## SENATE BILL NO. 299

## INTRODUCED BY RYAN

# BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

## IN THE SENATE

January 28, 1981	Introduced and referred to Committee on Business and Industry.
February 11, 1981	Committee recommend bill do pass. Report adopted.
February 12, 1981	Bill printed and placed on members desks.
February 13, 1981	Second reading, do pass.
February 14, 1981	Correctly engrossed.
February 16, 1981	Third reading, passed. Ayes, 46; Noss, 0. Transmitted to House.

## IN THE HOUSE

February 17,	1981	Introduced and referred to Committee on Business and Industry.
March 6, 198		Committee recommend bill be concurred in. Report adopted.
March 9, 198	1	Second reading, concurred in.
March 12, 19	81	Third reading, concurred in. Ayes, 87; Noes, 6.

## IN THE SENATE

March 13, 1981 Returned from House. Concurred in. Sent to enrolling.

Reported correctly enrolled.

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BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE 6 CAPABILITY OF THE DEPARTMENT OF BUSINESS REGULATION TO CONTROL THE OPERATION OF OUT-OF-STATE POSTSECONDARY 7 EDUCATIONAL INSTITUTIONS WITHIN THE STATE; AMENDING SECTIONS 20-30-101 AND 20-30-102, MCA.\* 9

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

Section 1. Section 20-30-101, MCA, is amended to read: "20-30-101. Legislative purpose and definitions. (1) It is the policy of this state to encourage and enable its citizens to obtain and receive an education commensurate with their abilities and desires. It is recognized that proprietary institutions offering postsecondary educational, vocational, and professional instruction perform a useful and necessary service to the citizens of the state in achieving this objective. It is found that certain institutions have either by unscrupulous, unfair, and deceptive practices or through substandard instruction deprived the citizens of this state of educational opportunity and subjected them to financial loss. The actions of such institutions also reflect unfavorably upon

- the reputable proprietory postsecondary institutions which 1 2 are in the great majority. Thus it is the purpose of this 3 chapter to provide for the protection, education, and welfare of the citizens of this state.
- 5 (2) As used in this chapter, unless the context indicates otherwise, the following definitions 6 clearly 7 apply:
  - (a) "Advisory council" or "council" means the advisory council created by 2-15-1804.
- "Agent" means any person owning any interest in-10 11 employed by, or representing a postsecondary educational 12 institution in this or another state who, by solicitation in any form made in this state, seeks to enroll or enrolls a resident of this state in such postsecondary institution or who offers to award educational credentials on behalf of such institution for remuneration or who holds himself out to the residents of this state as representing a postsecondary institution for any such purpose.
- 19 (c) "Application" means either an application for the 20 initial issuance of a license or permit or for the renewal 21 of a license or permit.
- (d) "Department" means the department of business 22 23 regulation.
  - (e) "Education or educational services" means a class, course, or program of training, instruction, or study.

(f) "Educational credential" means a degree, diploma, certificate, transcript, report, document, letters of designation, marks, appellations, series of letters, numbers, or words which signify, purport, or are generally taken to mean enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for education through a postsecondary educational institution.

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  - (h) "Institution" means an academic, vocational, technical, home study, business, professional, or other school, college, or university or any person, association, or corporation offering educational credentials or educational services but does not include any institution established and maintained under the laws of this statew another-statev-or-the-government-of-the-United-States-ot-the public-expense.
  - (i) "License" means written approval issued by the department to operate or to contract to operate a postsecondary institution in this state.
  - (j) "Offer" means, in addition to its usual meaning, to advertise, publicize, solicit, or encourage any person, directly or indirectly, in any form, to perform the act described.

- 1 (k) "Operate" means to establish and maintain any
  2 facility in this state for the purpose described and
  3 includes a contract with any person, association, or
  4 corporation to establish and maintain such facility.
  - (1) "Permit" means written approval issued by the department to any person to act as an agent for a postsecondary educational institution.
  - (m) "Postsecondary education" means the education or educational services offered to persons who have completed or terminated their secondary education or who are beyond the age of compulsory school attendance, for the attainment of academic, professional, or vocational objectives."
  - Section 2. Section 20-30-102, MCA, is amended to read:
    #20-30-102. Exemptions. The following are exempt from
    the provisions of this chapter:
  - of an institution accredited by a national or regional accrediting agency recognized by either-the-beard-of-public education—or the board of regents of higher education and notification of such recognition having been given to the department by either the board;
  - (2) education sponsored by a trade, business, professional, or fraternal organization principally for the membership of the organization or offered without the payment of fees, unless such education is offered as leading

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- (3) avocational or recreational education and
   institutions offering such education exclusively;
- 4 (4) education offered by charitable or religious 5 institutions, organizations, or agencies unless such 6 education is offered as leading toward educational 7 credentials;
- 8 (5) institutions possessing a valid certificate issued9 by the federal aviation agency;
- 10 (6) schools of cosmetology possessing a valid
  11 certificate of registration issued under the provisions of
  12 Title 37, chapter 31.\*\*

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#### Approved by Committee on Business and Industry

Saute BILL NO. 299 1 Z INTRODUCED BY \_ 7-3

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

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A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE CAPABILITY OF THE DEPARTMENT OF BUSINESS REGULATION TO OUT-OF-STATE CONTROL THE OPERATION OF 7 POSTSECONDARY EDUCATIONAL INSTITUTIONS WITHIN THE STATE; AMENDING SECTIONS 20-30-101 AND 20-30-102, MCA.#

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

Section 1. Section 20-30-101, MCA, is amended to read: #20-30-101. Legislative purpose and definitions. (1) It is the policy of this state to encourage and enable its citizens to obtain and receive an education commensurate with their abilities and desires. It is recognized that proprietary institutions offering postsecondary educational, vocational, and professional instruction perform a useful and necessary service to the citizens of the state in achieving this objective. It is found that certain institutions have either by unscrupulous; unfair, and deceptive practices or through substandard instruction deprived the citizens of this state of educational opportunity and subjected them to financial loss. The actions of such institutions also reflect unfavorably upon the reputable proprietory postsecondary institutions which are in the great majority. Thus It is the purpose of this chapter to provide for the protection, education, and welfare of the citizens of this state.

- 5 (2) As used in this chapter, unless the context indicates otherwise, the following definitions clearly 7 apply:
  - (a) "Advisory council" or "council" means the advisory council created by 2-15-1804.
    - (b) "Agent" means any person owning any interast inemployed by, or representing a postsecondary educational institution in this or another state who, by solicitation in any form made in this state, seeks to enroll or enrolls a resident of this state in such postsecondary institution or who offers to award educational credentials on behalf of such institution for remuneration or who holds himself out to the residents of this state as representing a postsecondary institution for any such purpose.
  - (c) "Application" means either an application for the initial issuance of a license or permit or for the renewal of a license or permit.
- 22 (d) "Department" means the department of business 23 regulation.
  - (e) "Education or educational services" means a class. course, or program of training, instruction, or study.

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(f) "Educational credential" means a degree, diploma, certificate, transcript, report, document, letters of designation, marks, appellations, series of letters, numbers, or words which signify, purport, or are generally taken to mean enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for education through a postsecondary educational institution.

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- 9 (g) "Grant" means sell, award, confer, bestow, or 10 give.
  - (h) "Institution" means an academic, vocational, technical, home study, business, professional, or other school, college, or university or any person, association, or corporation offering educational credentials or educational services but does not include any institution established and maintained under the laws of this states another states or the government of the United States at the public-expense.
  - (i) "License" means written approval issued by the department to operate or to contract to operate a postsecondary institution in this state.
  - (j) \*Offer\* means, In addition to its usual meaning, to advertise, publicize, solicit, or encourage any person, directly or indirectly, in any form, to perform the act described.

- 1 (k) "Operate" means to establish and maintain any 2 facility in this state for the purpose described and 3 includes a contract with any person, association, or 4 corporation to establish and maintain such facility.
  - (1) "Permit" means written approval issued by the department to any person to act as an agent for a postsecondary educational institution.
  - (m) "Postsecondary education" means the education or educational services offered to persons who have completed or terminated their secondary education or who are beyond the age of compulsory school attendance, for the attainment of academic, professional, or vocational objectives."
    - Section 2. Section 20-30-102, MCA, is amended to read:
      #20-30-102. Exemptions. The following are exempt from
      the provisions of this chapter:
- 16 (1) institutions any program or course of instruction
  17 of an institution accredited by a national or regional
  18 accrediting agency recognized by either the board of regents of higher education and
  20 notification of such recognition having been given to the
  21 department by either the board;
  - (2) education sponsored by a trade, business, professional, or fraternal organization principally for the membership of the organization or offered without the payment of fees, unless such education is offered as leading

1	toward	educational	credentials;

- 2 (3) avocational or recreational education 3 institutions offering such education exclusively;
- (4) education offered by charitable or religious institutions, organizations, or agencies unless such 5 education is offered as leading toward educational 7 credentials;
- (5) institutions possessing a valid certificate issued by the federal aviation agency;
- (6) schools of cosmetology possessing a valid 10 11 certificate of registration issued under the provisions of Title 37, chapter 31." 12

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#### Approved by Committee on Business and Industry

1	Bill NG. 299
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3	BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

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A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE CAPABILITY OF THE DEPARTMENT OF BUSINESS REGULATION TO CONTROL THE OPERATION OF OUT-OF-STATE POSTSECONDARY EDUCATIONAL INSTITUTIONS WITHIN THE STATE: AMENDING SECTIONS 20-30-101 AND 20-30-102. MCA.\*

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

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Section 1. Section 20-30-101, MCA, is amended to read: \*20-30-101. Legislative purpose and definitions. (1) It is the policy of this state to encourage and enable its citizens to obtain and receive an education commensurate with their abilities and desires. It is recognized that proprietory institutions offering postsecondary educational, vocational, and professional instruction perform a useful and necessary service to the citizens of the state in achieving this objective. It is found that certain institutions have either by unscrupulous, unfair, and deceptive practices or through substandard instruction deprived the citizens of this state of educational opportunity and subjected them to financial loss. The actions of such institutions also reflect unfavorably upon

the reputable proprietory postsecondary institutions which 1 2 are in the great majority. Thus it is the purpose of this chapter to provide for the protection, education, and 3 welfare of the citizens of this state.

- (2) As used in this chapter, unless the context ő 6 clearly indicates otherwise, the following definitions 7 apply:
  - (a) "Advisory council" or "council" means the advisory council created by 2-15-1804.
  - (b) "Agent" means any person owning any interest inemployed by, or representing a postsecondary educational institution in this or another state who, by solicitation in any form made in this state, seeks to enroll or enrolls a resident of this state in such postsecondary institution or who offers to award educational credentials on behalf of such institution for remuneration or who holds himself out to the residents of this state as representing a postsecondary institution for any such purpose.
  - (c) "Application" means either an application for the initial issuance of a license or permit or for the renewal of a license or permit.
- (d) "Department" means the department of business 22 23 regulation.
  - (e) "Education or educational services" means a class. course, or program of training, instruction, or study.

(f) "Educational credential" means a degree, diploma, certificate, transcript, report, document, letters of designation, marks, appellations, series of letters, numbers, or words which signify, purport, or are generally taken to mean enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for education through a postsecondary educational institution.

- 9 (g) "Grant" means sell, award, confer, bestow, or 10 give.
  - (h) "Institution" means an academic, vocational, technical, home study, business, professional, or other school, college, or university or any person, association, or corporation offering educational credentials or educational services but does not include any Institution established and maintained under the laws of this statey another-statey-or-the-government-of-the-United-States-ot-the public-expense.
  - (i) "License" means written approval issued by the department to operate or to contract to operate a postsecondary institution in this state.
  - (j) "Offer" means, in addition to its usual meaning, to advertise, publicize, solicit, or encourage any person, directly or indirectly, in any form, to perform the act described.

- (k) "Operate" means to establish and maintain any facility in this state for the purpose described and includes a contract with any person, association, or corporation to establish and maintain such facility.
  - (1) "Permit" means written approval issued by the department to any person to act as an agent for a postsecondary educational Institution.
  - (m) "Postsecondary education" means the education or educational services offered to persons who have completed or terminated their secondary education or who are beyond the age of compulsory school attendance, for the attainment of academic, professional, or vocational objectives."
  - Section 2. Section 20-30-102, MCA, is amended to read:
    #20-30-102. Exemptions. The following are exempt from
    the provisions of this chapter:
- (1) institutions any program or course of instruction of an institution accredited by a national or regional accrediting agency recognized by either-the-board-of-public education—or the board of regents of higher education and notification of such recognition having been given to the department by either the board;
  - (2) education sponsored by a trade, business, professional, or fraternal organization principally for the membership of the organization or offered without the payment of fees, unless such education is offered as leading

1	toward educational credentials;
2	(3) avocational or recreational education and
3	institutions offering such education exclusively;
4	(4) education offered by charitable or religious
5	institutions, organizations, or agencies unless such
6	education is offered as leading toward educational
7	credentials;
8	(5) Institutions possessing a valid certificate issued
9	by the federal aviation agency;
10	(6) schools of cosmetology possessing a valid

certificate of registration issued under the provisions of

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Title 37, chapter 31."

1 Steel BILL NO. 299
2 INTRODUCED BY FUGIA

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE
6 CAPABILITY OF THE DEPARTMENT OF BUSINESS REGULATION TO
7 CONTROL THE OPERATION OF OUT-OF-STATE POSTSECONDARY
8 EDUCATIONAL INSTITUTIONS WITHIN THE STATE; AMENDING SECTIONS
9 20-30-101 AND 20-30-102, MCA.\*\*

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

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- the reputable proprietary postsecondary institutions which are in the great majority. Thus it is the purpose of this chapter to provide for the protection, education, and welfare of the citizens of this state.
- 5 (2) As used in this chapter, unless the context 6 clearly indicates otherwise, the following definitions 7 apply:
  - (a) "Advisory council" or "council" means the advisory council created by 2-15-1804.
- 10 (b) "Agent" means any person owning any interest in. 11 employed by, or representing a postsecondary educational 12 Institution in this or another state who, by solicitation in any form made in this state, seeks to enroll or enrolls a 13 14 resident of this state in such postsecondary institution or 15 who offers to award educational credentials on behalf of 16 such institution for remuneration or who holds himself out to the residents of this state as representing a 17 18 postsecondary institution for any such purpose.
  - (c) "Application" means either an application for the initial issuance of a license or permit or for the renewal of a license or permit.

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- 22 (d) "Department" means the department of business
  23 regulation.
- (e) "Education or educational services" means a class,course, or program of training, instruction, or study.

(f) "Educational credential" means a degree, diploma, certificate, transcript, report, document, letters of designation, marks, appellations, series of letters, numbers, or words which signify, purport, or are generally taken to mean enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for education through a postsecondary educational institution.

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- (k) "Operate" means to establish and maintain any facility in this state for the purpose described and includes a contract with any person, association, or corporation to establish and maintain such facility.
- (1) "Permit" means written approval issued by the department to any person to act as an agent for a postsecondary educational institution.
  - (m) "Postsecondary education" means the education or educational services offered to persons who have completed or terminated their secondary education or who are beyond the age of compulsory school attendance, for the attainment of academic, professional, or vocational objectives."
  - Section 2. Section 20-30-102, MCA, is amended to read:
    #20-30-102. Exemptions. The following are exempt from
    the provisions of this chapter:
  - of an institution accredited by a national or regional accrediting agency recognized by either the board of regents of higher education and notification of such recognition having been given to the department by either the board;
- (2) education sponsored by a trade, business, professional, or fraternal organization principally for the membership of the organization or offered without the payment of fees, unless such education is offered as leading

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- 2 (3) avocational or recreational education and
- 3 institutions offering such education exclusively;
- 4 (4) education offered by charitable or religious
- 5 institutions, organizations, or agencies unless such
- 6 education is offered as leading toward educational
- 7 credentials;
- 8 (5) Institutions possessing a valid certificate Issued
- 9 by the federal aviation agency;
- 10 (6) schools of cosmetology possessing a valid
- 11 certificate of registration issued under the provisions of
- 12 Title 37, chapter 31."

47th Legislature SB 0299/02 SB 0299/02

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1	SENATE BILL NO. 299
2	INTRODUCED BY RYAN

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BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE
6 CAPABILITY OF THE DEPARTMENT OF BUSINESS REGULATION TO
7 CONTROL THE OPERATION OF OUT-OF-STATE POSTSECONDARY
8 EDUCATIONAL INSTITUTIONS WITHIN THE STATE; AMENDING SECTIONS
9 20-30-101 AND 20-30-102+ MCA+\*\*

BE IT FNACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-30-101, MCA, is amended to read:

"20-30-101. Legislative purpose and definitions. (i)

It is the policy of this state to encourage and enable its citizens to obtain and receive an education commensurate with their abilities and desires. It is recognized that proprietary institutions offering postsecondary educational, vocational, and professional instruction perform a useful and necessary service to the citizens of the state in achieving this objective. It is found that certain institutions have either by unscrupulous, unfair, and deceptive practices or through substandard instruction deprived the citizens of this state of educational opportunity and subjected them to financial loss. The actions of such institutions also reflect unfavorably upon

- the reputable proprietary postsecondary institutions which
  are in the great majority. Thus it is the purpose of this
  chapter to provide for the protection, education, and
  welfare of the citizens of this state.
- (2) As used in this chapter, unless the context clearly indicates otherwise, the following definitions apply:
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  9 council created by 2-15-1804.
- 10 (b) "Agent" means any person owning any interest in-11 employed by, or representing a postsecondary educational institution in this or another state who, by solicitation in 12 13 any form made in this state, seeks to enroll or enrolls a 14 resident of this state in such postsecondary institution or who offers to award educational credentials on behalf of such institution for remuneration or who holds himself out to the residents of this state as representing a 17 18 postsecondary institution for any such purpose.
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- 22 (j) "Offer" means, in addition to its usual meaning, 23 to advertise, publicize, solicit, or encourage any person, 24 directly or indirectly, in any form, to perform the act 25 described.

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- (1) "Permit" means written approval issued by the department to any person to act as an agent for a postsecondary educational institution.
- (m) "Postsecondary education" means the education or educational services offered to persons who have completed or terminated their secondary education or who are beyond the age of compulsory school attendance, for the attainment of academic, professional, or vocational objectives."
- Section 2. Section 20-30-102, MCA, is amended to read:
  #20-30-102. Exemptions. The following are exempt from
  the provisions of this chapter:
- (1) institution any program or course of instruction of an institution accredited by a national or regional accrediting agency recognized by either-the-board-of-public education-or the board of regents of higher education and notification of such recognition having been given to the department by either the board;
- (2) education sponsored by a trade, business, professional, or fraternal organization principally for the membership of the organization or offered without the payment of fees, unless such education is offered as leading

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- toward educational credentials:
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- 5 institutions, organizations, or agencies unless such
- 6 education is offered as leading toward educational
- 7 credentials;
- 8 (5) institutions possessing a valid certificate issued
- by the federal aviation agency:
- 10 (6) schools of cosmetology possessing a valid
- 11 certificate of registration issued under the provisions of
- 12 Title 37, chapter 31."