

MINUTES

MONTANA HOUSE OF REPRESENTATIVES  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By Rep. Bob Pavlovich, on March 1, 1989, at 8:30  
a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Paul Verdon and Sue Pennington

Announcements/Discussion: None

HEARING ON SENATE BILL 115

Presentation and Opening Statement by Sponsor:

Sen. Lynch, Senate District 34, Butte/Silver Bow,  
Anaconda/Deer Lodge. This bill creates a reverse annuity  
mortgage loan program; and authorizes the board of housing  
to make reverse annuity mortgage loans.

Testifying Proponents and Who They Represent:

Dick Kain, Administrator, MT Board of Housing  
Hank Hudson, Legal Services Developer, Seniors Office,  
Department of Family Services  
LeDean Lewis, American Association of Retired Persons

Proponent Testimony:

See exhibit 3 for Mr. Kain's testimony.

See exhibit 1 for Mr. Hudson's testimony.

See exhibit 2 for Ms Lewis's testimony.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Rep. Thomas asked Mr. Kain how do we value the assets that we are going to make a loan on? Just typical valuation, current appraisal? Mr. Kain said an appraisal would be made and then we have a ceiling of, say 80 percent, and the maximum loan amount that could be applied for would be 80 percent of the appraised value, perhaps up to a ceiling of \$40,000. Rep. Thomas asked if we would be paying interest to them, the principal plus interest? Mr. Kain said a reverse mortgage is a different concept, it starts with zero and will gradually build up to what the maximum loan amount is. On a monthly basis there will be a principal and interest calculation based upon the function of the loan amount and the interest charged. The principal is what we will advance to the borrower tax free. Rep. Thomas asked if one spouse is in the nursing home and the other is at home, just starving trying to keep the other in the nursing home, will this help the able spouse still in their own home? Mr. Kain said Mr. Hudson would be better able to answer the question. Mr. Hudson said in regards to the reverse annuity mortgage program the home is exempt under the current medicaid laws and will remain exempt. This income is going to be made available to the spouse at home. It gives them more income without endangering the eligibility of the person in the nursing home. It could be an advantage to the wife left at home without enough income to maintain the home.

Rep. Wallin asked what the eligibility age for this program is? Mr. Kain said this age is 68 years of age. Rep. Wallin asked how they arrived at this age? Mr. Kain said it was a difficult process, we depended on the governor's aging advisory council to come to a decision on the correct age limit. I would like to think as we get into the program and get smarter about the program and see that the entry age is not appropriate we would be back and ask that you folks change it.

Closing by Sponsor: Sen. Lynch said he thought this was a good program for a few people. It might help a few people a great deal and I hope you find favor with the bill.

#### DISPOSITION OF SENATE BILL 115

Motion: Rep. Bachini moved BE CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 115 BE CONCURRED IN unanimously.

HEARING ON SENATE BILL 16

Presentation and Opening Statement by Sponsor:

Sen. Weeding, Senate District 14. This bill deals with the requirement for the filing of a copy of mortgage satisfaction by a person claiming the benefit of Section 15-16-402, MCA, concerning the lien of personal property taxes against real property; amends Section 15-16-402, MCA; and provides an applicability date.

Testifying Proponents and Who They Represent:

Cort Harrington, MT County Treasurers Association  
Bill Leary, MT Bankers Association

Proponent Testimony:

Mr. Harrington stated that the assessor's office also supports the bill along with the treasurer's office.

Mr. Leary said the bankers support this bill but they have an amendment to offer on the bill. I have copies which I'll pass out to the committee. The amendment requires the financial institution to file the original of the satisfaction with the clerk and recorder's office but also two duplicated copies. Then it will be the responsibility of the clerk and recorder to give a copy to the assessors.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Rep. Hansen asked Mr. Leary is there a penalty for not doing this? Mr. Leary said no. Rep. Pavlovich asked Sen. Weeding if he was aware of the amendments and if he had any problems with them? Sen. Weeding said he was aware of the amendments and had no problems with them.

Closing by Sponsor: Sen. Weeding thinks this bill will ease the burden of the offices involved.

HEARING ON SENATE BILL 207

Presentation and Opening Statement by Sponsor:

Sen. Brown stated that this bill requires the installation of smoke detectors in rental units; and provides an immediate effective date and an applicability date. See exhibit 1 submitted by Sen. Brown.

Testifying Proponents and Who They Represent:

Howard Gipe, Flathead County, Kalispell  
Tim Bergstrom, MT State Firemen's Association  
Lyle Nagle, MT State Volunteer Firefighter's Association  
Ray Blehm, State Fire Marshall  
Tom Hopgood, MT Realtors Association

Proponent Testimony:

Mr. Gipe said he was involved for 25 years with the highway patrol and there were many times while I stood by helpless, people lost there lives in fires. I'm sure you all know we lost a lady and her two small children in Flathead County. The people of Flathead County started a program "Alarms for Life", free smoke alarms will be installed in all residences in Flathead County. There has been approximately \$15,000 donated to the program so far. We in Flathead County have a strong feeling for this bill. We ask a do pass on SB 207.

Mr. Bergstrom stated that he has been a firefighter for the city of Billings for the past 15 years. In the last several months the city of Billings has incurred 3 fire deaths. In the two structure fire deaths, one was caused by an improperly installed heating device and severe smoke in the other incident. Both of these fire deaths occurred while the victims were sleeping. The Billings fire department believe had a smoke detector been installed and operating these people would have had a 50-50 chance to survive.

Mr. Nagle stated that his testimony has been covered by the others and he asks the support of the committee for SB 207.

For Mr. Blehm's testimony see exhibit 2.

Mr. Hopgood stated that the MT Realtors Association supports this bill.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Sen. Brown closed.

HEARING ON SENATE BILL 27

Presentation and Opening Statement by Sponsor:

Sen. Meyer stated that SB 27 will clean up some minor errors and irregularities in the securities act of Montana. There is a short amendment submitted by the state auditor's office.

Testifying Proponents and Who They Represent:

Jim Weg, MT Securities Department

Proponent Testimony:

See exhibit 2 for Mr. Weg's testimony.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Rep. Pavlovich said the sponsor has left.

HEARING ON HOUSE BILL 736

Presentation and Opening Statement by Sponsor:

Rep. Gould stated that HB 736 will permit a person to register fleet vehicles for a 6-month period; and provides an applicability date and an effective date. I support the amendment being presented by Mr. Akey.

Testifying Proponents and Who They Represent:

Larry Akey, MT Car Rental Association  
Steve Turkiewicz, MT Auto Dealers Association

Proponent Testimony:

Mr. Akey said my association is made up of small independent businesses. All the car rental agencies are independent

business men and women. This bill not only is a small business issue, but it is also an economic development issue. The tourism industry, to a certain extent, relies on reliable and reasonably priced ground transportation once the tourists arrive by air. Many studies show that the air traveller who relies on ground transportation in the state tends to spend more on a vacation, both on a per day basis and overall. They are the type of tourists we like to attract to Montana. Just as tourists rely on car rental agencies, the agencies in turn rely on tourists.

Mr. Turkiewicz stated that his association supports this bill.

Testifying Opponents and Who They Represent:

Beate Galda, Dept. of Highways

Opponent Testimony:

Ms. Galda stated that as the bill is presently written it would not affect my department. But if it is amended to include the new car sales tax it would have a revenue loss for the department. The new car sales tax is collected only in the first year of the vehicle and it is the only portion of the registration and tax fee for the licensing of the vehicle that goes to maintenance and construction of state roads.

Questions From Committee Members: Rep. Blotkamp asked Mr. Akey if the cars are currently registered for 12 months? Mr. Akey said they are. This is basically a fairness issue. Where we use the cars for only 6 months, we are asking to have them registered only for 6 months not 12.

Rep. Hansen asked Rep. Gould if he anticipated that this would impact the highway taxes? Rep. Gould said he did, but that impact is so small compared to the highway budget that it was petty to talk about.

Rep. Bachini asked Ms. Galda if she had any figures for the loss you spoke about? She said she did not. She was not sure what the tax on a new vehicle was but thought it would be approximately \$250,000.

Closing by Sponsor: Rep. Gould said he would like to mention that most of the operators are independent franchise business people and I hope you look favorably on this bill.

HEARING ON HOUSE BILL 743

Presentation and Opening Statement by Sponsor:

Rep. Gould stated that this bill generally revises the wine laws; allows the sale of dessert wines as other wines are sold; levies a tax on dessert wine and allocates the revenue; regulates business relations between wine distributors and suppliers; prohibits certain acts by suppliers; provides procedures for termination of agreements; provides for distributors' obligations; provides remedies for disputes; and provides an applicability date.

Testifying Proponents and Who They Represent:

Roger Tippy, Beer & Wine Wholesalers Association  
Bill Watkins, Chairman, Beer & Wine Distributors Panel  
Kevin Devine, Great Falls

Proponent Testimony:

Mr. Tippy said HB 743 is a 3-prong approach of amendments to the wine law as they have been on the books since the initiative in 1978. He explained the different parts of the bill and what they covered. There is a fiscal note coming, but will probably be several days before it arrives. For this reason we ask you to hold the bill for a few days. Without the fiscal note we don't think the committee can fully examine the bill.

Mr. Watkins stated that his association supports this bill.

Mr. Devine said he supports the bill and hopes the committee gives it a do pass.

Testifying Opponents and Who They Represent:

Mona Jamison, Wine Institute  
Bob Durkee, MT Wine Association

Opponent Testimony:

Mrs. Jamison stated that her association is against this bill. They oppose the bill because of the introduction of amendments presented yesterday that my principal has not had an adequate amount of time to examine. We are in the process of examining them. Because of the fiscal note and the impact of the amendments we encourage you to defer action on this bill for at least one week. The bill as originally introduced was totally unacceptable to the wine institute because of its implications on regulation of the market, creating a monopoly, creating contracts in perpetuity that would pass down basically from father to son, without allowing new businesses and folks wanting to get into the wholesaling of these wines the opportunity.

Mr. Durkee stated that his association is neutral at the moment on the bill basically because we have not seen the most recent amendments. I would like to advise the

committee of the liquor laws book and the book of rules that the department of revenue has enacted, and I wonder if this bill fits the rules?

Questions From Committee Members: Rep. Hansen asked Mr. Tippy what the alcohol content was in dessert wines compared to the other wines. Mr. Tippy said they are 16 percent up to a maximum of 24 percent in dessert wines. The federal government has different tax breaks for wines 14 to 21 percent and another for 21 to 24 percent, I believe 20 and 21 percent is standard for dessert wines.

Closing by Sponsor: Rep. Gould said that the amendment simply deals with fairness. I appreciate your support and hope you give the bill a favorable vote.

#### DISPOSITION OF SENATE BILL 16

Motion: Rep. Wallin moved BE CONCURRED IN and moved the amendments.

Amendments, Discussion, and Votes: The amendments DO PASS.

Recommendation and Vote: SB 16 BE CONCURRED IN as amended unanimously.

#### DISPOSITION OF SENATE BILL 27

Motion: Rep. Thomas moved BE CONCURRED IN and moved the amendments.

Amendments, Discussion, and Votes: The amendment DO PASS.

Recommendation and Vote: SB 27 BE CONCURRED IN as amended unanimously.

Rep. Pavlovich said that Ronna Alexander got together with Paul and came up with this set of amendments and I will pass out copies. He asked Steve Visocan if he would like to speak on the amendments.

Mr. Visocan said the amendments will provide the confidentiality of the state fuel tax records that we provide to the department of revenue. The reason this is important, in preparing our state tax records, we provide a great deal of detail. We show how much fuel was delivered to every one of our accounts. It is important that your competitors don't know how much you sell to each of your accounts.

Rep. Glaser said he did not intend to vote for the amendment. We have enough problems with trying to hide things from the people. I don't think this is going to serve any purpose.

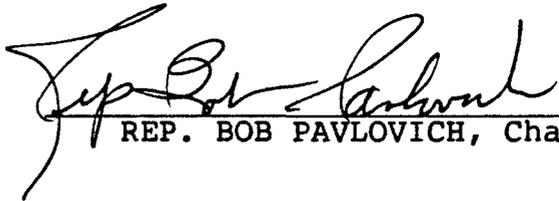
Rep. Simon said he did not plan to vote for the amendment either. There is quite a difference between individual income taxes and the records that are being provided on taxes being collected on fuel in the state of Montana.

Rep. Thomas asked if there was an overwhelming need for the public to have access to this data. Rep. Glaser asked if there was an overwhelming need for the public not to have access to the data? That is the question. Rep. Thomas asked why this data needed to be public.

Rep. Pavlovich asked if anyone would like to move the amendment? How do we feel about the amendment, we will take a straw vote. Rep. Glaser said he would rather wait a couple of days. Rep. Pavlovich said we will hold it for a couple of days.

ADJOURNMENT

Adjournment At: 11:30 a.m.

  
\_\_\_\_\_  
REP. BOB PAVLOVICH, Chairman

BP/sp

4803.min

DAILY ROLL CALL

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 3 1 89

NAME	PRESENT	ABSENT	EXCUSED
PAVLOVICH, BOB	✓		
DeMARS, GENE	✓		
BACHINI, BOB	✓		
BLOTKAMP, ROB	✓		
HANSEN, STELLA JEAN	✓		
JOHNSON, JOHN	✓		
KILPATRICK, TOM	✓		
McCORMICK, LLOYD "MAC"	✓		
STEPPLER, DON			
GLASER, BILL	✓		
KELLER, VERNON	✓		
NELSON, THOMAS	✓		
SIMON, BRUCE	✓		
SMITH, CLYDE	✓		
THOMAS, FRED	✓		
WALLIN, NORM	✓		
PAUL VERDON	✓		

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 3/1/89 BILL NO. SB 27 NUMBER \_\_\_\_\_

NAME	AYE	NAY
Bob Pavlovich		
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser		
Stella Hansen		
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Stepler		
Fred Thomas		
Norm Wallin		

TALLY

16

Sue Pennington  
Secretary

Bob Pavlovich  
Chairman

MOTION: Rep. Thomas moved be concurred in as  
amended.

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 3/1/89 BILL NO. SB 16 NUMBER \_\_\_\_\_

NAME	AYE	NAY
Bob Pavlovich	↓ 16	
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser		
Stella Hansen		
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Stepler		
Fred Thomas		
Norm Wallin		

TALLY

↓  
16

Sue Pennington  
Secretary

Bob Pavlovich  
Chairman

MOTION: Rep Wallin moved be concurred in  
as amended

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 3/1/89 BILL NO. SB 15 NUMBER \_\_\_\_\_

NAME	AYE	NAY
Bob Pavlovich		
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser		
Stella Hansen		
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Stepler		
Fred Thomas		
Norm Wallin		

TALLY

— 76 —

Sue Pennington  
Secretary

Bob Pavlovich  
Chairman

MOTION: Rep Bachini moved the bill be concurred in

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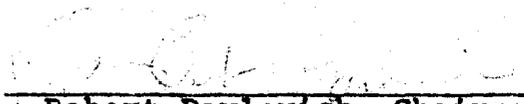
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STANDING COMMITTEE REPORT

March 1, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 27 (first reading reference copy -- blue) be concurred in as amended .

Signed:   
Robert Pavlovich, Chairman

[REP.THOMAS WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 21, line 10.

Strike: "or"

Following: "director"

Insert: ", person occupying a similar status or performing similar functions, or person directly or indirectly controlling the broker-dealer or investment adviser"

STANDING COMMITTEE REPORT

March 1, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 16 (first reading REFERENCE copy -- BLUE) be concurred in as amended.

Signed: Robert Pavlovich, Chairman

[REP. JOHNSON WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 4, lines 11 through 17.

Following: "shall" on line 11

Strike: remainder of line 11 through "(5)" on line 17

Insert: ", if the holder has filed a notice under subsection (3), deliver to the clerk and recorder two additional copies of the certificate and the proof and acknowledgment, and the clerk and recorder shall deliver one of the additional copies of each to the county treasurer and to the department of revenue or its agent"

STANDING COMMITTEE REPORT

March 1, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 115 (first reading reference copy -- blue) be concurred in .

Signed: \_\_\_\_\_  
Robert Pavlovich, Chairman

[REP. DAILY WILL CARRY THIS BILL ON THE HOUSE FLOOR]

Amendments to Senate Bill No. 27  
Second Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon  
March 1, 1989

1. Page 21, line 10.  
Strike: "or"  
Following: "director"  
Insert: ", person occupying a similar status or performing similar functions, or person directly or indirectly controlling the broker-dealer or investment adviser"

Amendments to Senate Bill No. 16  
Third Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon  
March 1, 1989

1. Page 4, lines 11 through 17.

Following: "shall" on line 11

Strike: remainder of line 11 through "(5)" on line 17

Insert: ", if the holder has filed a notice under subsection (3),  
deliver to the clerk and recorder two additional copies of  
the certificate and the proof and acknowledgment, and the  
clerk and recorder shall deliver one of the additional  
copies of each to the county treasurer and to the department  
of revenue or its agent"

#1  
3/1/89  
SB 115

SENATE BILL 115

Testimony of Hank Hudson, Legal Services Developer  
Seniors Office/Department of Family Services

Mr. chairman, I would like to speak in favor of Senate Bill 115, the Reverse Annuity Mortgage Program (RAM). As an employee of the State Aging Services Programs I have been aware of growing interest among Montana's senior citizens regarding various Home Equity Conversion strategies. As many states have initiated programs word has spread through magazines and television, and Montana seniors have begun calling our offices to inquire about the availability of such programs in Montana.

The program as envisioned in SB115 is well designed for Montana. It targets those elderly most in danger of losing their independence due to an inadequate cash income. It ensures the right to occupancy for as long as the homeowner wishes, and is able. It is a straightforward design, and it is my understanding that adequate consumer safeguards will be included in the program.

From an advocates point of view the most important consumer safeguard is adequate and mandatory counseling prior to entering into a RAM. All applicants should be carefully counseled to ensure they understand exactly what they are getting, what they are paying in interest, and what they are giving up. Applicants must understand what effect this program will have on other public benefits for which they might be eligible. They must also understand the rights and responsibilities which come with a RAM.

The Board of Housing is to be commended for working closely with the Governor's Advisory Council on Aging and designing a program aimed at helping "cash poor/house rich" seniors remain in their neighborhoods, and live independent lives. A RAM is not for everyone, but for a certain group of elderly it could make an immense difference in the quality of their lives.

#2  
3/1/89  
SAB 115



1988-1989  
MONTANA STATE LEGISLATIVE COMMITTEE

CHAIRMAN  
Mrs. Molly L. Munro  
4022 6th Avenue South  
Great Falls, MT 59405  
(406) 727-5604

SECRETARY  
Mr. John C. Bower  
1405 West Story Street  
Bozeman, MT 59715  
(406) 587-7535

March 1, 1989

TO: House Business and Economic Development Committee  
FROM: Le Dean Lewis, American Association of Retired Persons  
RE: Senate Bill 115  
Reverse Annuity Mortgage Loan Program

The American Association of Retired Persons supports the reverse annuity mortgage loan program.

Many of Montana's seniors are finding that, due to inflation, rising property taxes and increased costs of home maintenance, and the ever-increasing costs of health care, their retirement income is no longer sufficient to cover living expenses. Although the home they own may be debt free, the only way they can use that equity to supplement their income is to sell their home and move to unfamiliar surroundings.

This proposed legislation would enable homeowners to convert their home equity into a monthly income supplement while continuing to live in their homes. The money could be used to finance home maintenance or to pay for needed health care or support services.

The Montana State Legislative Committee of AARP supports passage of such legislation, if it provides for counseling of the homeowner, as this bill does. Senate Bill 115, would be a means for senior homeowners to supplement fixed incomes and in their remaining years, continue to enjoy the comfort of their homes.

The American Association of Retired Persons strongly urges your passage of this bill.



#3  
3/1/89  
S.B. 115

# MONTANA BOARD OF HOUSING



STAN STEPHENS, GOVERNOR

2001 ELEVENTH AVENUE

STATE OF MONTANA

(406) 444-3040

HELENA, MONTANA 59620-0528

Testimony on S.B. 115  
March 1, 1989

Mr. Chairman and Members of the Committee,

My name is Dick Kain, and I am the administrator of the Montana Board of Housing.

In discussing what we perceive to be a genuine need for this type of a program in Montana, I would like to first spend a few moments on the process we followed to arrive at the form of S.B. 115. The Board conducted six public meetings around the state in the summer and fall of 1987, in an attempt to identify the housing needs of the particular areas. We invited all those folks who were identified as being involved in the provision of housing. One common thread ran through all the meetings, and that was housing needs of lower income elderly Montanans.

It is estimated, as of 1986, that our total population was 809,000 people, of which 100,000 (13%) are 65 years of age or older. Furthermore, 70,000 to 80,000 of those 65 or older own and reside in a home, a significant portion of which live on a very reduced fixed income, and can't afford to keep up with either needed or emergency repairs on their homes, let alone state and local property taxes.

The proposed legislation is intended to:

1. Enable lower income senior homeowners to convert a significant portion of the accumulated equity in their home into a tax-free monthly cash flow stream for a period of ten years.
2. Cash flow is intended to allow seniors to afford to live at home as long as they are physically able. Potential uses of cash flow include state and local taxes, needed repairs on the home, outstanding medical bills, etc. It is not intended to put any strings on how cash is used.
3. Although the private lending community offers home improvement loans or home equity conversion loans, these are not viable alternatives to lower income seniors.

S.B. 115 Testimony  
March 1, 1989

4. The loan funds will be generated by the Montana Board of Housing, with no request for state funding. Modified spending authority request is included in our budget request to operate the program. We have requested no additional FTE's or state funds to operate the program.
5. Cash flow continues for ten years, or until the borrower(s) permanently vacate the property (sell the house, death, permanent residence in a nursing home, etc.). If the borrower continues to reside in the home after ten years, cash flow stops, and they continue to live at home.
6. The mortgage loan is payable at the time the borrower vacates the home. It is assumed that the mortgage will be paid from the eventual proceeds of the sale of the home. (See Section 5 of the bill).

Item 5 in Section 5 specifies that the loan is not required to be paid from any source other than the sale of the secured property.

When the property is sold, any funds in excess of the loan amount then due go back to the borrower or their estate, and any deficiencies are absorbed by the agency.

7. Potential applicants must receive counseling, before they can apply to the agency for a loan.

The Governor's Advisory Council on Aging and the Montana Seniors Office within the Department of Family Services will establish the network of counselors.

Thank you.

#3  
3/1/89  
83 115

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39,999.90 = 50% REVERSE ANNUITY MORTGAGE LOAN AMOUNT  
 7.00% = ANNUAL INTEREST RATE  
 10 = TERM IN YEARS  
 231.10 = FIXED MONTHLY PRINCIPAL INSTALLMENT  
 17,267.90 = TOTAL INTEREST  
 27,732.00 = TOTAL PRINCIPAL

PAYMENT NUMBER	MONTHLY ADVANCE (PRINCIPAL)	MONTHLY INTEREST	MONTHLY PRINCIPAL & INTEREST	LOAN BALANCE (PRINCIPAL & INTEREST)
1	231.1		231.10	231.10
2	231.1	1.55	232.45	463.55
3	231.1	3.10	233.80	697.35
4	231.1	4.65	235.17	932.52
5	231.1	6.20	236.54	1,169.06
6	231.1	7.75	237.92	1,406.98
7	231.1	9.30	239.31	1,646.29
8	231.1	10.85	240.70	1,886.99
9	231.1	12.40	242.11	2,129.10
10	231.1	13.95	243.52	2,372.62
11	231.1	15.50	244.94	2,617.56
12	231.1	17.05	246.37	2,863.93
13	231.1	18.60	247.81	3,111.73
14	231.1	20.15	249.25	3,360.98
15	231.1	21.70	250.71	3,611.69
16	231.1	23.25	252.17	3,863.86
17	231.1	24.80	253.64	4,117.50
18	231.1	26.35	255.12	4,372.62
19	231.1	27.90	256.61	4,629.22
20	231.1	29.45	258.10	4,887.33
21	231.1	31.00	259.61	5,146.94
22	231.1	32.55	261.12	5,408.06
23	231.1	34.10	262.65	5,670.71
24	231.1	35.65	264.18	5,934.89
25	231.1	37.20	265.72	6,200.61
26	231.1	38.75	267.27	6,467.88
27	231.1	40.30	268.83	6,736.71
28	231.1	41.85	270.40	7,007.10
29	231.1	43.40	271.97	7,279.08
30	231.1	44.95	273.56	7,552.64
31	231.1	46.50	275.16	7,827.80
32	231.1	48.05	276.76	8,104.56
33	231.1	49.60	278.38	8,382.94
34	231.1	51.15	280.00	8,662.94
35	231.1	52.70	281.63	8,944.57
36	231.1	54.25	283.26	9,227.85
37	231.1	55.80	284.93	9,512.78
38	231.1	57.35	286.59	9,799.37
39	231.1	58.90	288.26	10,087.63
40	231.1	60.45	289.94	10,377.57
41	231.1	62.00	291.64	10,669.21
42	231.1	63.55	293.34	10,962.55
43	231.1	65.10	295.05	11,257.60

C:\ASYM\DATA\RAM.WR1

39,929.90 = 80% REVERSE ANNUITY MORTGAGE LOAN AMOUNT  
 7.00% = ANNUAL INTEREST RATE  
 10 = TERM IN YEARS  
 231.10 = FIXED MONTHLY PRINCIPAL INSTALLMENT  
 12,267.90 = TOTAL INTEREST  
 27,732.00 = TOTAL PRINCIPAL

PAYMENT NUMBER	MONTHLY ADVANCE (PRINCIPAL)	MONTHLY INTEREST	MONTHLY PRINCIPAL & INTEREST	LOAN BALANCE (PRINCIPAL & INTEREST)
44	231.1	65.67	296.77	11,554.36
45	231.1	67.40	298.50	11,852.86
46	231.1	69.14	300.24	12,153.11
47	231.1	70.89	301.99	12,455.10
48	231.1	72.65	303.75	12,758.85
49	231.1	74.43	305.53	13,064.38
50	231.1	76.21	307.31	13,371.69
51	231.1	78.00	309.10	13,680.79
52	231.1	79.80	310.90	13,991.70
53	231.1	81.62	312.72	14,304.41
54	231.1	83.44	314.54	14,618.96
55	231.1	85.28	316.38	14,935.33
56	231.1	87.12	318.22	15,253.56
57	231.1	88.98	320.06	15,573.64
58	231.1	90.85	321.95	15,895.58
59	231.1	92.72	323.82	16,219.41
60	231.1	94.61	325.71	16,545.12
61	231.1	96.51	327.61	16,872.73
62	231.1	98.42	329.52	17,202.26
63	231.1	100.35	331.45	17,533.70
64	231.1	102.28	333.39	17,867.08
65	231.1	104.22	335.32	18,202.41
66	231.1	106.18	337.28	18,539.69
67	231.1	108.15	339.25	18,878.94
68	231.1	110.13	341.23	19,220.16
69	231.1	112.12	343.22	19,563.38
70	231.1	114.12	345.22	19,908.60
71	231.1	116.13	347.22	20,255.84
72	231.1	118.16	349.26	20,605.09
73	231.1	120.20	351.30	20,956.39
74	231.1	122.25	353.35	21,309.74
75	231.1	124.31	355.41	21,665.14
76	231.1	126.38	357.48	22,022.62
77	231.1	128.47	359.57	22,382.19
78	231.1	130.56	361.66	22,743.85
79	231.1	132.67	363.77	23,107.62
80	231.1	134.79	365.89	23,473.52
81	231.1	136.93	368.03	23,841.55
82	231.1	139.08	370.18	24,211.72
83	231.1	141.24	372.34	24,584.06
84	231.1	143.41	374.51	24,958.56
85	231.1	145.59	376.69	25,335.26
86	231.1	147.79	378.89	25,714.15

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39,999.90 = BOH REVERSE ANNUITY MORTGAGE LOAN AMOUNT  
 7.00% = ANNUAL INTEREST RATE  
 10 = TERM IN YEARS  
 231.10 = FIXED MONTHLY PRINCIPAL INSTALLMENT  
 12,267.90 = TOTAL INTEREST  
 27,732.00 = TOTAL PRINCIPAL

PAYMENT NUMBER	MONTHLY ADVANCE (PRINCIPAL)	MONTHLY INTEREST	MONTHLY PRINCIPAL & INTEREST	LOAN BALANCE (PRINCIPAL & INTEREST)
87	231.1	150.00	381.10	26,095.24
88	231.1	152.22	383.32	26,478.57
89	231.1	154.46	385.56	26,864.12
90	231.1	156.71	387.81	27,251.93
91	231.1	158.97	390.07	27,642.00
92	231.1	161.25	392.35	28,034.35
93	231.1	163.53	394.63	28,428.98
94	231.1	165.84	396.94	28,825.92
95	231.1	168.15	399.25	29,225.17
96	231.1	170.48	401.58	29,626.75
97	231.1	172.82	403.92	30,030.67
98	231.1	175.18	406.28	30,436.95
99	231.1	177.55	408.65	30,845.60
100	231.1	179.92	411.03	31,256.63
101	231.1	182.33	413.43	31,670.06
102	231.1	184.74	415.84	32,085.90
103	231.1	187.17	418.27	32,504.17
104	231.1	189.61	420.71	32,924.88
105	231.1	192.06	423.16	33,348.04
106	231.1	194.53	425.63	33,773.67
107	231.1	197.01	428.11	34,201.78
108	231.1	199.51	430.61	34,632.39
109	231.1	202.02	433.12	35,065.52
110	231.1	204.55	435.65	35,501.17
111	231.1	207.09	438.19	35,939.36
112	231.1	209.65	440.75	36,380.10
113	231.1	212.22	443.32	36,823.42
114	231.1	214.80	445.90	37,269.32
115	231.1	217.40	448.50	37,717.83
116	231.1	220.02	451.12	38,168.95
117	231.1	222.65	453.75	38,622.70
118	231.1	225.30	456.40	39,079.10
119	231.1	227.95	459.06	39,538.16
120	231.1	230.64	461.74	39,999.90
	27,732.00	12,267.90		

#3  
3/1/89  
SIB #6

PROPOSED AMENDMENT TO SENATE BILL NO. 16

Page 4, line 11, after the word "shall" strike all of the remaining material through and including line 17, and insert the following:

, if the holder has filed a notice under subsection (3), deliver to the clerk and recorder two additional copies of the certificate and the proof and acknowledgement. The clerk and recorder shall deliver to the county treasurer and to the department of revenue's agent in the county a copy of such certificate and acknowledgement.

II 1  
SB207  
3/1/89

# **FIRE**

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## **PROBLEM FACTS**

- 70% of those injuries occur in residential fires
- a large percentage of those injured will be fire fighters
- fire causes \$3 billion in property loss in residential structures alone
- 6,000 fire deaths annually
- 80% of these occur in residences (apartments, townhouses, hotels, motels and single family homes)
- 50% of those killed by fire are the elderly, handicapped, intoxicated or children
- on an average four children die each day from fire
- most victims die from toxic fumes, not from being burned
- 70% of fatal residential fires originate in bedrooms or living rooms
- smoking is the leading cause of fatal residential fires
- a significant percentage of fire fighter deaths result from residential fires
- over 250,000 people are injured by fire each year
- annually, fire services, fire losses, including insurance and business interruption, etc. costs \$36 to \$45 billion.
- each year 125,000 people suffer the psychological trauma of fire
- over 2.5 million fires are reported each year
- 500,000 of those occur in residential structures
- 25% of existing homes are not protected by smoke detectors
- less than 1% are protected with sprinkler systems
- only 2,000 hotels and motels out of 57,000 have sprinkler systems
- the presence of smoke detectors in a fire will increase the chances of survival by 50%
- the presence of fast-response sprinklers and smoke detectors in a fire will increase the chance of survival by 74%

The above description of the fire problem and the available facts apply to the United States as a whole. Individual states and communities will differ, therefore, programs to solve the problem should be tailored to the individual states or communities.

Ray Blehm  
File Copy  
# 2  
3/1/89  
SIB 207

STATE  
OF  
MONTANA  
**DEPARTMENT OF JUSTICE**  
FIRE MARSHAL BUREAU

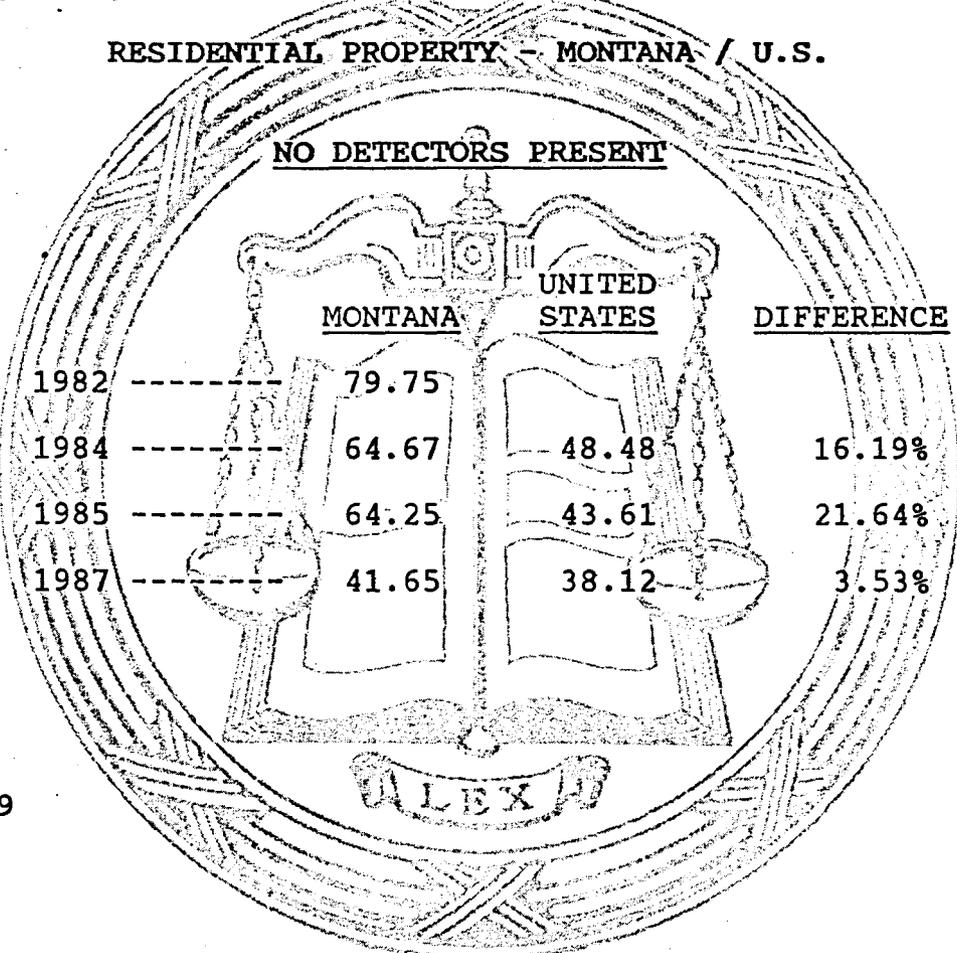
Room 371, Scott Hart Building, 303 North Roberts, Helena, Montana 59620-1417 (406) 444-2050

**(MFIRS) MONTANA FIRE INFORMATION REPORTING SYSTEM**

**RESIDENTIAL PROPERTY - MONTANA / U.S.**

NO DETECTORS PRESENT

	<u>MONTANA</u>	<u>UNITED STATES</u>	<u>DIFFERENCE</u>
1982	79.75		
1984	64.67	48.48	16.19%
1985	64.25	43.61	21.64%
1987	41.65	38.12	3.53%



FM1010.89

## EXCEPTIONS:

1. Sprinklers are not required in bathrooms not greater than 55 square feet.
2. Sprinklers are not required in guest rooms which have direct exit to the exterior of the building, when such building has all floors used for human occupancy located less than 75 feet above the lowest level of fire department vehicle access.

1002.9.2 USE GROUP R-2: In all buildings or structures or portions thereof Use Group R-2.

Exception: :

Sprinklers are not required in bathrooms not greater than 55 square feet area.

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## Smoke Detectors

A 1988 study has revealed that fire deaths have been reduced by 62 percent in the 10 years since Montgomery County, Maryland, required smoke detectors in all residential properties. During that time, no one has died in a house fire where detectors were properly located and maintained and where occupants have evacuated when the detector warning sounded, according to Fire Education Specialist Mary Marchone. The population of Montgomery County is 680,000.

County fire officials became convinced in the early 70's that the number of residential fire deaths could be significantly reduced if smoke detectors were required. At the time, however, detectors were unattractive, expensive, and unproven. As smoke detector technology improved and costs decreased, County officials pushed to pass a law that would reduce fire deaths. On September 14, 1976 Montgomery County was the first jurisdiction of its size to adopt a law requiring

the installation of smoke detectors in all residences. The smoke detector law went into effect July 1, 1978.

Once the County Council passed the law, the Department of Fire and Rescue Services began an extensive public education campaign with the cooperation of the media, the public schools and the community. The County provided 1,100 smoke detectors to low-income families and gave advice on how to install and maintain them.

In 1984 a study conducted in Montgomery County, MD and Fairfax County, VA by Johns Hopkins School of Public Health concluded that laws requiring installation of smoke detectors in all homes could reduce the risk of fire deaths, because homeowners generally comply. In both counties, the study found that people who knew or assumed that smoke detectors were required by law were more likely to have them.

The law requires that owners install a smoke detector outside of sleeping areas and in stairways leading to occupied areas. Owners who do not have detectors or who fail to keep their detectors in working order can be fined up to \$250.00. Fire officials caution that many households may have detectors which are not working or are poorly maintained.

Fire officials are currently educating the public on the importance of checking smoke detectors periodically to assure that they are working properly. The County also provides smoke detectors to the elderly and low-income families. Legislation is currently pending that would require smoke detectors on every story of a residence.

Article from: *Communications Link*, ISFSI, Vol IX, Issue 25, 6/28/88.

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## Correction:

In the June issue we printed that there had been a complete burnout of an 11 story structure. The Poudre Fire Authority in Colorado advised us that in actuality it was the burnout of a room within the structure. Please pardon our error.

## Smoke Detector Program Saves Lives

Becky Baker, Building Official, City of Federal Heights, Colorado, reports that on March 11, 1988, firefighters from Federal Heights Fire Department installed a free smoke detector in the home of Catherine Hutchinson, age 80, as part of a Smoke Detector Program in which each city resident is personally contacted by firefighters to determine if they need a detector. Two hours after firefighters installed the new detector in her home, a fire broke out in Mrs. Hutchinson's kitchen. The alarm sounded, alerting Mrs. Hutchinson and she was able to extinguish the fire before any significant damage was done.

According to Ms. Baker, the detectors were purchased through a grant from Community Development Block Grant Monies by the Thornton Fire Department, a neighboring jurisdiction. An agreement between the two departments made it possible for the City of Federal Heights to complete the second phase of its residential detector program—the first phase was initiated by the Business Department and covered all apartments.

Ms. Baker noted that not only does this incident offer support for establishing a smoke detector program, it demonstrates what positive results can be achieved when all city fire departments work together.

Note: Article from, *Building Standards*, May-June 1988.

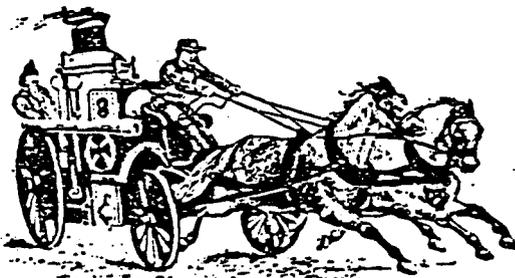
## Fire Services Caucus Receives Education on Sprinklers and OLS

Jim Dalton, Director, Operation Life Safety, recently participated in a Fire Services Caucus Seminar in Washington, D.C. The seminar and luncheon, sponsored by the National Fire Sprinkler Association, was held at the Rayburn House Office Building on August 2, 1988, and attracted a number of members of the Congressional Fire Services Caucus.

Program presentors included John A. Vinello, President, National Fire Sprinkler Association, John "Sonny" Scarff, Director of Fire Protection, Marriot Corporation, Jim Dalton from OLS, and Ken Lauzier of the Architect of the Capitol's Office. Congressman Curt Weldon (R-PA) moderated the session and asked associates Congressman Doug Walgren (D-PA) and Sherwood Boehlert (R-NY) to speak to the group.

The Congressional Fire Services Caucus, initiated by freshman Representative Curt Weldon (R-PA), hopes to provide a much needed federal focus on fire problems in the United States. Over 200 Senators and Representatives from both parties have joined together on this non-partisan issue, making this the third largest caucus on Capitol Hill.

Seminar attendees included Clyde Bragdon of the U.S. Fire Administration; Garry Briese, Executive Director, International Association of Fire Chiefs; and Ed McCormack, Executive Director of the International Society of Fire Service Instructors.



The Race for 2nd Vice President is on!

See Pages 4 through 7 for

The Candidates Positions on OLS

## PROJECT SMOKE DETECTOR

Would you believe that every single family residence in Takoma Park, Maryland, has an operating smoke detector? Well, it's true. In a public fire safety education program that took 2 1/2 years to complete, members of the Takoma Park Volunteer Fire Department inspected every home in its first due area for compliance with the Montgomery County smoke detector ordinance. That effort found career and volunteers of the department visiting 3,575 homes to survey, inspect, replace batteries and give away smoke detectors.

How did this program come about? In early 1984 a comparative study of smoke detectors was done between Fairfax County Virginia, and Montgomery County, Maryland to determine the effect a community with compliance (Montgomery) and one without a mandatory law. Part of that study included a random survey of properties in each county. In Montgomery County, it was shown that older properties, built before the smoke detector law was passed, had a high percentage of non-compliance. Another important part of the study found that many of the detectors in place did not function. Most of the single station battery type failed because of a dead battery.

## PEORIA ADOPTS ORDINANCE

The City of Peoria, Illinois has recently adopted an ordinance requiring all buildings except R3 and Group M above 2500 square feet or above two stories to be equipped with an automatic sprinkler system. This ordinance allows smaller buildings with low-hazard occupancies to utilize plastic approved pip-

ing. To enhance the ordinance's effectiveness, fire walls in these buildings have been increased from two- to four-hour rating. No trade off or reduction in access, water supply, or other constructions features has been implemented.

## JOINT FIRE RESEARCH UNDERWAY (The National Scene)

The Center for Fire Research at the National Bureau of Standards and the Gypsum Association are conducting a joint research project at the center in Gaithersburg, Maryland.

A fire protection engineer from the Gypsum Association is working at the center to develop computer models which predicts the effects of fire on wall assemblies. The association is particularly interested in studying how effectively gypsum wall board acts as a fire barrier.

The Gypsum Association, headquartered in Evanston, Illinois, conducts technical research programs in fire, sound and structural testing of gypsum products and related accessories.

The fire protection engineer will be at the fire research center for approximately two years under the bureau's Research Associate Program.

This program provides an opportunity for people from industry, universities, technical societies and other organizations to conduct cooperative research at the bureau on programs of mutual interest, with salaries paid by sponsors.

For additional information contact: Jan Kosko, National Bureau of Standards Gaithersburg, MD 20899.

**Sec. 410. No definitions.**

**Sec. 411. JURISDICTION**, as used in this code, is any political subdivision which adopts this code for administrative regulations within its sphere of authority.

**Sec. 412. No definitions.**

**Sec. 413. LINTEL** is a structural member placed over an opening or a recess in a wall and supporting construction above.

**LIQUID** is any material which has a fluidity greater than that of 300 penetration asphalt when tested in accordance with the Uniform Fire Code Standards. When not otherwise identified, the term "liquid" is both flammable and combustible liquids.

**LIQUID STORAGE ROOM** is a Group H, Division 2 Occupancy in which the quantities of flammable or combustible liquids do not exceed the limits set forth in the Fire Code.

**LIQUID STORAGE WAREHOUSE** is a Group H, Division 2 Occupancy used for the storage of flammable or combustible liquids in an unopened condition only in unlimited quantities.

**LISTED and LISTING** are terms referring to equipment and materials which are shown in a list published by an approved testing agency, qualified and equipped for experimental testing and maintaining an adequate periodic inspection of current productions and whose listing states that the equipment complies with recognized safety standards.

**LOADS.** See Chapter 23.

**LODGING HOUSE** is any building or portion thereof containing not more than five guest rooms, where rent is paid in money, goods, labor or otherwise.

**Sec. 414. MARQUEE** is a permanent roofed structure attached to and supported by the building and projecting over public property. Marquees are regulated in Chapter 45.

**MASONRY** is that form of construction composed of stone, brick, concrete, gypsum, hollow clay tile, concrete block or tile or other similar building units or materials or combination of these materials laid up unit by unit and set in mortar.

**MASONRY, SOLID**, is masonry of solid units built without hollow spaces.

**MECHANICAL CODE** is the Uniform Mechanical Code promulgated jointly by the International Conference of Building Officials and the International Association of Plumbing and Mechanical Officials, as adopted by this jurisdiction.

**GUEST** is any person hiring or occupying a room for living or sleeping purposes.

**GUEST ROOM** is any room or rooms used or intended to be used by a guest for sleeping purposes. Every 100 square feet of superficial floor area in a dormitory shall be considered to be a guest room.

**H**

**Sec. 409. HABITABLE SPACE (ROOM)** is space in a structure for living, sleeping, eating or cooking. Bathrooms, toilet compartments, closets, halls, storage or utility space, and similar areas, are not considered habitable space.

**HAZARDOUS PRODUCTION MATERIAL (HPM)** is a solid, liquid or gas that has a degree of hazard rating in health, flammability or reactivity of 3 or 4 as ranked by U.F.C. Standard No. 79-3 and which is used directly in research, laboratory or production processes which have, as their end product, materials which are not hazardous.

**HEIGHT OF BUILDING** is the vertical distance above a reference datum measured to the highest point of the coping of a flat roof or to the deck line of a mansard roof or to the average height of the highest gable of a pitched or hipped roof. The reference datum shall be selected by either of the following, whichever yields a greater height of building:

1. The elevation of the highest adjoining sidewalk or ground surface within a 5-foot horizontal distance of the exterior wall of the building when such sidewalk or ground surface is not more than 10 feet above lowest grade.
2. An elevation 10 feet higher than the lowest grade when the sidewalk or ground surface described in Item 1 above is more than 10 feet above lowest grade.

The height of a stepped or terraced building is the maximum height of any segment of the building.

**HELIPORT** is an area of land or water or a structural surface which is used, or intended for use, for the landing and takeoff of helicopters, and any appurtenant areas which are used, or intended for use, for heliport buildings and other heliport facilities.

**HELISTOP** is the same as a heliport, except that no refueling, maintenance, repairs or storage of helicopters is permitted.

**HORIZONTAL EXIT.** See Section 3301 (b).

**HOTEL** is any building containing six or more guest rooms intended or designed to be used, or which are used, rented or hired out to be occupied, or which are occupied for sleeping purposes by guests.

**HOT-WATER SUPPLY BOILER** is a boiler having volume exceeding 120 gallons, or a heat input exceeding 200,000 Btu/h, or an operating temperature exceeding 200°F, that provides hot water to be used externally to itself.

**HPM STORAGE ROOM** is a room used for the storage or dispensing of hazardous production material (HPM) and which is classified as Group H, Division 1 or Division 2 Occupancies.

# Existing buildings other than high-rise

APPENDIX I-A

UNIFORM FIRE CODE

B head above the openings on the tenant side. The sprinkler system may be supplied  
B from the domestic water supply if of adequate volume and pressure.

B 3. Vertical openings need not be protected if the building is protected by an  
B approved automatic sprinkler system.

## 4. BASEMENT ACCESS OR SPRINKLER PROTECTION

B An approved automatic sprinkler system shall be provided in basements or  
B stories exceeding 1500 square feet in area and not having a minimum of 20 square  
B feet of opening entirely above the adjoining ground level in each 50 lineal feet or  
B fraction thereof of exterior wall on at least one side of the building. Openings shall  
B have a minimum clear dimension of 30 inches.

B If any portion of a basement is located more than 75 feet from required  
B openings, the basement shall be provided with an approved automatic sprinkler  
B system throughout.

## 5. STANDPIPES

B Any buildings over four stories in height shall be provided with an approved  
B Class I or Class III standpipe system.

## 6. SMOKE DETECTORS

B Smoke detectors conforming to U.B.C. Standard No. 43-6 shall be installed in  
B dwelling units and guest rooms of Group R, Division 1 Occupancies and in  
B lodging houses of Group R, Division 3 Occupancies. Detectors shall be centrally  
B located on the ceiling or wall of the main room or sleeping area. Where sleeping  
B rooms are on an upper level, the detector shall be placed at the center of the ceiling  
B directly above the stairway. All detectors shall be located in accordance with  
B approved manufacturer's instructions. When actuated, the detector shall provide  
B an alarm within the dwelling unit or guest room.

B Required smoke detectors shall receive their primary power from the building  
B wiring when such wiring is serviced from a commercial source. Wiring shall be  
B permanent and without a disconnecting switch other than those required for  
B overcurrent protection. When approved, battery-operated smoke detectors may  
B be installed.

## 7. SEPARATION OF OCCUPANCIES

B Occupancy separations shall be provided as specified in Section 503 of the  
B Building Code. When approved by the chief, existing wood lath and plaster in  
B good condition or 1/2-inch gypsum wallboard may be acceptable where one-hour  
B occupancy separations are required.

*Group R Division 1 - Hotels & apt houses*

*Group R Division 3*

*Lodging House - building or portion thereof containing not more than five guest rooms where*

334

*rent is paid in money, goods, labor or otherwise*

*Hotels - 601 more rooms*

exposed beam ceiling members are spaced at less than 48 inches on center, ceiling height shall be measured to the bottom of these members. Where exposed beam ceiling members are spaced at 48 inches or more on center, ceiling height shall be measured to the bottom of the deck supported by these members, provided that the bottom of the members is not less than 7 feet above the floor.

If any room in a building has a sloping ceiling, the prescribed ceiling height for the room is required in only one-half the area thereof. No portion of the room measuring less than 5 feet from the finished floor to the finished ceiling shall be included in any computation of the minimum area thereof.

If any room has a furred ceiling, the prescribed ceiling height is required in two thirds the area thereof, but in no case shall the height of the furred ceiling be less than 7 feet.

(b) **Floor Area.** Every dwelling unit shall have at least one room which shall have not less than 120 square feet of floor area. Other habitable rooms except kitchens shall have an area of not less than 70 square feet. Efficiency dwelling units shall comply with the requirements of Section 1208.

(c) **Width.** Habitable rooms other than a kitchen shall be not less than 7 feet in any dimension.

#### Efficiency Dwelling Units

Sec. 1208. An efficiency dwelling unit shall conform to the requirements of the code except as herein provided:

1. The unit shall have a living room of not less than 220 square feet of superficial floor area. An additional 100 square feet of superficial floor area shall be provided for each occupant of such unit in excess of two.
2. The unit shall be provided with a separate closet.
3. The unit shall be provided with a kitchen sink, cooking appliance and refrigeration facilities, each having a clear working space of not less than 30 inches in front. Light and ventilation conforming to this code shall be provided.
4. The unit shall be provided with a separate bathroom containing a water closet, lavatory and bathtub or shower.

#### Shaft Enclosures

Sec. 1209. Exits shall be enclosed as specified in Chapter 33. Elevator shafts, vent shafts, dumbwaiter shafts, clothes chutes and other vertical openings shall be enclosed and the enclosure shall be as specified in Section 1706.

#### Fire-warning and Sprinkler Systems

Sec. 1210 (a) **Fire-warning Systems.** Every dwelling unit and every guest room in a hotel or lodging house used for sleeping purposes shall be provided with smoke detectors conforming to U. B. C. Standard No. 43-6. In dwelling units, detectors shall be mounted on the ceiling or wall at a point centrally located in the corridor or area giving access to rooms used for sleeping purposes. In an efficiency dwelling unit, hotel sleeping room and in hotel suites, the detector shall be centrally located on the ceiling of the main room or hotel sleeping room. Where

sleeping rooms are on an upper level, the detector shall be placed at the center of the ceiling directly above the stairway. All detectors shall be located in accordance with approved manufacturer's instructions. When actuated, the detector shall provide an alarm in the dwelling unit or guest room.

When the valuation of an addition or repair to a Group R, Division 3 Occupancy exceeds \$1,000,00, or when one or more sleeping rooms are added or created in existing Group R, Division 3 Occupancies, the entire building shall be provided with smoke detectors located as required for new Group R, Division 3 Occupancies.

In new construction, required smoke detectors shall receive their primary power from the building wiring when such wiring is served from a commercial source. Wiring shall be permanent and without a disconnecting switch other than those required for overcurrent protection. Smoke detectors may be battery operated when installed in existing buildings, or in buildings without commercial power, or in buildings which undergo alterations, repairs or additions regulated by the second paragraph of this section.

A smoke detector shall be installed in the basement of dwelling units having a stairway which opens from the basement into the dwelling. Such detector shall be connected to a sounding device or other detector to provide an alarm which will be audible in the sleeping area.

(b) **Sprinkler and Standpipe Systems.** When required by other provisions of this code, automatic sprinkler systems and standpipes shall be installed as specified in Chapter 38.

#### Heating

Sec. 1211. Every dwelling unit and guest room shall be provided with heating facilities capable of maintaining a room temperature of 70°F at a point 3 feet above the floor in all habitable rooms.

#### Special Hazards

Sec. 1212. Chimneys and heating apparatus shall conform to the requirements of Chapter 37 and the Mechanical Code.

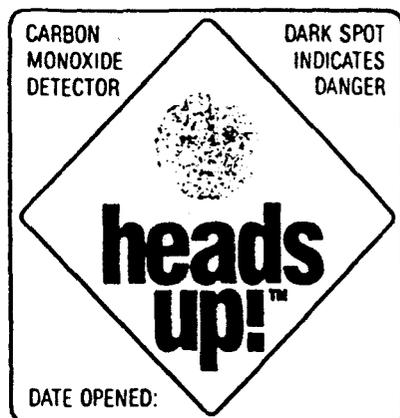
The storage and handling of gasoline, fuel oil or other flammable liquids in Division 1 Occupancies shall be in accordance with the Fire Code.

In Division 1 Occupancies, doors leading into rooms in which Class I flammable liquids are stored or used shall be protected by a fire assembly having a one-hour fire-protection rating. Such fire assembly shall be self-closing and shall be posted with a sign on each side of the door in 1-inch block letters stating: FIRE DOOR—KEEP CLOSED.

Every room containing a boiler, central heating plant or hot-water supply boiler in Division 1 Occupancies shall be separated from the rest of the building by not less than a one-hour fire-resistive occupancy separation.

**EXCEPTION:** A separation shall not be required for such rooms with equipment serving only one dwelling unit.

FF3  
3/1/89  
SIB207



## USER INSTRUCTIONS

- Do not remove the detector plate from the pack until ready for use.
- If carbon monoxide is present, the spot will turn gray or black, in six minutes or less, depending upon the carbon monoxide concentration.
- Even slight darkening indicates a dangerous carbon monoxide level.
- When the air freshens, the spot will regenerate to original color, unless over-exposed, and is ready for use again.
- If the spot gradually turns darker after one or two months, the plate should be discarded.
- Note: product life is dependent upon the quality of the air. For example, a detector in a mountain cabin should last at least a year. A detector in your basement may last several months. On the other hand, a detector placed in an area with significant air pollution will tend to turn darker much sooner, making a change in color harder to detect.
- Shelf life in an unopened package is at least 3 years.
- Once the package has been opened, the date-opened should be written on the specially prepared writing surface on the front of the detector.

For further information contact:

SIMS MARKETING  
23 N. Gore, Suite 002  
St. Louis, Missouri 63119-2300  
Tel: 314-961-4344  
Fax: 314-961-0436



Sims Marketing  
 23 NORTH GORE AVENUE  
 SUITE 002  
 ST. LOUIS, MO 63119-2300

TEL 314 961-4344  
 FAX 314 961-0436

**CARBON MONOXIDE DETECTOR: PRODUCT INFORMATION**

<b>Sensitivity Range:</b>	Carbon monoxide produced by the combustion of gasoline, natural gas, propane, fuel oil, coal, charcoal, kerosene, wood or paraffin.
<b>Application Range:</b>	Dwellings(furnaces, gas water heaters/stoves, space heaters). Cars, trucks, RV's, trailers, garages, aircraft, boats, cottages, workplaces.
<b>Caution:</b>	The detector will be inactivated & damaged by the presence of halogens(iodine, chlorine, bromine), ammoniac & nitrous gases. Therefore, it must NOT be used for carbon monoxide detection in connection with diesel engine operation.
<b>Signals:</b>	The presence of carbon monoxide in a concentration dangerous to humans will turn the reagent a gray or black color within 6 minutes or less.

Concentration	Symptoms	----- Reaction Times -----
20 ppm(0.002%)	No perceptible effects.	Within 30 minutes to an hour
50 ppm(0.005%)	No perceptible effects.	6 to 8 minutes
200ppm(0.020%)	Mild headache within 2 to 3 hours.	4 to 6 minutes
400ppm(0.040%)	Mild headache, incipient nausea within 2 to 3 hours.	2 to 4 minutes
600ppm(0.060%)	Headache, nausea after 1 hour, unconsciousness after 2 to 3 hours, death after 4 hours.	1 to 2 minutes
800ppm(0.080%)	Unconsciousness after 1 hour, death in 2-3 hours.	1 to 2 minutes

American Gas Assn. 1515 Wilson Blvd., Arlington, VA 22209

2/24 Jim Ransone AGA 703-842-8409 their codes/laws specialist

There are no state laws or code requirements. Possibility of requiring detectors ~~maximum~~ in new construction was discussed at last years ICBO meeting (Intl. Conference of Bldg. Officials) but felt there were no real inexpensive, reliable, and capable of maintaining level of measurement detectors available, and fears of false alarms from unreliable ones.

There are some on the market ; but they are in the \$300-400 range so cost prohibitive.

Not aware of any reliability tests on cards that he knows of.

Smoking may cause undue alarm.

Phone Jim Hoebel, Consumer Products Safety Division, Bethesda, MD 301-492-6554

Furnaces and room heaters now require a "blocked vent shut-off device"...this will also be required on boilers and wall furnaces in the next 12-18 months.

Says he hates to see cards floating around that may only last a month, as our literature would indicate in poor air quality areas such as basements) and would soon be either ignored, or require constant replacement, and cause a lot of false concerns.

Send him a copy of the proposed law, including HB 539.

2/24/89

U. S.

Jim Hoebel, Program Management Office, Consumer Products Safety Division (CPSD)  
Bethesda MD 301-492-6554

Has been a couple of years since they took a specific look at the availability of carbon monoxide detection devices. Some were available that would detect at 100 ppm; but there is no national standard, and the ones available were too expensive.

Question--Helena Fire Marshall said allowable was 50 ppm--this is far below any other figures I have obtained which range from 100 to 300 ppm.

CPSD has two concerns--overnight leakage, and long term low level ppm; but there are no definitive studies available to indicate what the danger levels are. CPSD was thinking in terms of 100 ppm, but some manufacturers of test equipment were recommending 300 ppm.

Understands there have been some breakthroughs in test equipment and costs, but the products have not been tested.

Suggests contacting A. A. Bartkus, Underwriter's Labs. Northbrook, Ill,  
312-272-8800 ext. 2931.

2/24/89

(UL)

A. A. Bartkus, Underwriters Labs, Northbrook, Illinois, 312-272-8800 ext 2931

Have investigated a number of carbon monoxide (CO) detectors. One of them they looked at recently was a combination smoke and CO alarm...a peak response type that goes off at a CO level of 300 ppm.

Mgt

Mfr.-BDC Co., John Doughty, Midland, TX 915-694-7887

~~Standard~~ US Consumer Products Safety Division (CPSD) has been thinking in terms of 100 ppm safety level.

American Gas Assn. has been proposing safety devices that would automatically shut the equpt off in 2 hours at 200 ppm, and 30 minutes at 400 ppm.

The standard set by UL for residential gas detectors is to activate at a maximum level of 300 ppm on 2 samples and an average of 250 ppm on 40 samples.

They did not go lower than this on ppm because the state of the art on alarms at this time such that a ~~reasonably~~ reasonably priced alarm would produce many false alarms, and a highly accurate no-false-alarms device would be priced out of reason.

Statistics show that a ~~continuous~~ continuous/ level of 300 ppm CO will not cause death in healthy people and was a good compromise.

2/24/89

Bill Hooper Occupational Health Bureau, State Board of Health 444-3454

~~50~~ 50 ppm as quoted permissible level by Helena Fire Marshall is not a residential standard, this is the maximum time weighted average occupational level for 8 hour days--in other words, you can work at this level every day.

(Hooper is extremely knowledgeable and has done a lot of CO testing.)

Outside air limit is 9 ppm

Hardly ever see over 5 ppm in a house.

Can contact Henry Safety, Billings for info on detectors 248-8098. A cheap portable detector would run \$800-\$1000.

A cheaper deal yet would be detector tubes, the unit costs about \$200, but the detector tubes it uses are a 10 pack for \$30, \$3 each, but are one-time use.

Says alarms have to be recalibrated weekly, ~~which~~ which raises another problem... is this true of all alarms?--maybe he just meant the portable alarms he uses.

Doesn't think daily observation of detector cards is the way to go...would gradually darken and be useless.

Thanks an annual spot check in winter would be the most effective means of detecting low-level concentrations, and the occupants headaches or nausea would be the warning of a sudden split in furnace heat exchanger.

(Could put up warning signs for tenants maybe to call landlord or gas co. for a spot check if they start having headaches or nausea.)

Doubts if cigarette smoking would affect a card detector except to gradually darken it, as cigarettes usually only produce about 5 ppm in a house and up to 20 ppm in a crowded, smoky bar.

DEPARTMENT OF  
HEALTH AND ENVIRONMENTAL SCIENCES



STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

February 23, 1989

Jim McKay  
Montana Landlord Association  
3800 4th Avenue South  
Great Falls, Montana 59405

Dear Mr. McKay:

Enclosed is the information you requested regarding deaths from exposure (in the home) and deaths from carbon monoxide (in the home). The enclosed information covers the years 1983 to 1987.

I think most of the headings for the tables are self-explanatory, except for Residence, which I will explain. The cause of death codes indicated that these deaths occurred at a residence (i.e., the deaths from carbon monoxide); however, when I researched the actual death certificate some of the certificates indicated the victims died in structures other than houses (camper and van). Therefore, to explain these incidents I have placed a question mark (?) in the Residence Column and I have also included comments from the actual death certificate to help explain the circumstances surrounding the death. Also, there were no deaths from exposure (in the home) in 1986 and 1987.

If you have any questions or need further clarification, please contact me at 444-4228. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Albert Niccolucci".

Albert Niccolucci  
Research Specialist  
Bureau of Records and Statistics

AN/gpc  
Enclosures

DEPARTMENT OF  
HEALTH AND ENVIRONMENTAL SCIENCES



STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

CARBON MONOXIDE DEATHS (IN THE HOME): 1983-1987

	AGE	SEX	COUNTY*	DATE/DIED	RESIDENCE
1.	69	F	STILLWATER	02/08/83	YES (1)
2.	88	M	STILLWATER	02/08/83	YES
3.	52	M	GALLATIN	02/05/84	? (2)
4.	55	M	FLATHEAD	05/03/84	? (3)
5.	40	M	FLATHEAD	06/16/86	? (4)
6.	54	M	DAWSON	01/16/87	YES (5)
7.	63	F	RAVALLI	01/27/87	YES (6)
8.	73	M	RAVALLI	01/27/87	YES

TOTAL DEATHS:8

COMMENTS FROM THE DEATH CERTIFICATE(S)

- 1.SCREEN OVER THE CHIMNEY WAS CLOGGED WITH SOOT ;"MALFUNCTIONING - FURNACE".
- 2.VICTIM INTOXICATED;IGNITED HEATER(PROPANE)IN CAMPER AND DIED. STREET IN BOZEMAN(NOT AT WORK)
- 3.CARBON MONOXIDE POISONING FROM HIBACHI USED IN VAN.
- 4.CARBON MONOXIDE POISONING,CAUSING ASPHYXIATION USING CATALYTIC HEATER AND NOT PROPERLY VENTED. *ll*
- 5.DECEASED APPARENTLY DIED OF CARBON MONOXIDE POISONING,HOME HEATING SYSTEM.
- 6.CARBON MONOXIDE POISONING;IMPROPERLY VENTED NATURAL GAS STOVE.

\*COUNTY INDICATES COUNTY OF OCCURRENCE

SOURCE: BUREAU OF RECORDS AND STATISTICS 02/23/89

FAA

carbon monoxide, regeneration and reuse after the initial exposure became questionable.

The "Detector" ceased to be effective when exposed continuously to traces of carbon monoxide. Carbon monoxide concentrations of less than .005 percent, present in the cabins of many general aviation aircraft, will cause overexposure and render the "Detector" ineffective within one to five hours exposure time. When exposed in fresh air, the length of life of a "Detector" after removal from its protective wrapping appeared to be a function of the environmental humidity. One life test indicated that the sensitivity of the "Detector" was satisfactory following four weeks of exposure. After four weeks, the sensitivity of the "Detector" deteriorated when a ring, bleached in color, appeared around the sensitized spot.

3. Disturbing Gases: The carbon monoxide present in cigarette smoke caused a discoloration or reaction of the "Detector". After one cigarette was smoked within the cabin simulator chamber (no ventilation), the carbon monoxide concentration in the chamber was measured at .0052 percent to .0056 percent and remained at these concentrations for at least ten minutes. A noticeable discoloration of the "Detector" occurred within a period of seven minutes and reaction had progressed to the point where the test was terminated in ten minutes exposure time. Testing of the "Detector" in flight indicated that cigarette smoke moved forward and out of the cabin with only transient contact with the "Detector", resulting in little discoloration. Regardless of this however, the "Detector" must be installed in a cabin location or used in such a manner so as not to be exposed to cigarette smoke.

*False alarms? Call Gasco if they happen to look at after smoking?*

The oxides of nitrogen are reported to have a disturbing influence on the "Detector". Further, the oxides of nitrogen bleach the color following reaction to carbon monoxide. A "Detector" blackened by carbon monoxide can regenerate in a few minutes by exposure to nitrogenous gases, Reference 3.

As the oxides of nitrogen reportedly affect reaction of the "Detector" and since they are known to be present in the exhaust gases of diesel and gasoline engines, the tests reported herein were purposely conducted in an atmosphere contaminated with the exhaust gases from a four-cylinder, horizontal-opposed aircraft engine. With the exhaust gases routed into the simulator cabin in sufficient quantity to establish a concentration of .070 percent carbon monoxide, the nitrogen dioxide (NO<sub>2</sub>) concentration was measured at .0003 percent by volume. The maximum allowable

# FAA

## CONCLUSIONS

Based upon the results of the carbon monoxide indicator tests reported herein, it is concluded that:

1. The "Detector" reacts to provide color warning to indicate the presence of minute concentrations of carbon monoxide in an atmosphere contaminated with engine exhaust gases.
2. Upon continuous exposure to carbon monoxide, the sensitized spot on the "Detector" will turn darker at a rate dependent upon the concentration of carbon monoxide and humidity of the surrounding atmosphere.
3. The water vapor present in the atmosphere retards "Detector" reaction to carbon monoxide, particularly under the extended exposure periods required to indicate low concentrations.
4. The consistency of response when the "Detector" was exposed to carbon monoxide was excellent under a given set of conditions.
5. Regeneration and hence, reuse of the "Detector" following reaction to carbon monoxide was limited by critical time periods of exposure and/or critical intensities of reaction. Continuous exposure of the "Detector" to traces of carbon monoxide will result in overexposure and loss of effectiveness within one to five hours time.
6. The "Detector" will provide effective monitoring in the cabin for periods up to 30 days, provided it does not come in contact with traces of carbon monoxide on a prolonged basis.
7. Although the "Detector" cannot be used to measure exact concentrations of carbon monoxide, it may be utilized to estimate the presence of SAFE, MARGINAL or DANGEROUS concentrations when used in conjunction with the instruction card incorporating a color scale developed from the results of testing reported herein.
8. The sensitivity of the "NO-CO" Indicator was not adequate for use of this indicator in general aviation aircraft.

FAA

## RECOMMENDATIONS

Based upon the results of the carbon monoxide indicator tests reported herein, it is recommended that:

1. The "Detector" be utilized in conjunction and in accordance with the instruction card, to estimate the presence of SAFE, MARGINAL, or DANGEROUS concentrations of carbon monoxide.

2. The "Detector" be exposed in the cabin as a continuous monitor for carbon monoxide for periods up to thirty days, provided traces of carbon monoxide are not present on an extended basis.

3. If discoloration of the exposed "Detector" monitor is noted, a second sealed "Detector" be opened, and the exposure observed and timed; assessment of SAFE, MARGINAL, or DANGEROUS concentrations of carbon monoxide be accomplished by comparing the coloration of the sensitized spot with the color scale.

4. An optimum location for exposure of the "Detector" be at the face level of the pilot. However, the "Detector" should not come in contact with cigarette smoke on a prolonged basis.

5. Following reaction and discoloration of the sensitized spot from exposure to carbon monoxide, the "Detector" be placed in fresh air, preferably in sunshine; and, in the event the sensitized spot returns to its original color (SAFE area of the color scale), the "Detector" may be reused.

3/1/80  
S/B 27

Kathy M. Irigoin  
State Auditor's Office  
444-2040

AMENDMENT TO SENATE BILL 27

1. Page 21, line 10.

Strike: "or"

Following: "director"

Insert: ", person occupying a similar status or performing similar functions, or person directly or indirectly controlling the broker-dealer or investment adviser"



WRITTEN TESTIMONY OF THE STATE AUDITOR  
SENATE BILL 27

I. Purpose

The purpose of Senate Bill 27 is to clean up minor errors and irregularities in the Securities Act of Montana. Senate Bill 27 is the Montana Securities Department's housekeeping bill.

II. Section by Section Explanation

Section 1 inserts "registered" on line 4, page 6. If the word "registered" is not added as proposed, a person acting as a broker-dealer, even though not registered as a broker-dealer, could also act as an investment without registering.

Section 2 deletes "the" on line 5, page 15. The sentence makes more sense if the word "the" is deleted. If the word "the" is not deleted, it appears that commercial paper that otherwise fits the subsection is not exempt from registration as a security unless it is sold to certain banks or insurance companies. In fact, the bank or insurance company to which the commercial is sold is irrelevant for purposes of determine whether it is exempt from registration as a security.

Section 3 clarifies (at lines 8 through 14, page 16) that a broker-dealer or securities salesman is exempt from registration when engaging in a transaction exempt from registration under 30-10-105, MCA, only if 30-10-105, MCA, expressly exempts them. For example, a broker-dealer or securities salesman must be registered when engaging in: (1) certain nonissuer distributions of outstanding securities (30-10-105(2), MCA); and (2) transactions exempt under rules like the Montana Uniform Limited Offering Exemption (ARM 6.10.120) and the Montana Investment Capital Exemption (ARM 6.10.124) adopted by the commissioner (30-10-105(15), MCA).

Section 3 (at line 23, page 18, through line 6, page 19) clarifies that registration of a broker-dealer, salesman, investment adviser, or investment adviser representative may not be terminated without the express written consent of the commissioner. On lines 11 through 12, page 24, the order of key terms is rearranged to conform with the order commonly used throughout the Securities Act of Montana.

Section 4 makes investment advisers responsible for paying examination costs. Already, broker-dealers and issuers are responsible for such costs. Investment advisers were inadvertently omitted from the examination cost payment requirement.

Section 5 clarifies that the commissioner may not maintain an administrative or civil action for a violation of the laws requiring a broker-dealer, salesman, investment adviser, or investment adviser representative to register unless it is brought within two years after the failure to register occurs. Section 5 clarifies that the statute of limitations for an administrative or civil action for a violation other than failure to register is two years after the commissioner discovers the violation.

### III. Proposed amendment to SB27.

An amendment proposed to section 3 would prevent certain persons from controlling a securities broker-dealer indirectly when they clearly cannot exercise such control directly. For example, a broker-dealer can now be denied registration if its president is a convicted felon. The proposed amendment would permit the same denial of registration if the convicted felon attempted to control the broker-dealer through, for example, a holding company or similar intermediary. The proposed is taken from the Uniform Securities Act. The amendment, at page 21, line 10, would strike the word "or" and following "director" would insert ", person occupying a similar status or performing similar functions, or person directly or indirectly controlling the broker-dealer or investment adviser"

At this time, the Securities Department is witnessing an increase in the number of instances in which the principals of defunct broker-dealers are taking over other firms or forming new companies. The defunct firms from which these principals leave have often gone out of business as a result of enforcement actions instituted by state and federal authorities. To combat this "revolving door" practice as soon as possible, the Securities Department has requested that this bill become effective upon passage.

AMEND HB736, INTRODUCED COPY

#1873  
3/1/89

1. Page 2, following line 14.

Insert: "Section 3. Section 61-3-502, MCA, is amended to read:

61-3-502. Sales tax on new motor vehicles — exemptions. (1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and house trailers, for which a license is sought and an original application for title is made. The tax shall be paid by the purchaser when he applies for his original Montana license through the county treasurer.

(2) Except as provided in subsection (4), the sales tax shall be:

(a) 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of the year or for a registration period other than a calendar year or calendar quarter;

(b) 1 1/4% of the list price during the second quarter of the year;

(c) 3/4 of 1% during the third quarter of the year;

(d) 3/4 of 1% during the fourth quarter of the year.

(5) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry list price, the department may use published price lists.

(4) The new car sales tax on vehicles subject to the provisions of 61-3-312 through 61-3-316 is 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the new vehicle is purchased.

(5) The sales tax on new motor vehicles registered as part of a fleet under [section 1] is 3/4 of 1% of the f.o.b. factory list price or f.o.b. port-of-entry list price.

~~(6)(5)~~ The proceeds from this tax shall be remitted to the state treasurer every 30 days for credit to the state highway account of the state special revenue fund.

~~(7)(6)~~ The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the calendar year in which the original application for title is made.

~~(8)(7)~~ (a) The applicant for original registration of any new and unused motor vehicle, or a new motor vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle by a school district operating a state-approved traffic education program within the state, whether or not previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)), acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the vehicle was in the state of Montana on January 1 of the year.

(b) No motor vehicle may be registered or licensed under the provisions of this subsection unless the application for registration is accompanied by a statement of origin to be furnished by the dealer selling the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise provided herein, by any person, firm, corporation, or association that is not a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

~~(9)(8)~~ (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits of incorporated cities or towns and within 15 miles from such limits are exempt from subsection (1).

(b) Motor vehicles brought or driven into Montana by a nonresident migratory, bona fide agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are used exclusively for transportation of agricultural workers are also exempt from subsection (1).

(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's property only, and in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being demonstrated in the course of the dealer's business."

Renumber subsequent sections.

#1  
3/1/89  
HB 743

Amend HB 743, introduced bill

5 19  
Page ~~A~~, line ~~17~~

Following: line ~~16~~ 19

Insert: "(4) A wholesale distributor is entitled to compensation for the laid-in cost of inventory and liquidated damages measured on the fair market value of the business as provided for in the agreement for any termination of the agreement by the supplier other than termination for cause, for failure to live up to the terms and conditions of the agreement, or any reason set forth in the last sentence of [section 5 (3)]."

#3  
3/1/89  
NB 743

Statement of Intent

HB 743

A statement of intent is required for this bill because it expressly delegates rulemaking authority at section 10 (adopting federal rules on wine marketing to wines under 7% alcohol) and impliedly contemplates rules to implement sections 1 through 7, the sections on winery-distributor relations.

The federal rules referenced in section 10 are those of the Bureau of Alcohol, Tobacco & Firearms, published at 27 CFR parts 6, 8, 10, and 11. These rules govern the areas of commercial bribery, consignment selling, exclusive outlets, and tied-house inducements and presently govern all wines over 7% sold in Montana already. The incorporation by reference of these rules by the Department of Revenue, extending them to wine coolers under 7%, will provide a uniform set of rules for all wine marketing practices in the state.

The department's general rulemaking authority, at 16-1-303, MCA, should reach, under the extension of authority section, the distribution agreement sections of this bill. The department should add to its current rule for registration by wineries (ARM 42.13.401) the requirement that wineries file a copy of each distributorship appointment with its designated sales area and at least a paragraph acknowledging that the provisions of sections 1 through 7 supercede any contrary language in the agreement.

VISITORS' REGISTER

Business

COMMITTEE

#B's 736 746

BILL NOSB's 27 16 207 115 DATE 3/1/89

SPONSOR ~~Mayer~~ Gould ~~Warding~~ Parlovich B. Brown Lynch

Please put the bill number. Thanks

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Jimmy Weg	MT Securities Dept.	SB 27	
Bill Leary	MT Bankers Assn.	SB 16 Amend	
Stephen Lewis	A.A.P.	SB-115	
Roger Tippy	Mt Ben & Win Wholesale	HB 743	
Tim Bergstrom	MT. STATE FIREMENS ASSOC.	SB 207	
Dick Klein	MT BOT	SB-115	
Lyle Nagel	Mt. St. Vol. Firefighters Assn	SB 207	
Marvin Barber	Mt. Assessors	SB 16	
Hank Hudson	DFS/Hging	SB 115	
Martin S. Behver	Missoula	SB 207	✓
Robert L. Harris	Missoula	SB 207	✓
Steve Turkiewicz	Mt AUTO DEALERS ASN	HB 736	
CHAS STOLANOFF	Mt. Assoc. of Counties	HB 736	HB 736
Bruce Galda	Dept. of Highways	HB 736	✓
Brian McCullough	MT Landlords	SB 207	
Opwen Warren	AARP.	SB 115	
J.D. Mackay	Mt LANDLORDS	SB 207	
Tom Hopgood	Mont. Assoc. Realtors	SB 207	
Colt Harrington	Mad County Treasurer Ass	SB 16	✓

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

