

HOUSE BUSINESS & INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on March 4, 1983, in Room 420 of the Capitol Building, Helena, Montana, at 9:00 a.m.

SENATE BILL 133

SEN. LYNCH, District 44, sponsor, opened by saying this is a simple bill up-dating the penalties and violations for the Board of Plumbers. The penalties have not been stiff enough to affect punishment. The county attorneys all say it is not worth going to court with. I have made a copy of the penalties imposed on other boards in the state and you will see they are more in line with the provisions in this bill. (Exhibit #1) We have eliminated the jail sentence and made the fine not to exceed \$500.

PROPOSERS:

MITCH MIHAILOVICH, lobbyist, State Building & Construction Trades Council: This bill only pertains to people in the trade. We ask that you support this bill.

OPPOSERS: none

SEN. LYNCH, in closing, said this bill up-dates the law and makes it conform to other laws in the state regarding penalties.

SENATE JOINT RESOLUTION 9

SEN. MOHAR, District 11, sponsor, opened by saying this is a simple bill that directs the Department of Administration to add a member of the home building industry to the Montana Building Code Advisory Council. (Exhibit #2) There is a very good reason to do this. The Northwest Power Act that was passed is going to mandate that we change the building codes for higher conservation standards. It is very important that the conventional home building industry be represented. The builder that is on the Council is a commercial contractor for state buildings and large commercial buildings. He is not a home builder.

W. JAMES KEMBEL, Building Codes Division, Department of Administration: The Department welcomes the addition of a representative of the conventional home building industry to the Montana Building Codes Advisory Council. The Council advises the Department on code adoptions, operational procedures and other related code enforcement activities. (Exhibit #3)

JOHN HOLLOW, Montana Home Builder's Association: When you decide how much insulation to put in a building, the person who knows what the costs in time are is the home builder. Right now, the residential level construction person is not represented. The fiscal impact will be minimal because the council will be active for possibly 6 months or a year and then meet only once a year.

SEN. MOHAR, in closing, said what we are trying to do is put some stronger standards into the building codes and the residential builder is going to be affected, therefore, they should be represented.

QUESTIONS:

REP. FAGG: Who are you taking off the board? Sen. Mohar: We are just adding one member so there will be 12 members. The Department has no problem with adding this member.

REP. HARPER: What is the fiscal impact? Mr. Kembel: The fiscal impact will be absorbed within the Department's budget. We will not pay a stipend- we will pay expenses and travel. One meeting would not run \$500.

REP. FAGG: Is this going to increase or decrease the energy standards? People building homes might want to cheapen the standards to save on expenses. Sen. Mohar: These people have to be involved in this when it will affect their work. If it costs \$5,000 more per house to bring it up to code, the cost will not be borne by the contractor, the BPA will be paying the home builder for that. They will be helpful in picking out things that we are doing wrong. One member will not be able to weaken the standards.

REP. METCALF: You cannot direct a department to do something by resolution. Do you want to change it to request?

SEN. MOHAR: That would be fine.

REP. METCALF: Do you have a house member to carry this?

Sen. Mohar: Rep. Harper has agreed to carry it.

SENATE BILL 147

SEN. LANE, District 40, sponsor, opened by saying this is a simple bill authorizing the Department of Commerce to represent the State of Montana before any judicial or administrative forum on issues relating to public transportation.

PROPONENTS: none

OPPONENTS: none

QUESTIONS: none

REP. METCALF: Do you have a house member to carry this?
Rep. Jensen volunteered to carry SB 147 on the floor.

EXECUTIVE SESSION

SENATE BILL 147

REP. HARPER: I move Senate Bill 147 BE CONCURRED IN.
QUESTION: The motion carried unanimously.

SENATE BILL 133

REP. JENSEN: I move Senate Bill 133 BE CONCURRED IN.
QUESTION: The motion carried unanimously.

SENATE JOINT RESOLUTION 9

REP. HARPER: I move the bill and I don't think we need to amend the bill to "request" as the department requested the change.
QUESTION: The motion that SJR 9 BE CONCURRED IN passed with Rep. Fagg voting no.
Rep. Harper will carry the bill to the floor.

SENATE BILL 249

Paul Verdon: I talked with Les Alke about the proposed amendments. He did not think 4 percentage points were sufficient. Many banks are charging 3 or 4 points and perhaps this should be 6.

REP. FABREGA: What prime rate are we talking about? Paul: The most recent amount the New York banks charge.

REP. METCALF: Often their rates vary slightly but within a few days they come together. Since we are only adjusting this three times a year, I don't think there will be a problem. They could wait a few days until things are uniform.

REP. FABREGA: Four points seems pretty tight. We could probably consider about 6 points.

REP. KADAS: On page 1, we have that 20% ceiling and I don't see the sense in it.

REP. FABREGA: The 20% was in because this was not going to be a floater, then the idea that it be a floating rate changed this.

REP. METCALF: What if the interest rate goes up to 20%?

REP. FABREGA: We are talking about loans between individuals. This does not apply to retail merchants or regulated lenders.

REP. ELLISON: If we are going to take the 20% limit off, it might be advisable to narrow the spread after 20%. Rep. Fabrega: Prime hit 17% and first class risks were paying 23%. It's a world market.

REP. KADAS: I move we strike "up to a maximum of 20% per annum."

REP. HARPER: Perhaps we should leave "per annum" in. Rep. Metcalf: The prime rate is an annual rate so there should not be a problem.

Rep. Fabrega: You could say on line 12, page 2 "the department of commerce shall adjust the "annual" percentage rate."

REP. KADAS: I amend my motion to that effect.

QUESTION: Motion carried unanimously.

REP. KITSELMAN: I move the proposed amendments as amended.

QUESTION: Motion carried unanimously.

REP. FABREGA: On line 5 of the title, after usury limits, insert "for private parties."

REP. HARPER: I move the amendment.

QUESTION: Motion carried unanimously.

Paul Verdon: If we put private parties in the title, we should put it in the body of the bill.

REP. SCHULTZ: I move we insert "private" on line 15, page 1 and also in the catch line.

QUESTION: Motion carried unanimously.

REP. FABREGA: I move SENATE BILL 249 BE CONCURRED IN AS AMENDED.

QUESTION: Motion carried unanimously.

BUSINESS & INDUSTRY COMMITTEE

MARCH 4, 1983

Page 4

REP. HARPER: I move the Statement of Intent be amended to read that we want them to use the prime rate of interest most recently adopted by the bank and that they can establish by rule the procedure and decide how they are going to post it.

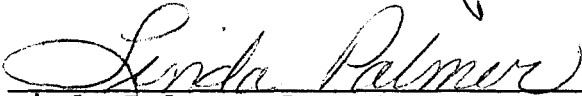
QUESTION: Motion carried unanimously.

Rep. Fabrega volunteered to carry this bill to the floor.

The hearing adjourned at 10:00 a.m.



REP. JERRY METCALF, CHAIRMAN



Linda Palmer, Secretary

STANDING COMMITTEE REPORT

MARCH 4

19 83

MR. SPEAKER:

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE Bill No. 133

~~second~~ third ~~reading~~ blue
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE SPECIAL PENALTY PROVISIONS FOR CERTAIN VIOLATIONS OF PLUMBING LAWS AND TO PROVIDE THAT THOSE VIOLATIONS BE PUNISHED AS-MISDEMEANORS-AS-ELSEWHERE PROVIDED-BY-LAW BY A FINE NOT TO EXCEED \$500; AMENDING SECTION 37-69-324, MCA."

Respectfully report as follows: That SENATE Bill No. 133

BE CONCURRED IN

~~DO PASS~~

STANDING COMMITTEE REPORT

MARCH 4

19 83

MR. SPEAKER:

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE Bill No. 147

third

~~XXXXXX~~ reading copy (blue)
Color

A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE DEPARTMENT
OF COMMERCE TO REPRESENT THE STATE OF MONTANA IN JUDICIAL AND
ADMINISTRATIVE FORUMS ON PUBLIC TRANSPORTATION ISSUES."

Respectfully report as follows: That SENATE Bill No. 147

BE CONCURRED IN

DO PASS

STANDING COMMITTEE REPORT

MARCH 4

19 83

MR. SPEAKER:

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE JOINT RESOLUTION Bill No. 9

third

~~XXXXXXXX~~ ~~XXXXXXXX~~ ~~XXXXXXXX~~ (blue)

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES
OF THE STATE OF MONTANA DIRECTING THE DEPARTMENT OF ADMINISTRATION
TO APPOINT A MEMBER OF THE HOMEBUILDING INDUSTRY TO THE MONTANA
BUILDING CODE ADVISORY COUNCIL.

Respectfully report as follows: That SENATE JOINT RESOLUTION Bill No. 9

BE CONCURRED IN

~~XXXXXXXX~~
DO PASS

LICENSING BOARDS' PENALTIES

Medical Examiners
Podiatrists \$250 to \$1,000 fine and/or
Osteopaths 90 days to 1 year jail sentence
Physicians Assistants

Dentistry \$50 to \$200 fine
and/or 6 months jail (not to exceed 6 months)

Pharmacists \$250 each violation

Nursing \$100 first offense, \$300 for each subsequent
offense and/or not more than 6 months
jail sentence

* 46-18-212
Electricians Fine not to exceed \$500
Water Well contractors and/or jail sentence not
Sanitarians to exceed 6 months
Private Investigators
Speech pathologists & audiologists
Nursing Home administrators
Acupuncture
Psychologists

Optometrists fine \$200 to \$500
and/or jail sentence not to exceed
6 months

Physical Therapy Fine \$50 to \$500 and/or jail
sentence 30 to 60 days

Chiropractors fine \$100 to \$700 and/or 30 days
to 7 months

Handwritten notes:
[scribbles]
[scribbles]

struction of Libby Dam,

ation, found in Chap-
lative assembly of the
expended by June 30.
or obligated by other
ey were appropriated.

still exists unsatisfied

SENATE OF THE

deliberate speed and
by a federal grant.

ry of the Senate send
ame commission. the
of Montana, the Honora-
ators from the
Honorable John
Commanding Offi-
of the United States

Donald, Vainio, Breedon,
ather, Boylan

ATE OF MONTANA
E DEPARTMENT OF
TO REINSTATE LET-
TION OF SECTION
CTS.

artment of Housing and
the detailed and lengthy
mon Falls Lions Manor
s, Columbus Plaza at
d letters of feasibility
jects were sound, well-

es for senior citizens
currently available and
no longer desire or are

legal and moral com-
and

rability of these projects
ating Section 236 senior
a have a waiting list

ed by local units

SENATE OF THE

That the Secretary of the Department of Housing and Urban Develop-
ment is strongly requested to reinstate those letters of feasibility so urgent-
ly needed in order to complete the projects at Thompson Falls, Great Falls,
Butte, and Bozeman.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent
to the Secretary of the Department of Housing and Urban Development.
Referred to Committee on Constitution, Elections and Federal Relations.

SENATE RESOLUTION NO. 34
Introduced by Carl

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA
REQUESTING THE DEPARTMENT OF ADMINISTRATION TO
[REDACTED] COUNCIL [REDACTED]

WHEREAS, the construction industry is one of Montana's major in-
dustries, vital to this state's overall economy, and

WHEREAS, the construction industry touches the lives of every Mon-
tanan through the structures it creates, and

WHEREAS, the construction industry is extremely complex and di-
verse and requires many specialized skills for the completion of any one
project, and

WHEREAS, each of these specialty areas is guided by building codes
and regulations which must be harmonized if the construction industry is
to operate efficiently and effectively in the public interest, and

WHEREAS, the intent of this resolution is to promote uniformity in
the construction industry, and

WHEREAS, harmony and uniformity can be achieved best through
mutual discussion and cooperation among representatives of a cross section
of the industry working jointly in an industry council, and

WHEREAS, the former building code council has been abolished
through executive reorganization and its functions transferred to the de-
partment of administration, and

WHEREAS, there no longer exists a statutory building code council
which could provide a basis for mutual cooperation and discussion neces-
sary to efficiency, harmony and uniformity within the industry.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
STATE OF MONTANA:

That the department of administration is requested to create a building
code advisory council of [REDACTED] members representing the following
cross-section of the construction industry:

- (1) Seven (7) members appointed by the department of administra-
tion, who serve at its pleasure, as follows:
 - (a) one (1) licensed architect;
 - (b) one (1) licensed professional engineer;
 - (c) one (1) licensed building contractor;
 - (d) one (1) municipal building inspector;
 - (e) one (1) modular building manufacturer;
 - (f) one (1) mobile home manufacturer or one (1) mobile home retail
dealer;

(g) one (1) member of the public who is not a public office holder, licensed architect, licensed professional engineer, licensed building contractor, municipal building inspector, modular building manufacturer, or mobile home manufacturer or mobile home retail dealer; and

→ (2) Four (4) members as follows:

- (a) the director of the department of health and environmental sciences or his designee;
- (b) an electrician appointed by the board of electricians;
- (c) a licensed plumber appointed by the board of plumbers;
- (d) the state fire marshal or his designee.

Referred to Committee on Business and Industry.

SENATE RESOLUTION NO. 35

Introduced by Lynch, Story, Harrison, Keenan, Jensen, Goodheart, Zody, Vainio, Shea, Deschamps, Carl

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA URGING THE INSTITUTION OF DAILY AMTRAK SERVICE ON THE SOUTHERN ROUTE IN MONTANA.

WHEREAS, the northern route of Amtrak has enjoyed daily service since the advent of Amtrak, and

WHEREAS, the southern route has only had service three times a week each way, and

WHEREAS, had the southern route daily service, it would have made for a more efficient operation by utilizing the available facilities, and

WHEREAS, the public would have more reason to use its service on a daily basis.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the State of Montana urges that Amtrak initiate daily service on its southern route in Montana, and

BE IT FURTHER RESOLVED, that copies of this resolution be sent to the Montana congressional delegation and to the national railway passenger corporation.

Referred to Committee on Business and Industry.

Senator Groff moved that a rule be drafted that all Conference Committee reports be placed on Second Reading for discussion and then be moved to Third Reading to be voted upon and the rule to go into effect during the Special Session. Motion carried.

Substitute motion was made by Senator Lynch that Senator Groff's motion be referred to the Rules Committee. Motion carried.

INTRODUCTION OF HOUSE BILLS

The following House Bills were introduced, read and referred:

House Bill No. 153, introduced by McKittrick, Lee, Healy, Brand, Glennen, Menahan, Baeth, Huennekens, Colberg, Lynch, Zimmer: A bill for an act entitled: "An act to amend Section 11-1932, R.C.M. 1947, increasing minimum wages of firemen." Referred to Committee on Labor and Employment Relations.

WITNESS STATEMENT

Name W. JAMES KEMBEL Committee On BUSINESS FINANCE
 Address Building Codes Division
Department of Administration Date March 4, 1983
 Representing Dept of Admin. Support X
 Bill No. SJR 9 Oppose _____
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. The Department welcomes the addition of a representative of the conventional homebuilding industry to the Montana Building Codes Advisory Council. The representative's input into the code enforcement process will assist the Department to better serve the public and construction industry.
2. The Montana Building Codes Advisory Council advises the Department on code adoptions, operational procedures and other related code enforcement activities.

3.

4.

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

VISITOR'S REGISTER

HOUSE

Bus/ Industry

COMMITTEE

BILL SB 133

DATE 3-4-83

SPONSOR Lunch

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

DATE _____

SPONSOR

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.