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Economic Affairs Interim Committee

62nd Montana Legislature

SENATE MEMBERS

TOM FACEY--Vice Chair
JOE BALYEAT
EDWARD WALKER
JONATHAN WINDY BOY

HOUSE MEMBERS

TOM BERRY--Chair
CHUCK HUNTER
CAROLYN SQUIRES
GORDON VANCE

COMMITTEE STAFF

PAT MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

MINUTES

April 20, 2012
Room 137

Capitol Bldg.
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page. You must have Real Player to listen to the audio recording or to view the video.

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

COMMITTEE MEMBERS PRESENT

REP. TOM BERRY, Chair
SEN. TOM FACEY, Vice Chair
SEN. JOE BALYEAT
SEN. EDWARD WALKER
REP. CHUCK HUNTER
REP. CAROLYN SQUIRES
REP. GORDON VANCE

COMMITTEE MEMBER ABSENT

SEN. JONATHAN WINDY BOY

STAFF PRESENT

PAT MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

Visitors

Visitors' list, [Attachment #1](#).

Agenda, [Attachment #2](#).

COMMITTEE ACTION

The Economic Affairs committee approved the following motions:

- requested a letter be written to the Board of Medical Examiners to increase the timeliness of its application approval;
- recommended the Electrical Board be continued;
- recommended the continuance of the advisory council of insurance agents' continuing education;
- recommended to discontinue the risk management advisory council for medical malpractice insurance and that a bill be drafted to do so;
- recommended that the Board of Professional Engineers and Professional Land Surveyors be continued;
- recommended that the Board of Plumbers be continued; and
- changed the Economic Affairs meeting dates from June 12-13, 2012, to June 11-12, 2012.

CALL TO ORDER AND ROLL CALL

00:00:00 Rep. Berry called the Economic Affairs committee to order at 9:01 a.m. The secretary called roll. [Attachment #3](#). Sen. Jonathan Windy Boy is absent.

00:00:54 Sen. Balyeat made a motion to approve the minutes from the January 19 & 20, 2012 meeting. The motion **passed** by voice vote.

AGENDA

Public Comment - None

00:02:19 Ms. Murdo gave an overview of the committee's agenda.

Agency Monitoring: State Auditor's Office

00:03:30 **Monica Lindeen, Commissioner of Securities and Insurance (CSI) (State Auditor's Office)**, gave an overview of the Securities Department, its duties, and an update of current issues they are working on. She discussed the number of licensed brokers in the state, how CSI has put on investor training programs, and provided financial literacy tools to many high schools. She said the biggest project that CSI has worked on this past biennium is the creation of a new documentary through a grant from the Investor Protection Trust (IPT) to educate investors how to protect themselves from scams. Commissioner Lindeen showed part of the documentary. Commissioner Lindeen talked about SB 331, which will allow agencies to enter into rulemaking authority with the interstate surplus lines compact agreement. She addressed several initiatives, one being the creation of an all-payer data base on health care costs, and another on medical care homes, and a third on patients with unusual cancer treatments. She discussed the Affordable Care Act, and how the office is preparing for a health exchange exchange depending on the decision to be handed down by the U.S. Supreme Court. She talked about the "Insure Montana" program that

assists small businesses with the costs of health insurance for employers and employees. **Exhibits 1 & 2**

Committee comments and questions.

The committee discussed the Affordable Care Act, the federally facilitated exchange, Commissioner Lindeen's involvement with the exchange, and a report from the exchange stakeholders meeting. **Exhibit 3**

00:41:44 Sen. Walker
00:45:07 Sen. Balyeat
00:46:23 Ms. Murdo
00:49:37 Rep. Berry
00:50:38 Rep. Hunter
00:50:56 Sen. Facey
00:51:34 Rep. Squires

Public Comment

01:00:04 **Jon Bennion, Montana Chamber of Commerce**, commented on the all-payer claims data base advisory council.

01:01:34 **Harry Kriegel, Americans for Prosperity (AFP)**, said that AFP is a free-market, non-profit organization. He gave his views of the federal Affordable Care Act. He delivered a petition opposing any attempt by the state of Montana in creating a health insurance exchange as provided for in the Affordable Care Act. **Exhibit 4**

Committee comments and questions

The committee discussed the Affordable Care Act.

01:07:58 Sen. Balyeat
01:08:38 Sen. Facey
01:09:12 Rep. Berry

HB 142 Review

Advisory Council on Continuing Education for Insurance Licensees

01:10:07 **John Bebee, Senior Vice President of D.A. Davidson & Co., Great Falls**, gave an overview of his duties and office. He said that he is an unaffiliated insurance agent. He serves on the Insurance Continuing Education Advisory Council, and he talked about how important the educational advisory council is for feedback for the insurance commissioner's staff. **Exhibit 5**

Committee comments and questions

01:13:08 The committee talked about the advisory council reviewing continuation course credits.

01:16:05 Bob Biskupiak, Independent Insurance Agents of Montana, said he is in support of the advisory council. He also serves as executive director for Montana Insurance Education Foundation, a non-profit organization. Mr. Biskupiak explained why the foundation benefits its customers.

Committee comments and questions

The committee talked about the reasons why the insurance industry is a function of the government, reciprocity and consistency of the insurance council.

01:18:30 Sen. Balyeat

01:18:38 Mr. Biskupiak

Advisory Council on Risk Management Activities

01:22:31 Commissioner Lindeen talked about the risk management advisory council regarding medical malpractice, and said the council was allowed for an emergency in medical malpractice, but there has been no emergency since the provision for the advisory council was created in 2005.

01:23:49 **Break**

01:36:01 Rep. Berry had to leave and Sen. Facey is chairing.

The Montana CO-OP Health Insurance Plan

- **Dr. Tom Roberts**

01:36:34 Dr. Roberts distributed a handout about the Montana Health CO-OP, and explained how the CO-OP will work. [Exhibit 6](#)

Committee comments and questions

The committee talked about the CO-OP, the difference between a Montana health CO-OP and a faith based Co-op, the cost difference, profit vs non-profit, and premiums of the health exchange.

01:53:44 Sen. Balyeat

01:54:18 Dr. Roberts

01:56:18 Sen. Walker

01:58:21 Rep. Hunter

02:04:24 Rep. Squires

02:04:49 Sen. Facey

Update on SJR 15 - Agricultural Commodities Bonding

- **Cort Jensen, Department of Agriculture Industry representatives**
- **John Youngberg, Montana Farm Bureau**
- **Krista Lee Evans, Montana Grain Elevators Association**
- **Lochiel Edwards, Montana Grain Growers Association**
- **Chris Christiaens, Montana Farmers' Union**

02:07:28 Mr. Jensen gave an overview of SJR 15, and the concerns about bonding for grain sale purchases by grain elevators.

02:10:56 Mr. Youngberg talked about reasons for the bonds.

02:12:21 Ms. Evans explained bonding rates and the competition that is involved.

02:14:01 Mr. Edwards said the organizations will be working together to bring a bill before the upcoming legislature.

02:15:28 Mr. Christiaens talked about a "dead man's switch" to protect partners from

liability in bankruptcies.

Committee comments and questions

The committee discussed bankruptcies, a department bill, and the stakeholders involved.

02:19:17 Sen. Facey

02:20:29 Mr. Jensen

Update on Board of Horseracing

- **Christian Mackay, Department of Livestock**
- **Dale Mahlum, Board of Horseracing chair - via telephone**

02:32:56 Former Sen. Mahlum gave an overview of his duties as chair of the Board

02:33:29 Mr. Mackay gave an update on the Board of Horseracing. He said the handout on the agency by Ms. Murdo is very detailed and correct. [Exhibit 7](#)

Committee comments and questions

The committee discussed simulcast horseracing, and the repayment of a loan to the Board. There was talk about a \$600,000 deficit from the Board and how it will be compensated. The Department of Livestock will prepare a report on the Board's finances.

02:41:06 Rep. Squires

02:43:18 Rep. Hunter

02:45:11 Mr. Mackay

02:50:04 Rep. Squires

02:51:31 Bart Campbell

Lunch

02:53:06 **Lunch**

04:13:59 Sen. Facey called the committee back to order at 1:15 p.m.

04:14:20 Ms. Murdo provided handouts for the Building Codes Bureau, the Elevator Program, and the Boiler Program. [Exhibit 8](#)

Building Codes Bureau Monitoring

- **Dave Cook, Bureau Chief, Administrator, Department of Labor and Industry, DLI**
- **Jack Kane, Administrator, Business Standards Division (BSD), DLI**

04:15:45 Mr. Cook gave an update and overview of the Building Codes Bureau. He talked about the duties of the Bureau, who they oversee, and the qualifications and uniformity of the code. He talked about the low number of inspectors. Mr. Cook gave an overview of the elevator safety program, and the elevator licensing program. [Exhibit 9](#)

Committee comments and questions

The committee discussed apprentices acting as full licensed elevator builders/repairmen and concerns about apprentices working without supervision, the safety of the public,

inspectors of elevators, how the program handles its funds, and who is liable when an inspector signs off of an elevator inspection report. A report will be provided to the committee at its next meeting regarding the number of inspections by elevator inspectors.

04:21:42 Rep. Squires
04:27:55 Mr. Kane
04:30:52 Sen. Balyeat
04:39:31 Rep. Hunter
04:41:38 Sen. Walker
04:47:00 Sen. Facey

HB 525 Review

Review of Board of Hearing Aid Dispensers

04:48:28 Dr. Gene Bukowski, Audiologist and chairman of the Board, said the board should be maintained, and he is here to answer any questions the committee may have. [Exhibit 10](#)

04:48:50 Rebecca Wisnoskie, Board of Hearing Aid Dispensers, said she is also available to answer questions regarding the solvency of the Board based on the loss of a number of audiologists.

04:49:24 Ms. Murdo said the Hearing Aid Board is before the committee to determine whether to retain the board as is.

Committee comments and questions

The committee discussed how the Board can recoup its costs with fewer members and a proposal to have the Department of Justice consumer affairs office speak at the next Economic Affairs meeting in June regarding the dispensing fees by unlicensed dispensers.

04:54:24 Sen. Facey
04:54:45 Mr. Kane
04:55:59 Rep. Squires
05:01:06 Rep. Hunter

Public comment

05:02:20 Susan Good-Geise, representing hearing aid dispensers, said she hopes a solution will finally be in place.

Report on Board of Medical Examiners' application and renewal process

- **Ian Marquand, Board Staff**

05:06:42 Ian Marquand said that Montana has set a very high standard for licensing, he talked about the standards of the Board.

Committee comments and questions

The committee talked about procedures and the process in regards to state law and the length of time to complete the licensing.

05:08:49 Rep. Balyeat
05:14:34 Rep. Hunter

- 05:22:47 Sen. Walker
- 05:23:43 Ms. Murdo read a letter from Rep. Elsie Arntzen regarding the challenges of licensing for healthcare professionals. [Exhibit 11](#)

Public Comment

- 05:25:13 Jean Branscum, Executive Director of the Montana Medical Association, gave an update of the licensing process. She commented on the physicians serving on the Medical Board and said they do a great job.

Committee comments and questions

The committee discussed the length of time it takes for a medical examiner to receive a license to practice in Montana.

- 05:27:58 Sen. Facey
05:28:14 Rep. Hunter

Motion

- 05:29:13 Rep. Hunter made a motion that the committee staff draft a letter to Board of Medical Examiners regarding concerns about the application timeliness balanced with concerns for patient safety. The motion **passed** by voice vote.

Public Comment on the Electrical Board

- 05:30:35 Margaret Morgan, representing the Montana Independent Electrical Contractors Association (IEC), gave an overview of the Board, its finances and duties.

HB 525 Review of the Electrical Board

- **Board representatives**
- 05:34:39 Ms. Murdo provided an overview of the board. [Exhibit 12](#)
- 05:35:44 Jack Fisher, President of the Electrical Board, talked about the board and its duties.
- 05:36:53 Keith Allen, representing the International Brotherhood of Electrical Workers, Local 233, said the board is necessary for the protection of the citizens of Montana.
- 05:40:28 Jack Kane talked about a data base being developed by the Department of Administration, ITSD, and is about 98% complete and will have information of all licensees in Montana.

Committee comments and questions

The committee discussed fines, forfeitures, and site fines of unlicensed board members.

- 05:43:12 Rep. Squires
05:44:19 Rep. Hunter

Motion

- 05:46:13 Rep. Squires made a motion to maintain the Electrical Board as is. The motion **passed** by voice vote.

Motion:

05:57:59 Rep. Berry made the motion to continue the advisory council on insurance agent's continuing education.

Discussion

05:58:20 Sen. Balyeat explained why he is voting against it.

Vote

05:59:09 The motion is to recommend that the advisory council on continuing education for insurance licensees be continued. The motion **passed** 4 to 3 with Rep. Vance, Sen. Walker, and Sen. Balyeat voting **no**.

Motion

06:00:17 Rep. Berry made a motion to discontinue the risk management advisory council for medical malpractice insurance. The motion **passed** by voice vote.

Motion

06:01:49 Rep. Squires made the motion for a bill draft to discontinue the risk management advisory council for medical malpractice insurance. The motion **passed** by voice vote.

Public Comment - None

HB 525 Review of Licensing Boards**Board of Professional Engineers and Professional Land Surveyors**

06:03:38 Hal Jacobson, public member, gave an overview of the board.

06:07:31 David Elias, presiding officer, talked about the board and its duties. [Exhibit 13](#)

Public Comment

06:11:04 Steven Smith, Professional Engineer, distributed a handout of his talking points stating his support of the board. [Exhibit 14](#)

06:12:23 Russ Kluesner, surveyor, had a letter stating his support of the board. [Exhibit 15](#)

Committee comments and questions

The committee talked about the profession and the number of licensed surveyors in Montana.

06:14:04 Rep. Hunter

06:16:58 Sen. Walker

Motion

06:18:18 Rep. Hunter made a recommendation for the continuance of the Board of Professional Land Surveyors. The motion **passed** by voice vote.

Rule Review

- **Bart Campbell, Staff attorney**
06:19:23 Mr. Campbell explained the Department of Livestock's current rule-making process due to a bill by Rep. Vance regarding brucellosis. [Exhibit 16](#)

Committee comments and questions

The committee discussed unemployment insurance,
06:20:33 Rep. Hunter
06:21:05 Mr. Campbell
06:21:14 Ms. Murdo

Review of Montana State Fund and Board of Investments

06:21:59 Rep. Hunter said the State Fund Board has not met since the committee's last meeting.

Board of investment

06:22:40 Sen. Balyeat said the Board of Investment did meet, but he was unable to attend.

HB 525 Review - Board of Plumbers

- **Jeff Gruizenga, Mechanical Engineer, member of the Plumber's Board**
- **Pete Crow, representing the International Association of Plumbing and Mechanical Officials (IAPMO)**

06:23:17 Mr. Gruizenga distributed and read a letter from Scott Lemert, board member, who was not able to attend. [Exhibit 17](#)

06:23:34 Mr. Crow urged the committee to continue the board. [Exhibit 18](#)

Public Comment - None

Motion

06:32:11 Rep. Hunter made the recommendation to continue the Board of Plumbing as is. The motion **passed** by voice vote. Rep. Vance voted aye by proxy.

Committee review of:

- **work plan progress, and**
- **expectations at remaining meetings**

06:33:50 Ms. Murdo gave an update of the work plan and the committee's progress. She talked about the next committee meeting date stating that the Republican State convention is taking place in Missoula of that week.

Motion

06:44:02 Sen. Walker made a motion to change the committee meeting dates from June 12 and 13, 2012, to June 11 and 12, 2012. The motion **passed** by voice vote.

06:35:55 Ms. Murdo said there are only two meetings left and gave the reason for a 2-day committee meeting in June. She distributed a handout outlining draft reports for

HB 525 and HJR 33. **Exhibit 19** She will be asking for comments, exclusions or additions from the committee for the two drafts.

06:38:59 Ms. Murdo also raised the issue related to a letter from Glen Eaton regarding Workers' Compensation concerns.

06:44:19 Ms. Murdo asked if the committee was interested in asking the Legislative Council to move the Banking and Financial Institution Commission from the State Administration Veterans Administration (SAVA) to the Economic Affairs Committee.

Committee comments and questions

The committee discussed why the Board of Horseracing has a \$600,000 deficit, and wants more information on what happened. It was suggested that a letter be written to Mr. Mackay requesting clarification with a detailed description.

06:45:51 Rep. Hunter

06:52:09 Mr. Campbell

06:52:51 Sen. Facey

06:53:07 Ms. Murdo

06:54:58 Rep. Squires

06:55:41 Rep. Facey

06:56:38 Ms. Murdo said the Department of Fish, Wildlife, and Parks and the Environmental Quality Council is looking to incorporate Virginia City and Nevada City into state parks. The historic preservation and the heritage commission will report to the committee in August.

Adjournment

06:59:16 Sen. Facey adjourned the Economic Affairs Committee at 4:00 p.m.