

## HOUSE BUSINESS AND INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order of February 10, 1983, at 9:00 a.m. in Room 420 of the State Capitol Building, Helena, Montana. All members were present.

### HOUSE JOINT RESOLUTION 18

REP. JOE QUILICI, District 84, sponsor, opened by saying this act would ask the Speaker of the House of Representatives and the President of the Senate to appoint two members from each party from their respective bodies to review the final power plan developed by the Pacific Northwest Electric Power and Conservation Planning Council. The money to fund the committee will be paid from the expenses of the Council. The general fund will not be effected.

### PROPONENTS

GERALD MUELLER, Pacific Northwest Electric Power and Conservation Planning Council: We are suggesting that the appointed committee review the work we have done and any changes in Montana law necessary to implement what was written. There are two areas in Montana law that may need changing. First, the building codes. Up to 600 megawatts could be generated by building more efficient new homes. We will not be adopting our final plan until April of this year. We would prefer to have time so that the legislature and various interest groups will have time to understand our plan. Another area would be modification of the Major Facilities Site Act to allow for options. Coal plants, for example, take only four years to build, but it takes 10 years from conception to use. This is a concept that needs study to see if it does make sense. Congress made it clear that this was not to involve tax money. We are asking to act as staff on the committee.

GENE PHILLIPS, Pacific Power & Light: We strongly endorse the contents of House Joint Resolution 18 and think it will be very useful.

DON REED, Montana Environmental Information Center: This affects everyone in Montana. It is important that the state respond appropriately. (Exhibit #1)

JIM McNairy, Alternative Energy Resource Agency: We have 600 Montana members and wholeheartedly support HJR 18.

REP. QUILICI, in closing, said this council has given the public a chance for input for the planning of the Pacific Northwest. The local involvement will help our state to see that we have an adequate amount of electricity. There has been a multitude of hearings since 1981.

OPPONENTS: none

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Business & Industry Committee

QUESTIONS:

REP. SCHULTZ: Does the Pacific Northwest Council have the authority to change building codes within the state?

Mr. Mueller: No, but if the state chose not to change the building codes we would need to do something to avoid being subject to a surcharge. The surcharge is not meant to punish people, it is meant to collect costs that would be imposed upon the rest of the people in the region.

HOUSE BILL 627

REP. BOB DOZIER, District 61, sponsor, said this bill repeals the limit of 5 on the number of personal staff of the Public Service Commission that are exempt from the state classification and pay plan.

PROPONENTS:

BILL OPITZ, Executive Director, Public Service Commission: This is our top priority concerning what we want to get accomplished in this session for the Public Service Commission. We want to have equality with other elected official's departments. The ones that have 10 exemptions are Secretary of State, Superintendent of Schools, State Auditor and the Attorney General's office. This would bring the PSC into line with them. Also, we have had a large amount of turn over, losing our people to legislative agencies. When we lose one, we have a re-education problem that takes 6 months to a year to retrain and we feel we should be competitive with the large agencies. We have improved productivity with employees that plan to make the PSC their career. Most of the work done at the PSC is done in an adversary setting and it takes it's toll on the people working there. During the last biennium, out of the 44 people we have working, we have had one heart attack, one stroke, one multiple sclerosis, and one surgery on a heart.

JOHN ALKE, Montana Dakota Utilities: I am a lawyer involved in the rate making in the state of Montana. We support this bill because we feel it will help the commission attract and keep capable people.

REP. DOZIER, in closing, said many of you are employers and you know that to run a good business you need to keep your employees. We need this continuity in the PSC.

QUESTIONS:

REP. SCHULTZ: The way this bill reads you will have 15 employees over the pay plan. Mr. Opitz: Potentially - there is a certain set of criteria that has been developed by the Department of Administration. We would have to comply with that.

REP. SCHULTZ: What are we talking about in salaries to get an expert in law or another field? Mr. Opitz: The high end of the scale would be \$70 per hour to \$125 per hour for expert witness. What we are looking at is adding \$1,000 per year to a

salary in the range of \$20,000 to \$25,000. The fiscal note is the outside figure. It would be my plan to get another four exemptions at a cost of \$4,000 next year.

REP. ELLISON: This would apply to people you already have on board? Mr. Opitz: Yes.

EXECUTIVE SESSION

HOUSE BILL 627

REP. FABREGA made the motion that HOUSE BILL 627 DO PASS.

Question: Motion carried unanimously.

HOUSE JOINT RESOLUTION 18

REP. PAVLOVICH made the motion that HJR 18 DO PASS.

Question: Motion carried unanimously.

HOUSE BILL 605

REP. FABREGA made the motion that HOUSE BILL 605 be TABLED. He said he has been a supporter of branch banking for a long time but this legislation was the poorest proposal he has seen so far. A bank in Montana with 14 or 15 branches could deliver the whole package to an out-of-state bank.

Question: Motion carried unanimously.

HOUSE BILL 290

REP. ELLISON moved that House Bill 290 be taken off Table.

Question: Motion carried with Rep. Lybeck, Rep. Kitselman and Rep. Schultz voting no.

REP. ELLISON: In the amendments, what was the object of including retail dealers in amendment #3? Paul Verdon: That was the suggestion of Rep. Seifert. Rep. Fabrega: I don't think we need them included.

REP. ELLISON: I move the last line of amendment #3 which says "this does not include retail dealers" be stricken.

Question: Carried unanimously.

REP. FABREGA: I move Do Pass on the Amendments.

Question: Carried unanimously.

REP. FABREGA: I move HOUSE BILL 290 DO PASS AS AMENDED.

Question: Motion carried unanimously.

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Business & Industry Committee

REP. FABREGA: The Grain Growers would like the Committee to entertain the possibility of a Committee bill. It would be to authorize and direct the Dept. of Commerce to identify abandoned railway right of ways and study the feasibility and desirability of state acquisition.

REP. FAGG: We should put a Sunset on it of perhaps 2 years.

REP. FABREGA: I move that we draft a bill with a sunset provision.

Question: Motion carried unanimously.

The hearing adjourned at 10:00 a.m.

*J. Metcalf*

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REP. JERRY METCALF, CHAIRMAN

*Linda Palmer*

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Linda Palmer, Secretary

# STANDING COMMITTEE REPORT

**Speaker:**

MR. ....

**BUSINESS & INDUSTRY**

We, your committee on .....

**HOUSE**

**290**

having had under consideration ..... Bill No. ....

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color

**A BILL FOR AN ACT ENTITLED: "AN ACT INCLUDING WHOLESALE  
PETROLEUM DISTRIBUTORS UNDER THE DEFINITION OF  
"DISTRIBUTORS" IN THE BASIC GASOLINE LICENSE TAX LAW;  
AMENDING SECTION 15-70-201, MCA; AND PROVIDING AN EFFECTIVE  
DATE."**

**HOUSE**

**290**

Respectfully report as follows: That..... Bill No.....

**BE AMENDED AS FOLLOWS:**

1. Title, line 7  
Following: line 6  
Insert: "PROVIDING FOR AN ANNUAL LICENSE FEE:"

2. Title, line 7  
Following: "AMENDING"  
Strike: "SECTION"  
Insert: "SECTIONS"  
Following: "15-70-201"  
Insert: "AND 15-70-202"

3. Page 3, line 8  
Following: "state"

Insert: "and chooses to become licensed as a gasoline distributor."

XXXX  
DU PASS

4. Page 4, line 14  
Following: line 13

Insert: "Section 2. Section 15-70-202, MCA. is amended to read:  
"15-70-202. License, fee, and security of gasoline distributors.

(1) All gasoline distributors, prior to the commencement of doing business, shall file an application for a license with the department of revenue on forms prescribed and furnished by the department setting forth the information as may be requested by the department. Each distributor shall at the same time file security with the department in an amount to be determined by the department. However, the required amount of security may not exceed twice the estimated amount of gasoline taxes the distributor will pay to this state each month. Upon approval of the application, the department shall issue to the distributor a nonassignable license which shall continue in force until surrendered or canceled.

(2) Each distributor who delivers gasoline to any person other than another distributor shall pay a license fee of \$200 and upon renewal of the license shall pay an annual fee of \$200.

~~(3) "Security" means:~~

(a) a bond executed by a distributor as principal with a corporate surety qualified under the laws of Montana, payable to the state of Montana, and conditioned upon faithful performance of all requirements of this part, including the payment of all taxes and penalties; or

(b) a deposit made by the distributor with the department; under such conditions as the department may prescribe, of certificates of deposit or irrevocable letters of credit issued by a bank and insured by the federal deposit insurance corporation."

Renumber: subsequent section.

AND AS AMENDED

DO PASS

# STANDING COMMITTEE REPORT

February 10

19 83

MR. **SPEAKER:** .....

## BUSINESS & INDUSTRY

We, your committee on .....

having had under consideration ..... **HOUSE** Bill No. **627**

first reading copy ( white )  
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FROM 5 TO 10 the  
NUMBER OF MEMBERS OF THE PUBLIC SERVICE COMMISSION PERSONAL STAFF  
THAT ARE EXEMPT FROM CERTAIN PROVISIONS OF THE STATE EMPLOYEE  
CLASSIFICATION AND PAY PLAN; AMENDING SECTION 2-13-104, MCA."**

Respectfully report as follows: That ..... **HOUSE** Bill No. **627**

DO PASS

# STANDING COMMITTEE REPORT

February 10

19 83

MR. SPEAKER:

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE JOINT RESOLUTION Bill No. 18

first reading copy (white) color

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THAT A COMMITTEE OF LEGISLATORS BE ASSIGNED TO REVIEW THE FINAL POWER PLAN DEVELOPED BY THE PACIFIC NORTHWEST ELECTRIC POWER AND CONSERVATION PLANNING COUNCIL AND TO MAKE APPROPRIATE RECOMMENDATIONS.

Respectfully report as follows: That HOUSE JOINT RESOLUTION Bill No. 18

DO PASS



HJR 18

Presented to the House Committee on Business and Industry  
By the Montana Environmental Information Center

February 10, 1983

Few--if any--events in recent history will have a more dramatic effect upon Montana than the Pacific Northwest Electric Power Planning and Conservation Act of 1980. The draft plan presented by the Power Council two weeks ago will literally affect every Montanan to one extent or another.

All those who buy power from the rural electrical cooperatives will be affected with every monthly power bill. Everyone within the BPA service area will be affected by the conservation program. Those in the eastern part of Montana will be affected by the options package as it influences the siting of new coal-fired power plants. In short, no one will go unaffected by the Power Act Plan.

HJR 18 is very open-ended. It does not specify which aspects of the Power Act plan the committee will study. The response of the Montana Legislature will be crucial to the successful implementation of the plan and to avoiding the surcharges which BPA is authorized to impose for those who do not comply with the plan.

The open-ended nature of HJR 18 could work against effective action by the interim committee. There is so much in the plan that it is possible that important items would not receive sufficient attention.

The option of trying to list all the important topics within the plan is not without problems. If new topics arise during the interim, the committee should have the latitude to study those topics.

We urge you to vote a "DO PASS" on HJR 18.

VISITOR'S REGISTER

HOUSE Bus. + Ind. COMMITTEE

BILL HJR18

DATE 2-10

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
Gerald Mueller	Helena	Northwest Power Planning Council	✓	
Joe Insler	Butte	Dist 8 Y	✓	
GENE PHILLIPS	KALISPELL	PACIFIC POWER & LIGHT	✓	
Tom Stearns	Helena	NARC	✓	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE Bus. & Ind.

COMMITTEE

BILL HB 627

DATE 2-10

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Bill Opitz	Helena	Mont PSC	X	
John Albe	Helena	MNBY	X	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name Gerald Mueller Committee On \_\_\_\_\_  
Address 1420 Highland Date 2/10  
Representing Northwest Power Planning Council Support ✓  
Bill No. HJR 18 Oppose \_\_\_\_\_  
Amend \_\_\_\_\_

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

- 1.
- 2.
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Bill Opitz Committee On \_\_\_\_\_  
 Address 2 Wood Ct Date 2/ 183  
 Representing Mt. PSC Support X  
 Bill No. HB-627 Oppose \_\_\_\_\_  
 Amend \_\_\_\_\_

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

- Comments: *HB-627 is a top priority bill for the PSC.*
- 1.
  2. *It is necessary to (1) prevent turnover, &*
  3. *(2) to develop a professional staff. & (3) bring the Commission on an equal footing w/ other elected officials. There will be no change in the termination procedures. The PSC's EEO*
  4. *Affirmative Action plan was used as the model for the training of other state agencies.*

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.