

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 4, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on February 4, 1985 at 8:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present with the exception of Representative Jones, who was excused by the chairman.

HOUSE BILL 420: Hearing commenced on House Bill 420. Representative Ted Schye, District #18, sponsor of the bill, at the request of the Department of Commerce, stated that this bill would raise the fee for licenses of aircraft, airmen and instructors from \$1 to \$10. The maximum charge for issuance or renewal of a license for an airport or restricted landing area is raised from \$1 to \$1,000 or an amount less than \$1,000 equal to the costs incurred for such issuance.

Proponent Mike Ferguson, Administrator of the Aeronautics Division, offered his support of House Bill 420. Mr. Ferguson explained that the charge for issuance or renewal of a license will be based on the costs incurred for such issuance.

Opponent Grace Poloson, read to the committee letters from Mr. Philip E. Timm and Mrs. Elizabeth A. Timm, which are attached hereto as Exhibits 1 and 2.

Opponent Louis W. Lindemer, manager of the Seeley Lake Airport and owner of Wendy's Landing West in Seeley, stated that House Bill 420 could cause potential economic hardship and force smaller airports out of business. Mr. Lindemer distributed to committee members Exhibit 3, which is attached hereto. The Seeley Lake community did benefit over \$29,000 in 1984 due to tourism. Passing of House Bill 420 would be counterproductive to the "build Montana" theme.

Opponent Bert Poloson, a pilot from Polson, explained that this would be an expensive duplication of what the FAA already is doing. By charging high fees, smaller airports may have to shut down, added Mr. Poloson.

In closing, Representative Schye explained that due to a court order rendered October, 1984, this legislation originated. The aeronautic division is funded through the aviation tax and there are not enough dollars to force the judge's mandate. The \$1 that is being collected presently will not cover the costs of issuing such licenses.

Representative Brandewie asked Mr. Ferguson what the cost will be to the department and what the issuance cost is estimated to be. Mr. Ferguson explained that it will take approximately \$60,000 to do and with proper planning should average approximately \$300 per airport.

Representative Brandewie then asked Mr. Ferguson if he feels the licensing is necessary. Mr. Ferguson explained that due to the court order he must remain neutral and they are mandated by court order to proceed.

Representative Brandewie explained that he will be introducing House Bill 354 and suggested that the committee defer action on this bill until House Bill 354 has been heard.

Representative Wallin asked Representative Schye if the \$10 fee is paid yearly or a one time fee. Representative Schye explained that it is an annual fee and that all aircraft must register with the state to account for all aircraft in the state and that an aircraft must be registered before taxes can be paid.

Representative Glaser asked if private landing strips must be registered. Mr. Ferguson explained that if an airstrip is used for private use and not open to the public, they will not have to be registered.

Representative Driscoll asked Representative Schye if the registration requirement is really necessary. Representative Schye explained that Montana has more pilots per capita than any other state with the exception of Alaska that he has never heard anyone claim harrassment and that the majority of pilots in the state register voluntarily.

There being no further discussion by proponents or opponents all were excused by the chairman and the hearing on House Bill 420 was closed.

HOUSE BILL 306: Hearing commenced on House Bill 306. Representative Red Menehan, District #67, sponsor of the bill, by the request of the Board of Athletics, stated that this bill removed the restriction against a member of the Board of Athletics from being an amateur boxer or being involved in the sport, allows the board to regulate "so you think you are tough" boxing cards and mud wrestling, and allows the board to review decisions made by officials.

Proponent Mary Lou Garrett, representing the Board of Athletics, stated that Montana is the only state that does not have the right to review decisions made by an official.

Representative Ellerd asked Representative Menahan what a "so you think you are tough" contest is. Representative Menahan explained that it is a contest that has no weight class set or regulations.

There being no further discussion by proponents or opponents all were excused by the chairman and the hearing on House Bill 306 was closed.

HOUSE BILL 371: Hearing commenced on House Bill 371. Representative Bruce Simon, District #91, sponsor of the bill, stated that this bill repeals the section of law that includes tires, casings, and/or tubes mounted on a motor vehicle as an integral and component part of the vehicle and subject to any conditional sales contract, mortgage, lease, or other lien on the motor vehicle.

Proponent George Allen, representing the Montana Retail Association, supplied written testimony which is attached hereto as Exhibit 5.

Proponent Earl Springer, representing Roemer's Tire Center, Inc., of Missoula, stated that he is no longer in the truck tire business because he cannot afford it. Mr. Springer did address a letter to each of the representatives.

Proponent Jerry Noble, of Great Falls, representing Montana Tire Dealers, stated that in 1984 he suffered a loss in excess of \$35,000 due to non-payment of tires. Mr. Noble explained that this bill would help extensively in dealing with truckers.

Proponent Tom Sherry, of Missoula, representing the Montana Tire Dealers, stated that he has suffered in excess of \$325,000 in losses that could have been reclaimed if this law was not on the books. Mr. Sherry explained that in 1977 he refused credit to a trucker and then had a call from a banker asking that credit be extended to this individual. Mr. Sherry did and with 72 hours after the tires were put on, the banker repossessed the truck and there was nothing that he could do.

Proponent Bob Bakke, representing Bakke Tire Service, stated that they are being excluded from getting any value of the truck back after they have improved the value by putting the tires on.

Opponent George Bennett, representing the Montana Bankers Association, stated that this law has been on the books since

1943. Mr. Bennett explained that all liens appear on the title to a vehicle and that a tire dealer should file a lien in the same manner. By passing House Bill 371, the records would have to be searched to locate a tire lien when a vehicle is repossessed. This will make a difference for truckers who try to obtain financing, added Mr. Bennett.

Opponent Dean Retz, representing Valley Bank of Helena, stated that it is common sense to keep tires on a vehicle. When a vehicle is repossessed, a bank spends money to improve a vehicle. A consumer can put liens on the title and tires are an integral part of a vehicle.

Opponent Fred Flanders, representing Norwest Bank of Helena, explained that serious difficulties will be created for banks and borrowers. The only sure way of knowing of a lien, is if it is recorded against the title. Tires are a substantial part of the value of a truck. Mr. Flanders added that it will be difficult to determine where each lien stands and the overall effect will be the borrower suffering.

Opponent Tom Harrison of Helena, representing the Montana Auto Dealers, stated that this will create three places for liens to be filed. The net effect of House Bill 371 will be the down payment increasing on vehicles. This is a complicated manner that will affect the saleability to every consumer.

Opponent, Representative Bill Glaser, presented written testimony from Mr. B. A. Fisher of Great Falls and Billings Truck Centers, which is attached hereto as Exhibit 6.

Opponent, Representative Norm Wallin, extended his opposition to House Bill 371.

In closing, Representative Simon stated that this law addresses tires, tubes and casings only. It is common practice to file mechanic liens and tires have been singled out. Other components are needed on a vehicle besides tires, every component is an integral part. The tire dealers are not asking for special treatment, only equality.

Representative Ellerd asked Representative Simon who will determine how much wear is left on a tire. Representative Simon stated that the tire dealers are only asking for what is owed them or to negotiate a settlement.

Representative Ellerd asked Mr. Noble if he had ever repossessed tires. Mr. Noble explained that under the present law, there is no way a lien can be filed, they would become a secondary lien holder and thus, never recover anything.

Representative Wallin asked if this law would affect all vehicles and if the present law prohibits a tire dealer from filing a secondary lien. Mr. Bennett explained that it would affect all vehicles and a second lien can be filed.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 371 was closed.

HOUSE BILL 429: Hearing commenced on House Bill 429. Representative Bill Hand, District #83, sponsor of the bill, stated that this would change the law on state printing to prohibit the state from doing printing for anyone other than a state agency except under a contract awarded after competitive bidding.

Proponent Mike Meloy, representing the Montana Press Association, stated that weekly newspapers get income from printing. The prison should be required when contracting to do so on a competitive bid basis and give local companies a chance. The decision is to keep printing in the prison or in the communities.

Proponent Berle L. Rademacher, editor and publisher in White Sulphur Springs, explained that this would prohibit the state from becoming involved in private industry, unless they go through a competitive bidding process. This legislation would put printing back into the private sector.

Proponent Riley Johnson, representing the National Federation of Independent Business, offered his support of House Bill 429.

Don Breiby, Administrator, Publications and Graphics Division, Department of Administration, explained that he was not appearing as an opponent or proponent.

Mr. Breiby expressed his concern of the state competing and doing commercial printing. He believes that this bill is being placed in the wrong section of the law, that it should appear in Section 53.

Representative Brandewie asked Mr. Meloy and Representative Hand if they agreed with the amendments as shown on the Standing Committee Report that is attached hereto. Both were in agreement.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 429 was closed.

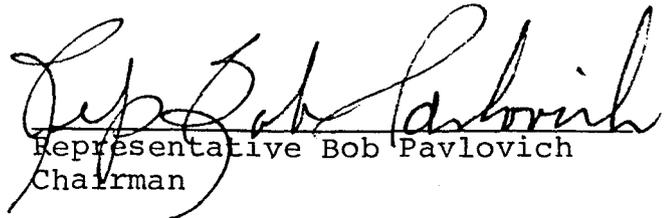
ACTION ON HOUSE BILL 306: Representative Ellerd made a motion that House Bill 306 DO PASS. Second was received and House Bill 306 PASSED unanimously.

ACTION ON HOUSE BILL 371: Representative Simon made a motion that House Bill 371 DO PASS. Representative Glaser expressed his concern of the increase in down payments that this would cause, and stated that the dealers have the recourse, not the banks. Representative Schultz added that the banks do use the tires as a feature in selling repossessed vehicles. Representative Simon stated that the bill does not separate tires from trucks. Representative Bachini explained that it is not fair for banks to have the gain on tires, that tire dealers should be given a chance. Question being called, House Bill 371 PASSED, with all but Representatives Glaser, Howe, Keller, and Wallin voting yes.

ACTION ON HOUSE BILL 429: Representative Driscoll stated that at the prison, the department tries to put the inmates to work to help prevent friction and that there is nothing these inmates can do that won't infringe on private enterprise. Representative Ellerd moved that House Bill 429 DO PASS and moved the proposed amendments. Representative Kadas added that the amendments are even more restrictive. The inmates should be put to work to make them productive citizens and that it costs tax dollars to keep these inmates in prison. Question being called, the DO PASS AS AMENDED motion, PASSED with all but Representatives Driscoll, Hansen, Howe, Kadas, and Nisbet voting yes.

ACTION ON HOUSE BILL 499: Representative Kadas made a motion that House Bill 499 DO PASS. Representative Kadas then moved the amendments that are attached hereto as Exhibit 8. The amendments PASSED unanimously. Representative Kadas then made a substitute motion that House Bill 499 BE TABLED. House Bill 499 was TABLED unanimously.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 10:55 a.m.


Representative Bob Pavlovich
Chairman

DAILY ROLL CALL
 BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 4, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones			✓
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

February 4 1985
page 1 of 1

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 306

FIRST reading copy (WHITE)
color

REVISION OF BOARD OF ATHLETICS LAWS

Respectfully report as follows: That HOUSE Bill No. 306

DO PASS

STANDING COMMITTEE REPORT

February 4 19 85
page 1 of 1

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 371

FIRST reading copy (WHITE)
color

**REPEAL 61-3-104, MCA, SECURITY INTEREST ON MOTOR
VEHICLE PARTS**

Respectfully report as follows: That HOUSE Bill No. 371

DO PASS

STANDING COMMITTEE REPORT

February 4 19 85
page 1 of 2

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 429

FIRST reading copy (WHITE)
color

**REQUIRE COMPETITIVE BIDDING BEFORE STATE CAN DO
OUTSIDE PRINTING**

Respectfully report as follows: That HOUSE Bill No. 429

BE AMENDED AS FOLLOWS:

- 1) Title, line 5
Following: "STATE"
Insert: "INSTITUTIONAL INDUSTRIES"
- 2) Title, line 6
Following: "PERSONS"
Strike: the remainder of line 6 and line 7 through "BIDDING"
- 3) Page 2, line 4
Following: "state"
Insert: "institutional industries defined in 53-1-301"

DOXPASS

- 4) Page 2, line 5
Following: "agency"
Strike: the remainder of line 5, lines 6 and 7
in their entirety, and line 8 through
"entity"
- 5) Page 2, line 9
Strike: Section 2 in its entirety

AND AS AMENDED,
DO PASS

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE 2-4-85 BILL NO. 429 TIME _____

NAME	AYE	NAY
Bob Pavlovich	✓	
Les Kitseiman	✓	
Bob Bachini		✓
Ray Brandewie	✓	
Jan Brown	✓	
Jerry Driscoll		✓
Robert Ellerd	✓	
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart		✓
Ramona Howe		✓
Tom Jones		
Mike Kadas		✓
Vernon Keller	✓	
Lloyd McCormick	✓	
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon	✓	
Fred Thomas	✓	
Norm Wallin		

Secretary Debbie Aqui

Chairman Bob Pavlovich

Motion: Amend. to HB 429 11-7

Exhibit 1, House Bill 420
February 4, 1985
Submitted by: Philip E. Timm
Box 516
Polson, Montana 59860
January 30, 1985

House Committee on Business and Labor
Capitol Building
Helena, Montana 59620

Dear Representatives:

This is a protest against House Bill 420.

It will not:

1. Improve safety.
2. Improve awareness or interest in aviation.
3. Strengthen the states coffers.

It will:

1. Increase cost.
 - a. It will need additional administrative staff.
 - 1) Flight instructors
 - 2) Maintenance Inspectors
 - 3) Airport & Shop Inspectorsto implement, inspect and varify accuracy of license applicants.
 - b. Added financial burden on an already suffering industry.
 - c. A tax burden on all tax payers for departmental administration additions.
2. Be redundant.
 - a. Federal Aviation Administration already licenses and regulates the areas mentioned in this bill.
3. Be out dated.
 - a. Civil Aeronautics Authority no longer exists, since 1938.
4. Be no value for safety.
 - a. The dictate for licensing airports has been on the books around forty years.
 - 1) It was not needed then, it is not of any value now.
 - b. It should not be used to force airports to be closed.
 - c. The high cost of licensing may cause many counties to close airports because of the high licens fee.
 - 1) It is a burden on our economy.
 - 2) It stifles transportation.

In the 48 years that I have been flying, instructing and aircraft maintenance, I have never seen the need for the state to duplicate regulations or costs. Please vote NO on House Bill 420.

Respectfully yours


Philip E. Timm

Box 516
Polson, Montana 59860
January 30, 1985

House Committee on Business and Labor
Capitol Building
Helena, Montana 59620

Dear Representatives:

May I advise the committee to vote against House Bill 420.

This bill is antiquated and it has not been necessary up to now. There has been no call for such duplicated regulations in the twenty years of flying, which I have done in the state of Montana and throughout the U.S.A..

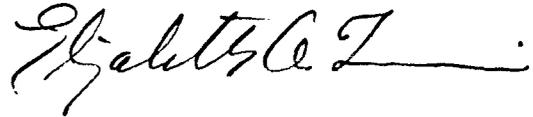
1. This bill will not improve safety.
2. There would be no incentive for the general public to take an interest in flying.
3. It will increase cost to an already expensive and beleaguered industry.
 - a. It would require additional employees to impliment the regulation, with flight inspectors, mechanic inspectors, etc. to verify the applicants and qualifications. This is already accomplished by the Federal Aviation Administration.
 - b. It would create time-consuming paper work for both the aviation people, as well as, for the state aviation agency that would administer the regulation.
It would be a waste of time for all consumed.
 - c. It would be an added financial burden to the aviation industry and to the general public.
4. H.Bill 420 is redundant. The Federal Aviation Administration already has employees that perform the duties of licensing, certification, approving applications for flight schools, repair schools, the registration of aircraft, etc.
5. The Civil Aeronautics Authority, named in the bill, has not been in existance since about 1938, when it became the Civil Aeronautic Administration. This later became the Federal Aviation Agency and that is now the Federal Aviation Administration.
6. For over 40 years we have had no need for airport licenses for safety sake. We DO NOT need such licenses now. This too, would be just another financial burden on all tax payers.
It could easily become so costly that towns could be forced to close airports, rather than have the added tax burden.
This lack of airports could affect the economy, seriously, since it would hamper transportation over the long distances required in this state.

Page 2
H.Bill 420
Box 516
Polson, Montana 59860
January 30, 1985

I see no reason to duplicate regulations, which the Federal Government already has, and rightly so, due to the nationwide nature of flying.

Our state has been faced over and over with bringing state laws up to Federal Standards, and we do not need that added expense, especially in these times.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Elizabeth A. Timm".

Elizabeth A. Timm
(406) 883-5193

An Update on Montana's Travel and Tourism Industry

Richard T. Dailey

Montana's non-resident travel industry is alive and reasonably healthy. Among the state's basic industries — those which sell goods or services to nonresidents or otherwise bring money in from out-of-state — only nonresident travel and heavy construction have increased their employment and payrolls in recent years.

Since 1979, most of Montana's basic industries have suffered permanent losses of jobs and income as plants and mines have closed and an interstate railroad ceased operation. Heavy construction was an exception because of the Colstrip project, but as that project nears completion construction too will likely experience a decline.

That portion of the travel industry which serves nonresident visitors also is defined as a basic industry. It brings money in from outside the state. Between 1979 and 1983, labor income generated by the expenditures of nonresident travelers is estimated to have increased 10 percent, from \$96 million to \$106 million, after adjustment for inflation. This was a notable achievement during a period of recession and increasingly unfavorable money exchange rates for Canadian visitors.

Figure 1 illustrates changes in labor income earned by workers in Montana's



basic industries between 1979 and 1983. Labor income includes wages and salaries and certain fringe benefits plus proprietors' income — in other words, all the income earned through participation in the labor force. Labor income is used as a measure of changes in economic activity when data equivalent to Gross National Product are not available, and as a measure of an industry's contribution to the economy. The figures are expressed in constant 1983 dollars.

In 1983, labor income from the nonresident travel industry accounted for 6 percent of total labor income from basic industries in Montana. Four years earlier, in 1979, it had contributed 5 percent of the total.

The increased income from nonresident travel resulted from a growth in number of visitors. Their numbers increased from less than 2.0 million in 1979 to more than 2.2 million in 1983 (figure 2). Total expenditures by nonresident travelers also are estimated to have grown from \$382 million in 1979 to \$423 million in 1983 after taking inflation into account (figure 3). It was not a steady growth; small setbacks occurred in 1980 and 1982. But certainly the industry has been much less cyclical than most other basic industries in the state.

People travel for a variety of reasons. The most recent travel survey in Montana — the Old West Commission Survey completed in 1980 — reported that 30 percent of nonresident travel in the state in 1979 was travel for pleasure. Travel for pleasure is the usual definition for tourism. It should be noted that it is a rather narrow definition, by virtue of excluding the 23 percent of nonresident visitors in 1979 who said they were visiting friends and relatives.

Applying the 30 percent figure to expenditures and labor income suggests that nonresident tourists spent \$127 million in Montana in 1983, and those expenditures generated \$32 million in labor income. If one chose to include travelers visiting friends and relatives as tourists, those numbers would be \$224 million and \$56 million respectively.

We emphasize expenditures of nonresident travelers because, as noted

"There were approximately 20,200 travel-related jobs in Montana in 1983, compared to 17,600 in 1979."

above, they bring money into the state; the portion of the travel industry serving them is part of our economic base.

But Montanans also travel in Montana. The Billings resident vacationing in Flathead County has not added to the state's economic base, but he has contributed to the county economy. And if he chose Flathead over a trip to Puget Sound, he has kept money in state that otherwise would have left. We estimate that Montanans traveling in Montana spent a total of \$391 million in 1983, of which \$98 million was for pleasure (tourist) travel. Those figures compare to \$366 million and \$92 million in 1979. Labor income generated by these expenditures is estimated at \$98 million in 1983 and \$92 million in 1979 (table 1). These figures are very rough estimates.

There were approximately 20,200 travel-related jobs in Montana in 1983, compared to 17,600 in 1979. About one-third of the 1983 total was in the hotel-motel sector.

Average earnings per worker are considerably lower than in many other Montana industries because of lower wage rates and the large number of part-time and seasonal jobs.

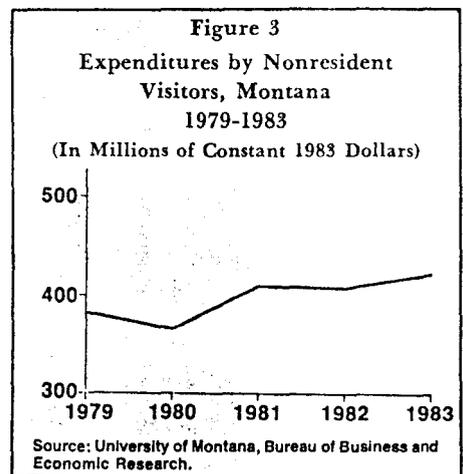
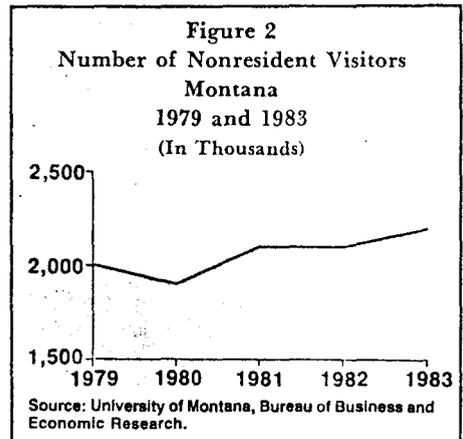
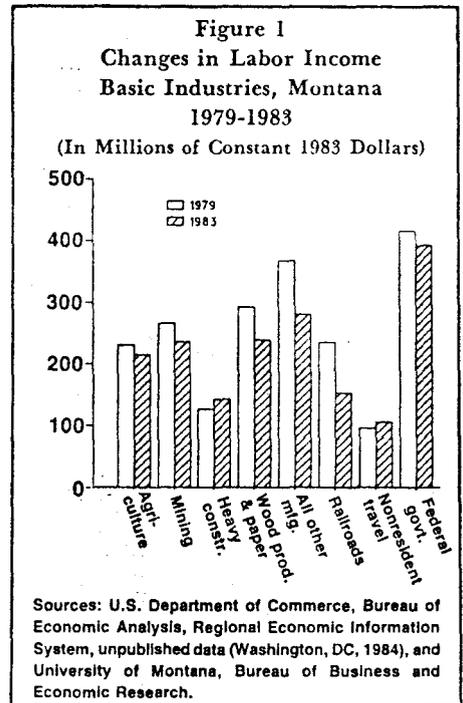
Nevertheless, the industry fills an important function by providing a large number of jobs for unskilled workers as well as those who desire part-time or seasonal work. It also offers entrepreneurial opportunities for people wanting to start their own businesses.

A few of the larger counties — Yellowstone, Gallatin, Flathead, and Cascade — account for almost half total travel-related employment (table 2). Yellowstone and Cascade counties, partly because of their size, are not so dependent upon travel as are Flathead and Gallatin counties. Those two counties are located adjacent to our two national parks, and together with Glacier, Park, and Beaverhead counties (also adjacent to the parks) are the most heavily dependent upon travel (table 3). About 23 percent of Glacier County's total employment is concentrated in travel-related businesses. In each of the other four counties, the proportion is approximately 10 percent or more. □

About this article. . .

The Bureau of Business and Economic Research recently conducted a study of Montana's travel and tourism industry. Sponsored by the Montana Promotion Division of the Montana Department of Commerce, Helena, the project was begun in summer 1984 and completed in November. This article presents some of the report's highlights.

This study is based on data from secondary sources. We attempted to use the best information available, but data on travel and tourism in Montana are out of date and incomplete. Accordingly, some of the figures may not be entirely accurate, but we believe that the trends revealed are reliable. We tried to be conservative in making the estimates, preferring to err by understatement rather than overstatement.



"A few of the larger counties—Yellowstone, Gallatin, Flathead, and Cascade—account for almost half the total travel-related employment."

Table 2

Concentration of Travel-Related Employment in Montana Counties, 1983

County	Percent of State Travel Employment in County
Yellowstone	15.4
Gallatin	11.2
Flathead	10.8
Cascade	9.2
Silver Bow	6.8
Missoula	6.6
Glacier	6.5
Lewis and Clark	5.0
Park	3.3
Dawson	2.9

Source: University of Montana, Bureau of Business and Economic Research.

Table 3

Montana Counties Most Heavily Dependent on Travel-Related Employment, 1983

County	Percent of County Employment Which is Travel-Related
Glacier	23.0
Park	12.0
Flathead	10.1
Gallatin	10.0
Beaverhead	9.9
Madison	9.5
Silver Bow	9.2
Dawson	8.4
Roosevelt	5.8
Richland	5.2

Source: University of Montana, Bureau of Business and Economic Research.

Richard T. Dailey is professor of management, School of Business Administration, University of Montana. He worked with the Bureau of Business and Economic Research in completing the research and analysis for this travel study.

Table 1
The Montana Travel Industry
1979 and 1983

	1979	1983	Percent Change
(Millions of Constant 1983 Dollars)			
Total travel expenditures	748	814	9
Nonresident Tourist	382	423	11
Resident Tourist	92	98	7
Total labor income generated	188	204	9
Travel by nonresidents	96	106	10
Travel by residents	92	98	7
Tourist	29	32	10
Tourist	23	24	7

(Number of Jobs)

Number of travel-related jobs	17,600	20,200	15
Nonresident	9,000	10,500	17
Resident	8,600	9,700	13

Source: University of Montana, Bureau of Business and Economic Research.

Note: Percentage changes calculated from unrounded numbers.

(7) Upon receipt of any liens, or notice of liens dependent on possession, or attachments, etc., against the record of any motor vehicle registered in this state, the division shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any thereof a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and/or attaching creditor.

(8) It shall not be necessary to refile with the division any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.

(9) A fee of \$3 shall be paid to the division to file any security agreement or other lien instrument against a motor vehicle. The \$3 fee shall include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering such satisfaction or release on the records of the division and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$3 shall be paid the division for issuing a certified copy of a security agreement or other lien instrument on file in the office of the division, or for filing an assignment of any instrument on file with the division. All fees provided for in this section shall be deposited by the division in the motor vehicle recording account of the state special revenue fund.

History: En. Subd. 4, Sec. 2, Ch. 159, L. 1933; re-en. Sec. 1758.3, R.C.M. 1935; amd. Sec. 7, Ch. 72, L. 1937; amd. Sec. 3, Ch. 148, L. 1943; amd. Sec. 3, Ch. 63, L. 1945; amd. Sec. 11-143, Ch. 264, L. 1963; amd. Sec. 26, Ch. 121, L. 1965; R.C.M. 1947, 53-110; amd. Sec. 2, Ch. 189, L. 1979; amd. Sec. 1, Ch. 502, L. 1979; amd. Sec. 1, Ch. 277, L. 1983.

Compiler's Comments

1983 Amendment: Substituted reference to state special revenue fund for reference to earmarked revenue fund.

Cross-References

U.C.C. — filing security interests, Title 30, ch. 9, part 4.

Certificate of ownership — issuance, 61-3-202.

Mortgages, pledges, and liens, Title 71.

61-3-104. Parts of motor vehicle subject to security interest. Tires, casings, and/or tubes mounted on a motor vehicle are an integral and component part of said motor vehicle and any tire, casing, and/or tube placed thereon is subject to any conditional sales contract, mortgage, lease, or other lien on said motor vehicle in the order of filing with the division.

History: En. Sec. 4, Ch. 148, L. 1943; R.C.M. 1947, 53-111; amd. Sec. 2, Ch. 502, L. 1979.

Cross-References

U.C.C. — security interests, Title 30, ch. 9.

Retail installment sales, Title 31, ch. 1, part 2.

Mortgages, pledges, and liens, Title 71.

61-3-105. Registrant as prima facie owner of vehicle. For the purpose of this title, except as provided by 61-3-701(3) the person appearing on the public records as the registrant of any motor vehicle shall prima facie be deemed the owner thereof.

History: En. Sec. 5, Ch. 166, L. 1929; re-en. Sec. 1746.4, R.C.M. 1935; R.C.M. 1947, 32-1110; amd. Sec. 27, Ch. 421, L. 1979.

Cross-References

"Owner" defined, 61-1-310.

61-3-106. Report of stolen and recovered motor vehicles. It shall be the duty of the sheriff of every county of the state and of the chief

of police or cc to the division upon forms pr shall be consid for removal. U index to be kn also be the dut vehicles report month a list o month and for in cities of the to the secretary States. Before motor and seri stolen and reco

History: En. Sec. amd. Sec. 28, Ch. 42

Cross-Reference

Duties of Secretary
Classification of c
Duties of Sheriff,
Misconduct of un

61-3-107.

trailer, or house
fying number t
division upon r
lawfully in pos
assigned by th
motor vehicle n
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History: En. Sec. 1933; re-en. Sec. 17 amd. Sec. 1, Ch. 63 Sec. 1, Ch. 139, L. 1, Ch. 104, L. 1975;

61-3-108.

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Exhibit 5
House Bill 371
February 5, 1985
Submitted by:
George Allen

Executive Office
P.O. Box 440
34 West Sixth
Helena, MT 59624
Phone (406) 442-3388

TESTIMONY

HB 371

Mr. Chairman and Members of the Committee:

My name is George Allen. I am a registered lobbyist for the Montana Retail Association. I am here today to support HB 371.

This bill repeals section 61-3-104 from the codes.

To give you an example of what happens under our present law, assume you are a tire dealer and you would sell \$4,000 worth of tires to a trucker, if he should have his truck repossessed. The loaning institution take the truck, tires, and the tire dealer has no recourse for getting any of his investment back.

If this one paragraph is repealed, it would give the tire dealer the opportunity to file a claim under UCC 1 .

It is my understanding there are only two states in the union that now has this law on their books, with Montana being one of them.

The Montana Retail Association strongly urges you to support HB 371.

Respectfully,

George Allen
Executive Vice President
Montana Retail Association

(7) Upon receipt of any liens, or notice of liens dependent on possession, or attachments, etc., against the record of any motor vehicle registered in this state, the division shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any thereof a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and/or attaching creditor.

(8) It shall not be necessary to refile with the division any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.

(9) A fee of \$3 shall be paid to the division to file any security agreement or other lien instrument against a motor vehicle. The \$3 fee shall include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering such satisfaction or release on the records of the division and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$3 shall be paid the division for issuing a certified copy of a security agreement or other lien instrument on file in the office of the division, or for filing an assignment of any instrument on file with the division. All fees provided for in this section shall be deposited by the division in the motor vehicle recording account of the state special revenue fund.

History: En. Subd. 4, Sec. 2, Ch. 159, L. 1933; re-en. Sec. 1758.3, R.C.M. 1935; amd. Sec. 7, Ch. 72, L. 1937; amd. Sec. 3, Ch. 148, L. 1943; amd. Sec. 3, Ch. 63, L. 1945; amd. Sec. 11-143, Ch. 264, L. 1963; amd. Sec. 26, Ch. 121, L. 1965; R.C.M. 1947, 53-110; amd. Sec. 2, Ch. 189, L. 1979; amd. Sec. 1, Ch. 502, L. 1979; amd. Sec. 1, Ch. 277, L. 1983.

Compiler's Comments

1983 Amendment: Substituted reference to state special revenue fund for reference to earmarked revenue fund.

Cross-References

U.C.C. — filing security interests, Title 30, ch. 9, part 4.

Certificate of ownership -- issuance, 61-3-202.

Mortgages, pledges, and liens, Title 71.

61-3-104. Parts of motor vehicle subject to security interest.

Tires, casings, and/or tubes mounted on a motor vehicle are an integral and component part of said motor vehicle and any tire, casing, and/or tube placed thereon is subject to any conditional sales contract, mortgage, lease, or other lien on said motor vehicle in the order of filing with the division.

History: En. Sec. 4, Ch. 148, L. 1943; R.C.M. 1947, 53-111; amd. Sec. 2, Ch. 502, L. 1979.

Cross-References

U.C.C. — security interests, Title 30, ch. 9.

Retail installment sales, Title 31, ch. 1, part 2.

Mortgages, pledges, and liens, Title 71.

61-3-105. Registrant as prima facie owner of vehicle. For the purpose of this title, except as provided by 61-3-701(3) the person appearing on the public records as the registrant of any motor vehicle shall prima facie be deemed the owner thereof.

History: En. Sec. 5, Ch. 166, L. 1929; re-en. Sec. 1746.4, R.C.M. 1935; R.C.M. 1947, 32-1110; amd. Sec. 27, Ch. 421, L. 1979.

Cross-References

"Owner" defined, 61-1-310.

61-3-106. Report of stolen and recovered motor vehicles. It shall be the duty of the sheriff of every county of the state and of the chief

BILLINGS TRUCK CENTER

P.O. Box 30236
827 2nd Ave. No.
Billings, MT 59107
(406) 252-5121



GREAT FALLS TRUCK CENTER

P.O. Box 2472
2121 Vaughn Road
Great Falls, MT 59403
(406) 454-1311

February 1, 1985

Mr. Bill Glaser
Montana House of Representatives
State Capital Building
Helena, MT 59601

Dear Bill:

Please read this letter to your fellow legislators.

I urge you to kill HB371 in committee as it is not in the best interest of the people of Montana. The repeal of 61-3-104 would create an overwhelming burden on truck dealers, car dealers, financial institutions and anybody that sells any automotive product.

It is impossible to sell a motor vehicle without tires. The vehicles we sell come from our manufacturers with tires on them and are an important part of the vehicle. If tires and casings are to be treated separately, then other components such as transmissions, rear ends, CB's, air conditioners and so on will need to be treated the same as they, too, are accessories to the vehicle.

If repeal of 61-3-104 would mean that we would file a separate lien on the tires at the time of sale and before they could be traded, the tire dealer should be required to obtain a lien release. Think of all the burdensome paper work you'd be creating by repealing the present law.

It appears that tire dealers are attempting to legislate a law that would give them a more secured position than they now enjoy. When we perform a major repair job for replacement of principal components, we check the credit worthiness of our buyer before the unit leaves our shop. If the present law on tires is repealed, then would we also be in a position to file a lien for replacement engines, transmission, rear ends, etc., etc.?

I firmly believe you will open a Pandora's box if you repeal the present law.

Cordially yours,

BILLINGS TRUCK CENTER


B.A. FISHER, President

BAF/dh

(6) encourage the establishment of programs at the local level for the prevention and rehabilitation of physical and mental disability.

History: En. Sec. 5, Ch. 199, L. 1965; amd. Sec. 3, Ch. 320, L. 1967; amd. Sec. 33, Ch. 93, L. 1969; amd. Sec. 41, Ch. 120, L. 1974; amd. Sec. 43, Ch. 37, L. 1977; R.C.M. 1947, 80-1405; amd. Sec. 1, Ch. 4, Sp. L. 1982.

Compiler's Comments

1982 Special Session Amendment: Inserted 4, part 3. Adoption and publication of rules, Title 2, ch. 4, part 3. Extent of agencies' interests in real property, 2-17-121.

Cross-References

Rule defined — applicability of Montana Administration, 18-2-105. General powers and duties of Department of Administrative Procedure Act, 2-4-102. General provisions of Board of Pardons, Title 46, ch. 23, part 1.

53-1-204. Responsibility of warden and superintendents of institutions. The warden or superintendents of institutions in the department are responsible for the immediate management and control of their respective institutions, subject to the general policies and programs established by the department.

History: En. Sec. 6, Ch. 199, L. 1965; amd. Sec. 42, Ch. 120, L. 1974; R.C.M. 1947, 80-1406.

53-1-205. Repealed. Sec. 3, Ch. 495, L. 1979.

History: En. 80-1407.1 by Sec. 43, Ch. 120, L. 1974; R.C.M. 1947, 80-1407.1.

53-1-206. Participation by institutions in research programs. The department may direct a penal and corrective institution of the state to participate in and cooperate with programs of research and development being conducted and carried on by any units of the Montana university system, by any of the other educational institutions of the state of Montana, or by any foundation or agency thereof in the fields of science, health, education, and natural resources. These programs may include the voluntary participation of the inmates of the institution in testing and experimental work conducted as a part thereof. Any funds received from the authorized programs may be shared with the participating inmates or otherwise held and used for the welfare and rehabilitation thereof and may not become a part of the regular budgeted operation of the institution.

History: En. Sec. 1, Ch. 98, L. 1967; amd. Sec. 47, Ch. 120, L. 1974; amd. Sec. 45, Ch. 37, L. 1977; R.C.M. 1947, 80-1413.

Part 3 Institutional Industries

53-1-301. Permitted institutional industries, powers of department, and incentive pay to inmates. The department may:

- (1) establish industries in institutions which will result in the production or manufacture of such products and the rendering of such services as may be needed by any department or agency of the state or any political subdivision thereof, by any agency of the federal government, by any other states or their political subdivisions, or by nonprofit organizations and that will assist in the rehabilitation of residents in institutions;

(2) contract with private industry for the sale of goods or components manufactured or produced in its shops or its dict...

(3) print catalogs describing goods manufactured or produced by institutions and distribute the catalogs;

(4) fix the sale price for goods produced or manufactured at institution; Prices shall not exceed prices existing in the open market for goods of comparable quality.

(5) require institutions to purchase needed goods from other institutions;

(6) provide for the repair and maintenance of property and equipment c institutions by residents of institutions;

(7) provide for construction projects up to the aggregate sum of \$25,000 per project, by residents of institutions; provided, however, said construction work is not covered by a collective bargaining agreement;

(8) provide for the repair and maintenance at an institution of furniture and equipment of any state agency;

(9) provide for the manufacture at an institution of motor vehicle licenses plates and other related articles;

(10) with the approval of the department, sell manufactured or agricultural products and livestock on the open market;

(11) provide for the manufacture at an institution of highway, road, and street marking signs for the use of the state or any of its political subdivisions, except when the manufacture of the signs is in violation of a collective bargaining contract;

(12) (a) pay an inmate or resident of an institution from receipts from the sale of products produced or manufactured or services rendered in a program in which he is working.

(b) Payment for the performance of work may be based on the following criteria:

- (i) knowledge and skill;
- (ii) attitude toward authority;
- (iii) physical effort;
- (iv) responsibility for equipment and materials;
- (v) regard for safety of others.

(c) The maximum rate of pay shall be determined by the appropriation established for each program.

History: En. Sec. 10, Ch. 199, L. 1965; amd. Sec. 51, Ch. 120, L. 1974; amd. Sec. 1, Ch. 27; L. 1975; R.C.M. 1947, 80-1501; amd. Sec. 1, Ch. 433, L. 1979; amd. Sec. 1, Ch. 426, L. 1981.

Compiler's Comments

1981 Amendment: Substituted language beginning with "such products and the rendering" through "or by nonprofit organizations" following "production or manufacture" near the beginning of (1) for "establish industries in institutions which will result in the production or manufacture of goods that may be needed by institutions and other state agencies and that will assist in the rehabilitation of residents in institutions"; inserted (2); inserted "manufactured or" before "agricultural products" in subsection (10); substituted language in subsection (12)(a) and (b) for "pay an inmate of the state prison, from receipts from the sale of goods produced or manufactured at the institution where the resident resides or from the program that the inmate was working in, an amount not exceeding \$1 per day as an incentive for the performance of work, based on the following criteria"; and added subsection (12)(c).

Cross-References

State procurement generally, Title 18, ch. 4.

53-1-302. Disposition of receipts from sale of goods. Receipts from the sale of goods produced or manufactured by an institution shall be deposited in the internal service fund for the use of the industries program. The institution shall be the recipient of the fund.

3-30-109. Repealed. Sec. 1, Ch. 41, L. 1983.
En. Sec. 3, Ch. 221, L. 1969; R.C.M. 1947, 80-1911.

3-30-110. Expense of trial for offenses committed in prison. never a trial of any person takes place under any of the provisions of 306 and whenever a prisoner in the state prison is tried for any crime committed therein, the county clerk of the county where such trial is held make out a statement of all the costs incurred by the county for the of such case and of guarding and keeping such prisoner, properly certified by a district judge of said county, which statement shall be sent to the department of institutions for its approval. After such approval, the department must cause the amount of such costs to be paid out of the money appropriated for the support of the state prison to the county treasurer of county where such trial was held.

En. Sec. 226, Pen. C. 1895; re-en. Sec. 8228, Rev. C. 1907; re-en. Sec. 10872, R.C.M. Cal. Pen. C. Sec. 111; re-en. Sec. 10872, R.C.M. 1935; Sec. 94-4209, R.C.M. 1947; re-des. 12 and amd. by Sec. 27, Ch. 513, L. 1973; amd. Sec. 47, Ch. 37, L. 1977; R.C.M. 1947, 80-1912.

3-30-111. Clothing and money furnished on discharge or parole. The state prison shall furnish suitable clothing to a discharged or paroled inmate. An inmate discharged and delivered to the custody of the local government or another state shall receive \$5; all other discharged or paroled inmates may receive "gate money" in an amount up to \$100. The department of institutions may establish rules which allow it to deduct up to one-fourth of an inmate's wages earned under 53-1-301 and hold that money in a special account to be disbursed to the inmate when he is discharged or paroled. This amount shall be in addition to the "gate money".
En. Sec. 29, Ch. 199, L. 1965; amd. Sec. 1, Ch. 276, L. 1975; R.C.M. 1947, 80-1906; Sec. 1, Ch. 438, L. 1981.

Printer's Comments

Amendment: Substituted "may receive money" in an amount up to \$100" for "receive an amount not exceeding \$25"

after "paroled inmates" near the middle of the section; added the last sentence of the section; and made minor changes in phraseology.

3-30-112 through 53-30-130 reserved.

3-30-131. Prison industries training program — purpose and scope. (1) In addition to any institutional industry operated at the Montana State Prison under Title 53, chapter 1, part 3, the department of institutions shall conduct a prison industries training program.

(2) The purpose of the prison industries training program is to:

- 1) provide innovative and progressive inmate reformation and rehabilitation possibilities by exposing inmates to worthwhile training;
- 2) prepare inmates for release by providing industries at the prison that will enhance their skills, thus providing experience beyond mere training, and providing inmates with good production and work habits, and providing inmates with a means to earn money that will be available to them upon release.

(3) The prison industries training program consists of vocational training, on-the-job training, and production experience. The department may cooperate with public or private vocational education entities to provide this training.

(4) The program may provide training and experience in such activities as production, repair, construction, refurbishment, service, and related processes involving personal property, including but not limited to such items as crops, livestock, furniture, office and electrical equipment, and motor vehicles. Such products and services, with the exception of livestock and agricultural products produced from the Montana state prison ranch, may be provided only to state agencies, local government units, school districts, authorities, and other governmental entities.

History: En. Sec. 1, Ch. 3, Sp. L. 1982.

53-30-132. Inmate participation and status — prison industries training program. (1) An inmate participating in the prison industries training program may be granted a good time allowance, not to exceed 15 days per month, notwithstanding the limits contained in 53-30-105, for outstanding participation in the program as defined by rules adopted by the department of institutions. Such good time allowance has the same effect as a good time allowance granted under 53-30-105, and the provisions of subsections (2) and (3) of 53-30-105 apply to such good time allowance. However, no inmate may receive good time for participation in this program under any other section or rule which would duplicate the good time authorized herein.

(2) While engaged in on-the-job training and production, inmates may be paid a wage commensurate with their production function. Such wages shall be established at a rate that encourages efficient production and effective levels of inmate participation.

(3) Inmates working in the prison industries training program are not employees, either public or private, and employment rights accorded other classes of workers do not apply to such inmates.

(4) Able-bodied persons committed to the Montana state prison as adult offenders shall be required to perform work as provided for by the department of institutions.

History: En. Sec. 1, Ch. 3, Sp. L. 1982.

53-30-133. Administration of prison industries training program. (1) (a) The prison industries training program need not be a self-supporting program. The department of institutions may enter into contracts and establish prices for products or services produced by this program. Within budgetary restrictions, the department shall establish prices that tend to maximize the amount of work available for inmates. All revenue raised through the program may be used only for the program.

(b) State agencies, local governments, school districts, authorities, and other local government entities are encouraged to explore the possibilities of using the prison industries training program. State agencies shall cooperate with the department of institutions in notifying governmental entities within the state of the program and of the services and products that are available.

(2) (a) The department of institutions shall adopt rules implementing this program and shall report to the legislature its continuing plans and recommendations in implementing this program. Any price lists established by the department are exempt from the provisions of Title 2, chapter 4 (the Montana Administrative Procedure Act), but the department may, if it considers it an effective method of dissemination, publish such price lists in the

Amendments to House Bill No. 499, Introduced Bill

1. Title, line 4.
Following: "ACT"
Strike: "MAKING"
Insert: "ALLOWING THE PUBLIC SERVICE COMMISSION TO REQUIRE A"
Following: "UTILITY"
Insert: "TO"
2. Title, line 5.
Strike: "OF OR INVESTMENT"
Insert: "OR INVEST"
Following: "CONSERVATION"
Strike: the remainder of line 5, line 6 in its entirety, and
line 7 through "INVESTMENT"
3. Page 1, line 13.
Following: "(1)"
Strike: "A"
Insert: "The commission may require a"
4. Page 1, line 14.
Strike: "shall:"
Insert: "to purchase cost-effective conservation, and pursuant
to the commission's order, a utility may"
5. Page 2, lines 2 through 11.
Strike: sections 2 and 3 in their entirety

WITNESS STATEMENT

Name BERT POLOSON Committee On BUS & LABOR
Address Box 410 POLOSON Date 2-4-85
Representing BERT POLOSON Support _____
Bill No. 420 Oppose X
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. We do not need to license mechanics & repair shops. FAA already does this. To
2. require a state license will be costly & more paperwork for no useful purpose
3. Raising the airport license fee could
4. very well result in closing many small airports

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name GRACE POLSON Committee On ^{HOUSE} BUSINESS & LABOR
Address PO Box 410 Polson, Mt. Date Feb. 4, 1983
Representing Phillip E. Timm & Elizabeth Timm Support _____
Bill No. 420 Oppose X
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. *It will not improve safety, not improve awareness or interest in aviation.*
2. *It will increase cost.*
3. *Be redundant*
4. *Be of no value for safety*

1. *Letter by Philip E Timm*
2. *letter by Miss Elizabeth Timm*

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR COMMITTEE

BILL House Bill 371

Date February 4, 1985

SPONSOR Representative Simon

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
FRED FLANDERS	615 Henderson - Helena	NORWEST BANK HELENA		✓
JOHN CADBY	706 HARRISON - HELENA	MT BANKERS ASSN		✓
GEORGE BENNETT	Box 1705		✓
E. DEAN RETZ	Box 4561 ..	VALLEY BANK HELENA		✓
George Allen	Helena	MT. Retail Bank	X	
Carl - [unclear]	113 [unclear] + [unclear] [unclear]	MTA [unclear] Club	X	
Robert [unclear]	1114 [unclear] Dr.	Bahar-Tin [unclear]	X	
Jerry Noble	712 Cent W Gt Falls	Montana Tire Dealers	X	
Tom Sherry	8750 [unclear] [unclear]	Montana Tire Dealers	✓	
Joe Sherry	8750 [unclear] [unclear]	Montana Tire Dealers	✓	
Dean Mansfield	Helena	Montana Auto Dealers		✓
Alex [unclear]	Helena	MT Press Bldg		
Tom Harmon	Helena	Mont Auto Dealers		✓
BILL FISHER	BILLINGS	BILLINGS TRUCK CENTER		✓

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

