

HOUSE BILL 600

Introduced by Vincent, et al.

2/10	Introduced
2/10	Referred to Business & Economic Development
2/14	Hearing
2/15	Fiscal Note Requested
2/18	Committee Report--Bill Passed
2/20	2nd Reading Passed as Amended
2/20	Taken From Engrossing
2/20	Fiscal Note Received
2/20	Rereferred to Appropriations
2/22	Fiscal Note Printed
3/13	Hearing
3/20	Committee Report--Bill Passed
3/22	2nd Reading Passed
3/23	3rd Reading Passed

Transmitted to Senate

3/27	Referred to Business & Industry
4/07	Hearing
4/13	Committee Report--Bill Not Concurred
4/13	Adverse Committee Report Adopted

INTRODUCED BY

HOUSE BILL NO. 600

*Vincent Hayes*

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE "MONTANA SMALL BUSINESS LICENSING COORDINATION ACT"; ESTABLISHING A BUSINESS REGISTRATION AND LICENSING SYSTEM; ESTABLISHING A BOARD OF REVIEW; AMENDING SECTIONS 30-16-102, 30-16-103, 30-16-202, AND 30-16-203, MCA; REPEALING SECTION 30-16-201, MCA; AND PROVIDING EFFECTIVE DATES."

## STATEMENT OF INTENT

A statement of intent is required for this bill because [section 3] delegates to the department of commerce authority to make rules necessary to implement the business registration and licensing system. It is the intent of the legislature that the rules adopted conform with applicable provisions of this bill, with other applicable provisions of the Montana Code Annotated, and with the department's rules pertaining to licensing procedure. The legislature further intends that the rules be consistent with provisions in the rules of other agencies authorized to grant licenses or to administer provisions of the licensing laws of Montana.

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

Section 1. Section 30-16-102, MCA, is amended to read:

"30-16-102. Purpose. ~~The--purposes-of-this-chapter-are~~ to: (1) Experience suggests that the number of state licenses and permits required for new businesses and the renewal of existing licenses place an undue burden on business. The legislature believes that the state can reduce its costs by coordinating application forms, information, and licenses while retaining the authority for determining whether to issue a requested license in the agency authorized to issue the license or permit. The legislature intends that licenses and permits that no longer serve a useful purpose in regulating business activities be eliminated. Therefore, the legislature intends to establish a business registration and licensing system to develop and realize the following goals and objectives:

(a) provide a convenient, accessible, and timely system for the business community to acquire and maintain the necessary state registrations and licenses to conduct business. The system must be operated in a cost-efficient manner for the business community and allow the state to:

(i) provide information to the business community concerning all state registration and licensing requirements;

(ii) enable state agencies to:

(A) efficiently store, retrieve, and exchange registration and license information with due regard to

1 privacy statutes;

2 (B) issue and renew master licenses when master  
3 licenses are appropriate; and

4 (C) provide support services for the objectives  
5 contained in subsection (1)(a)(ii);

6 (iii) provide at designated locations one consolidated  
7 application form to be completed by an applicant; and

8 (iv) establish a statewide system of common business  
9 identification.

10 ~~†1†~~(b) eliminate retail, wholesale, consumer service,  
11 manufacturer, and distributor licensing requirements,  
12 administrative procedures, and forms that are unnecessary  
13 for the protection of the public interest;

14 ~~†2†~~(c) streamline and minimize the total government and  
15 business costs of necessary licensing and inspection  
16 procedures; and

17 ~~†3†~~(d) distribute equitably the costs of licensing.

18 (2) The legislature further intends to reduce the total  
19 number of licenses required to conduct business in Montana."

20 **Section 2.** Section 30-16-103, MCA, is amended to read:

21 **"30-16-103. Definitions.** As used in this chapter,  
22 **"license"-means** the following terms have these meanings:

23 (1) "Board of review" means the body established to  
24 review policies and rules adopted by the department to carry  
25 out the provisions of this chapter.

1 (2) "Department" means the department of commerce  
2 established in 2-15-1801.

3 (3) "License" means the whole or part of any agency  
4 permit, license, certificate, approval, registration, or  
5 charter or any form or permission required by law or  
6 administrative rule to engage in any retail, wholesale,  
7 consumer service, manufacturing, or distributing activity.  
8 "License" does not include licenses, permits, or  
9 registrations issued under Title 30, chapter 10, parts 1  
10 through 3, Title 33, Title 37, and Title 75, and Title 80-  
11 Such licenses which are excluded from the coverage of this  
12 chapter.

13 (4) "Master license" means a document, issued by the  
14 system and designed for public display, that certifies  
15 individual state agency approval for licenses the state  
16 requires for any person subject to the provisions of this  
17 chapter.

18 (5) "Person" means an individual, sole proprietorship,  
19 partnership, association, cooperative, corporation,  
20 nonprofit organization, state or local government agency, or  
21 any other organization required to register with the state  
22 to do business in Montana and to obtain one or more licenses  
23 from the state or any of its agencies.

24 (6) "System" means the business registration and  
25 licensing system established in [section 3] and located in

1 and under the administrative control of the department."

2 NEW SECTION. Section 3. Business registration and  
3 licensing system -- duties -- plan -- rules. (1) Before  
4 January 1, 1990, the department shall develop a plan to:

5 (a) establish an information service detailing all  
6 state licenses that are required in order to engage in  
7 business in Montana and the locations for applying for those  
8 licenses; and

9 (b) develop a uniform method by which all state  
10 agencies may identify businesses.

11 (2) The plan developed under subsection (1)(b),  
12 relating to the business identification method, must include  
13 a phased approach to:

14 (a) complete a requirements analysis and specification  
15 document, including overview systems design;

16 (b) complete a detailed requirements analysis,  
17 including general systems design;

18 (c) establish interagency procedures for effectuating  
19 the system;

20 (d) select those licenses that will be included in the  
21 initial implementation of the system and the date and manner  
22 the licenses will be integrated into the system;

23 (e) complete a cost benefit analysis of the final  
24 implementation of this chapter; and

25 (f) conclude a trial application and a test of the

1 system.

2 (3) Beginning January 1, 1990, there is within the  
3 department a business registration and licensing system to  
4 implement the information service established and the  
5 identification method developed under the provisions of  
6 subsection (1).

7 (4) The department shall:

8 (a) before January 1, 1991, develop a computerized  
9 system capable of storing, retrieving, and exchanging  
10 license information, as well as issuing and renewing master  
11 licenses efficiently; and

12 (b) on January 2, 1991, recommend to the legislature  
13 criteria for evaluation of existing and proposed forms of  
14 licensing authorization.

15 (5) Each state agency shall review its licenses and  
16 recommend to the legislature on January 2, 1991, those  
17 licenses that should be eliminated or consolidated and  
18 justify those that should be retained.

19 (6) The department shall designate a deputy director in  
20 charge of the business registration and licensing system  
21 whose duties include those of executive secretary of the  
22 board of review.

23 (7) The department may adopt rules necessary to  
24 implement this chapter.

25 NEW SECTION. Section 4. Board of review. (1) There is

a board of review whose duty is to provide policy direction to the department in the establishment and operation of the business registration and licensing system. The board of review includes the directors of the departments of agriculture, commerce, revenue, and social and rehabilitation services, the director of the office of budget and program planning, the commissioner of labor and industry, the president of the senate or his designee, and the speaker of the house or his designee.

(2) The governor shall appoint a chairman from among the members of the board.

(3) The board shall meet at the call of the chairman at least once each quarter to:

(a) establish interagency policy guidelines for the system;

(b) review the findings, status, and problems of system operations and recommend courses of action;

(c) receive reports from industry and agency task forces that the board may request to inquire into particular issues; and

(d) recommend to the system, in questionable cases, whether a particular license falls within the scope of this chapter.

**NEW SECTION. Section 5.** Participation of state agencies. The legislature directs the full participation in

the implementation of this chapter by:

(1) the departments of agriculture, commerce, labor and industry, revenue, and social and rehabilitation services;

(2) the secretary of state;

(3) the public service commission; and

(4) other agencies as directed by the governor.

**NEW SECTION. Section 6.** Authority to issue licenses.

Regardless of any authority delegated to the department to implement the provisions of this chapter, the authority to determine the issuance of a requested license remains with the agency authorized by law to issue the license.

**Section 7.** Section 30-16-202, MCA, is amended to read:

"30-16-202. Information availability. The ~~small business--licensing--coordination--center~~ system shall encourage and invite federal and local government agencies to make license and permit information available to applicants through the ~~coordination--center~~ system. The ~~center system~~ shall, where possible, advise applicants of federal and local government agency license and permit requirements."

**Section 8.** Section 30-16-203, MCA, is amended to read:

"30-16-203. New licenses, permits, or modifications. Each state agency shall report to the ~~coordination--center~~ system any new license or permit or modification of an existing license or permit that becomes effective as a

1 requirement after April 20, 1981, together with the  
2 applicable forms and pertinent rules and information."

3 NEW SECTION. **Section 9.** Repealer. Section 30-16-201,  
4 MCA, is repealed.

5 NEW SECTION. **Section 10.** Saving clause. [This act]  
6 does not affect rights and duties that matured, penalties  
7 that were incurred, or proceedings that were begun before  
8 [the effective date of this act].

9 NEW SECTION. **Section 11.** Severability. If a part of  
10 [this act] is invalid, all valid parts that are severable  
11 from the invalid part remain in effect. If a part of [this  
12 act] is invalid in one or more of its applications, the part  
13 remains in effect in all valid applications that are  
14 severable from the invalid applications.

15 NEW SECTION. **Section 12.** Codification instruction.  
16 [Sections 3 through 6] are intended to be codified as an  
17 integral part of Title 30, chapter 16, and the provisions of  
18 Title 30, chapter 16, apply to [sections 3 through 6].

19 NEW SECTION. **Section 13.** Effective dates. (1) [Section  
20 3] and this section are effective on passage and approval.

21 (2) [Sections 1, 2, and 4 through 12] are effective  
22 January 1, 1990.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB600, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB 600 revises the "Montana Small Business Licensing Coordination Act"; establishes a business registration and licensing system; establishes a board of review; amends sections and provides effective dates.

ASSUMPTIONS:

1. System development will occur in FY 90 with implementation in FY 91.
2. Board of Review created by the bill will meet 4 times per year.
3. A computer system will be established in the Department of Commerce with remote terminal connections to the other departments responsible for licensing.
4. During development and implementation a systems analyst will be required. An administrative assistant will be required to manage day to day operations of the licensing system beginning the second half of FY 91.

FISCAL IMPACT:Expenditures:

		FY90			FY91	
Department of	Current	Proposed		Current	Proposed	
Commerce	law	law	Difference	law	law	Difference
Personal Services	-0-	\$ 29,066	\$ 29,066	-0-	\$ 38,932	\$ 38,932
Operating Expenses	-0-	7,500	7,500	-0-	46,190	46,190
Equipment	-0-	2,000	2,000	-0-	30,570	30,570
Totals	-0-	\$ 38,566	\$ 38,566	-0-	\$ 115,692	\$ 115,692

Funding: General Fund


DATE 2/20/89

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

DATE 2/21/89

JOHN VINCENT, PRIMARY SPONSOR

Fiscal Note for HB600, as introduced**HB 600**

APPROVED BY COMM. ON BUSINESS  
AND ECONOMIC DEVELOPMENT

1 HOUSE BILL NO. 600  
2 INTRODUCED BY Vincent Hagen  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE "MONTANA  
5 SMALL BUSINESS LICENSING COORDINATION ACT"; ESTABLISHING A  
6 BUSINESS REGISTRATION AND LICENSING SYSTEM; ESTABLISHING A  
7 BOARD OF REVIEW; AMENDING SECTIONS 30-16-102, 30-16-103,  
8 30-16-202, AND 30-16-203, MCA; REPEALING SECTION 30-16-201,  
9 MCA; AND PROVIDING EFFECTIVE DATES."

10  
11 STATEMENT OF INTENT

12 A statement of intent is required for this bill because  
13 [section 3] delegates to the department of commerce  
14 authority to make rules necessary to implement the business  
15 registration and licensing system. It is the intent of the  
16 legislature that the rules adopted conform with applicable  
17 provisions of this bill, with other applicable provisions of  
18 the Montana Code Annotated, and with the department's rules  
19 pertaining to licensing procedure. The legislature further  
20 intends that the rules be consistent with provisions in the  
21 rules of other agencies authorized to grant licenses or to  
22 administer provisions of the licensing laws of Montana.

23  
24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25 **Section 1.** Section 30-16-102, MCA, is amended to read:

1 "30-16-102. Purpose. The--purposes-of-this-chapter-are  
2 to: (1) Experience suggests that the number of state  
3 licenses and permits required for new businesses and the  
4 renewal of existing licenses place an undue burden on  
5 business. The legislature believes that the state can reduce  
6 its costs by coordinating application forms, information,  
7 and licenses while retaining the authority for determining  
8 whether to issue a requested license in the agency  
9 authorized to issue the license or permit. The legislature  
10 intends that licenses and permits that no longer serve a  
11 useful purpose in regulating business activities be  
12 eliminated. Therefore, the legislature intends to establish  
13 a business registration and licensing system to develop and  
14 realize the following goals and objectives:

15 (a) provide a convenient, accessible, and timely system  
16 for the business community to acquire and maintain the  
17 necessary state registrations and licenses to conduct  
18 business. The system must be operated in a cost-efficient  
19 manner for the business community and allow the state to:

20 (i) provide information to the business community  
21 concerning all state registration and licensing  
22 requirements;

23 (ii) enable state agencies to:

24 (A) efficiently store, retrieve, and exchange  
25 registration and license information with due regard to



1 privacy statutes;

2 (B) issue and renew master licenses when master  
3 licenses are appropriate; and

4 (C) provide support services for the objectives  
5 contained in subsection (1)(a)(ii);

6 (iii) provide at designated locations one consolidated  
7 application form to be completed by an applicant; and

8 (iv) establish a statewide system of common business  
9 identification.

10 ††(b) eliminate retail, wholesale, consumer service,  
11 manufacturer, and distributor licensing requirements,  
12 administrative procedures, and forms that are unnecessary  
13 for the protection of the public interest;

14 †2†(c) streamline and minimize the total government and  
15 business costs of necessary licensing and inspection  
16 procedures; and

17 †3†(d) distribute equitably the costs of licensing.

18 (2) The legislature further intends to reduce the total  
19 number of licenses required to conduct business in Montana."

20 **Section 2.** Section 30-16-103, MCA, is amended to read:

21 **"30-16-103. Definitions.** As used in this chapter,  
22 **"license"-means** the following terms have these meanings:

23 (1) "Board of review" means the body established to  
24 review policies and rules adopted by the department to carry  
25 out the provisions of this chapter.

1 (2) "Department" means the department of commerce  
2 established in 2-15-1801.

3 (3) "License" means the whole or part of any agency  
4 permit, license, certificate, approval, registration, or  
5 charter or any form or permission required by law or  
6 administrative rule to engage in any retail, wholesale,  
7 consumer service, manufacturing, or distributing activity.  
8 "License" does not include licenses, permits, or  
9 registrations issued under Title 30, chapter 10, parts 1  
10 through 3, Title 33, Title 37, and Title 75, and Title 80.  
11 Such licenses which are excluded from the coverage of this  
12 chapter.

13 (4) "Master license" means a document, issued by the  
14 system and designed for public display, that certifies  
15 individual state agency approval for licenses the state  
16 requires for any person subject to the provisions of this  
17 chapter.

18 (5) "Person" means an individual, sole proprietorship,  
19 partnership, association, cooperative, corporation,  
20 nonprofit organization, state or local government agency, or  
21 any other organization required to register with the state  
22 to do business in Montana and to obtain one or more licenses  
23 from the state or any of its agencies.

24 (6) "System" means the business registration and  
25 licensing system established in [section 3] and located in

1 and under the administrative control of the department."

2 NEW SECTION. Section 3. Business registration and  
3 licensing system -- duties -- plan -- rules. (1) Before  
4 January 1, 1990, the department shall develop a plan to:

5 (a) establish an information service detailing all  
6 state licenses that are required in order to engage in  
7 business in Montana and the locations for applying for those  
8 licenses; and

9 (b) develop a uniform method by which all state  
10 agencies may identify businesses.

11 (2) The plan developed under subsection (1)(b),  
12 relating to the business identification method, must include  
13 a phased approach to:

14 (a) complete a requirements analysis and specification  
15 document, including overview systems design;

16 (b) complete a detailed requirements analysis,  
17 including general systems design;

18 (c) establish interagency procedures for effectuating  
19 the system;

20 (d) select those licenses that will be included in the  
21 initial implementation of the system and the date and manner  
22 the licenses will be integrated into the system;

23 (e) complete a cost benefit analysis of the final  
24 implementation of this chapter; and

25 (f) conclude a trial application and a test of the

1 system.

2 (3) Beginning January 1, 1990, there is within the  
3 department a business registration and licensing system to  
4 implement the information service established and the  
5 identification method developed under the provisions of  
6 subsection (1).

7 (4) The department shall:

8 (a) before January 1, 1991, develop a computerized  
9 system capable of storing, retrieving, and exchanging  
10 license information, as well as issuing and renewing master  
11 licenses efficiently; and

12 (b) on January 2, 1991, recommend to the legislature  
13 criteria for evaluation of existing and proposed forms of  
14 licensing authorization.

15 (5) Each state agency shall review its licenses and  
16 recommend to the legislature on January 2, 1991, those  
17 licenses that should be eliminated or consolidated and  
18 justify those that should be retained.

19 (6) The department shall designate a deputy director in  
20 charge of the business registration and licensing system  
21 whose duties include those of executive secretary of the  
22 board of review.

23 (7) The department may adopt rules necessary to  
24 implement this chapter.

25 NEW SECTION. Section 4. Board of review. (1) There is

1 a board of review whose duty is to provide policy direction  
 2 to the department in the establishment and operation of the  
 3 business registration and licensing system. The board of  
 4 review includes the directors of the departments of  
 5 agriculture, commerce, revenue, and social and  
 6 rehabilitation services, the director of the office of  
 7 budget and program planning, the commissioner of labor and  
 8 industry, the president of the senate or his designee, and  
 9 the speaker of the house or his designee.

10 (2) The governor shall appoint a chairman from among  
 11 the members of the board.

12 (3) The board shall meet at the call of the chairman at  
 13 least once each quarter to:

14 (a) establish interagency policy guidelines for the  
 15 system;

16 (b) review the findings, status, and problems of system  
 17 operations and recommend courses of action;

18 (c) receive reports from industry and agency task  
 19 forces that the board may request to inquire into particular  
 20 issues; and

21 (d) recommend to the system, in questionable cases,  
 22 whether a particular license falls within the scope of this  
 23 chapter.

24 **NEW SECTION. Section 5.** Participation of state  
 25 agencies. The legislature directs the full participation in

1 the implementation of this chapter by:

- 2 (1) the departments of agriculture, commerce, labor and
- 3 industry, revenue, and social and rehabilitation services;
- 4 (2) the secretary of state;
- 5 (3) the public service commission; and
- 6 (4) other agencies as directed by the governor.

7 **NEW SECTION. Section 6.** Authority to issue licenses.  
 8 Regardless of any authority delegated to the department to  
 9 implement the provisions of this chapter, the authority to  
 10 determine the issuance of a requested license remains with  
 11 the agency authorized by law to issue the license.

12 **Section 7.** Section 30-16-202, MCA, is amended to read:  
 13 "30-16-202. Information availability. The ~~small~~  
 14 ~~business--licensing--coordination--center~~ system shall  
 15 encourage and invite federal and local government agencies  
 16 to make license and permit information available to  
 17 applicants through the ~~coordination--center~~ system. The  
 18 ~~center~~ system shall, where possible, advise applicants of  
 19 federal and local government agency license and permit  
 20 requirements."

21 **Section 8.** Section 30-16-203, MCA, is amended to read:  
 22 "30-16-203. New licenses, permits, or modifications.  
 23 Each state agency shall report to the ~~coordination--center~~  
 24 system any new license or permit or modification of an  
 25 existing license or permit that becomes effective as a

1 requirement after April 20, 1981, together with the  
2 applicable forms and pertinent rules and information."

3 NEW SECTION. **Section 9. Repealer.** Section 30-16-201,  
4 MCA, is repealed.

5 NEW SECTION. **Section 10. Saving clause.** [This act]  
6 does not affect rights and duties that matured, penalties  
7 that were incurred, or proceedings that were begun before  
8 [the effective date of this act].

9 NEW SECTION. **Section 11. Severability.** If a part of  
10 [this act] is invalid, all valid parts that are severable  
11 from the invalid part remain in effect. If a part of [this  
12 act] is invalid in one or more of its applications, the part  
13 remains in effect in all valid applications that are  
14 severable from the invalid applications.

15 NEW SECTION. **Section 12. Codification instruction.**  
16 [Sections 3 through 6] are intended to be codified as an  
17 integral part of Title 30, chapter 16, and the provisions of  
18 Title 30, chapter 16, apply to [sections 3 through 6].

19 NEW SECTION. **Section 13. Effective dates.** (1) [Section  
20 3] and this section are effective on passage and approval.

21 (2) [Sections 1, 2, and 4 through 12] are effective  
22 January 1, 1990.

-End-

RE-REFERRED AND  
APPROVED BY COMMITTEE  
ON APPROPRIATIONS

HOUSE BILL NO. 600

INTRODUCED BY VINCENT, HARPER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE "MONTANA  
SMALL BUSINESS LICENSING COORDINATION ACT"; ESTABLISHING A  
BUSINESS REGISTRATION AND LICENSING SYSTEM; ESTABLISHING A  
BOARD OF REVIEW; AMENDING SECTIONS 30-16-102, 30-16-103,  
30-16-202, AND 30-16-203, MCA; REPEALING SECTION 30-16-201,  
MCA; AND PROVIDING EFFECTIVE DATES."

STATEMENT OF INTENT

A statement of intent is required for this bill because  
[section 3] delegates to the department of commerce  
authority to make rules necessary to implement the business  
registration and licensing system. It is the intent of the  
legislature that the rules adopted conform with applicable  
provisions of this bill, with other applicable provisions of  
the Montana Code Annotated, and with the department's rules  
pertaining to licensing procedure. The legislature further  
intends that the rules be consistent with provisions in the  
rules of other agencies authorized to grant licenses or to  
administer provisions of the licensing laws of Montana.

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

**Section 1.** Section 30-16-102, MCA, is amended to read:

**"30-16-102. Purpose.** ~~The purposes of this chapter are~~  
~~to:~~ (1) Experience suggests that the number of state  
licenses and permits required for new businesses and the  
renewal of existing licenses place an undue burden on  
business. The legislature believes that the state can reduce  
its costs by coordinating application forms, information,  
and licenses while retaining the authority for determining  
whether to issue a requested license in the agency  
authorized to issue the license or permit. The legislature  
intends that licenses and permits that no longer serve a  
useful purpose in regulating business activities be  
eliminated. Therefore, the legislature intends to establish  
a business registration and licensing system to develop and  
realize the following goals and objectives:

(a) provide a convenient, accessible, and timely  
system for the business community to acquire and maintain  
the necessary state registrations and licenses to conduct  
business. The system must be operated in a cost-efficient  
manner for the business community and allow the state to:

(i) provide information to the business community  
concerning all state registration and licensing  
requirements;

(ii) enable state agencies to:

(A) efficiently store, retrieve, and exchange  
registration and license information with due regard to

1 privacy statutes;

2 (B) issue and renew master licenses when master  
3 licenses are appropriate; and

4 (C) provide support services for the objectives  
5 contained in subsection (1)(a)(ii);

6 (iii) provide at designated locations one consolidated  
7 application form to be completed by an applicant; and

8 (iv) establish a statewide system of common business  
9 identification.

10 {1}(b) eliminate retail, wholesale, consumer service,  
11 manufacturer, and distributor licensing requirements,  
12 administrative procedures, and forms that are unnecessary  
13 for the protection of the public interest;

14 {2}(c) streamline and minimize the total government  
15 and business costs of necessary licensing and inspection  
16 procedures; and

17 {3}(d) distribute equitably the costs of licensing.

18 (2) The legislature further intends to reduce the  
19 total number of licenses required to conduct business in  
20 Montana."

21 **Section 2.** Section 30-16-103, MCA, is amended to read:

22 **"30-16-103. Definitions.** As used in this chapter,  
23 **"license"** means the following terms have these meanings:

24 (1) "Board of review" means the body established to  
25 review policies and rules adopted by the department to carry

1 out the provisions of this chapter.

2 (2) "Department" means the department of commerce  
3 established in 2-15-1801.

4 (3) "License" means the whole or part of any agency  
5 permit, license, certificate, approval, registration, or  
6 charter or any form or permission required by law or  
7 administrative rule to engage in any retail, wholesale,  
8 consumer service, manufacturing, or distributing activity.  
9 "License" does not include licenses, permits, or  
10 registrations issued under Title 30, chapter 10, parts 1  
11 through 3, Title 33, Title 37, and Title 75, and--Title--80--  
12 Such--licenses which are excluded from the coverage of this  
13 chapter.

14 (4) "Master license" means a document, issued by the  
15 system and designed for public display, that certifies  
16 individual state agency approval for licenses the state  
17 requires for any person subject to the provisions of this  
18 chapter.

19 (5) "Person" means an individual, sole proprietorship,  
20 partnership, association, cooperative, corporation,  
21 nonprofit organization, state or local government agency, or  
22 any other organization required to register with the state  
23 to do business in Montana and to obtain one or more licenses  
24 from the state or any of its agencies.

25 (6) "System" means the business registration and

1 licensing system established in [section 3] and located in  
 2 and under the administrative control of the department."

3 **NEW SECTION. Section 3. Business registration and**  
 4 **licensing system -- duties -- plan -- rules. (1) Before**  
 5 **January 1, 1990, the department shall develop a plan to:**

6 (a) establish an information service detailing all  
 7 state licenses that are required in order to engage in  
 8 business in Montana and the locations for applying for those  
 9 licenses; and

10 (b) develop a uniform method by which all state  
 11 agencies may identify businesses.

12 (2) The plan developed under subsection (1)(b),  
 13 relating to the business identification method, must include  
 14 a phased approach to:

15 (a) complete a requirements analysis and specification  
 16 document, including overview systems design;

17 (b) complete a detailed requirements analysis,  
 18 including general systems design;

19 (c) establish interagency procedures for effectuating  
 20 the system;

21 (d) select those licenses that will be included in the  
 22 initial implementation of the system and the date and manner  
 23 the licenses will be integrated into the system;

24 (e) complete a cost benefit analysis of the final  
 25 implementation of this chapter; and

1 (f) conclude a trial application and a test of the  
 2 system.

3 (3) Beginning January 1, 1990, there is within the  
 4 department a business registration and licensing system to  
 5 implement the information service established and the  
 6 identification method developed under the provisions of  
 7 subsection (1).

8 (4) The department shall:

9 (a) before January 1, 1991, develop a computerized  
 10 system capable of storing, retrieving, and exchanging  
 11 license information, as well as issuing and renewing master  
 12 licenses efficiently; and

13 (b) on January 2, 1991, recommend to the legislature  
 14 criteria for evaluation of existing and proposed forms of  
 15 licensing authorization.

16 (5) Each state agency shall review its licenses and  
 17 recommend to the legislature on January 2, 1991, those  
 18 licenses that should be eliminated or consolidated and  
 19 justify those that should be retained.

20 (6) The department shall designate a deputy director  
 21 in charge of the business registration and licensing system  
 22 whose duties include those of executive secretary of the  
 23 board of review.

24 (7) The department may adopt rules necessary to  
 25 implement this chapter.

1        **NEW SECTION. Section 4. Board of review.** (1) There is  
 2 a board of review whose duty is to provide policy direction  
 3 to the department in the establishment and operation of the  
 4 business registration and licensing system. The board of  
 5 review includes the directors of the departments of  
 6 agriculture, commerce, HEALTH AND ENVIRONMENTAL SCIENCES,  
 7 revenue, and social and rehabilitation services, the  
 8 director of the office of budget and program planning, the  
 9 commissioner of labor and industry, the president of the  
 10 senate or his designee, and the speaker of the house or his  
 11 designee.

12        (2) The governor shall appoint a chairman from among  
 13 the members of the board.

14        (3) The board shall meet at the call of the chairman  
 15 at least once each quarter to:

16        (a) establish interagency policy guidelines for the  
 17 system;

18        (b) review the findings, status, and problems of  
 19 system operations and recommend courses of action;

20        (c) receive reports from industry and agency task  
 21 forces that the board may request to inquire into particular  
 22 issues; and

23        (d) recommend to the system, in questionable cases,  
 24 whether a particular license falls within the scope of this  
 25 chapter.

1        **NEW SECTION. Section 5. Participation of state**  
 2 **agencies.** The legislature directs the full participation in  
 3 the implementation of this chapter by:

4        (1) the departments of agriculture, commerce, HEALTH  
 5 AND ENVIRONMENTAL SCIENCES, labor and industry, revenue, and  
 6 social and rehabilitation services;

7        (2) the secretary of state;

8        (3) the public service commission; and

9        (4) other agencies as directed by the governor.

10       **NEW SECTION. Section 6. Authority to issue licenses.**  
 11 Regardless of any authority delegated to the department to  
 12 implement the provisions of this chapter, the authority to  
 13 determine the issuance of a requested license remains with  
 14 the agency authorized by law to issue the license.

15       **Section 7.** Section 30-16-202, MCA, is amended to read:

16       "30-16-202. Information availability. The ~~small~~  
 17 ~~business--licensing--coordination--center~~ system shall  
 18 encourage and invite federal and local government agencies  
 19 to make license and permit information available to  
 20 applicants through the ~~coordination--center~~ system. The  
 21 center system shall, where possible, advise applicants of  
 22 federal and local government agency license and permit  
 23 requirements."

24       **Section 8.** Section 30-16-203, MCA, is amended to read:

25       "30-16-203. New licenses, permits, or modifications.



1 Each state agency shall report to the ~~coordination-center~~  
 2 ~~system~~ any new license or permit or modification of an  
 3 existing license or permit that becomes effective as a  
 4 requirement after April 20, 1981, together with the  
 5 applicable forms and pertinent rules and information."

6 NEW SECTION. **Section 9. Repealer.** Section 30-16-201,  
 7 MCA, is repealed.

8 NEW SECTION. **Section 10. Saving clause.** [This act]  
 9 does not affect rights and duties that matured, penalties  
 10 that were incurred, or proceedings that were begun before  
 11 [the effective date of this act].

12 NEW SECTION. **Section 11. Severability.** If a part of  
 13 [this act] is invalid, all valid parts that are severable  
 14 from the invalid part remain in effect. If a part of [this  
 15 act] is invalid in one or more of its applications, the part  
 16 remains in effect in all valid applications that are  
 17 severable from the invalid applications.

18 NEW SECTION. **Section 12. Codification instruction.**  
 19 [Sections 3 through 6] are intended to be codified as an  
 20 integral part of Title 30, chapter 16, and the provisions of  
 21 Title 30, chapter 16, apply to [sections 3 through 6].

22 NEW SECTION. **Section 13. Effective dates.** (1)  
 23 [Section 3] and this section are effective on passage and  
 24 approval.

25 (2) [Sections 1, 2, and 4 through 12] are effective

1 January 1, 1990.

-End-

## 1 HOUSE BILL NO. 600

2 INTRODUCED BY VINCENT, HARPER

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE "MONTANA  
5 SMALL BUSINESS LICENSING COORDINATION ACT"; ESTABLISHING A  
6 BUSINESS REGISTRATION AND LICENSING SYSTEM; ESTABLISHING A  
7 BOARD OF REVIEW; AMENDING SECTIONS 30-16-102, 30-16-103,  
8 30-16-202, AND 30-16-203, MCA; REPEALING SECTION 30-16-201,  
9 MCA; AND PROVIDING EFFECTIVE DATES."

10  
11 STATEMENT OF INTENT

12 A statement of intent is required for this bill because  
13 [section 3] delegates to the department of commerce  
14 authority to make rules necessary to implement the business  
15 registration and licensing system. It is the intent of the  
16 legislature that the rules adopted conform with applicable  
17 provisions of this bill, with other applicable provisions of  
18 the Montana Code Annotated, and with the department's rules  
19 pertaining to licensing procedure. The legislature further  
20 intends that the rules be consistent with provisions in the  
21 rules of other agencies authorized to grant licenses or to  
22 administer provisions of the licensing laws of Montana.

23  
24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25 Section 1. Section 30-16-102, MCA, is amended to read:

1 "30-16-102. Purpose. ~~The purposes of this chapter are~~

2 to: (1) Experience suggests that the number of state  
3 licenses and permits required for new businesses and the  
4 renewal of existing licenses place an undue burden on  
5 business. The legislature believes that the state can reduce  
6 its costs by coordinating application forms, information,  
7 and licenses while retaining the authority for determining  
8 whether to issue a requested license in the agency  
9 authorized to issue the license or permit. The legislature  
10 intends that licenses and permits that no longer serve a  
11 useful purpose in regulating business activities be  
12 eliminated. Therefore, the legislature intends to establish  
13 a business registration and licensing system to develop and  
14 realize the following goals and objectives:

15 (a) provide a convenient, accessible, and timely  
16 system for the business community to acquire and maintain  
17 the necessary state registrations and licenses to conduct  
18 business. The system must be operated in a cost-efficient  
19 manner for the business community and allow the state to:

20 (i) provide information to the business community  
21 concerning all state registration and licensing  
22 requirements;

23 (ii) enable state agencies to:

24 (A) efficiently store, retrieve, and exchange  
25 registration and license information with due regard to

privacy statutes;

(B) issue and renew master licenses when master licenses are appropriate; and

(C) provide support services for the objectives contained in subsection (1)(a)(ii);

(iii) provide at designated locations one consolidated application form to be completed by an applicant; and

(iv) establish a statewide system of common business identification.

+1}(b) eliminate retail, wholesale, consumer service, manufacturer, and distributor licensing requirements, administrative procedures, and forms that are unnecessary for the protection of the public interest;

+2}(c) streamline and minimize the total government and business costs of necessary licensing and inspection procedures; and

+3}(d) distribute equitably the costs of licensing.

(2) The legislature further intends to reduce the total number of licenses required to conduct business in Montana."

**Section 2.** Section 30-16-103, MCA, is amended to read:

**"30-16-103. Definitions.** As used in this chapter, **"license"** means the following terms have these meanings:

(1) "Board of review" means the body established to review policies and rules adopted by the department to carry

out the provisions of this chapter.

(2) "Department" means the department of commerce established in 2-15-1801.

(3) "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 rule to engage in any retail, wholesale, consumer service, manufacturing, or distributing activity. "License" does not include licenses, permits, or registrations issued under Title 30, chapter 10, parts 1 through 3, Title 33, Title 37, and Title 75, and--Title--80, such--licenses which are excluded from the coverage of this chapter.

(4) "Master license" means a document, issued by the system and designed for public display, that certifies individual state agency approval for licenses the state requires for any person subject to the provisions of this chapter.

(5) "Person" means an individual, sole proprietorship, partnership, association, cooperative, corporation, nonprofit organization, state or local government agency, or any other organization required to register with the state to do business in Montana and to obtain one or more licenses from the state or any of its agencies.

(6) "System" means the business registration and

licensing system established in [section 3] and located in and under the administrative control of the department."

**NEW SECTION. Section 3. Business registration and licensing system -- duties -- plan -- rules.** (1) Before January 1, 1990, the department shall develop a plan to:

(a) establish an information service detailing all state licenses that are required in order to engage in business in Montana and the locations for applying for those licenses; and

(b) develop a uniform method by which all state agencies may identify businesses.

(2) The plan developed under subsection (1)(b), relating to the business identification method, must include a phased approach to:

(a) complete a requirements analysis and specification document, including overview systems design;

(b) complete a detailed requirements analysis, including general systems design;

(c) establish interagency procedures for effectuating the system;

(d) select those licenses that will be included in the initial implementation of the system and the date and manner the licenses will be integrated into the system;

(e) complete a cost benefit analysis of the final implementation of this chapter; and

(f) conclude a trial application and a test of the system.

(3) Beginning January 1, 1990, there is within the department a business registration and licensing system to implement the information service established and the identification method developed under the provisions of subsection (1).

(4) The department shall:

(a) before January 1, 1991, develop a computerized system capable of storing, retrieving, and exchanging license information, as well as issuing and renewing master licenses efficiently; and

(b) on January 2, 1991, recommend to the legislature criteria for evaluation of existing and proposed forms of licensing authorization.

(5) Each state agency shall review its licenses and recommend to the legislature on January 2, 1991, those licenses that should be eliminated or consolidated and justify those that should be retained.

(6) The department shall designate a deputy director in charge of the business registration and licensing system whose duties include those of executive secretary of the board of review.

(7) The department may adopt rules necessary to implement this chapter.

1       **NEW SECTION.**   **Section 4.** Board of review. (1) There is  
2 a board of review whose duty is to provide policy direction  
3 to the department in the establishment and operation of the  
4 business registration and licensing system. The board of  
5 review includes the directors of the departments of  
6 agriculture, commerce, HEALTH AND ENVIRONMENTAL SCIENCES,  
7 revenue, and social and rehabilitation services, the  
8 director of the office of budget and program planning, the  
9 commissioner of labor and industry, the president of the  
10 senate or his designee, and the speaker of the house or his  
11 designee.

12       (2) The governor shall appoint a chairman from among  
13 the members of the board.

14       (3) The board shall meet at the call of the chairman  
15 at least once each quarter to:

16       (a) establish interagency policy guidelines for the  
17 system;

18       (b) review the findings, status, and problems of  
19 system operations and recommend courses of action;

20       (c) receive reports from industry and agency task  
21 forces that the board may request to inquire into particular  
22 issues; and

23       (d) recommend to the system, in questionable cases,  
24 whether a particular license falls within the scope of this  
25 chapter.

1       **NEW SECTION.**   **Section 5.** Participation of state  
2 agencies. The legislature directs the full participation in  
3 the implementation of this chapter by:

4       (1) the departments of agriculture, commerce, HEALTH  
5 AND ENVIRONMENTAL SCIENCES, labor and industry, revenue, and  
6 social and rehabilitation services;

7       (2) the secretary of state;

8       (3) the public service commission; and

9       (4) other agencies as directed by the governor.

10       **NEW SECTION.**   **Section 6.** Authority to issue licenses.  
11 Regardless of any authority delegated to the department to  
12 implement the provisions of this chapter, the authority to  
13 determine the issuance of a requested license remains with  
14 the agency authorized by law to issue the license.

15       **Section 7.** Section 30-16-202, MCA, is amended to read:

16       "30-16-202. Information availability. The ~~small~~  
17 ~~business--licensing---coordination---center~~ system shall  
18 encourage and invite federal and local government agencies  
19 to make license and permit information available to  
20 applicants through the ~~coordination--center~~ system. The  
21 ~~center system~~ shall, where possible, advise applicants of  
22 federal and local government agency license and permit  
23 requirements."

24       **Section 8.** Section 30-16-203, MCA, is amended to read:

25       "30-16-203. New licenses, permits, or modifications.

1 Each state agency shall report to the ~~coordination-center~~  
 2 system any new license or permit or modification of an  
 3 existing license or permit that becomes effective as a  
 4 requirement after April 20, 1981, together with the  
 5 applicable forms and pertinent rules and information."

6 NEW SECTION. Section 9. Repealer. Section 30-16-201,  
 7 MCA, is repealed.

8 NEW SECTION. Section 10. Saving clause. [This act]  
 9 does not affect rights and duties that matured, penalties  
 10 that were incurred, or proceedings that were begun before  
 11 [the effective date of this act].

12 NEW SECTION. Section 11. Severability. If a part of  
 13 [this act] is invalid, all valid parts that are severable  
 14 from the invalid part remain in effect. If a part of [this  
 15 act] is invalid in one or more of its applications, the part  
 16 remains in effect in all valid applications that are  
 17 severable from the invalid applications.

18 NEW SECTION. Section 12. Codification instruction.  
 19 [Sections 3 through 6] are intended to be codified as an  
 20 integral part of Title 30, chapter 16, and the provisions of  
 21 Title 30, chapter 16, apply to [sections 3 through 6].

22 NEW SECTION. Section 13. Effective dates. (1)  
 23 [Section 3] and this section are effective on passage and  
 24 approval.

25 (2) [Sections 1, 2, and 4 through 12] are effective

1 January 1, 1990.

-End-