

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By Chairman J.D. Lynch, on March 14, 1991, at 10:00 a.m.

ROLL CALL

Members Present:

J.D. Lynch, Chairman (D)
John Jr. Kennedy, Vice Chairman (D)
Betty Bruski (D)
Eve Franklin (D)
Delwyn Gage (R)
Thomas Hager (R)
Jerry Noble (R)
Bob Williams (D)

Members Excused: Gene Thayer (R)

Staff Present: Bart Campbell (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON HOUSE BILL 853

Presentation and Opening Statement by Sponsor:

Representative John Scott, sponsor of the bill, stated that HB 853 is a bill that would allow the election of trade port commissioners. It's an elect or appoint bill. The intent

Presentation and Opening Statement by Sponsor:

Representative John Scott, sponsor of the bill, stated that HB 853 is a bill that would allow the election of trade port commissioners. It's an elect or appoint bill. The intention of this bill is to allow the port authorities, that are formally trade port authorities, the ability to elect or appoint their commissioner. In the case of the county wide trade port, you have the entire county is levying two mills. They should have this option to elect or appoint who should be levying those mills.

Proponents' Testimony:

Gordon Morris, representing the Montana association of counties (MACO), proposed some amendments to the bill (See Exhibit 1)

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Scott closed by saying that the trade port authorities are very good, and there are more and more communities looking to form these trade port authorities. This bill will just make it easier for them as in making some decisions.

HEARING ON HOUSE BILL 655

Presentation and Opening Statement by Sponsor:

Representative Ed Grady, sponsor of the bill, stated that HB 655 gives a permit to install and use low grade liquified petroleum gas appliances. Lack of access to natural gas, it is necessary and desirable that energy, and all alternatives be available. The legislature declares that low grade liquified petroleum gas appliances are not inherent hazardous, if properly installed and further determines that it is appropriate to allow below grade liquified petroleum gas appliances to be installed in single family dwellings. Without withstanding the prohibition on the installation of by those appliance by the mechanical code and the uniform plumbing code.

Proponents' Testimony:

Tom Hopgood, representing the liquid propane gas association, this bill allows the installation of propane gas appliances below grade, or in another term in basements. It would clarify the law, because of the configuration of state and local building codes in Montana. There are some situations where you can put appliance below grade, and there are some situation where you cannot. This bill would clarify that where it is necessary to use propane gas appliances, that is in situations where natural gas is unavailable, that you would have this alternative with these appliances in your basement. Safety is the issue. The statistics will show that these types of appliances even installed below grade are just as safe as natural gas appliances. If any type of heating device is installed incorrectly, it is potentially unsafe.

Dean Stapleton, representing cenex propane in Lewistown, MT, and the president of the Montana Wyoming propane association, stated that he speaks today about a safety program they use in the propane industry called gas check. Gas check is a nationwide safety program. He then submitted the literature that they give to all of their customers (See Exhibit 3, Exhibit 3A, Exhibit 3B, Exhibit 3C, and Exhibit 3D).

John Jepson, a businessman and rancher from Townsend, MT, stated that he is a long time user of propane gas. Safety is the issue. This industry gets problems served quickly. It is just singling out an industry that does not need to be singled out. Townsend does not have natural gas, and there are a lot of communities that are served by individual fuel types of some time.

Daryl South, stated that he has been in the propane gas business for ten years. There are currently forty states that are allowing the use of low grade propane. The ten states that currently do not are all western states, and they have adopted the uniform mechanical code. The language in the uniform mechanical code originated in the state of California which causes few problems to them, because they have very few basements in their homes. In Montana, the majority of houses do have basements. Forty percent of all propane users have propane in their basements now. Most of those were installed before the uniform mechanical code was enacted in the state of Montana in 1977. Many of these are getting old, and needing to be replaced. For the consumer, it is very difficult in finding a professional to go down there and do it. The language was developed in the code because propane is heavier than air when it is in its liquid state. When the vapor mixes with air, it disperses with the air. It does not puddle on the floor. It has a distinct odor, and then the person will know when there is a problem.

John Witt, a rancher from Chouteau county and also the county commissioner of Chouteau county, stated that he lives about twenty five miles from the closest source of natural gas. He has used propane for forty years, and has never experienced a problem with it.

Harold McKeehan, from Great Falls, Montana, stated that he has been in the propane industry for twenty three years. The uniform mechanical code that the state has adopted, prohibits the use of propane facilities in basements. This is unjustified as it singles out the propane industry as an unsafe fuel. Propane has the most reliable safety record of any heating fuel. The code justifies a customer, if a qualified person is unable to replace the existing systems in basements, the customers feel that they have no other choice but to do it themselves. Then accidents and unsafe conditions could occur, and most likely will.

David Saylor, an employee of petrolane in Billings, Montana, stated that he has been associated with the liquid propane business for thirty six years. Petrolane has ongoing schools for people for new equipment that has come out.

Ron Gauer, representing petrolane in Butte, Montana, stated that he has been in this business for nine years. He has a very professional group in his business, and there is a lot of work put into what they do.

Jack Brown, representing petrolane, stated that he has been in the business for twenty six years and is in strong support of this bill.

Louis Larrid, representing petrolane from Butte, Montana, stated that the safety of the propane industry is second to none.

The safety conscienceness of the people involved in the industry is second to none. They know what their jobs are, and they are going to provide the safest possible service that they can.

Dan Switty, from Libby Montana, stated that Libby is a fair sized community without any natural gas. The air quality is terrible, they have placed restrictions. The residents of the county need the choice to have propane in their homes.

Opponents' Testimony:

Joanne Chance, a professional engineer representing the Montana technical council (MTC), spoke in opposition of the bill (See Exhibit 4, Exhibit 4A, and Exhibit 4B).

Dan Prill, a professional engineer from Great Falls, Montana, stated that his job is being dedicated to the welfare and safety of the public. Installing an appliance to below grade with gas that is heavier than air is dangerous. When there is a leak, the gas will stay in the basement. It is heavier than air. Natural gas is lighter than air. Propane gas and natural gas shouldn't be compared. Propane has two and a half more energy in cube foot in it than natural gas. There is that much energy to be released in an explosion.

James Brown, a registered architect in Helena, Montana, stated that he was appearing both as a professional and an individual. He has personal experience of a propane gas explosion. His wife's uncle and aunt had a house, and the heating appliance in the house was not propane. Their vehicles parked in the garage were propane powered. One of the vehicles established a leak, the propane migrated into the furnace room, and in the morning when the furnace came on there was a huge explosion. They lost their house, all of their possessions, their dog, and almost their lives. Propane does hang down, it does migrate, and when it seeks a spark producing appliance it will ignite. The language of this bill says the state of Montana will except the use of low grade propane fired appliances. This bill puts the liability for this type of situation directly on the state of Montana.

Representative H.S. Hansen stated that he appears as an professional engineer who has investigated many gas and propane explosions. Propane explosions will have people involved, whereas natural gas does not. Natural gas can be easily detected by its odor. Propane gas puddles on the ground, it acts like water.

Questions From Committee Members:

Senator Gage asked if the state is liable for every law that is passed.

James Kembel, the administrator of public safety, stated that when the legislature passes a bill, they have protection from liability.

Senator Williams asked if there are a lot of older furnaces below grade.

Dean Stapleton replied that in his area, of over eight hundred customers, probably over half of the people have older furnaces.

Senator Gage asked how many natural gas explosions has Representative Hansen investigated as opposed to propane explosions.

Representative Hansen replied about half and half.

Senator Franklin asked Daryl South to respond to Representative Hansen's concerns about safety.

Daryl South replied that when the vapor gets into the air, it mixes with the air. It doesn't puddle on the floor like water.

Closing by Sponsor:

Representative Grady stated that this is a serious piece of legislation. None of the examples have anything to do with what the bill is talking about. Bottled propane, or suppressed gas is very dangerous. We're not talking about that issue. We're talking about the vapor that is pumped in to an underground unit. We're only talking about single dwellings, we're not talking about public schools.

HEARING ON HOUSE BILL 672

Presentation and Opening Statement by Sponsor:

Representative Russell Fagg, sponsor of the bill, stated that this is a consumer protection bill. Although it is a consumer bill proposed by the state auditor, industry people support it too.

Proponents' Testimony:

Dave Barnhill, deputy insurance commissioner, spoke in favor of the bill (See Exhibit 5).

Tanya Ask, representing blue cross blue shield, proposed an amendment (See Exhibit 6).

Gary Keck, representing the human rights commission, stated that they support the amendment proposed by blue cross blue shield. It would make clear the requirements of insurance companies to conform to the non gender insurance law.

Tom Hopgood, representing the health insurance association of America, stated that they support the bill as amended.

Steve Browning, representing state farm insurance, proposed an amendment to the bill. Page one, line twenty five, you are not allowed to have an adjustment in price except during a twelve month period. They would like to see at least a six month period, because all of their policies are done on a six month adjustment. Page seven, line six the bill between "based" and "on adverse" they would propose inserting "solely on".

Opponents' Testimony:

None

Questions From Committee Members:

Senator Williams asked if these amendments were proposed in the house.

Tanya Ask stated that there was a great deal of confusion at the house hearing. It was originally scheduled for eight o'clock, then the hearing was at seven o'clock. With the crunch at transmittal, it was decided to wait, and amend it at the senate.

Senator Franklin asked about the amendment four that Tanya Ask proposed by stating that despite the fact that you may come into the preexisting condition that coverage would be denied through here.

Tanya Ask replied that is correct.

Senator Lynch asked if Dave Barnhill agreed with the amendments proposed by Steve Browning.

Dave Barnhill replied that one the amendment that relates to underwriting solely on the basis of the driving record they support. With respect to the other amendment which allows premium increases twice a year, this may be due to the fact that this is a particular practice of state farm.

Closing by Sponsor:

Representative Fagg closed by saying that this is a compromise bill. He asked that the committee not put in the gender amendments proposed by blue cross blue shield. It is a whole new issue, and it totally blows the compromise of this bill. There should be another bill drafted for this issue. He has no problem with the second amendment (See Exhibit 7). Senator Rye will carry the bill to the floor.

EXECUTIVE ACTION ON SENATE BILL 242

Motion:

Senator Noble moved to amend SB 242.

Senator Gage moved SB 242 be concurred in as amended.

Discussion:

None

Amendments, Discussion, and Votes:

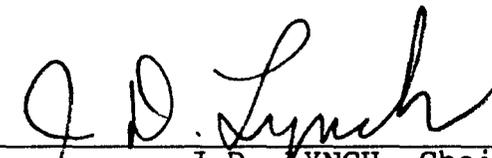
The motion to amend SB 242 passed unanimously.

Recommendation and Vote:

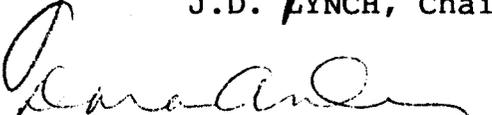
The motion that SB 242 be concurred in as amended passed unanimously.

ADJOURNMENT

Adjournment At: 11:40 a.m.



J.D. LYNCH, Chairman



DARA ANDERSON, Secretary

JDL/dia

ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

DATE 3/14/91

52ND LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BRUSKI	X		
SENATOR FRANKLIN	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR NOBLE	X		
SENATOR THAYER		X	
SENATOR WILLIAMS	X		
SENATOR KENNEDY	X		
SENATOR LYNCH	X		

Each day attach to minutes.

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Dave Barnhill	Insurance dept	672	X	
Joanne Chance, PE	Mechanics Tech. Council	655		X
Dan Prill, PE	Self	655		X
W. James Kumbel	Public Safety Div / DOC	655	Information	
Gordon Morris	MACo	853	V Amend.	
John E. Witt	Chouteau County Farmer	655	✓	
R. Hanes	Petrolane	655	✓	
Tom Hopwood	Liquid Propane Gas Assoc	655	✓	
Dean Stapleton	Conex	655	✓	
Rich Crossman	Petrolane	655	✓	
Harold McKeen	Petrolane AF	655	✓	
Lon Tarril	Petrolane	655	✓	
Jack Brown	Petrolane-Suburban	655	✓	
Glenn E. Wills	Petrolane	655	✓	
Daryl South	Northern Energy	655	✓	
David Saylor	Petrolane	655	✓	
STEVEN CHESLEY	NORTHERN ENERGY	655	✓	
JOHN N. JEPSON	Businessman	655	✓	
Chris Bowers	Northern Energy	655	✓	
Bob Barnett	Teeco Products	655	✓	
Richard Fiel	Petrolane	655	✓	
JAT Mulcare	Western Fuel	655	✓	
JACK MULCARE	WESTERN FUEL	655	✓	
Marvin Wang	Northern Energy	655	✓	
James Dowell	Northern Energy	655	✓	
Don Radwan	Petrolane	655	✓	

(Please leave prepared statement with Secretary)

MONTANA
ASSOCIATION OF
COUNTIES

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 1

DATE 3/14/91

FILE NO. HB 853

2711 Airport Road
Helena, Montana 59601
(406) 442-5209
FAX (406) 442-5238

HB 853 AMENDMENTS
3RD READING COPY

REPRESENTATIVE SCOTT, SPONSOR

Senate Business Committee

March 14, 1991

1. Page 4, line 12 following "appoint"

Insert: or at the option of^{the} governing body as set forth
in section 2, elect

2. Page 6, line 19 delete "and"

Insert: or

How's your nose...

SENATE NO. B
DATE 3/14/91
BILL NO. H.R. 655

*... and
the noses
of others in
your home?*



**That's an
important
question!**



**Please take a minute to
read this pamphlet - and find out why.**

YOU SMELL GAS DON'T LIGHT IT DON'T LIGHT IT DON'T LIGHT IT

RY

- **IF YOU SMELL GAS**

DON'T TOUCH electrical switches, light matches, or use the phone.

GET EVERYONE OUT of the building.

SHUT OFF the gas valve at the outside tank, meter, or service entrance.

CALL your gas supplier and/or the fire department from a neighbor's phone.

- **IF PILOT LIGHT WON'T LIGHT**

(Read appliance operating instructions before attempting to light pilot). Your pilot light is designed not to light if there is a problem. If you have trouble lighting the pilot or keeping it lit, there's normally a safety feature preventing it from working. If it won't light, shut off the gas and call your gas supplier.

- **TAMPERING IS DANGEROUS**

Do not force the gas control knob. Never use tools. Use only your hand to turn the control knob. Forcing the gas control knob may override the safety feature and allow gas to leak. This could result in a fire or explosion.

If the gas control knob becomes difficult to operate by hand, the control should be serviced by a trained gas service person.

- **GAS HAS BEEN ODORIZED**

Before lighting, sniff all around the appliance area for a gas odor. Be sure to sniff next to the floor because propane gas is heavier than air and may temporarily exist at floor level.

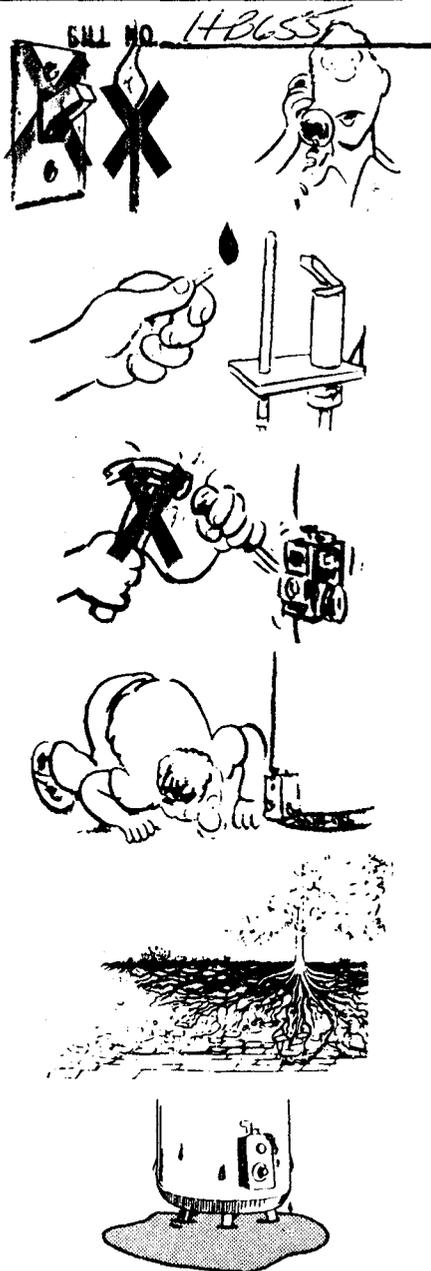
- **ABSORPTION**

LP Gas leaking from buried gas lines can lose its odor passing through soil; however, this depends on two factors. One is the type of soil and the second is the distance the gas travels through the soil.

If a leak is suspected, contact your LP Gas Dealer.

- **WATER DAMAGE**

If your gas control valve has been subjected to flooding or wetting, it must be replaced immediately by a trained gas service person.



RESIDENTIAL



GAS APPLIANCE SYSTEM CHECK



© NPGA 1985 #5610

Account Number _____

Name _____

Address _____

Telephone: Office _____ Home _____

Company/Location _____

Call Date _____

Call Taker Name _____

Instructions: _____

Date Requested **SENATE BUSINESS & INDUSTRY**

EXHIBIT NO. **38**

DATE **3/14/91**

CALL NO. **440655**

Performance Check: Item	Central Heating 1	Space Heater 2	Water Heater 3	Range 4	Clothes Dryer 5	6	7
Manufacturer							
Model No.							
Serial No.							
Fuel							
U	000	000	000	N/A	N/A	000	000
e							
Manual Shutoff (Installed/Existing)							
Sediment Trap (Installed/Existing)							
Control Mfgr/Model No.							
Flot(s)							
Ignition System(s) Mfgr/Model No.							
Thermostat(s) Mfgr/Model No.							
Hot Safety System							
Burner(s)							
Combustion Chamber				N/A	N/A		
Filters			N/A	N/A			
Motor/Blower/Pump			N/A	N/A			
Sufficient Return Air			N/A	N/A	N/A		
Draft Diverter							
venting							
Combustion Air							
Red Tag (Removed from Service)							

ANK/CYLINDER (Add'l Serial #'s):

SIZE	SERIAL NUMBER	MFR.	MFR. DATE	LAST TEST DATE	LOCATION	TANK COND.	PAINT COND.	PIGTAIL COND.	FITTINGS COND.	GAUGE COND.	RELIEF VALVE COND.	RELIEF VALVE DATE	CAP	FITTINGS LEAK TEST

PIPING/REGULATOR OPERATION/CONDITION

SINGLE STAGE	PIPING		REGULATOR DATE CODE	REGULATOR CONDITION	MFR.	MODEL	REG. VENT POSITION	HOW PROTECTED	FLOW PRESSURE	LOCK UP PRESSURE
	MATERIAL	SIZE								
									IN. WC	IN. WC
TWO STAGE	1ST								PSIG	PSIG
	2ND								IN. WC	IN. WC

SYSTEM LEAK TEST

SINGLE STAGE	START PRESSURE (INCHES W.C.)	END PRESSURE (INCHES W.C.)	TIME HELD	SYSTEM OK
TWO STAGE	1ST (PSIG)	(PSIG)		
	2ND (INCHES W.C.)	(INCHES W.C.)		

Comments: _____

This inspection covers (propane/LP-gas) items and equipment visible and accessible to the service technician and represents the conditions existing on the date of inspection. It does not cover latent or manufacturing defects, the internal working of sealed equipment, or structural components, and cannot be construed to cover future defects or unforeseen happenings.

Reference Invoice No. _____ Date _____ (Mo. Day Yr)

- I, _____ (Please Print)
- Know how to turn off gas in case of emergency.
 - Have smelled propane and can detect its odor.
 - Have received the Consumer Safety information and material.
 - Had gas system deficiencies and/or corrections, if any, clearly explained to me.
 - Am satisfied with the service work performed.

I, _____ (Please Print)

Certify that I have completed the System Check as prescribed.

Performed Odor Test Yes Performed Pressure Test Yes

Placed Safety Decal Yes Left Consumer Safety Info and material Yes

Customer's Signature

Service Technician's Signature

GOOD IDEAS FOR PROPANE SAFETY

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 30

DATE 3/14/91

BILL NO. H.R. 655



#5605

RESIDENTIAL



GAS APPLIANCE SYSTEM CHECK



© NPGA 1985 #5610

Account Number _____
Name Bob Farmer
Address Rural Geraldine

Company/Location Cenex LCC Propane Leitchtown
Call Date 1-17-90 Date Rec'd _____
Call Taker Name MAURY VANCE **SEPARATE BUSINESS & INDUSTRY**
EXHIBIT NO. 3D

Instructions: _____
DATE 3/14/91
BILL NO. HA6653

Telephone: Office _____ Home _____

Performance Check: Item	Central Heating 1	Space Heater 2	Water Heater 3	Range 4	Clothes Dryer 5	6	7
Manufacturer	<u>Comfortmaker</u>						
Model No.	<u>CGUAR20A0162</u>						
Serial No.	<u>0000246627-245-0019</u>						
Fuel	<u>LP</u>						
U	<u>120</u> 000	000	000	N/A	N/A	000	000
je	<u>5</u>						
Manual Shutoff (Installed/Existing)	<u>Ex</u>						
Sediment Trap (Installed/Existing)	<u>Ex</u>						
Control Mfgr/Model No.	<u>WR 36C74</u>						
Lot(s)	<u>at home</u>						
Ignition System(s) Mfgr/Model No.	<u>F05-162426-101</u>						
Thermostat(s) Mfgr/Model No.	<u>T37F 1659</u>						
Pilot Safety System	<u>OK</u>						
Burner(s)	<u>OK</u>						
Combustion Chamber	<u>OK</u>			N/A	N/A		
Filters	<u>OK</u>		N/A	N/A			
Motor/Blower/Pump	<u>OK</u>		N/A	N/A			
Sufficient Return Air	<u>OK</u>		N/A	N/A	N/A		
Draft Diverter	<u>OK</u>						
Venting	<u>OK</u>						
Combustion Air	<u>OK</u>						
Red Tag (Removed from Service)							

TANK/CYLINDER (Add'l Serial #s):

SIZE	SERIAL NUMBER	MFR.	MFR. DATE	LAST TEST DATE	LOCATION	TANK COND.	PAINT COND.	PICTAIL COND.	FITTINGS COND.	GAUGE COND.	RELIEF VALVE			FITTINGS LEAK TEST
											COND.	DATE	CAP	
<u>1000</u>	<u>A-5125</u>	<u>LANG</u>	<u>1999</u>	<u>OK</u>	<u>OK</u>	<u>good</u>	<u>good</u>	<u>good</u>	<u>good</u>	<u>OK</u>	<u>OK</u>	<u>1-52</u>	<u>OK</u>	<u>OK</u>

PIPING/REGULATOR OPERATION/CONDITION

SINGLE STAGE	PIPING		REGULATOR DATE CODE	REGULATOR CONDITION	MFR.	MODEL	REG. VENT POSITION	HOW PROTECTED	FLOW PRESSURE	LOCK UP PRESSURE	
	MATERIAL	SIZE									
TWO STAGE	1ST	<u>Copper</u>	<u>3/4</u>	<u>IO</u>	<u>good</u>	<u>Rego</u>	<u>2403TR9</u>	<u>down</u>	<u>Lid</u>	<u>10</u> PSIG	<u>10.3</u> PSIG
	2ND	<u>Copper</u>	<u>1/2</u>	<u>CO</u>	<u>good</u>	<u>Rego</u>	<u>2403 B4</u>	<u>down</u>	<u>Lid</u>	<u>11</u> IN. WC	<u>13.1</u> IN. WC

SYSTEM LEAK TEST

SINGLE STAGE	START PRESSURE (INCHES W.C.)		END PRESSURE (INCHES W.C.)	TIME HELD	SYSTEM OK
	TWO STAGE	1ST			
	2ND				

Comments: _____

This inspection covers (propane/LP-gas) items and equipment visible and accessible to the service technician and represents the conditions existing on the date of inspection. It does not cover latent or manufacturing defects, the internal working of sealed equipment, or structural components, and cannot be construed to cover future defects or unforeseen happenings.

Reference Invoice No. _____ Date _____ (Mo. Day, Yr)

I, Bob Farmer (Please Print)

I, Maury Vance (Please Print)

- Know how to turn off gas in case of emergency.
- Have smelled propane and can detect its odor.
- Have received the Consumer Safety information and material.
- Had gas system deficiencies and/or corrections, if any, clearly explained to me.
- Am satisfied with the service work performed.

Certify that I have completed the System Check as prescribed.

- Performed Odor Test Yes No
- Performed Pressure Test Yes No
- Placed Safety Decal Yes No
- Left Consumer Safety Info and material Yes No

Robert A. Farmer
Customer's Signature

Maury Vance
Service Technician's Signature

! montana technical council

P.O. Box 20996, 1629 Ave. D, Billings, MT 59104, Phone 406/259-7300
Fax: 259-4211

HB 655

MONTANA CHAPTER AIA	AIA
AMERICAN SOCIETY OF CIVIL ENGINEERS	ASCE
BILLINGS ARCHITECTURAL ASSOCIATION	BAA
CONSULTING ENGINEERS COUNCIL OF MONTANA	CECM
GREAT FALLS SOCIETY OF ARCHITECTS	GFSA
AMERICAN SOCIETY OF LANDSCAPE ARCHITECTS	ASLA
ARCHITECTURAL SOCIETY OF HELENA	ASH
MONTANA ASSOCIATION OF REGISTERED LAND SURVEYORS	MARLS
MONTANA SOCIETY OF ENGINEERS	MSE
INSTITUTE OF ELECTRICAL AND ELECTRONIC ENGINEERS	IEEE

JOANNE CHANCE, P.E., A REPRESENTATIVE OF THE MONTANA TECHNICAL COUNCIL (MTC), AN ASSOCIATION OF PROFESSIONAL ENGINEERS, ARCHITECTS, AND SURVEYORS IN THE STATE OF MONTANA. WE ARE HERE TODAY TO SPEAK IN STRONG OPPOSITION TO HB 655 FOR THE FOLLOWING REASONS.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 4

DATE 3/14/91

FILE NO. HB655

THE UNIFORM MECHANICAL CODE (UMC) AND UNIFORM PLUMBING CODE (UPC) ARE MONTANA BUILDING CODES. THEY ARE THE REGULATIONS THAT MT HAS ADOPTED TO REGULATE CONSTRUCTION AND PROTECT PUBLIC SAFETY. IT IS A VERY DANGEROUS AND WEAKENING INFLUENCE UPON THESE IMPORTANT RULES FOR THE LEGISLATURE TO CIRCUMVENT THESE CODES. THAT IS WHAT YOU WOULD BE DOING IF THIS BILL BECOMES LAW.

CURRENTLY, THE EXPERTS, OF WHICH MT OFFICIALS ARE A PART, ARE ACTIVELY RESEARCHING AND DEBATING AND VOTING UPON THIS TECHNICAL ISSUE EVERY YEAR. LETS GIVE THE BUILDING OFFICIALS OF THIS STATE AND THE NATION SUFFICIENT TIME TO RESOLVE THIS ISSUE RATHER THAN MAKING A MOCKERY OF OUR OWN BUILDING CODES REGULATIONS BY PASSING THIS BILL.

A PICTURE SPEAKS A THOUSAND WORDS. THESE PHOTOGRAPHS CLEARLY DEMONSTRATE THE DEVASTATION THAT BELOW GRADE LIQUEFIED PETROLEUM GAS APPLIANCES CAN WRECK. THIS EXPLOSION OCCURRED AT THE MT STATE PRISON IN 1985. IT KILLED ONE GUARD AND SEVERLY BURNED ANOTHER. THE DAMAGE TO THE STRUCTURE ALONE TOTALLED 2 1/2 MILLION DOLLARS. IT WAS CAUSED BY A SALAMANDER HEATER FUELED BY LESS PROPANE THAN IN YOUR BACK YARD BARBEQUE. HERE'S A PHOTO OF WHAT USED TO BE A HOME IN BILLINGS - SUSPECTED TO BE CAUSED BY A CYLINDER OF PROPANE. LIQUIFIED PROPANE IS MUCH MORE EXPLOSIVE THAN NATURAL GAS. IT IS HEAVIER THAN AIR AND SETTLES AND DOES NOT DISPERSE READILY. THAT IS WHY THE CURRENT CODES STATE THAT IT SHOULD NOT BE INSTALLED BELOW GRADE WITHOUT A FAIL SAFE GRAVITY FLOW SYSTEM TO DRAIN AWAY ANY GAS. THE PROPONENTS OF THIS BILL WILL PROBABLY RETORT THAT THE HEATER AT THE PRISON WAS NOT A PERMANENT INSTALLATION. BUT WE CONTEND THAT 1. THE PHOTOS SHOW THE EXTREME DANGER OF PROPANE BELOW GRADE AND 2. AREN'T THEY REALLY ASKING YOU TO LOOSEN CURRENT STANDARDS AND TO ASSUME LIABILITY AS A STATE FOR THEIR INSTALLATIONS

Perhaps it safety record reflects the restrictions in place now.

!mte

COORDINATING COUNCIL FOR MONTANA DESIGN PROFESSIONS

BELOW GRADE? SO AREN'T WE MOVING IN THE DIRECTION OF THESE PHOTOS?

THIS BILL IS ABOUT LIABILITY. LIABILITY FOR PERSONAL INJURY AND PROPERTY DAMAGE THAT PROPONENTS WANT TO SHIFT TO THE STATE OF MT. I'LL EXPLAIN WHY. CURRENTLY, THE MAJORITY OF RURAL RESIDENTS IN SINGLE FAMILY DWELLING IN THE STATE OF MT ARE NOT SUBJECT TO THE UMC AND UPC. THEY CAN ASSUME THE RISK THEMSELVES AND INSTALL LP GAS APPLIANCE BELOW GRADE. ONLY SINGLE FAMILY DWELLINGS IN CITIES AND TOWNS WITH BUILDING CODES AND SILVER BOW AND RICHLAND COUNTIES ARE REGULATED REGARDING THESE INSTALLATIONS. THE PROBLEM IS THAT THE LP GAS INDUSTRY ITSELF, AND OFTEN THE WISE HOME BUILDER, AND PERHAPS THE LENDING INSTITUTION REFUSE TO IGNORE THE SAFETY CONCERNS AND REFUSE TO INSTALL THEM BELOW GRADE WITHOUT A GRAVITY FEED DRAINAGE SYSTEM. NOW WHY COULD THIS BE? IF THE LP INDUSTRY IS SO SURE OF THEIR SAFETY WHY DON'T THEY JUST INSTALL THEM AND ASSUME ALL LIABILITY FOR DEATH AND DISTRUCTION THEMSELVES???? NOW, IF YOU PASS THIS BILL THEIR PROBLEM IS SOLVED! BECAUSE THE STATE OF MT HAS ASSUMED THE LIABILITY FOR THIER WORK. AND THIS SESSION ITS SINGLE FAMILY DWELLINGS. NEXT SESSION THE PROPONENTS COULD WELL BE ASKING FOR THE STATE TO ASSUME LIABILITY FOR PUBLIC AND COMMERCIAL BUILDINGS AND THE MULTI FAMILY UNITS NOW PROTECTED BY THE CODE. DO YOU REALLY WANT TO BE SITTING IN A RESTAURANT OVER LIQUIFIED PROPANE WITHOUT EVERY CONCERN FOR SAFETY BEING MET???

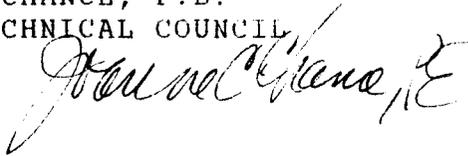
IN CLOSING I WOULD LIKE TO ADD THAT IN REGARDS TO THE ITEM ENTITLED "FACT SHEET" PROVIDED BY THE LP GAS ASSOCIATION, THAT THERE ARE ENOUGH HOLES IN THIER ARGUMENTS THAT I COULD DRIVE A MAC TRUCK THROUGH THEM. TO LIST A FEW, THE STATE OF MT OFFICIALS DO NOT INVESTIGATE OR KEEP RECORDS ON THESE EXPLOSIONS. SO THE STATISTICS THEY OFFER PROBABLY DON'T ACCURATELY REFLECT THE NUMBER OF EXPLOSIONS AND FIRES THAT DO OCCUR. THEY SPEAK OF THEIR NATURAL GAS SAFETY RECORD AND INFER THAT THAT MAKES LP GAS JUST AS SAFE. I THINK WE'VE SHOWN WHY ONE SHOULDN'T EQUATE NATURAL GAS WITH PROPANE. THEIR STATEMENT "AN UNINTENTIONAL RELEASE OF PROPANE GAS VAPOR IS NO MORE, AND NO LESS, HAZARDOUS THAN THE RELEASE OF NATURAL GAS IN THE SAME CIRCUMSTANCES" IS SIMPLY NOT TRUE IN THE OPINION OF THE BUILDING OFFICIALS, ARCHITECTS, AND ENGINEERS THAT I'VE TALKED TO. THEY STATE THAT THE NFPA 54 AND NFPA 58 WILL PROTECT THE PUBLIC IN REGARDS TO THE INSTALLATION OF PROPANE APPLIANCE BELOW GRADE. WELL GUESS WHAT? THESE RULES DON'T EVEN ADDRESS THE INSTALLATION BELOW GRADE, AND THEIR REPORTED 24 INCIDENTS PER YEAR LEFT OUT THE 15 THAT OCCUR EACH YEAR ON CITY LP GAS, BY THEIR OWN STATISTICS, WHICH WE'VE ALREADY MENTIONED ARE PROBABLY LOWER THAN WHAT PROBABLY REALLY

OCCURS. SO THAT ADDS UP TO 39 PER YEAR. IF WE ASSUME THAT THEY ARE EVENLY PROPORTIONED AMONG THE STATES, THAT MEAN THAT WE COULD, ON THE LOW END, PROBABLY EXPECT TO HAVE AN 'INCIDENT' EVERY 18 MONTHS IN MONTANA.

THE MTC STRONGLY URGES YOU TO TABLE THIS BILL. IF YOU FEEL YOU MUST LOOSEN STANDARDS TO SAVE MONEY FOR SOME AND PROVIDE ADDITIONAL EARNINGS FOR INDUSTRY, THEN WE WOULD STRONGLY URGE YOU TO AMEND IT TO ONLY ENDORSE THE IN-KIND REPLACEMENT OF EXISTING LP GAS APPLIANCE BELOW GRADE IN SINGLE FAMILY DWELLINGS.

THANK YOU FOR YOUR TIME AND CONSIDERATION.

SUBMITTED BY
JOANNE C. CHANCE, P.E.
MONTANA TECHNICAL COUNCIL

A handwritten signature in cursive script, appearing to read "Joanne C. Chance, P.E.", written over the typed name and title.



International Conference of Building Officials

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SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 4A

DATE 3/14/91

BILL NO. HB 655

November 4, 1988

OFFICES OF

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DONALD R. WATSON, P.E.

NOV 7 1988

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Elmer D. Lazure
Mechanical Safety Section
Building Codes Bureau
Montana State Department of Commerce
Helena, Montana 59620

SUBJECT: 1985 U.M.C. Section 504 (f) - Agricultural Building
Expansion - Three LPGas Fired Appliances Located
Below Grade Without Gravity Drainage

Dear Mr. Lazure:

It was a great pleasure to meet you at the recent IAPMO meeting in Seattle. Knowing the recipient of letters concerning applications of the U.M.C. helps me a great deal in formulating my recommendations for your consideration. Your letter of October 5, 1988 asks about a proposed installation involving two LPGas fired boilers and one LPGas fired water heater all located below grade at the Royal Teton Ranch at Corwin Springs, Montana. Your letter requests my views on the safety of a proposal to install a mechanical blower system, electrically operated to remove accidentally released LPGas vapors from the interior floor level and to discharge them above grade on the exterior. The proposed system also includes an electrically actuated solenoid valve, an electrical sail switch and an electrically operated gas detector interlocked with each other so as to permit the exterior valve to close (under spring pressure?) upon (1) a signal from the detector, (2) malfunction of the exhaust fan or (3) an electrical power outage.

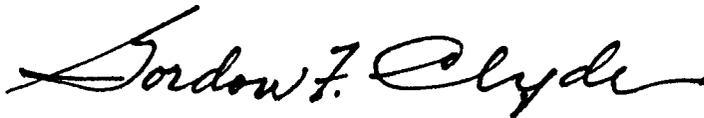
As I noted in the July-August, 1987 interpretation concerning equivalent systems, the hazards of electro-mechanical systems are that failure of a component can negate the entire system. Thus, I concur with you that the proposed system is not as safe as one which drains LPGas vapors to the exterior by gravity. It appears that the water heater is equipped with a standing pilot which would act as a source of ignition if leakage of LPGas developed at either boiler or from the distribution piping.

Elmer D. Lazure
November 4, 1988
Page 2

It is my recommendation that Section 504 (f) be followed literally and that you do not approve the proposed system as being an equivalent means for removal of unburned gas vapor. For your consideration, I have enclosed a copy of the interpretation of U.M.C. Section 504 (f) as published in the July-August, 1987 copy of Building Standards magazine.

I trust that the foregoing observation and the interpretation will assist you in arriving at a decision in the matter. I am sorry for the delay in replying, but we are all engaged in processing 1989 proposed code changes.

Very truly yours,



Gordon F. Clyde
Staff Engineer, Codes

GFC:km

Enclosure [B.S., published interp., July-Aug.'87 - 504 (f)]



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SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 4B

DATE 3/14/91

BILL NO. HB 653

JUN 09 1986

June 4, 1986

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Mr. Elmer D. Lazure
Supervisor
Mechanical Safety Section
Department of Commerce
Helena, Montana 59620

SUBJECT: 1985 Uniform Mechanical Code, Section 2212, Materials for Gas Piping and Section 2215; Liquefied Petroleum Gas Piping

Dear Mr. Lazure:

This is a reply to your letter dated May 14, 1986, inquiring about use of copper water tubing in fuel gas systems. Please note that . . . Chapter 22 of the Uniform Mechanical Code is located in Appendix B; Uniform Mechanical Code Section 103 states:

"Appendix B contains recommendations which shall not apply unless specifically adopted."

The technical content and requirements of Appendix Chapter 22 are based on Chapter 12 and Appendix E of the Uniform Plumbing Code. Materials specifically recognized for fuel gas piping are standard weight wrought iron, steel (galvanized or black), yellow brass containing not more than 75 percent copper or internally tinned or equivalently treated copper of iron pipe size. Copper pipe of iron pipe size is covered by ASTM Standard B42-82 and is, as you suspected, manufactured to the same internal and external dimensions as iron pipe; it is commercially known as "Standard Pipe Size." The dimensions of copper pipe are given in Table No. 15-2 G on page 222. The mechanical properties of copper pipe are found in Table No. 15-2-B. Pipe is not the same product as copper water tubing covered by ASTM B88-83. Copper water tubing has much thinner wall sections as indicated in Table No. 15-2-F. The use of copper water tubing for fuel gas piping is not approved by the Uniform Mechanical Code either for natural gas or liquefied petroleum gas.

I am aware that copper tubing conforming to ASTM B88 has been accepted for use in fuel gas distribution systems based on Section 105, the alternate materials provisions by some building officials. Usually in jurisdictions where copper tubing has been accepted the approval relies on the provisions of the National

addresses
leaks
in
lines

Fuel Gas Code, NFPA 54. Often in rural areas copper tubing has been installed without approval by a building official.

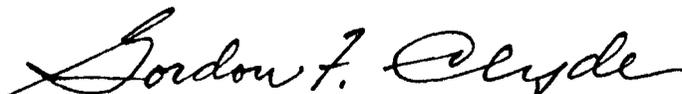
The problem with both copper pipe and copper tubing in fuel gas applications is that the material is susceptible to internal corrosion by hydrogen sulphide (H_2S) when that chemical is present in the fuel gas in more than trace quantities. A "trace" is defined as more than an average of 0.3 grains of H_2S per 100 standard cubic feet of gas as determined by the Test for Hydrogen Sulphide ANSI/ASTM D2385 for natural gas or Test for Hydrogen Sulphide in Liquefied petroleum Gases ANSI/ASTM D2420.

The corrosive attack by hydrogen sulphide is concealed, since it begins on the inside wall of the pipe; often the first sign of a problem is a pin hole in the pipe wall, accompanied by release of the fuel gas. If more than a trace of hydrogen sulphide is present in the fuel gas, copper should not be used or copper pipe may be tin lined.

I have described the basis for acceptance of copper tubing as an alternate material not because I recommend its acceptance, but rather because your letter expressed concern over existing tubing installations carrying LP Gas. If the LP or natural gas is free from more than a trace of hydrogen sulphide, there may not be a hazard so serious that it should be corrected retroactively. New fuel gas systems being installed should conform with the code; existing tubing systems should be corrected when replacement becomes necessary. If, on the other hand, tests of either LPG or natural gas systems reveals more than a trace of hydrogen sulphide present in the fuel, untinned copper tubing and piping should be replaced immediately because there is a clear and present danger of leakage from internally corroded copper lines.

I hope the foregoing observations will assist you in determining if there is a hazardous condition, and will also help guide your planning for correction of the conditions you find upon further investigation. If I can answer additional questions, please inquire again.

Very truly yours,


Gordon F. Clyde
Staff Engineer, Codes

GFC:tp

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 5

DATE 3/14/91

BILL NO. HB 672

House Bill 672
Senate Business and Industry Committee
March 14, 1991
David Barnhill

Mr. Chairman, members of the committee, good morning. I'm Dave Barnhill, Deputy Insurance Commissioner, testifying on behalf of Andrea "Andy" Bennett, as a proponent of House Bill 672.

This bill has the purpose of advancing in important ways the interests of consumers. Some of the provisions are the result of consumer complaints to our office; others are the result of our own research of the Code which revealed the potential for problems.

I acknowledge the constructive criticism of Tom Hopgood of the Health Insurance Association of America, Tanya Ask of Blue Cross and Blue Shield, and Larry Akey of the Montana Association of Life Underwriters. These people have been instrumental in drafting the bill now before you.

The bill, if enacted into law, would:

1. prohibit persons who own or work in rest homes from selling long-term-care insurance to residents of the home;
2. limit the frequency of disability insurance premium increases;
3. prohibit exclusion of disability insurance coverages based on dated medical conditions;
4. require 30 days' notice to insureds of premium increases when the increases are pursuant to a rating plan;

House Bill 672
Proposed Amendments submitted by
Tanya Ask, Blue Cross and Blue Shield
March 14, 1990

1. Page: 1
Line: 8
Following: "PREMIUM INCREASES,"
Insert: "DISCRIMINATION IN INSURANCE"
2. Page: 1
Line: 10
Following: "AMENDING SECTIONS "
Insert: "33-1-502"
3. Page: 2
Following: Line 19
Insert: "Section 4. Section 33-1-502, MCA, is amended to read as follows:

33-1-502. Grounds for disapproval. The commissioner shall disapprove any form filed under 33-1-501 or withdraw any previous approval thereof only if the form:

(1) is in any respect in violation of or does not comply with this code;

(2) contains or incorporates by reference, where such incorporation is otherwise permissible, any inconsistent, ambiguous, or misleading clauses or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract, including a provision in a casualty insurance form permitting defense costs within limits, except as permitted by the commissioner in his discretion;

(3) has any title, heading, or other indication of its provisions which is misleading;

(4) is printed or otherwise reproduced in such manner as to render any provision of the form substantially illegible; or

(5) contains any provision which violates 49-2-309."

Renumber: all subsequent sections

4. Page: 2 2
Lines: 18-20
Delete: OR unless the condition begins within 6 12 months following the effective date of coverage of an insured person.
Insert: . The condition may only be excluded for a maximum of 12 months.

Amendments to House Bill 672
Submitted by the State Auditor
Second Reading Copy
March 14, 1991

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 7

DATE 3/14/91

BILL NO. HB 672

1. Page 2, line 18.

Strike: "OR unless the condition begins within ~~6~~ 12 months following the effective date of coverage of an insured person"

Insert: ". The condition may only be excluded for a maximum of 12 months."

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 3/14/91 Bill No. SB248 Time 10 a.m.

NAME	YES	NO
SENATOR WILLIAMS	X	
SENATOR THAYER	X	
SENATOR NOBLE	X	
SENATOR HAGER	X	
SENATOR GAGE	X	
SENATOR FRANKLIN	X	
SENATOR BRUSKI	X	
SENATOR KENNEDY	X	
SENATOR LYNCH	X	

DARA ANDERSON

J.D. LYNCH

Secretary

Chairman

Motion: AMENDMENTS

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 3/14/91 Bill No. SB247 Time 10 a.m.

NAME	YES	NO
SENATOR WILLIAMS	X	
SENATOR THAYER	X	
SENATOR NOBLE	X	
SENATOR HAGER	X	
SENATOR GAGE	X	
SENATOR FRANKLIN	X	
SENATOR BRUSKI	X	
SENATOR KENNEDY	X	
SENATOR LYNCH	X	

DARA ANDERSON

Secretary

J.D. LYNCH

Chairman

Motion: CONCURRED IN AS AMENDED

(b) all payback of principal and earnings to the board from any agreements executed by the board between July 1, 1985, and March 31, 1989."

Renumber: subsequent sections

6. Page 13, line 2.

Following: line 1

Insert: "Section 10. Section 90-3-525, MCA, is amended to read:
"90-3-525. Deposit of payback -- seed capital and research and development project loans. (1) The payback of principal and earnings on a seed capital project loan executed under this chapter or on a research and development project loan from the Montana in-state investment fund must be administered pursuant to section 17-6-306.

(2) The payback of principal and earnings on a research and development project loan from a source other than the Montana in-state investment fund must be deposited to the state special revenue fund to the credit of the science and technology development account created in 90-3-305.

(3) All paybacks of principal and earnings to the board from any agreements executed by the board between July 1, 1985, and March 31, 1989, must be deposited to the state special revenue fund to the credit of the science and technology development account created in 90-3-305 for use by the board. The paybacks include all those received after January 1, 1989."

Renumber: subsequent sections

7. Page 13, line 19.

Following: "[

Strike: remainder of line 19

8. Page 13, line 20.

Following: "act"

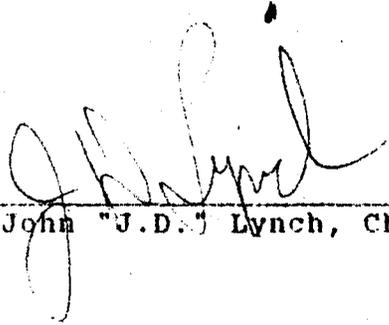
Strike: ", amending 17-6-308(4)"

9. Page 13, line 21.

Strike: "a"

Strike: "change"

Insert: "changes"

Signed: 

John "J.D." Lynch, Chairman

LB 3/14/91
Amd. Coord.

SPB 3/14 1:05
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 2
March 14, 1991

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 242 (second reading copy -- yellow), respectfully report that Senate Bill No. 242 be amended and as so amended do pass:

1. Title, line 15.

Following: "17-6-308,"

Insert: "17-6-310,"

Following: "90-3-301,"

Strike: "AND"

2. Title, line 16.

Following: line 15

Insert: "90-3-305,"

Following: "90-3-524,"

Insert: "AND 90-3-525,"

3. Page 4, line 20.

Following: "engineering"

Insert: ", provided the loan contains the repayment requirements set forth in 90-3-522 and 90-3-524"

4. Page 5, line 7.

Following: line 6

Insert: "Section 4. Section 17-6-310, MCA, is amended to read:

"17-6-310. No direct loans. (1) The state may not use this revenue to make direct loans.

(2) ~~No money from the~~ The Montana in-state investment fund may not be used by the board of investments to make direct loans to individual borrowers. The purchase of debentures issued by a capital company and loans or portions thereof originated by a financial institution that are sold to the trust are not direct loans."

Renumber: subsequent sections

5. Page 12, line 8.

Following: line 7

Insert: "Section 8. Section 90-3-305, MCA, is amended to read:

"90-3-305. Science and technology development account. (1) There is a science and technology development account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the science and technology development account:

(a) the payback of principal and earnings on a research and development project loan, made from a source other than the Montana in-state investment fund, executed under this chapter;

and