

## MINUTES

### MONTANA SENATE 66th LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON BUSINESS, LABOR, AND ECONOMIC AFFAIRS

**Call to Order:** Chair Steve Fitzpatrick, on February 6, 2019 at 8:30 AM, in Room 422 Capitol

#### ROLL CALL

**Members Present:**

Sen. Steve Fitzpatrick, Chair (R)  
Sen. Dee Brown, Vice Chair (R)  
Sen. Sue Malek, Vice Chair (D)  
Sen. Carlie Boland (D)  
Sen. Jason W. Ellsworth (R)  
Sen. Terry Gauthier (R)  
Sen. Jason D. Small (R)  
Sen. Frank Smith (D)  
Sen. Gordon Vance (R)  
Sen. Gene Vuckovich (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Linda Keim, Committee Secretary  
Jameson Walker, Legislative Services Division

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: SB 182, 1/31/2019; HB 107, 2/5/2019; HB 66, 2/5/2019; HB 74, 2/5/2019

Executive Action: HB 64, HB 67, Be Concurred In; SB 120, SB 121 Tabled: SB 160, SB 168, Do Pass As Amended; SB 171 Do Pass

08:30:29 Chairman Fitzpatrick

**HEARING ON SB 182**

**Opening Statement by Sponsor:**

08:31:22 Sen. Kenneth Bogner (R), SD 19, opened the hearing on SB 182. Revise definition of microdistillery relating to production.

**EXHIBIT(bus24a01)**

**Proponents' Testimony:**

08:34:18 Robin Blazer, president, Montana Distillers Guild (MDG)

**EXHIBIT(bus24a02)**

08:43:04 Jim Harris, owner, Bozeman Distillery

08:46:31 Jeff Droge, owner, Dry Hills Distillery, Three Forks

**EXHIBIT(bus24a03)**

08:54:11 Phil Sullivan, owner, founder, Wild Rye Distillery, Bozeman

08:58:10 Matt Leow, executive director, Montana Brewers Association

08:59:09 David Herbst, state director, Americans for Prosperity, Montana

**Opponents' Testimony:** None

**Informational Testimony:**

09:00:08 Becky Schlauch, administrator, Alcohol and Beverage Control Division, Department of Revenue (DOR)

Sen. Vuckovich entered the hearing.

**Questions from Committee Members and Responses:**

09:00:30 Sen. Brown  
 09:00:49 Mr. Droge, self  
 09:01:46 Sen. Brown  
 09:10:45 Ms. Blazer, MDG  
 09:11:42 Sen. Brown  
 09:12:01 Ms. Schlauch, DOR  
 09:12:24 Chairman Fitzpatrick  
 09:13:44 Ms. Schlauch  
 09:13:49 Sen. Gauthier  
 09:14:23 Ms. Blazer  
 09:15:31 Sen. Small  
 09:16:21 Ms. Schlauch  
 09:16:34 Chairman Fitzpatrick  
 09:16:50 Ms. Schlauch  
 09:17:16 Sen. Brown  
 09:17:44 Ms. Schlauch deferred  
 09:18:16 Ms. Blazer  
 09:18:52 Chairman Fitzpatrick  
 09:19:07 Sen. Malek  
 09:22:21 Mr. Droge

09:23:03 Sen. Gauthier  
09:24:38 Mr. Droge  
09:25:25 Sen. Brown  
09:25:56 Ms. Schlauch

**Closing by Sponsor:**

09:26:50 Sen. Bogner  
  
09:27:11 Chairman Fitzpatrick

**HEARING ON HB 107**

**Opening Statement by Sponsor:**

09:27:28 Rep. Shane Morigeau (D), HD 95, opened the hearing on HB 107. Revise mortgage laws on disclosures, surety bonds, and other requirements.

**Proponents' Testimony:**

09:29:30 Melanie Hall, commissioner, Division of Banking and Financial Institutions, Department of Administration (DOA)

**Opponents' Testimony:**

09:33:13 Karen Smith, Montana's Credit Unions  
[EXHIBIT\(bus24a04\)](#)

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

09:35:27 Sen. Brown  
09:37:57 Ms. Hall, DOA  
09:38:57 Sen. Gauthier  
09:42:47 Ms. Hall  
09:43:02 Chairman Fitzpatrick  
09:44:03 Ms. Hall deferred  
09:44:30 Chris Romano, Department of Administration

**Closing by Sponsor:**

09:45:28 Rep. Morigeau  
09:48:52 Sen. Malek  
09:49:01 Rep. Morigeau  
09:49:16 Chairman Fitzpatrick

**HEARING ON HB 66**

**Opening Statement by Sponsor:**

09:49:28 Rep. Terry Moore (R), HD 54, opened the hearing on HB 66. Revise or repeal insurance laws relating to the State Auditor.

**Proponents' Testimony:**

09:50:16 Kendall Cotton, policy advisor, Office of the Commissioner of Securities and Insurance, State Auditor (CSI)

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

09:53:19 Sen. Malek  
 09:56:02 Mr. Cotton, CSI  
 09:56:37 Chairman Fitzpatrick  
 09:58:08 Mr. Cotton  
 09:58:35 Sen. Boland  
 10:02:40 Mr. Cotton

**Closing by Sponsor:**

10:02:58 Rep. Moore  
  
 10:04:13 Chairman Fitzpatrick

**HEARING ON HB 74**

**Opening Statement by Sponsor:**

10:04:33 Rep. Sue Vinton (R), HD 56, opened the hearing on HB 74. Revise laws related to restitution for insurance consumers.

**Proponents' Testimony:**

10:06:35 Derek Oestreicher, staff auditor, Office of the Commissioner of Securities and Insurance, State Auditor (CSI)  
 10:08:13 Bruce Spencer, Montana Health Co-op; also speaking for Allstate Insurance; Greg VanHorssen, State Farm Insurance; Aimee Grmoljez, Property Casualty Insurers Association; John Doran, Blue Cross Blue Shield of Montana; Jon Metropoulos, Farmers Insurance Group

**Opponents' Testimony:**

10:09:45 Pat Fox, Montana Trial Lawyers Association

**[EXHIBIT\(bus24a05\)](#)**

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

10:15:56 Sen. Brown  
 10:18:45 Mr. Oestreicher, CSI  
 10:20:12 Chairman Fitzpatrick  
 10:22:19 Mr. Oestreicher  
 10:22:43 Sen. Ellsworth  
 10:24:02 Mr. Oestreicher  
 10:24:31 Sen. Malek  
 10:28:35 Mr. Oestreicher  
 10:30:37 Chairman Fitzpatrick  
 10:30:53 Mr. Oestreicher  
 10:30:58 Sen. Boland  
 10:33:12 Mr. Oestreicher

**Closing by Sponsor:**

10:33:52 Rep. Vinton

10:35:03 Chairman Fitzpatrick

**Committee Business:**

10:35:25 Jameson Walker, Legislative Services Division (LSD)

10:36:21 Chairman Fitzpatrick

10:36:33 Mr. Walker, LSD

10:36:46 Sen. Boland

10:36:55 Mr. Walker

10:37:15 Chairman Fitzpatrick

10:37:24 Recess

10:57:00 Reconvene

**EXECUTIVE ACTION ON HB 64**

10:57:32 **Motion:** Sen. D. Brown moved that **HB 64 BE CONCURRED IN.**

**Discussion:**

10:58:02 Sen. Malek

10:58:36 Sen. Boland

10:59:02 **Vote:** Motion carried unanimously by voice vote. Sen. Fitzpatrick will carry the bill.

**EXECUTIVE ACTION ON HB 67**

10:59:28 **Motion/Vote:** Sen. D. Brown moved that **HB 67 BE CONCURRED IN.** Motion carried unanimously by voice vote. Sen. Malek will carry the bill.

**EXECUTIVE ACTION ON SB 120**

11:00:10 **Motion:** Sen. D. Brown moved that **SB 120 DO PASS.**

11:00:21 Jameson Walker, Legislative Services Division (LSD)

11:00:42 **Motion/Vote:** Sen. Malek moved that **SB 120 BE AMENDED.** Motion carried unanimously by voice vote.

**EXHIBIT(bus24a06)**

11:01:48 **Motion:** Sen. Gauthier moved that **SB 120 BE AMENDED.**

**EXHIBIT(bus24a07)**

**Discussion:**

11:02:39 Sen. Malek

11:05:20 Sen. Smith

11:05:55 **Vote:** Motion failed 4-6 by roll call vote with Sen. Fitzpatrick, Sen. Gauthier, Sen. F. Smith and Sen. Vuckovich voting aye.

11:07:03 **Motion:** Sen. D. Brown moved that **SB 120 DO PASS AS AMENDED.**

**Discussion:**

11:07:15 Sen. Ellsworth

11:07:50 Sen. Boland

11:08:17 Sen. Malek

11:10:11 Sen. Brown

11:10:45 Sen. Malek

11:10:57 **Vote:** Motion failed 4-6 by roll call vote with Sen. Boland, Sen. Malek, Sen. F. Smith and Sen. Vuckovich voting aye.

11:11:56 **Motion/Vote:** Sen. D. Brown moved that **SB 120 BE TABLED AND THE VOTE REVERSED.** Motion carried unanimously by voice vote.

**EXECUTIVE ACTION ON SB 121**

11:12:15 **Motion:** Sen. D. Brown moved that **SB 121 DO PASS.**

**Discussion:**

11:12:36 Sen. Malek

11:13:04 **Motion:** Sen. Malek moved that **SB 121 BE AMENDED.**  
**EXHIBIT(bus24a08)**

11:13:22 Without objection, Sen. Malek withdrew the BE AMENDED motion.

11:13:57 **Motion/Vote:** Sen. Malek moved that **SB 121 BE AMENDED.** Motion carried unanimously by voice vote.

**EXHIBIT(bus24a09)**

11:15:29 **Motion:** Sen. Gauthier moved that **SB 121 BE AMENDED.**  
**EXHIBIT(bus24a10)**

**Discussion:**

11:16:35 Sen. Brown

11:16:49 Mr. Walker, LSD

11:17:10 Without objection, Sen. Gauthier withdrew the BE AMENDED motion.

11:17:26 **Motion:** Sen. D. Brown moved that **SB 121 DO PASS AS AMENDED.**

**Discussion:**

11:17:41 Sen. Malek

11:19:32 Sen. Ellsworth

11:21:29 Sen. Brown

11:22:24 Sen. Boland

11:23:18 Sen. Malek

11:25:04 **Vote:** Motion failed 4-6 by roll call vote with Sen. Boland, Sen. Malek, Sen. F. Smith and Sen. Vuckovich voting aye.

11:25:57 **Motion/Vote:** Sen. D. Brown moved that **SB 121 BE TABLED AND THE VOTE REVERSED**. Motion carried unanimously by voice vote.

**EXECUTIVE ACTION ON SB 160**

11:26:18 **Motion:** Sen. D. Brown moved that **SB 160 DO PASS**.  
[EXHIBIT\(bus24a11\)](#)

11:26:32 **Motion:** Sen. D. Brown moved that **SB 160 BE AMENDED**.  
[EXHIBIT\(bus24a12\)](#)

**Discussion:**

11:29:03 Sen. Brown

11:29:14 Chairman Fitzpatrick

11:29:43 Sen. Malek

11:30:27 Sen. Vance

11:30:42 Sen. Brown

11:30:44 Sen. Ellsworth

11:31:04 Sen. Small

11:31:44 Chairman Fitzpatrick

11:31:47 **Vote:** Motion carried unanimously by voice vote.

11:31:56 **Motion:** Sen. D. Brown moved that **SB 160 BE AMENDED**.  
[EXHIBIT\(bus24a13\)](#)

**Discussion:**

11:33:06 Sen. Gauthier

11:33:12 **Vote:** Motion carried unanimously by voice vote.

11:33:24 **Motion:** Sen. D. Brown moved that **SB 160 DO PASS AS AMENDED**.

**Discussion:**

11:33:57 Sen. Ellsworth

11:34:31 Chair Fitzpatrick

11:34:36 Sen. Brown

11:35:09 Sen. Gauthier

11:35:23 **Vote:** Motion carried 9-1 by voice vote with Sen. Vance voting no.

**EXECUTIVE ACTION ON SB 168**

11:35:50 **Motion:** Sen. D. Brown moved that **SB 168 DO PASS**.

11:36:15 **Motion:** Sen. Fitzpatrick moved that **SB 168 BE AMENDED.**  
**EXHIBIT(bus24a14)**

**Discussion:**

11:36:42 Mr. Walker  
11:38:40 Sen. Malek  
11:39:25 Mr. Walker  
11:40:14 Chairman Fitzpatrick  
11:40:27 Sen. Brown  
11:40:50 Chairman Fitzpatrick  
11:40:56 Mr. Walker

11:41:10 **Vote:** Motion carried unanimously by voice vote.

11:41:22 **Motion:** Sen. Ellsworth moved that **SB 168 BE AMENDED.**  
**EXHIBIT(bus24a15)**

**Discussion:**

11:41:48 Mr. Walker  
11:42:17 Chairman Fitzpatrick  
11:42:22 Mr. Walker  
11:42:57 Sen. Ellsworth  
11:43:26 Sen. Brown  
11:43:55 Sen. Malek  
11:44:02 Sen. Ellsworth

11:44:22 **Vote:** Motion carried 7-3 by roll call vote with Sen. D. Brown, Sen. Fitzpatrick and Sen. Vance voting no.

11:44:23 **Motion:** Sen. D. Brown moved that **SB 168 DO PASS AS AMENDED.**

**Discussion:**

11:45:24 Sen. Small  
11:47:02 Sen. Malek  
11:48:33 Sen. Gauthier  
11:49:29 Sen. Ellsworth  
11:49:47 Chairman Fitzpatrick

11:49:55 **Vote:** Motion carried 6-4 by roll call vote with Sen. D. Brown, Sen. Fitzpatrick, Sen. Gauthier and Sen. Vance voting no.

**EXECUTIVE ACTION ON SB 171**

11:51:01 **Motion/Vote:** Sen. D. Brown moved that **SB 171 DO PASS.** Motion carried 9-1 by voice vote with Sen. F. Smith voting no.

11:51:28 Chairman Fitzpatrick

**ADJOURNMENT**

Adjournment: 11:51 AM

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Linda Keim, Secretary

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Additional Documents:

**EXHIBIT([bus24aad.pdf](#))**