



State Administration and Veterans' Affairs Interim Committee

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58th Montana Legislature

SENATE MEMBERS

KEITH BALES
KELLY GEBHARDT
JOSEPH TROPILA
MICHAEL WHEAT

HOUSE MEMBERS

STANLEY FISHER
LARRY JENT
RALPH LENHART
BERNIE OLSON

COMMITTEE STAFF

JOHN MACMASTER, Staff Attorney
REBECCA SATTLER, Secretary
DAVE BOHYER, Research Director

State Administration and Veterans' Affairs Interim Committee and Economic Affairs Interim Committee Meeting

MINUTES

January 23, 2004

Rm. 102, Capitol Building

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division.

Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

STATE ADMINISTRATION

AND VETERANS' AFFAIRS COMMITTEE MEMBERS PRESENT

SEN. KEITH BALES
SEN. KELLY GEBHARDT
SEN. JOSEPH TROPILA
SEN. MICHAEL WHEAT

REP. STANLEY FISHER
REP. LARRY JENT
REP. RALPH LENHART
REP. BERNIE OLSON

ECONOMIC AFFAIRS COMMITTEE MEMBERS PRESENT

SEN. MIKE TAYLOR
SEN. SHERM ANDERSON
SEN. JEFF MANGAN
SEN. GLENN ROUSH

REP. JOE MCKENNEY
REP. JIM KEANE
REP. NANCY RICE FRITZ
REP. SCOTT MENDENHALL

STAFF PRESENT

DAVE BOHYER, Research Director
JOHN MacMASTER, Staff Attorney
BART CAMPBELL, Staff Attorney
EDDYE MCCLURE, Staff Attorney
PAT MURDO, Research Analyst
CYNTHIA A. PETERSON, Secretary

AGENDA & VISITORS

State Administration and Veterans'
Affairs Interim Committee Agenda, ATTACHMENT 1
Economic Affairs Interim Committee Agenda ATTACHMENT 2
Visitors' list, ATTACHMENT 3

COMMITTEE ACTION

- ! Committee action on rules adopted by the Office of the Comptroller of the Currency to be taken separately by Economic Affairs Committee and State Administration and Veterans' Affairs Committee.

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 8:05 a.m. by Economic Affairs Chairman, Joe McKenney. State Administrative and Veterans' Affairs Chairman, Joe Tropila, Co-Chaired the meeting. The secretary noted the roll (ATTACHMENT 4).

INTRODUCTIONS AND OPENING COMMENTS

CHAIRMAN MCKENNEY explained the meeting was being held to hear informational testimony on the banking and security industries' new federal regulations.

OVERVIEW OF BANKING AND FINANCIAL INSTITUTION REGULATION

State-chartered Banking and Financial Institutions—Annie M. Goodwin, Montana Commissioner of Banking and Financial Institutions

Annie M. Goodwin, Montana Commissioner of Banking and Financial Institutions, introduced a number of people she works closely with to the Committees and thanked them for attending the meeting. Commissioner Goodwin gave a Power Point presentation on the regulation of state-chartered financial institutions (EXHIBIT 1). Commissioner Goodwin also submitted a copy of the December 2003 newsletter from the Department of Administration, Division of Banking and Financial Institutions (EXHIBIT 2).

SEN. BALES was struck by the growth of the assets per examiner and inquired if that was a function of more assets per bank to be examined or the fact we appear to be getting more

banks to be regulated by the state rather than nationally, and asked if Commissioner Goodwin felt that trend would continue.

Commissioner Goodwin felt it was a combination of the Montana banks' strong performance and also because they have chartered four additional banks and trust companies within Montana in the last two years. This is an indication of economic health that is occurring as a result of the new additional charters. In terms of staff being able to handle the additional supervisory responsibilities, Commissioner Goodwin felt, at least at the current time, the staff they have is sufficient, but added it was crucial to maintain their current staff because of their experience and knowledge.

SEN. TAYLOR requested information on the total budget for the Division, who sets the fees, and when those fees were last raised. In addition, SEN. TAYLOR requested information on off-shore banking.

Commissioner Goodwin responded the Division's budget is \$2.2 million per year, which is set by the Office of Budget and Program Planning through the Governor's Office. The funding is obtained through assessments and examination fees on the financial institutions they oversee. Those assessment fees have not been increased within the last four years, and no increase in assessments is being contemplated. Money is also generated by fees assessed through licensure of consumer finance companies, payday lenders, and title lenders.

In addressing off-shore banking, Commissioner Goodwin explained there are no foreign capital depositories that have been chartered since the inception of the law. In fact, there has been only one application, which resulted in two hearings. In that particular case, the Board requested information, which it did not receive, so the hearing process was ultimately closed.

REP. MENDENHALL wanted to know where growth had primarily occurred in the number of financial institutions from 1996 to 2003. Commissioner Goodwin explained the majority of growth was experienced by consumer finance companies since the Division had assumed additional oversight responsibilities. REP. MENDENHALL followed up by asking if that was a reflection on families in Montana and their increasing reliance on consumer finance companies. Commissioner Goodwin agreed it was indicative of consumers turning to alternative sources of money. Commissioner Goodwin believed that as long as abusive practices do not occur by the industry, it is a viable alternative for consumers. Upon question from CHAIRMAN McKENNEY, Commissioner Goodwin clarified this was a national trend.

CHAIRMAN McKENNEY asked whether examiners perform their duties by appointments or unannounced spot checks. Commissioner Goodwin replied unannounced spot checks were no longer performed. The Division follows a very precise process which includes notice to the CEO of the institution indicating when the examiners will be performing their analysis. Pre-examination information is also requested from the institution.

**Insurance and Companies—Christina Lechner Goe, Counsel for Insurance
Commissioner**

Christina Lechner Goe, Staff Attorney, Montana State Auditor's Office, presented written testimony to the Committees regarding state regulation of insurance and securities and how federal regulations interact, overlay, and sometimes preempt state regulation (EXHIBIT 3). Ms. Goe also presented an Overview of Montana's Insurance and Securities Departments (EXHIBIT 4).

REP. JENT presented the question that if the Gramm-Leach-Bliley Act (GLBA) allows banks to sell insurance and securities, and if the Office of the Comptroller of the Currency (OCC) rules prevent states from regulating the subsidiaries of national banks, whether the State Auditor is prohibited from regulating the sale of insurance and securities by those subsidiaries. Ms. Goe responded they have reviewed the latest OCC regulations and have spoken with members of the National Association of Insurance Commissioners (NAIC) and other agencies, and it appears state regulation of insurance activities by banks is not totally preempted, although there are some areas where there could be some preemption. The State Auditor's Office continues to regulate these subsidiaries.

REP. JENT felt there was an allusion earlier that the OCC preemption rules may be decided in the judicial system and wondered who would have standing to challenge the rules. Ms. Goe replied she would need to look at the legal issues involved to determine standing. Ms. Goe offered to give REP. JENT additional information from her office. REP. JENT explained his question stems from concern that revenue will be lost because of the potential interpretation of legal questions.

REP. MENDENHALL asked if NAIC had any data that speaks to the estimated cost to healthcare providers for Health Insurance Portability and Accountability Act (HIPAA) compliance. Ms. Goe did not have any facts on hand, but knew they were available. Ms. Goe explained that although the regulations only came into compliance in April 2003, extensive preparation was done beforehand. Providers not only had to incur the expense of producing the notices, but also had to deal with electronic changes in computer systems, including purchasing special software packages. Ms. Goe offered to obtain those figures for REP. MENDENHALL.

REP. MENDENHALL said he recently read that annual healthcare costs rose nine percent nationally last year and wondered how much of that cost could be directly attributed to healthcare providers having to comply with HIPAA. Ms. Goe commented healthcare cost increases have many sources, but offered to get a breakdown of that information for REP. MENDENHALL.

REP. MENDENHALL noticed there are a few areas where Montana's regulations are more stringent than the federal HIPAA regulations and asked Ms. Goe to expand. Ms. Goe stated it only applies to insurance companies and not providers. The notice provision of GLBA is once every 12 months, while the HIPAA provision is longer. The authorization to disclose

information must be renewed once every 24 months, while the HIPAA authorization is open-ended. Ms. Goe directed the Committees to differences specified in Mont. Code Ann. § 33-19-105.

Securities Firms—Karen Powell, Deputy Securities Commissioner

Karen Powell, Deputy Securities Commissioner, Montana State Auditor's Office, gave an overview on how the state and federal regulations work in the securities arena (EXHIBIT 5). Ms. Powell submitted her written testimony to the Committees (EXHIBIT 6). Ms. Powell highlighted the OCC proposal, and explained as far as they can tell from the North American Association of Securities Administrators, the proposal will have a very limited affect on state securities regulators and insurance regulation.

SEN. TAYLOR asked Ms. Powell to briefly review the fines collection presented on Attachment 8, noting the fines were very limited until 2003 and then increased dramatically, and the fines are projected to increase even more in 2004. SEN. TAYLOR also requested Ms. Powell to review the open case numbers. SEN. TAYLOR was curious whether these open cases tie into the fines.

Ms. Powell explained that to date for fiscal year 2004, they have received just over \$4 million from the "research analyst" settlement from multiple cases brought by New York Attorney General Eliot Spitzer. Ms. Powell explained this was an anomaly for the State of Montana. In addition the Piper Jaffray settlement case brought in \$1 million in fines to the general fund. The combination of these two cases increased the fines significantly. In responding to the number of open cases, the downturn of the market in the past year has increased the number of complaints received by the Commissioner of Insurance. In addition, there has been a lot more focus on the activities of the securities industry, which has also resulted in more complaints.

DIFFERENCES BETWEEN FEDERAL AND STATE FINANCIAL INSTITUTION REGULATION

A panel presentation was given by George Doerr, Assistant Regional Director, Federal Deposit Insurance Corporation; Niel Willardson, Senior Vice President, Federal Reserve Bank, Minneapolis; Sue Casey, Helena Field Supervisory Examiner, Federal Reserve Bank; Paul Schumacher, Supervising Examiner, National Credit Union Administration; and Gregory Golembe, Senior Advisor and Director of Banking Relations, Office of the Comptroller of the Currency. The panel discussed the differences between federal and state institutions.

George Doerr addressed the question of, "Who regulates whom?" At the federal level there are no fewer than five agencies supervising banks and credit unions. The OCC regulates the national banks, and state banks are regulated by both the Federal Reserve Bank for member banks and FDIC for non-member banks. Savings and loan associations, as well as credit unions, are also regulated. Mr. Doerr referred to information provided by Pat Murdo to the Committees' members which provided a comprehensive history of banking and bank supervision (EXHIBIT 7). Mr. Doerr provided additional history to the Committees on the history of banking.

Niel Willardson expressed his appreciation to Annie Goodwin, Montana Commissioner of Banking and Financial Institutions. Mr. Willardson submitted his written testimony to the Committees (EXHIBIT 8).

Paul Schumacher, Supervising Examiner, National Credit Union Administration, gave the Committees a brief history of credit unions and the National Credit Union Administration (EXHIBIT 9).

Gregory Golembe, Senior Advisor and Director of Banking Relations, Office of the Comptroller of the Currency, addressed the Committees and focused on the OCC and presented a history of the dual banking system. Mr. Golembe submitted "The Value of the National Bank Charter" (EXHIBIT 10). The OCC is an independent agency under Treasury, but Treasury has no authority over the supervision and regulation of the banking system. The OCC relies on its own funding, and does not go through the federal appropriations process, which enables it to stay out of the political arena.

Questions from the Committees

SEN. TAYLOR was curious if a major bank were to go broke, how it would affect the consumer and what protections are in place to keep that from happening. Mr. Doerr responded that from the bank side, the FDIC insures the banks regardless of size for deposits up to \$100,000, and the federal government stands behind the FDIC. Above the \$100,000 limit, depositors are at risk.

REP. FISHER commented he is consistently receiving credit card applications in the mail and wondered if anyone was addressing this problem. Mr. Willardson responded there is a way to reduce the amount of solicitations received from credit card companies. Mr. Willardson also commented that when more credit is available, it boosts the economy. The downside is the number of personal bankruptcies has risen. From a management perspective, there are relatively few banks involved in credit card operations. Mr. Golembe agreed by stating if a person qualifies for a credit card, there are competing entities who would like to get that business.

Mr. Golembe thanked SEN. ROYAL JOHNSON for his interest in the proposed preemption regulations and reported to the Committees that SEN. ROYAL JOHNSON was diligent in his research.

REP. OLSON wanted to know why the OCC thought it was necessary to issue a preemptive rule. Mr. Golembe responded there is a lot going on right now and banking is very complex. The number of state laws that seem to be impinging on the right of national banks to operate under federal statutes in a uniform manner seems to be accelerating. An increasing number of preemption cases are emerging. Mr. Golembe believes now is a good time to take the next step. The OCC has an administrative responsibility to serve its banks, and they believe they are moving in the right direction.

Concerning national and state charters and banks that cross state lines, REP. MCKENNEY wanted to know whether they had a choice as to what kind of charter. Mr. Willardson responded they still have a choice to have either a state or a national charter and, in many

cases, they can choose to branch into another state or have a stand-alone state bank under a holding company structure. In the case of a branching situation, there is typically a home-state charter.

REP. McKENNEY inquired about the advantages and disadvantages of regulation. Mr. Willardson responded they try not to sell regulation, but just show the differences, and it comes down to what people are comfortable with.

REP. KEANE asked if there is a difference in cost and whether it was cheaper for a bank to be regulated by the state as opposed to federal regulation. Mr. Golembe was emphatic that it is more expensive to hold a national charter than a state charter.

SEN. MANGAN wanted to know what type of state laws would be preempted and whether it would just be banking laws or whether other laws, such as laws regarding advertising, would also be preempted. Mr. Golembe referred SEN. MANGAN to the comprehensive list of laws contained in Attachment 13 that would be affected. For the most part, the laws that would be preempted focus on the business of banking and the infrastructure.

Mr. Doerr added that state laws that would still apply have to do with contracts, torts, taxation, and zoning. State laws that would not apply have to do with loan terms, state licensing, and imposition of conditions on lending or deposit gathering.

REP. OLSON asked Mr. Golembe about the reference contained in Attachment 10 pertaining to permissible rates of interest based on where the bank is located and not where the borrower is located and why that would make a difference. Mr. Golembe replied the borrower could be anywhere.

REP. McKENNEY asked Mr. Schumacher to explain the differences between a credit union and a bank. Mr. Schumacher explained the primary difference is banks are chartered for profit while credit unions are nonprofit organizations which were chartered to provide a means of savings and credit for people of not-so-great means. Credit unions are required to have a formal membership, such as federal or state employees, and there is generally a common bond among members of a credit union. Credit unions can do almost everything a bank can do; however, most credit unions are not of a size that they can offer large business loans or foreign loans.

SEN. GEBHARDT asked if a bank is being overseen by the OCC, who would oversee a consumer complaint. Mr. Golembe explained the OCC would provide that service for a national bank.

DUAL BANKING SYSTEM -- DEBATE ON THE OCC PREEMPTION PROPOSAL

Neil Milner, Executive Director of the Conference of State Bank Supervisors, gave a Power Point presentation and history of the Dual Banking System (EXHIBIT 11).

Gregory C. Golembe, Senior Advisor for Banking Relations, Office of the Comptroller of the Currency, explained the OCC is confident in its legal position as it moves forward. The conflict between states and the federal government has been ongoing, and they are expecting legal challenges. Mr. Golembe provided an overview of preemption, what the OCC did, and what the OCC did not do. Mr. Golembe suggested preemption is fundamental to the health of the dual banking system. Mr. Golembe explained the essence of the dual banking system as being if a bank has a federal charter, its powers are defined under federal law and its standards of operation are federal. If a bank has a state charter, its powers are defined under state law and its standards are set by the state. Preemption will serve as a governor to ensure separate dual banking systems. Mr. Golembe pointed out that preemption is only for national banks and preemption is not nullification. The OCC has now issued a set of preemption regulations, established new anti-predatory lending standards, and revised the visitorial regulation. Mr. Golembe referred the Committees to a list of comparisons of the OCC's preemption rules contained in Attachment 13.

Questions from the Committees

SEN. TROPILA requested Commissioner Goodwin to respond to the presentations. Commissioner Goodwin commented that she seriously believes that there are major legal problems that exist with the rule adopted by the OCC. Precedent has been established by the U.S. Congress that addresses the ability of states to control the powers of operating subsidiaries of national banks. There are two cases currently in the federal district court system. Commissioner Goodwin commented the United States has the best banking system in the world. Commissioner Goodwin believes this is due to the close checks and balance system and feels it needs to continue to be a protected industry. Commissioner Goodwin expressed that doing away with the current system of licensing, examining, and supervising the operating subsidiaries of national banks in Montana would do away with a lot of consumer protection currently being afforded to Montanans.

Mr. Milner commented that the two federal court cases are in regard to Wachovia's desire to turn in licenses they have had in Connecticut and Michigan for many years to operate mortgage operations, and now claim they no longer need those licenses.

Mr. Golembe added both of the suits have been in progress for quite awhile and noted they occurred before the preemption ruling was issued.

REP. JENT noticed the OCC had not made a claim that they have completely occupied the field and thought that would be a legal prerequisite to preemption. REP. JENT thought the regulation of the statute itself has so occupied the field that state government no longer has the authority to act. Mr. Golembe directed REP. JENT to look at the list of state laws that would be preempted and the heading that says "generally preempted," and commented there are some circumstances under which preemption may not apply.

Mr. Milner felt the particular issue is whether the OCC can have total authority over operating subsidiaries which, in most cases, have been creatures of the state, meaning they were incorporated by the state and licensed, supervised, and examined by the state. Mr. Milner

was told by legal counsel that the language “occupied the field” was not used, and the legal interpretation of the rule revealed an inference that they are occupying the field.

REP. JENT asked about the promulgation of a national standard for predatory lending by the OCC and asked if Mr. Golembe would agree that economies of the fifty states are quite different. For instance, there would not be as much agricultural lending in a state like Connecticut as there would be in Montana. Mr. Golembe agreed situations would vary from state to state.

Therefore, REP. JENT felt what would be deemed “predatory” is different according to where a person lives and what they do. Mr. Golembe agreed different people may have different perceptions of what is “predatory.” REP. JENT asked if that is why there is a diverse system of consumer protection law throughout the country. Mr. Golembe agreed and added the OCC has no problem with consumer protection laws in the various states and is looking solely at the national banking system and the need for a national set of standards.

Upon request from REP. JENT for comment, Mr. Milner felt one of the strengths of the system is the fact that local concerns and needs can be addressed as they occur. Mr. Milner commented that subsidiaries owned by national banks will not be subject to state regulation. If a subsidiary is subject to state rules and those rules are too onerous, the subsidiary could convert to a national bank. Mr. Milner did not feel this would be good policy. Mr. Milner also expressed concern about the enforcement authority of state Attorneys General for consumer affairs.

REP. KEANE wanted to know if the OCC rules were implemented if it would change the way national banks direct their capital. Mr. Milner replied this is one of their major concerns, and the largest institutions would convert to national charters leaving the state system only with small community banks to regulate. In addition, there would not be the option of moving back to a state charter once banks convert to a national charter. This could centralize the banking industry in only the largest institutions. This is the direction it is moving now with an increasing percentage of the assets held by fewer and fewer banks. If all the banks move to one charter and one regulator sets all the rules, the result will be “one size fits all.”

Mr. Golembe responded that banks make decisions on their charter on a regular basis in determining what their best business approach is. Mr. Golembe did not believe there would be a mass exodus from the state system into the national system, but admitted to REP. KEANE that there was no guarantee that would not happen.

SEN. TAYLOR hypothesized if he filed a complaint with a national bank in Montana, how long it would take to settle the case. Mr. Golembe responded there is a consumer assistance group based in Houston, and it is largely electronic. This group handles about 79,000 cases annually. The average turn around time for these complaints was 60 days, although sometimes the complaints can be handled with a single telephone call.

Mr. Milner said with a state charter, there would be someone local to handle the complaint. Mr. Milner believed the states do a better job of handling consumer complaints.

SEN. TAYLOR asked about the increased costs, and Mr. Golembe replied that regulatory burden adds to those increased costs, and they are looking at ways to reduce regulatory burden. Mr. Milner added there have been increases in federal laws that all institutions have to live with. If the institution has no federal counterpart, it is up to the states to implement federal regulations.

REP. FISHER commented that when legislators run into a problem they cannot understand, they seek assistance from a local state agency. REP. FISHER asked if there is something going on in the banking system that Mr. Golembe knows about that they do not, and that would necessitate such a change in the regulations. Mr. Golembe responded yes and no, stating there has been a significant uptake in actions by state legislatures trying to protect consumers. The OCC is receiving an increasing number of requests for preemption, and it seemed appropriate to consolidate and codify everything that has already been ratified by the courts.

REP. FISHER asked who it was who requested this action and commented it has been the experience in the rural areas that every time a new regulation is passed in Washington that is good for everybody, it does not work well in Montana. Mr. Golembe responded that as responsible administrators of the national banking system, the OCC made a determination that now is the time to take this action and it is not a question of an individual's request.

REP. MENDENHALL felt the issue is complicated, but was interested in exploring why legislatures across the nation are becoming involved in this issue. Mr. Milner replied there have been huge judgments awarded and that abusive practices have led to the concerns being brought before legislatures. Mr. Golembe expanded by pointing out that predatory lending is not something found in regulated industries like state and national banks. While Mr. Golembe felt egregious behavior should be addressed, that behavior is not occurring in banks.

REP. MENDENHALL asked if this rule went through, would it result in state legislatures feeling the need to respond to regulations that come from OCC, and whether that would force policy at the state level as opposed to the way the Legislature typically does business. Mr. Milner responded that is their primary concern. In responding to the concern of whether this would impact insurance and securities, Mr. Milner's response was "not yet." The litigation history of the OCC has been to carve out an area, and then move forward from there.

REP. OLSON solicited what states can do to get around the OCC rule and protect state-chartered banking. Mr. Milner stressed objections should be filed with the Congressional Delegation and to work with the Commissioner in her ability to protect consumers in Montana. If the rule does become final, a serious determination will need to be made on how to keep the state system competitive.

REP. FISHER moved the Committees write a letter to the Congressional Delegation, if that is the consensus of the Committees and with the approval of Commissioner Goodwin.

CHAIRMAN MCKENNEY suggested REP. FISHER withdraw his motion and the floor be opened up for public comment. REP. FISHER withdrew his motion.

PUBLIC COMMENT

Annie Goodwin, Montana Commissioner of Banking and Financial Institutions, respectfully requested the Committees to formalize a resolution opposing the OCC adopted rules and that a letter be formalized on behalf of the Committees addressed to Montana's Congressional Delegation. Commissioner Goodwin emphasized that hearings will be set in the U.S. Congress in both the House and Senate, and she feels input from Montana will be essential.

Cort Jensen, attorney for the Montana Office of Consumer Protection, commented that as they get complaints, they realize consumers have little or no knowledge of whether the banks they do business with are state-chartered or nationally-chartered, and most consumers assume Montana laws apply. In addition, they are concerned with losing the ability to handle consumer complaints and take action if necessary.

Senator Royal Johnson, SD 5, Billings, expressed his pleasure in the Committees taking an interest in this issue and organizing the meeting. Sen. Johnson felt there needs to be protection in every industry. Sen. Johnson spoke about the current situation between Piper Jaffray and U.S. Bank and how shareholders only received one share in Piper Jaffray for each one hundred shares of U.S. Bank. Sen. Johnson did not believe it is a matter of whether the rule should be in effect, but rather how to stop the rule from going into effect. Sen. Johnson hoped the Committees' members will inform other legislators about what they have learned in the meeting.

REP. FISHER moved the Committees address a letter to the Congressional Delegation voicing objections to the regulation based on the information heard today and the recommendation of Commissioner Goodwin.

REP. JENT seconded the motion and suggested the authoring and editing should come from Commissioner Goodwin for the Committee Chair's signature. REP. JENT felt the tone of the letter should state the Committees opposed the adoption of the OCC rules for the reasons expressed by Commissioner Goodwin in her testimony.

SEN. MANGAN commented that just because a court will uphold a decision does not make it right. SEN. MANGAN agreed that people in Montana believe if it happens in Montana, it's covered under Montana law. SEN. MANGAN would like the letter to reflect this is a citizen legislature elected on behalf of their constituents, and they would like the OCC and the government to take a look at what is good for the people of Montana, and let the legislators make the decision.

CHAIRMAN McKENNEY suggested Pat Murdo draft the letter on behalf of the Committees in consultation with Commissioner Goodwin. CHAIRMAN McKENNEY explained the motion would need to be voted on individually by the Economic Affairs Committee and the State Administration and Veterans' Affairs Committee.

SEN. TROPILA agreed the State Administration and Veterans' Affairs Committee would vote on the motion at its afternoon session.

SEN. TAYLOR commented he would support the motion, but felt he did not have all the facts, particularly the cost factors.

REP. KEANE said he would like the word “vehemently,” or a similar word used to oppose the rule.

REP. FISHER requested approval of his motion by a show of hands.

A show of hands by the Economic Affairs Committee and a show of hands by the State Administration and Veterans’ Affairs Committee showed unanimous support for the motion.

REP. McKENNEY referred to the vote as a straw poll and noted that each Committee would vote formally in the afternoon.

ADJOURN TO LUNCH AND RESPECTIVE COMMITTEE MEETINGS

There being no further business to come before the Committees, the meeting adjourned at 11:50 a.m.

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