

## HOUSE COMMERCE COMMITTEE

Minutes of Meeting  
1997 Regular Session  
May 12, 1997

### I. CALL TO ORDER

Representative John Travis, Chairman of the House Commerce Committee, called the meeting to order at 9:15 a.m. in Committee Room 1 of the State Capitol in Baton Rouge, Louisiana.

### II. ROLL CALL

#### **MEMBERS PRESENT:**

Representative John Travis,  
Chairman  
Representative Pete Schneider,  
Vice Chairman  
Representative Robert Barton  
Representative Dan Flavin  
Representative Mickey Frith  
Representative Herman Hill  
Representative Michael Michot  
Representative Edwin Murray  
Representative Gil Pinac  
Representative Diane Winston

#### **MEMBERS ABSENT:**

Representative Arthur Morrell  
Representative Tank Powell  
Representative Sharon Weston

### III. STAFF MEMBERS PRESENT

Cindy Mancuso, Attorney  
Sandy Painting, Secretary  
Ed Cailleateau and George Walker, Sergeants at Arms

### IV. DISCUSSION

#### **Senate Bill No. 146 by Senator Bean**

Senator Bean appeared before the committee to present Senate Bill No. 146, which requires certain purchasers of junk and scrap to report purchases of certain railroad material and hold it unchanged for ten days.

Mr. Carmack M. Blackmon, Louisiana Railroads, P. O. Box 44035, Baton Rouge, Louisiana, 70804-4035, (504) 388-9871, appeared before the committee in support of Senate Bill No. 146. He stated that theft of equipment, track, and steel was a problem in the railroad industry and that this legislation

would require the registration of 500 pounds or more of steel or equipment.

Mr. H. M. "Jerry" Doty, Jr., Southern Scrap, P. O. Box 44216, Baton Rouge, Louisiana, 70804, (504) 927-7595, appeared before the committee in opposition to Senate Bill No. 146. He brought to the table and displayed several pieces of scrap steel and stated that it did not come from the railroad. He introduced Mr. Richard Friederichsen and asked that he speak on his behalf.

Mr. Richard Friederichsen, Southern Scrap, 6847 Scenic Hwy., Baton Rouge, Louisiana, (504) 355-4453, appeared before the committee in opposition to Senate Bill No. 146. He stated that all rail components do not come from the railroad. He stated that as the services of the railroad decline, more and more costs and expense of maintenance are being passed along to private industry. He stated that his company kept a record of copper, but since 1980 said records have never been requested by the Department of Public Safety and Corrections and that he saw no need for this legislation. He suggested that common carriers be responsible for their own assets and not attempt to make policemen out of the scrap industry.

Representative Travis stated that he understood the position of Southern Scrap, but something had to be done to keep down theft of rail components.

Representative Pinac asked if there was a required time period to hold deliveries of scrap.

Mr. Friederichsen stated that the deliveries were disposed of as soon as possible.

Mr. Murray asked the method of identifying rail components.

Mr. Friederichsen stated that there was no real method of identifying where rail components originated.

Representative Barton asked what the percentage of the 1400 daily commercial transactions was steel and in excess of \$500.

Mr. Friederichsen stated that approximately 90% of the transactions made daily were steel.

Mr. Blackmon stated that the purpose of this legislation was to find a means of identifying stolen railroad property and get prosecution for its theft. He asked for favorable passage of this legislation.

Representative Murray made a motion to report Senate Bill No. 146 favorably. There was no objection and Senate Bill No. 146 was reported favorably by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

**Senate Bill No. 715 by Senator Fields**

Senator Fields appeared before the committee to present Senate Bill No. 715, which provides that

consumers shall have the right to cancel a mail and check solicitation sale. He stated that consumers are receiving negotiable instruments in the mail and are automatically enrolled in other programs such as automobile insurance or life insurance and will be charged monthly simply by endorsing said instrument. He stated that consumers are not being informed of what will transpire upon endorsement.

Representative Travis stated that there were two cards submitted in opposition of Senate Bill No. 715 who chose not to speak.

Representative Murray stated that if warnings are posted on these negotiable instruments, said companies should not be required to reimburse the amount of the instrument to the customer.

Senator Fields agreed with Representative Murray but stated this legislation only dealt with companies mailing negotiable instruments to customers with no warning notices posted as to the various enrollments.

Representative Murray made a motion to report Senate Bill No. 715 favorably. There was no objection and Senate Bill No. 715 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, and Pinac.

**Senate Bill No. 716 by Senator Fields**

Senator Fields appeared before the committee to present Senate Bill No. 716, which provides that hotels and motels shall not rent rooms to persons under the age of eighteen years.

Representative Travis offered an amendment to Senate Bill No. 716 which would require any person over the age of eighteen who rents a room to be used by persons under eighteen to assume full responsibility for any and all damages and charges incurred in connection with the use of such room. There was no objection to this amendment and it was adopted by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, and Pinac.

Representative Pinac stated that some individuals are in college at the age of seventeen and that these individuals should not be required to have parental consent to rent a hotel room.

Representative Travis offered another amendment to Senate Bill No. 716, which specifies that the list of exempted chaperoned activities are examples, but are not the only such activities exempted. There was no objection and this amendment was adopted by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, and Pinac.

Representative Winston stated that the \$500 penalty charged to hotels for each violation was not fair.

Mr. Bill Langkopp, executive director, Louisiana Hotel Motel Association, (504) 525-2264, appeared before the committee in support of Senate Bill No. 716. He stated that he would like to see the penalty

lowered but was willing to accept it in order to have the tools this legislation offers to solve the problem.

Representative Winston made a motion to report Senate Bill No. 716 with amendments. There was no objection and Senate Bill No. 716 was reported with amendments by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Frith, Hill, Murray, Pinac, and Winston.

**House Bill No. 2497 by Representative Johns**

Representative Travis made a motion at the request of Representative Johns to defer action on House Bill No. 2497, which is relative to the licensing of bank employees as insurance agents. There was no objection and action on House Bill No. 2497 was deferred by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Frith, Hill, Murray, Pinac, and Winston.

**House Bill No. 2443 by Representative Glover**

Representative Murray made a motion at the request of Representative Glover to defer action on House Bill No. 2443, which provides relative to consumer loans of less than five hundred dollars. There was no objection and action on House Bill No. 2443 was deferred by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Frith, Hill, Murray, Pinac, and Winston.

**House Bill No. 1612 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1612, which would conform state requirements with federal law regarding sale of insurance by banks.

Representative Travis offered a set of amendments to House Bill No. 1612, which would delete provisions which specified with respect to credit insurance any insurance sold by a national bank, which specifies that notwithstanding any law to the contrary, any bank which was engaged as a general insurance agent or broker on January 1, 1984 may continue to be so engaged, and would delete references in legislation to provisions in the Insurance Code in Title 22. There was no objection and these amendments were adopted by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Frith, Hill, Murray, Pinac, and Winston.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, (504) 922-2627, appeared before the committee to present House Bill No. 1612 in its amended form, which conforms state requirements with federal law regarding sale of insurance by banks. He stated that this legislation would become effective only if House Bill No. 2509 by Representative Donelon passes.

There was no further discussion on House Bill No. 1612.

Representative Murray made a motion to report House Bill No. 1612 with amendments. There was no objection and House Bill No. 1612 was reported with amendments by a vote of 7 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Hill, Murray, Pinac, and Winston.

**House Bill No. 1362 by Representative Travis**

On behalf of Representative Travis, Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, (504) 922-2627, appeared before the committee to present House Bill No. 1362, which permits state chartered banks to charge fees and commissions for their services as an insurance agent. He stated that there were amendments to be offered to this legislation.

Ms. Cindy Mancuso, attorney, House Commerce Committee, explained the amendments to House Bill No. 1362. She stated that these amendments would provide that the fees and commissions received by a bank selling insurance as agent of an insurance company shall be lawful commissions and fees; provide that the location of the insurance agency shall be the address shown on the license application to the Department of Insurance pursuant to the Louisiana Insurance Code; and allow a bank to acquire a business engaging in any of the banking powers prescribed by law and operate the facility as a branch upon submission of an application for a certificate of authority to the commissioner and would allow the facility to operate as a branch even if the bank does not lend money, receive deposits, or pay checks at that location.

Representative Travis offered the above described set of amendments to House Bill No. 1362, to which there was no objection. These amendments were adopted by a vote of 7 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Murray, Pinac, and Winston.

Representative Murray made a motion to report House Bill No. 1362 with amendments. There was no objection and House Bill No. 1362 was reported with amendments by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Pinac, and Winston.

**Senate Bill No. 1437 by Senator Hollis**

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, (504) 922-2627, appeared before the committee to present House Bill No. 1437, which defines "mutual state bank" and provides for what shall constitute the capital of such a bank, and provides for mergers or conversions of federally insured financial institutions. He stated that this legislation is in response to anticipated federal legislation.

There was no further discussion on Senate Bill No. 1437.

Representative Murray made a motion to report House Bill No. 1437 favorably. There was no objection and Senate Bill No. 1437 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Pinac, and Winston.

**Senate Bill No. 918 by Senator Landry**

Mr. Bob Israel, executive vice president, Louisiana Automobile Dealers Association, appeared before the committee on behalf of Senator Landry to present House Bill No. 918, which requires certain terms for the delivery of motor vehicle to a prospective purchaser on a sale conditioned on financing, i.e., a spot delivery. He stated that this legislation would end the abuse of spot delivery. He stated that a pending sale is void at the end of seven days if financing has not been placed. He urged the favorable passage of this legislation.

There was no further discussion on Senate Bill No. 918.

Representative Murray made a motion to report Senate Bill No. 918 favorably. There was no objection and House Bill No. 918 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 254 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 254, which provides relative to licensing of massage therapists. He stated there were amendments to be offered to this legislation.

Ms. Cindy Mancuso, attorney, House Commerce Committee, explained the amendments to be offered to House Bill No. 254. She stated that the amendments specify that massage therapy establishments shall not be subject to zoning restrictions directed toward adult entertainment businesses.

Representative Travis offered the above described amendments to House Bill No. 254 to which there were no objections. These amendments were adopted by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Pinac, and Winston.

Mr. George King, chapter president, Louisiana Chapter of American Massage Therapy Association, P.O. Box 1125, Baton Rouge, Louisiana 70821, (504) 767-8016, appeared before the committee in support of House Bill No. 254. He stated that this legislation distinguishes adult entertainment businesses from the licensed profession of massage

therapy. He asked the committee for its favorable passage.

Representative Murray stated that local councils should not be ordered by the legislature on how they should zone businesses and was opposed to this legislation.

Representative Pinac made a motion to report House Bill No. 254 with amendments. Objection was raised and a roll call vote was taken. House Bill No. 254 was reported with amendments by a vote of 8 yeas and 1 nay. Those voting yea were Representatives Travis, Barton, Flavin, Frith, Hill, Michot, Pinac, and Winston. Representative Murray voted nay.



**Senate Bill No. 1043 by Senator Hollis**

Representative Travis appeared before the committee on behalf of Senator Hollis to present Senate Bill No. 1043, which changes the time for submission of the master plan for marketing tourism.

Ms. Cindy Mancuso, attorney, House Commerce Committee, explained to the committee that the rules of the House of Representatives requires that a separate motion should be made to designate duplicate bills and that Senate Bill No. 1043 is a duplicate to House Bill No. 568.

Representative Flavin made a motion to designate Senate Bill No. 1043 as a duplicate bill to House Bill No. 568. There was no objection, and Senate Bill No. 1043 was designated as a duplicate bill to House Bill No. 568 by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

There was no further discussion on Senate Bill No. 1043.

Representative Frith made a motion to report Senate Bill No. 1043 favorably. There was no objection and Senate Bill No. 1043 was reported favorably by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

**Senate Bill No. 1335 by Senator Mike Smith**

Mr. Bob Israel, executive vice president, Louisiana Automobile Dealers Association, appeared before the committee for to explain Senate Bill No. 1335, which prohibits varying interest rates on floor plan mortgages or motor vehicles according to dealer size or volume. He stated that this legislation is worded improperly and does not accomplish the intent of the author.

There was no further discussion on Senate Bill No. 1335.

Representative Murray made a motion to report Senate Bill No. 1335 favorably. There was no objection and Senate Bill No. 1335 was reported favorably by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.



**Senate Bill No. 1370 by Senator Bagneris**

Representative Travis appeared before the committee on behalf of Senator Bagneris to present Senate Bill No. 1370, which prohibits certain charges on payment orders when the receiving bank is the originator bank.

Representative Murray questioned whether or not Senate Bill No. 1370 was a duplicate bill to House Bill No. 469.

Ms. Cindy Mancuso, attorney, House Commerce Committee, explained that House Bill No. 469 provides that banks may charge the originator a fee for processing a payment order and Senate Bill No. 1370 does not include this statement making it only similar in nature.

There was no further discussion on Senate Bill No. 1370.

Representative Murray made a motion to report Senate Bill No. 1370 favorably. There was no objection and Senate Bill No. 1370 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, and Pinac.

**Senate Bill No. 1012 by Senator Dardenne**

Mr. Paul Haygood, chairman of the corporate laws committee of the Louisiana Bar Association, (504) 586-5263, appeared before the committee on behalf of Senator Dardenne to present Senate Bill No. 1012, which provides for changes to the Business Corporation Law such as reducing the required number of directors of Louisiana corporations from three to one and also that the number of the members of a committee of the board of directors can be one instead of three. He also stated that this legislation would make certain that employee benefit plans can award stock to employees without any problem under the law.

Representative Travis stated that there were amendments to be offered on Senate Bill No. 1012.

Ms. Cindy Mancuso, attorney, House Commerce Committee, explained that the amendments to Senate Bill No. 1012 were technical in nature such as adding commas and deleting the word "of".

Representative Travis offered the above described technical amendments

to Senate Bill No. 1012. There was no objection and these amendments were adopted by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, and Pinac.

Representative Flavin made a motion to report Senate Bill No. 1012 with amendments. There was no objection and Senate Bill No. 1012 was reported with amendments by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

**Senate Bill No. 962 by Senator Cain**

Representative Travis appeared before the committee on behalf of Senator Cain to present Senate Bill No. 962, which provides for relationships between manufactured home dealers and manufacturers of manufactured homes.

There was no further discussion on Senate Bill No. 962.

Representative Murray made a motion to report Senate Bill No. 962 favorably. There was no objection and Senate Bill No. 962 was reported favorably by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 2489 by Representative Copelin**

Representative Murray appeared before the committee on behalf of Representative Copelin to present House Bill No. 2489, which prohibits the assessment of certain fees and charges on credit cards.

Representative Travis objected to this legislation as he felt it would not be good for the consumer.

Representative Pinac questioned the portion of the legislation that stated a customer should not be charged a fee if timely payments were being made.

Representative Flavin also expressed objection to Senate Bill No. 2489.

Representative Murray stated that he would prefer that Representative

Copelin handle his legislation.

Representative Travis stated that the discussion of House Bill No. 2489 would be delayed until Mr. Copelin was present.

**House Concurrent Resolution No. 148 by Representative McDonald**

Representative Schneider appeared before the committee on behalf of Representative McDonald to present House Concurrent Resolution No. 148, which memorializes congress to amend bankruptcy laws to make the filing of bankruptcy more burdensome and less attractive.

There was no further discussion on House Concurrent Resolution No. 148.

Representative Schneider made a motion to report House Concurrent Resolution No. 148 favorably. There was no objection and House Concurrent Resolution No. 148 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Frith, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 1982 by Representative Donelon**

At the request of Representative Donelon, Representative Travis made a motion to defer action on House Bill No. 1982, which is relative to consumer and customer privacy. There was no objection to this motion, and action on House Bill No. 1982 was deferred by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Frith, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 892 by Representative Wilkerson**

Representative Murray appeared before the committee on behalf of Representative Wilkerson to present House Bill No. 892, which deletes references to the barber apprenticeship program and certificates.

Representative Travis asked if anyone was present in support of House Bill No. 892. There were no cards submitted either in support or opposition to House Bill No. 892 and suggested that this legislation be rescheduled when Representative Wilkerson could be present.

Representative Travis made a motion to defer action on House Bill No. 892, to which there was no objection. Action on House Bill No. 892 was deferred by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Frith, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 2315 by Representative Wilkerson**

Mr. Bob Israel, executive vice president, Louisiana Automobile Dealers Association, appeared before the committee for informational purposes only on House Bill No. 2315, which requires new or used motor vehicle dealers to provide written notice whenever they sell a car that has been wrecked. He stated that this legislation would make it impossible for a used car dealer to comply with its requirements and that it is very unfair. He stated that the Louisiana Automobile Dealers was opposed to House Bill No. 2315.

There was no further discussion on House Bill No. 2315.

Representative Travis made a motion to defer action on House Bill No. 2315, to which there was no objection. Action on House Bill No. 2315 was deferred by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 782 by Representative Guillory**

Representative Travis stated that Representative Guillory was not present to handle his legislation and made a motion to defer action on House Bill No. 782, which regulates certain aspects of the videotape rental business. There was no objection, and action on House Bill No. 782 was deferred by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

**Senate Bill No. 267 by Senator Ullo**

Representative Travis stated that Senator Ullo was not present to handle his legislation and did not authorize anyone to handle same.

Representative Michot made a motion to defer action on Senate Bill No. 267, which prohibits the use of razors by barbers except for haircutting. There was no objection, and action on House Bill No. 782 was deferred by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 2489 by Representative Copelin (con't)**

Representative Copelin appeared before the committee to continue the discussion of House Bill No. 2489. He stated that he didn't think it was fair for a credit card company to charge higher interest rates on higher balances.

Representative Flavin stated that credit card companies are charging fees to cover the convenience provided to customers.

Representative Copelin stated that it was unfair for a credit card company to charge a fee if the balance is paid in full each month.

Representative Murray suggested to Representative Copelin that the legislation was not drafted to meet his intent and that it should be rescheduled at a later date in order to work on some changes to the legislation.

(Representative Schneider in the chair)

Representative Schneider stated that there were two cards submitted on House Bill No. 2489 and those being Mr. Bob Taylor, Louisiana Bankers Association, in opposition and Mr. Larry Murray, Louisiana Office of Financial Institutions, for informational purposes only.

Representative Murray made a motion to defer action on House Bill No. 2489. There was no objection, and action on House Bill No. 2489 was deferred by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Schneider, Flavin, Frith, Hill, Michot, Murray, Pinac, and Winston.

## **V. OTHER BUSINESS**

There was no other business discussed.

## **VI. ANNOUNCEMENTS**

There were no announcements.

## **VII. ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

---

John Travis, Chairman



Date Approved: \_\_\_\_\_