

HOUSE COMMITTEE ON BUSINESS & INDUSTRY

Rep. Jerry Metcalf, Chairman, called the Business & Industry Committee to order on March 23, 1983, in Room 420 of the State Capitol Building, Helena, Montana at 10:00 a.m. All members were present except Reps. Kadas, Kitselman and Jensen, who were excused.

EXECUTIVE SESSION:

REP. ELLISON: I move the Statement of Intent for Senate Bill 84.

QUESTION: The motion carried unanimously. (Exhibit A)

REP. FABREGA: I move to RECONSIDER our action on SENATE BILL 84. I have amendments to offer. (Exhibit #1) I can't figure out where the house mover would pay his fee for line movement. The suggestion is the fee could be deposited in a special fund with the GVW of the Highway Department. Fees would be dispursed quarterly or semi-annually to an advisory panel comprised of representatives of the utility companies. In some cases there are only 1 or 2 wires being moved but you would still pay the same fee. That would equalize the cost between structures that are being moved. It seems that cable TV and telephone are supposed to be at 18' so I would be willing to modify my amendments to say "no charge for structures under 18'." Then "\$200 fee for structures between 18' and 24'."

REP. METCALF: Your proposal of \$200 for 18'-24' - that's for an entire move whether they move 10 wires or 1 wire? Rep. Fabrega: That's how the house mover will know how to estimate. I envision the PSC schedule as being incredibly complicated with everyone from TV to utilities with their own fee. I see the compromise as being the same as the movers paying 100% - we might as well not amend the original bill. We should go to something that resembles a 50/50 compromise.

REP. ELLISON: I don't think we can sit here and set a fee schedule better than the PSC who will hold a hearing and both sides will be represented. If you set a flat fee, they will be back here in two years to have it revised.

REP. HARPER: In case the motion to reconsider should pass, I have an amendment I would like to put on. In the bill on page 3, line 12, it says within 10 days notice of the proposed move, the owner has to call the people who own the wires and they must give a written notice back. You would not be able to get the bid until the last three days prior to the move. My amendment would say "not only at least 3 days prior to the date of the move but within 10 days upon receipt of the written notice." They wouldn't know what to bid until three days before the move.

REP. BACHINI: Rod Hansen, what is the procedure if a house mover comes to you right now and says I want to move a building? Mr. Hansen: Under the present law, all that is required is that the mover give us notice within 3 days of when they want to move the structure. We are required by law to be available at that time. A route does not have to be established, but quite often a mover will come in and work out the best route with the utility.

REP. LYBECK: This bill has been up before the legislature for so many years. We now have a compromise worked out by the Senate. I suggest we go ahead and leave it as it is and see if it works for two years. We should take a straw vote to see if there is enough interest to reconsider.

REP. METCALF: We will have an unofficial show of hands as to whether to reconsider Senate Bill 84.

In Favor of Reconsidering: 5

Opposed: 10

REP. FABREGA: I would request a new fiscal note be attached to this bill.

REP. METCALF: Rep. Harper, I suggest you try your amendment on the floor.

REP. FABREGA: I withdraw my motion to reconsider.

PROPOSED COMMITTEE BILL ON LIQUOR QUOTAS:

REP. FAGG: The bill would raise from 133% to 150% the existing quota which would give seven new licenses to Billings and two to Bozeman. It would be on first class cities only.

REP. LYBECK: Are there any small towns that have problems getting licenses? Mr. Durkee: No.

REP. FAGG: I move the rules be suspended and we draft a bill to this effect.

REP. HARPER: I don't think this bill will pass. Rep. Fagg: If the liquor organization gets behind it, it will.

Mr. Durkee: I suggest we go to 140%. The Billings people are not happy with this. The rest of the state will go for 140%. That would be approximately three for Billings and two for Bozeman.

REP. HARPER: We are breaking the quota system by gradually prying it open a little at a time. Wouldn't it be more fair if we took off on Sen. Crippen's idea and if the dept. could establish for every impacted area a system whereby for each new license into that area, the current owners would receive payment to offset the value of their licenses going down. We could buy them out, slowly. At least you would get compensation if a bar opened up across the street.

REP. FAGG: There is a fallacy in your statement. I have the Sheraton Hotel and our bar was just doing so-so. A bar opened up across the street and our business picked up.

Two more opened up close by and our business was better than ever. The truth of the matter is, success breeds business in the liquor business. Competition is good for it.

REP. ELLERD: The whole system is very unfair because it's a monopoly. I would have a problem reimbursing them for so called damages, because they charge anything they want. They want their monopoly but they don't want any price controls on it. The price of their license increases over night after they buy it.

REP. PAVLOVICH: The monopoly is governed by the city and as the population goes up, more licenses go into that city. If the population goes down, we have a surplus. Other monopolies don't have competition - but there is competition in ours.

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QUESTION: The motion carried with Rep. Harper voting no.

The hearing adjourned at 10:00 a.m.

J. Metcalf

REP. JERRY METCALF, CHAIRMAN

Linda Palmer

Linda Palmer, Secretary

STATEMENT OF INTENT
SENATE BILL #84
HOUSE COMMITTEE ON BUSINESS & INDUSTRY

A statement of intent is required for SB 84 because in subsection (2) of section 2 it amends 69-4-603 to give the Public Service Commission the authority to determine the average cost of raising or cutting wires or cables or of moving poles. It is the intention of the Legislature that the Public Service Commission hold a hearing within 180 days after the effective date of SB 84 to discover the reasonable and necessary costs of those operations, after which the commission shall establish by rule the average costs, which shall remain in effect until modified by the commission after a subsequent biennial review.

To: Members of the House Committee on Business and Industry
From: The Montana Housemovers Association
Date: March 23, 1983
Subject: Some Thoughts on Rep. Fabrega's Compromise

Yesterday Rep. Fabrega offered in broad outline a proposal to replace S.B. 84 charges with the following fee schedule:

no charge for structures under 20 feet in height

\$200 fee for structures between 20-24 ft. in height

\$500 fee for structures between 24-30 ft. in height

\$1500 fee for structures over 30 feet in height

This proposal has several appealing elements. First, it avoids involvement by the PSC. Second, all requirements for estimates and related paperwork are eliminated. Third, it is simple and everyone can understand it.

The fees involved compare quite favorably with the actual costs of moving wires and the 50-50 split of SB 84. Let us explain. If prefab structure owners have to pay all wire moving costs, irrespective of structure height, we estimate that at least half of the expenses of utilities will be paid. (According to testimony presented to this Committee, roughly 2/3 of all high structures moved in the past three years were prefabs.)

Also, the Fiscal Note to SB 84 estimates that the average cost of moving wires for a non-prefab structure was \$2,200, a figure we believe to be high. We estimate that the average sized house moved is roughly 24 feet. Further, we estimate that the fees in Rep. Fabrega's proposal would take care of roughly 1/4th of the expenses of non-prefab moves. Thus, we believe that the Fabrega proposal will provide to the utilities reimbursement for over 3/4ths of their expenses in moving wires.

Rep. Fabrega did not spell out where this fee should be paid. Our suggestion would be to deposit these fees in a special fund administered by the State Highway Department. House movers and motor carriers deal regularly with the GVW Division of the Highway Department. The fund contents could be distributed quarterly or semi-annually pursuant to recommendations by an advisory panel comprised of representatives from the major utility companies (e.g., Mountain Bell, MPC, MDU, PPL, REA, Cable TV and Rural Telephone Co-ops).

ACTUAL EXPENSE AMENDMENT

On page 4, strike lines 9 through 16 and insert in lieu thereof:

"(2) The expense of raising or cutting the wires or of removing the poles for utilities shall include only reasonable and necessary expenses for time and materials used. No overtime charges may be included in these expenses during a regular eight hour work day, including lunch hour. In the event of a dispute over whether any such expenses are either reasonable or necessary, the Public Service Commission shall be empowered to settle the dispute subject to the requirements of this act."

RATIONALE

This amendment should get the movers and the utilities to work out their charges without burdening the PSC with the collection and analysis of all wire moving charges incurred throughout the State. Also, it eliminates the use of "average" expenses, and uses instead the actual expenses of each job. Finally, it seeks to clarify the terms "reasonable and necessary expenses" and to provide a forum for settling disputes about these expenses.

AMENDMENT TO "WRITTEN ESTIMATES" REQUIREMENTS

On page 3, at the end of line 12, strike the period and insert in lieu thereof:

"or within 10 days upon receipt of the written notice of the move, whichever time comes sooner."

RATIONALE

This amendment is needed because the movers must respond quickly to prospective customers who wish to have a structure moved. Such response is typically in the form of a competitive bid, and because of this proposed new law, the bid should include the cost of moving wires. Under the provisions of the Senate bill, it would be possible to notify a utility six months before a proposed move, but not receive a written estimate until three days before the move. With this amendment, the estimate would be provided, at the latest, within ten days upon request of the utility.