) develop and UPON REQUEST distribute information to

1 ~~the--business--community~~ concerning state requirements for
 2 starting and operating a business in Montana;

3 (6) provide technical assistance to business
 4 enterprises to facilitate their compliance with state
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13 (9) maintain a copy of the Administrative Rules of
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 17 brochures through the center, especially in the case of
 18 complex licensing procedures;

19 (11) maintain contact with licensing agencies in order
 20 to enable the center to assist an applicant with setting up
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 24 the center to improve state business license administration.

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1 recommendations -- authority of governor to change
 2 expiration dates by rule. (1) On the basis of the
 3 recommendations of the SMALL business license LICENSING
 4 coordination center, the governor may, in his discretion and
 5 consistent with law, direct changes in license
 6 administration. Executive agencies shall implement any such
 7 changes.

8 (2) Whenever the implementation of improvements in
 9 license administration is prevented by renewal dates
 10 specified by law or administrative rule, the governor may,
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 14 business. With the exception of a transition period from one
 15 license expiration date to another, the length of time that
 16 by law a license is effective may not be changed by these
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 21 provisions. Wherever a license expiration date is provided
 22 for in the MCA, there is added, immediately following that
 23 date or in another appropriate place, the following
 24 language: "or such other date as is prescribed by the
 25 governor in accordance with the provisions of [sections 1

1 through SECTION 5] or other substantively equivalent and
 2 appropriate language. The code commissioner may add such
 3 language to all appropriate sections and may make such other
 4 additions and changes as are necessary and appropriate to
 5 carry out the intent of this section. The code commissioner
 6 may not, in making such additions and changes, make any
 7 substantive change beyond that stated in this section.

8 Section 7. Appropriation. There is appropriated
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14 Section 8. Implementation schedule. The following
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1 person in the agency, the cost of the license, ARM rules or
 2 statutes governing, and other pertinent data;

3 (4) by October 1, 1981, open the office; and

4 (5) by November 1, 1981, prepare in handbook form for
 5 dissemination to the public, the list of business types
 6 presently in operation in the state combined with the
 7 permits or licenses required for each.

8 SECTION 9. INFORMATION AVAILABILITY. THE SMALL
 9 BUSINESS LICENSING COORDINATION CENTER SHALL ENCOURAGE AND
 10 INVITE FEDERAL AND LOCAL GOVERNMENT AGENCIES TO MAKE LICENSE
 11 AND PERMIT INFORMATION AVAILABLE TO APPLICANTS THROUGH THE
 12 COORDINATION CENTER. THE CENTER SHALL, WHERE POSSIBLE,
 13 ADVISE APPLICANTS OF FEDERAL AND LOCAL GOVERNMENT AGENCY
 14 LICENSE AND PERMIT REQUIREMENTS.

15 SECTION 10. NEW LICENSES, PERMITS, OR MODIFICATIONS.
 16 EACH STATE AGENCY SHALL REPORT TO THE COORDINATION CENTER
 17 ANY NEW LICENSE OR PERMIT OR MODIFICATION OF AN EXISTING
 18 LICENSE OR PERMIT THAT BECOMES EFFECTIVE AS A REQUIREMENT
 19 AFTER THE EFFECTIVE DATE OF THIS ACT, TOGETHER WITH THE
 20 APPLICABLE FORMS AND PERTINENT RULES AND INFORMATION.

21 Section 11. Effective date. This act is effective on
 22 passage and approval.

-End-

STATEMENT OF INTENT

HOUSE BILL 578

House Business and Industry Committee

A statement of intent is required for HB 578 in that it delegates rulemaking authority to the governor in Section 5.

1. Subsection (1) of section 5 provides that the governor has the power to direct changes in license administration, consistent with law. The governor may direct certain changes based on the recommendation of the small business license coordination center. The duties of the small business license coordination center are set forth in section 4 of this bill. As a point of clarity, the governor's authority to direct changes in executive agencies already exists. It is not intended that subsection (1) of section 5 delegate new authority or additional power to the governor.

2. In subsection (2) of section 5, the governor is authorized to adopt rules to change the license renewal period or expiration date of any license. This authority has been delegated to the governor in order to realize the primary goal of this legislation. Presently, any one business may require more than one license that expires on different dates. The intent of this bill is to create a uniform licensing procedure if possible, to eliminate

unnecessary steps if the applicant could apply for more than one license at one time. If the objectives of consistency and uniformity are to be met, it is imperative that the governor have the power to change license expiration and renewal dates. Any rule adopted that relates to changing the expiration of renewal date of a license shall be consistent with the provisions of the Montana Administrative Procedure Act.

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21 Section 11. Effective date. This act is effective on
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1 STATEMENT OF INTENT

2 HOUSE BILL 578

3 House Business and Industry Committee

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HOUSE BILL NO. 578

INTRODUCED BY VINCENT, KITSELMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO STREAMLINE STATE SMALL BUSINESS LICENSING PROCEDURES; ~~AUTHORIZING--THE~~ ~~ADOPTION-OF-RULES-FOR-THIS-PURPOSE~~ APPROPRIATING FUNDING FOR A LICENSING CENTER; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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(3) distribute equitably the costs of licensing.

Section 3. Definitions. As used in [this act], "license" means the whole or part of any agency permit, license, certificate, approval, registration, or charter or any form or permission required by law or administrative

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(1) document and analyze current licensing requirements, fees, and procedures;

(2) recommend elimination of unnecessary licensing requirements, administrative procedures, or forms or parts of forms that can be eliminated in the public interest;

(3) recommend efficient and effective improvements in the administration and enforcement of licensing laws, including GATHERING OF INFORMATION THAT FACILITATES the development of a permanent master license certificate ~~to be displayed on the premises of any Montana business whose annual state license fees have been paid;~~

(4) recommend revisions in the license fee structure to distribute the cost of licenses equitably and to provide financing for continuing improvements in licensing

1 administration and enforcement;

2 (5) develop and UPON REQUEST distribute information to
3 ~~the-business-community~~ concerning state requirements for
4 starting and operating a business in Montana;

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20 date to another, the rules shall prorate license fees
21 according to the time a license is to be effective.

22 ~~Section 6--Language---added---to---license--expiration~~
23 ~~provisions--Wherever a license expiration date is provided~~
24 ~~for--in--the--MCA--there--is--added--immediately--following--that~~
25 ~~date--or--in--another--appropriate--place--the--following~~

language--"or--such--other--date--as--is--prescribed--by--the
governor--in--accordance--with--the--provisions--of--[sections--]
through SECTION 5j--or--other--substantively--equivalent--and
appropriate--language--the--code--commissioner--may--add--such
language--to--all--appropriate--sections--and--may--make--such--other
additions--and--changes--as--are--necessary--and--appropriate--to
carry--out--the--intent--of--this--sections--the--code--commissioner
may--not--in--making--such--additions--and--changes--make--any
substantive--change--beyond--that--stated--in--this--sections

Section 5. Appropriation. There is appropriated
\$39,662 in fiscal year 1982 and \$34,962 in fiscal year 1983
from the general fund to the agency designated by the
governor to administer the small business licensing
coordination center for the purpose of carrying out the
provisions of this act.

Section 6. Implementation schedule. The following
schedule shall be adhered to by the agency designated as the
agency to administer the small business licensing
coordination center:

- (1) by July 1, 1981, hire or appoint the head of the
center;
- (2) by September 1, 1981, develop a list of the
business types (retail in the first year) currently doing
business in the state;
- (3) by September 1, 1981, develop a list of all

licenses or permits required to do business in the state
including the name of the licensing agency, the contact
person in the agency, the cost of the license, ARM rules or
statutes governing, and other pertinent data;

(4) by October 1, 1981, open the office; and

(5) by November 1, 1981: MARCH 1, 1982, prepare in
handbook form for dissemination to the public, the list of
business types presently in operation in the state combined
with the permits or licenses required for each.

SECTION 7. INFORMATION AVAILABILITY. THE SMALL
BUSINESS LICENSING COORDINATION CENTER SHALL ENCOURAGE AND
INVITE FEDERAL AND LOCAL GOVERNMENT AGENCIES TO MAKE LICENSE
AND PERMIT INFORMATION AVAILABLE TO APPLICANTS THROUGH THE
COORDINATION CENTER. THE CENTER SHALL, WHERE POSSIBLE,
ADVISE APPLICANTS OF FEDERAL AND LOCAL GOVERNMENT AGENCY
LICENSE AND PERMIT REQUIREMENTS.

SECTION 8. NEW LICENSES, PERMITS, OR MODIFICATIONS.
EACH STATE AGENCY SHALL REPORT TO THE COORDINATION CENTER
ANY NEW LICENSE OR PERMIT OR MODIFICATION OF AN EXISTING
LICENSE OR PERMIT THAT BECOMES EFFECTIVE AS A REQUIREMENT
AFTER THE EFFECTIVE DATE OF THIS ACT, TOGETHER WITH THE
APPLICABLE FORMS AND PERTINENT RULES AND INFORMATION.

Section 9. Effective date. This act is effective on
passage and approval.

-End-

March 21, 1981

SENATE STANDING COMMITTEE REPORT
(Business and Industry)

That House Bill No. 578 be amended as follows:

1. Title, lines 5 and 6.
Following: "PROCEDURES:"
Strike: remainder of line 5 through "PURPOSE" on line 6.
Insert: "APPROPRIATING FUNDING FOR A LICENSING CENTER"
2. Page 2, line 4.
Following: line 3
Insert: "Title 75,"
3. Page 2, line 18.
Following: "including"
Insert: "gathering of information that facilitates"
4. Page 2, lines 19 and 20.
Following: "certificate"
Strike: remainder of line 19 through "paid" on line 20.
5. Page 3, line 3.
Following: "provide"
Strike: "technical"
6. Page 3, line 25 through line 7 on page 5.
Strike: sections 5 and 6 in their entirety.
Re-number: subsequent sections
7. Page 6, line 4.
Following: "by"
Strike: "November 1, 1981"
Insert: "March 1, 1982"

That The Statement of Intent on House Bill No. 578 be amended as follows:

1. Statement of intent, pages 1 and 2.
Strike: Statement of intent in its entirety.