

February 3, 1977

PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE PROCEEDINGS:

A meeting of the House Public Health, Welfare and Safety Committee was held on Thursday, February 3, 1977 on adjournment of the House of Representatives in Room 431 of the State Capitol. All members were present except Representatives Kimble and Ryan, who were excused.

The first bill up for hearing was HOUSE BILL 300. Representative Jack Gunderson was the chief sponsor, and explained that he had been requested to carry the bill for the Department of Professional and Occupational Licensing. Since the original bill concerning the Board of Radiologic Technologists was passed during the previous session of this Legislature, administrative problems have been encountered. Mary Lou Crawford, Board of Radiologic Technologists, spoke in support of this bill; see prepared statement. There were no other proponents.

The first to speak in opposition to HOUSE BILL 300 was Chad Smith, representing the Montana Hospital Association. The Association is particularly in opposition to the proposed amendments in Section 4 of the bill. This provision is the grandfather clause of this law. Some individuals have made application for licensure under this clause and have not received it yet, but have received a permit which may or may not be renewed. This bill would change that clause so that the only way these persons could obtain a license would be through some demonstration of proficiency to the Board. It is felt that this is an attempt to delay their licensing until this law could be passed. Mr. Bruce Icenoggle, a Medical Technologist and and X-Ray Technologist, then spoke in opposition to the bill; see prepared statement. Claudia Harms then spoke. Dr. Richard Helm from the Clark Fork Valley Hospital then spoke; see prepared statement. Mr. Grant Winn, Executive Director, Clark Fork Valley Hospital, also spoke and left a prepared statement. Suzanne Snyder, St. Luke Hospital in Ronan then spoke, as did Joy Muggenburg. The last opponent was Dr. John McMahan, Montana Medical Association, who was opposed to the entire concept of the bill. There is another bill in the Senate presently which would repeal the entire act. Chad Smith then concluded that the bill had been intended to be a housekeeping bill but had ended up as a housecleaning bill, and it was the intention of the bill to get rid of some of the RT's. Representative Gunderson then closed, stating that he had truly thought it was a housekeeping bill. He expressed the desire that if there were any problems, he would have liked to have known about them earlier. Mary Lou Crawford then finished closing for Representative Gunderson. She suggested that the Legislature amend the law to include licensing of radiologic technicians. Mr. Winn expressed the opinion that this would not solve the problem. The hearing was closed.

HOUSE BILL 285, sponsored by Representative Hal Harper, was then heard. He explained to the committee that the first section of this bill was for housekeeping, as the present language in the law permits abuse of the intent by allowing more devices to qualify for the Class 7 exemption than were intended. This proposed revision

to the law is an incentive. Steve Brown, Chief Legal Counsel for the Department of Health then spoke. The purpose in changing the provisions of the present law to require the Department of Health to give initial approval is because that is what is already taking place. The second point covered by Mr. Brown was the hearing provision as it relates to local hearings. The hearing should take place after the determination is made so that two hearings will not be necessary. He questioned what types of equipment should be granted Class 7 status, and who had the authority to determine what is pollution control equipment. He stressed that the Department doesn't want to change the Class 7 status on equipment which has already been classified; rather it wishes to clarify the situation as to what types of equipment the legislature feels should be Class 7. Because of the specialized nature of pollution control equipment the Department of Health and Board of Health should make the determinations and this bill would enable this. The word "primarily" has been included; the reason being that under the present law the Anaconda Company was given Class 7 credit for an electrical heater and a roaster, and this is unfair. The problem lies in the language of the statute. Finally, this bill would define for the Department of Health what should be given Class 7 status. The bill in no way involves the Department of Health in the taxation process; the Department of Revenue would still make these determinations. The Department of Revenue doesn't appear to be opposed to this bill. Ben Wake, Administrator of the Environmental Division of the State Department of Health, then spoke up. He explained that he was present neither in opposition nor in support of the measure. He expressed the feeling that production equipment is beginning to be included under the law. Bill Groff, Director of the Department of Revenue then spoke up in support of the statement made that their Department was only involved in the matter of the amount of the appraisals. He urged the committee's favorable consideration of the bill.

The opponents then testified. First to speak was Robert Holding, Montana Wood Products Association. The taxpayer and businessman is in the middle of the problem, between the Department of Health and the Department of Revenue, and now they want to change the rules in the middle of the game. The Health Department should be able to determine what is pollution control equipment, not what class it is. Passage of this bill would add greatly to the cost of doing business in Montana. The next opponent was Daniel T. Potts, Acting Resident Manager of Hoerner Waldorf's pulp and paper mill west of Missoula. See prepared statement. As a result of passage of this bill, Hoerner Waldorf's property taxes would increase by \$160,000 per year. Stephen Williams, Anaconda Co., then spoke. Facts and figures were presented in support of all the money they had spent on pollution control equipment, to date. If this bill were passed in its present form it will cost the smelter alone \$769,547 per year in taxes; they cannot afford to pay this additional tax burden. He passed out information on taxation of pollution control facilities in other states. He also proposed some amendments; see copy. He also suggested that there should be a fiscal note for the bill. Mr. Tom Winsor, Montana Chamber of Commerce, spoke on behalf of the business

community in general. The Class 7 area is not an escape from taxation; companies have to add non-productive equipment for a public purpose. This supports the theory that they should thus have either lower taxes or no taxes at all to pay. John Ross, attorney for Montana Power then spoke. He resisted the part of the bill which changed the wording from "reduce" to "primarily reduce". Air pollution control equipment is expensive and these costs are ultimately paid by the consumer. He stressed that air pollution control equipment is a total system and that it would be unfair to only classify parts of it as Class 7. Already under the present law not all parts of such systems qualify for the Class 7 status. Ward Shanahan, attorney for Dryer Brothers, Inc., a subsidiary of Burlington Northern, spoke neither in opposition nor in support of the bill. He feels there is a problem with the word "eliminate" as opposed to the word "reduce". Ed Nelson, Montana Taxpayers Association, felt that the language was very restrictive as to how appeals can be made. He doesn't understand why the Legislature would want tax appeals to go to the Department of Health. There were no further opponents.

Mr. Brown then closed, stating that both sides were asking the Legislature to decide whether to be restrictive or liberal. This bill will clearly express legislative intent. He would not be opposed to including an amendment to the bill which would specify that equipment already classified under Class 7 would not be changed, although the bill already implies this meaning. He also spoke on the statement about the public paying the cost for these investments in pollution control. It is his feeling that they already do, through increased prices. It seems unfair that at the same time these companies are getting a tax break. He stressed that the Department of Health has never been approached by any of the opponents of this bill and asked how they could spend money on pollution control equipment. They have no incentive to take any steps in this direction unless forced to through the need to comply with standards or through enforcement proceedings. The hearing on HOUSE BILL 285 was then closed. Questions followed. Mr. Potts from Hoerner Waldorf pointed out that under the proposed bill, a new air-strip system which would rid some of the smell from the air would not come under Class 7 requirements. Representative Stopie asked Mr. Williams from the Anaconda Company how these changes would relate to the Company's operation in Montana in relation to their competition. No accurate answer was available. He also asked if these restrictions would put the Company in a non-competitive position and it was replied that surely their taxes would go up. Mr. Brown from the Department of Health was agreeable to a suggestion that new pollution control devices would be added to the list, so long as the Department of Health was able to specify which ones.

HOUSE BILL 307 was heard. Chairman Menahan introduced Mr. Bob Lohn, attorney for the Governor's Office, who proceeded to explain the purpose of this bill. At present there are only two men in Montana who meet all the qualifications for the Director of Health, and neither wants to be Director. As a result the state has to keep appointing acting directors. This bill would allow them a little freer range in choosing this department head. He then suggested

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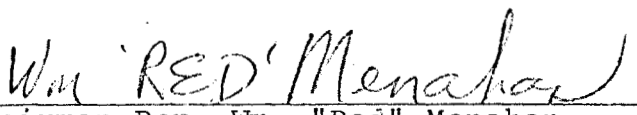
several possibilities for choosing the position. As there are many activities going on in the Department, the Governor's office would like that the Director carry out the coordination aspect. Dr. John McMahan then spoke. He suggested an amendment to the measure; see prepared testimony. He expressed strong reservations about hiring a non-M.D. for this position. If the bill were not amended in the manner he suggested, he stressed that he would be opposed to it. Mr. Rod Gudgel, Montana Health Association expressed that organization's support of the bill. Mr. John W. Bartlett, Chairman of the Board of Health, was also in favor of the bill as amended. There were no further proponents.

There were no opponents to HOUSE BILL 307. Questions followed and the hearing was closed.

HOUSE BILL 338 was the last bill to be heard. Mr. Pat Melby, Director of the Department of Social and Rehabilitation Services spoke on this bill, which was sponsored by Representative Lynch. The Social Security Administration has had a high error rate in their eligibility determinations. This bill would allow the Department of Social and Rehabilitation Services to make their own determinations if there were any question about the Social Security determinations, which would provide more flexibility for the Department.

There were no opponents to HOUSE BILL 338.

The meeting was adjourned.

  
Chairman-Rep. Wm. "Red" Menahan

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Secretary