house bill no. 434
INTRODUCED BY C. SMITH, J. HAMMOND, JONES, UNDERDAL, LORY
by Request of the derartment of pish, wildlife, and parks

IN The house

| January 21, 1983 | Introduced and referred to Committee on Fish and Game. |
| :---: | :---: |
| February 4, 1983 | Committee recommend bill do pass. Report adopted. |
|  | Statenent of Intent attached. |
| Pebruary 5, 1983 | Bill printed and placed on members' desks. |
| February 7, 1983 | Second reading, do pass. |
| February 8, 1983 | Considared correctly engrossad. |
| February 9, 1983 | Third reading, passed. Transmitted to Senate. |
|  | SENATE |
| February 10, 1983 | Introduced and referred to Committee on Fish and Game. |
| March 11. 1983 | Committee recommend bill be concurred in as amended. Report adopted. |
| March 14, 1983 | Second reading, concurred in. |
| March 16, 1983 | Third reading, concurred in. Ayes, 47; Noes, 0. |

## IN THE HOUSE

March 16, 1983

March 31, 1983

April 1, 1983

Returned to House with amendments.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.
Reported correctly enrolled.


A BILL FOR AN ACT ENTITLED: mAN ACT TO ALLOW A FISH AND WILDLIFE LICENSING AGENT TO PQST SECURITY DTHER THAN A SURETY BOND IN ACCORDANCE HITH DEPARTMENT RULES; AND TO rfouire license agents to pay interest on license revenue THAT IS REMITTED LATE; AMENDING SECTIONS 87-2-902 AND 87-2-903, HCA."
be it enacted by the legislature of the state df montana: Section 1. Section 87-2-902, MCA, is amended to read: "87-2-902. Bond or security of agent and preferred cloim of state for license money. (1) An appointed license agent shall furnish a corporate surety band of-ftye日e-or-in an-amount-equat-to-the-vałue-of-the-tieensest-permitsy-and certificates-reetived-for-distributiony--the-amount--te--be fixed-at-the-diseretion-of-the-director or other security as required by department rule. The bond shall secure the faithful performance of the duties imposed on the license agent and the accounting for and payment to the state of all money received from the sale of hunting and fishing iicenses and any permits or certificates prescribed by the department. The license agent shall properly account for all
unsold licenses, permits, and certificates annually on April 1 or at any other time at the request of the director.
(2) All money received for the sale of licensesp permits, and certificates at all times belongs to the state. In case of an assignment for the benefit of creditors, receivership; or bankruptcy, the state has a preferred ciaim against the assets and estate of a license agent for all money owed the state."

Section 2. Section $87-2-903$, MCA, is amended to read:
=87-2-903. Compensation and duties of agents =penalty for late submission of licensemoney. (1) License agents, except salaried employees of the department, shall receive for all services rendered the sum of 30 cents for each license, permit, or certificate issued. $\theta$ -the--1日th--dey--of-eaen--month-each Each license agent shall submit to the department all duplicates of each class of licenses sold dwfing-the-preeeding-month and shall accompany the duplicate licenses with all moneys received for the sale of the licenses less 3 fee of 30 cents for each license sold. Ihe department may designate_classes of license agents and may establish a deadine for submission of license monex by sach class of agente Each license agent shall keep his license account open at all reasonable hours to inspection by the department, the director, the wardensp or the legislative auditor.
artment_all money cersived-fran the declared_sale of
6 Licenses, less the appropriate feer by the deadine
7 established by the departmente an interest charge equal to
8 the rate charged on late corporation license_tax payments
9 under 15-31-502 must be assessede_Acceptance_of late
10 paxments_rith_interest does_not_rceclude_the_department from
11 sumarily rexoking the appointment af a license_agent_under
12 87-2-904."
-End-

Approved by Comm. on Fish and Game

## STATEMENT DF INTEN <br> HOUSE SILL 434

House Fish, Wildiffe, and Parks Comittee

A statement of intent is required for this bill because it grants rulenaking authority to the Department of Fish, Wildife, and Parks to adopt rules to set deadines for license receipts according to different classes of license agents, and setting guidelines for allowing alternative forms of security for small volume license agents.
section 2 of this bill proposes to allow the director of the Department of Fish, wildife, and Parks to set deadlines for the license recelpts according to different classes of license agents. The intent of this bill is to allow the director the flexibility to recognize that there are widely cisparate kinds of license agents. In some sparsely populated areas, the license receipts for a given year are 50 few that the current monthly accounting requirement may ie unrealistic. on the other hand, in feavily populated areas some license agents have extremely high monthly recoipts, necessitating that the money be transferred promptiy, on a monthiy basis, to the Department. The gepartment contemplates rules that wosld have deadines grounded in population base and historical demand in an area.

Section 1 of this bill proposes to change the security requirements for license agents. Currently, the law requires a minimum bond of $\$ 1,000$. In reality, no bonding company gives a bond for only $\$ 1,000$. The current industry standard is a minimum of $\$ 5,000$. Many of the small license agents may carry a total inventory of licenses far below $\$ 5,000$. In those instances, where the license agent does not stand to make a great deal of money on the license agency, the $\$ 5,000$ bonding requirement may be unduly burdensome. The proposed amendment would allow the director to adjust the bonding requirement to the particular circumstance of a given license agent. For instance, a license agent with a large inventory would be oiliged to provide a bond. A iicense agent with an inventory of less than $\$ 1,000$ may be obliqed to provide some other kind of security to ensure Pirformance under the law. The Deparment anticipates promulgating rules that would allow zlternative forms of security other than a bond for the small volume license agent.
HOUSE BILL NO. 434
INTRODUCED BY C. SMITH, J. HAMMOND,
JONES, UNDERDAL, LORY
BY RERUEST OF THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS
A BILL FOR AN ACT ENTITLED: MAN ACT TO ALLON A FISH AND
WILDLIFE LICENSING AGENT TO POST SECURITY OTHER THAN A
SURETY BOND IN ACCORDANCE WITH DEPARTMENT RULES; AND TO
REQUIRE LICENSE AGENTS tO PAY INTEREST ON LICENSE REYENUE
THAT IS REMITTED LATE; AMENDING SECTIONS 87-2-902 AND
87-2-903, MCA.a
be It enacted by the legislature of the state of montana:
Section 1. Section $87-2-902, \mathrm{MCA}$, is amended to read:
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claim of state for license monsy. (1) An appointed license
agent shall furnish a corporate surety bond of-twee日-or--in
an--anount-mant-to-the-vatre-of-the-t+eensesp-permits.-and
ertifieates-received-for-d+stributionv--the-amonnt--to--be
fixed at-the-diseretfon-of-the-director or_other_security as
cequired_-by_department_rule. The bond shall secure the
faithful performance of the duties imposed on the license
agent and the accounting for and payment to the state of all
money received from the sale of hunting and fishing licenses
and any permits or certificates prescribed by the
department. The license agent shall properly account for all unsold licenses, permits, and certificates annually on April 1 or at any other time at the request of the director.
(2) All money received for the sale of licenses, permits, and certificates at all times belangs to the state. In case of an assignment for the benefit of creditors, receivership, or bankruptcy, the state has a preferred claim against the assets and estate of a license agent for all money owed the state."

Section 2. Section $87-2-903$, MCA, is amended to read:
-87-2-903. Compensation and duties of agents $=$ penalty_for__late_submission_of_license_fonex. (1) License agents, except salaried employees of the department, shall receive for all services rendered the sum of 30 cents for each license, permit, or certificate issued. 日n--or--before the--teth--day--of-each--month-each Each license agent shall submit to the department all duplicates of each class of licenses suld daring-the-preeeding-month and shall accompany the duplicate 1 icenses with all moneys received for the sale of the licenses less a fee of 30 cents for each 1 icense sold. Ihs_department_may_designate_classes_of_license_agents and_may_establish_a_deadine_for_submission_of_license_monex by_eact_class_of_dgente Each license agent shall keep his license account open at all reasonable hours to inspection by the department, the director, the wardens, or the
l legislative auditor.
6 department_all_monex ceceixed_from_the_declaced_sale_of
7 Licensese_-less the appropriate_fees_by_the_deadine
s established_by_the_departmente_an_interest_charge_egual_to
9 the_rate__charged_on_late_corporation_lisense_tax_payeents
10 under_15-31-502_uust be_assessede_Accentance_of late
11 paxnepts_mith_intarest_does_not_precludenthe_department_from
12 sumarily_revoking_the_appointment_of_a_license_agent_uader
13 B7-2-204a*
-End-

## STATEMENT OF INTENT <br> HOUSE BILL 434

House Fish, Wildilfe, and Parks Comittee

A statement of intent is required for this bill because it grants rulemaking authority to the Department of Fish, wildife, and Parks to adopt rules to set deadines for license receipts according to different classes of license agents, and setting guidelines for allowing alternative forms of security for small volume license agents.

Section 2 of this bill proposes to allow the director of the Department of Fish, Wildilfe, and Parks to set deadines for the license recelpts according to different classes of license agents. The Intent of this bill is to allow the director the flexibility to recognize that there are widely disparate kinds of license agents. In some sparsely populated areas, the license receipts for a given year are so few that the current monthiy accounting requirement may se unrealistic. on the other hand, in heavily populated areas some license agents have extremely high monthiy recsipts, necessitating that the money be transferred promptiy, on a monthly basisp to the Department. The Department contemplates rules that would have deadilnes grounded in population base and histarical damand in an area.

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HOUSE BILL NO. 434
INTRODUCED BY C. SMITH, J. HAMMOND,
JOMES, UNDERDAL, LORY
BY REQUEST OF THE OEPARTMENT OF FISH, WILDLIFE AND PARKS
A BILL FOR AN ACT ENTITLED: AN ACT TO ALLOM A FISH AND WILDLIFE LICENSING AGENT TO POST SECURITY OTHER THAN A SURETY BOND IN ACCORDANCE WITH DEPARTMENT RULES; AND TO require license agents to pay interest on license revenue THAT IS REMITTED LATE; AHENDING SECTIONS 87-2-902 AND 87-2-903. MCA.*
be iI enacteo by the legislature of the state of montana:
Section 1. Section 87-2-902, MCA; is amended to read: m87-2-902. Bond ar security of agent and preferred claim of state for license money. (1) An appointed IIcense agent shall furnish a corporate surety bond of-\$tve00-or-in an--amount-f-quat-to-the-ratre-of-the-tteensesp-promitsy-and certifientes-recetved-for-dfatpibutiony--the-omount-ato--be fixed at the-dtecretton-of-the-dfreetor ar_other_security as requiced_by department_rule. The bond shall secure the faithful performance of the duties imposed on the license agent and the accounting for and payment to the state of all money received from the sale of hunting and fishing licenses and any permits or certificates prescribed by the
> department. The license agent shall properiy account for all unsold lifenses, permits, and certificates annually on April 1 or at any other time at the request of the director.
> (2) All money received for the sale of licenses, permits, and certificates at all times belongs to the state. In case of an assignment for the benefit of creditors: receivershipg or bankruptcy, the state has a preferred clain against the assets and estate of a license agent for all money owed the state."
> section 2. Section 97-2-903. MCA, is amended to readz
> "87-2-903. Compensation and duties of agents = penalty_for_late_subaission_of_license_ronex. (i) License agents, except salaried employees of the department, shall receive for all services rendered the sum of 30 cents for aach license, permit, or certificate issued. en-or--before the-- $\mathbf{4 \theta} \mathrm{th}$--dey--of-each--menth-each Eash license agent shall submit to the department all duplicates of each class of licenses sold durting-the-preeeding-month and shall accompany the duplicate licenses with all moneys received for the sale of the licenses less a fee of 30 cents for each license sold. Ine_departaent may desionate_classes af_license agents and_max_establish_a_deadine_for_submission_of_licensemonex bX_each_class_of_agente Each license agent shall keep his license account open at all reasonable hours to inspection by the department, the director, the wardens. or the

1 legislative auditor. 7 licensess__less_the_appropriate_fee__by_the_deadine 8 established_by_the_departinents_an_Interest_chacge_equal_te 9 the_rate_sharged_on_late_corporation_Ucensetax payments 10 under_15-31-502_must_be_assessede__Acceptance_pf_late 11 paxpents_mith_intecest_does_not_preciude_the_department_fror 12 sumarily_rovoking_the_appointegot_of_a_license_agent_uader 13
(2) For purposes of this section, the term wicensew includes any license, permit, and certificate prescribed by the departaent.
13) If a 1 icense agent fails_to subitito the department_all_monex recgived_fron_tha_declaced_sala_of日 $1=2-905_{a}$

## SENATE STANDING COMMITTEE REPORT (Fish and Game)

That House Bill No. 434 be amended as follows:

1. Title, line 11.

Following: "MCA"
Insert: "; AND PROVIDING A DELAYED EFFECTIVE DATE"
2. Page 3, line 14.

Following: line 13
Insert: "NEW SECTION. Section 3. Effective date. The act is effective March l, 1984."
STATEMENT OF INTEN HOUSE RILL 434
Mouse Fish, Wildiffe, and Parks Cormittee
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Section $i$ of this bill proposes to change the security requirements for license agents. Currently, the law requires a minimum bond of $\$ 1,000$. In reality, no bonding company gives a bond for only $\$ 1,000$. The current industry standard is a ninimum of $\$ 5,000$. Many of the small license agents may carry a total inventory of licenses far setow $\$ 5,000$. In those instances, where the license agent does not stand to make a great deal of money on the license agency, the $\$ 5,000$ bonding requirement may be unduly burdensone. The proposed amendment would allow the director to adjust the banding requirement to the particular circumstance of a given license agent. For instance, a license agent with a large inventory would be obliged to orovide a bond. A iicense agent with an inventory of less than $\$ 1,000$ may be obliged to provide some other kind of security to ensure performance under the law. The Department anticipates promulgating rules that would allow alternative forms of security other than a bond for the small volume license agent.

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            HOUSE BILL NO. }43
            INTRODUCED BY C. SMITH, J. HAMMOND,
                JONES, UNDERDAL, LORY
by REquest of the department of fish, wildlife, and parks
A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLON A FISH AND
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THAT IS REMITTED LATE; AMENOING SECTIUNS 87-2-902 AND
87-2-903, MCAL_AND_ORDY\OING_A_DELAYED_EEEECIIYE_DAIE**
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fixed-at-the-diseretion-of-the-dfrector or_other_security as
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"87-2-903. Compensation and duties of agents $=$ peaalty__for__late_nsumission_of_license_money. (1) License agents, except salaried employees of the department, shall receive for all services rendered the sum of 30 cents for each license, permit, or certificate issued. en--or-before the--t日th--day--of-each--nonth-eaeh Each license agent shall submit to the department all duplicates of each class of licenses sold during-the-preceding-month and shall accompany the duplicate licenses with all moneys received for the sale of the licenses less a fee of 30 cents for each license sold. Ihe_department_may_designate_slasses_of_license_agents and_max_establish_a_deadline_for_submission_of_license_monex bx_eash_cless_ef_agenta Each license agent shall keep his license account open at all reasonable hours to inspection by the department, the director, the wardens, or the
paynents_vith_interest_does_not_preclude_the_departant_fron
sumparily__Eexgking_the_aprointment_of_a_license_agent_uoder
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