

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

February 11, 1983

The meeting of the Business and Industry Committee was called to order by Chairman Allen Kolstad on February 11, 1983, at 10:00 a.m., in Room 404, State Capitol.

ROLL CALL: All members of the Committee were present.

ACTION ON HOUSE BILL 190: Representative Asay gave the committee amendments to this bill. (Exhibit No. 1)

Chairman Kolstad asked if all the opponents and proponents were agreeable to this amendment. Representative Asay stated yes.

Senator Goodover made the motion that the proposed amendments to House Bill 190 Be Adopted. Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that the proposed amendments to HOUSE BILL 190 Be Adopted.

Senator Goodover made the motion that House Bill 190 As Amended Be Concurred In. Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that HOUSE BILL 190 AS AMENDED BE CONCURRED IN.

CONSIDERATION OF SENATE BILL 250: An act to generally revise the laws relating to the Board of Housing; authorizing the issuance of taxable or tax exempt bonds; removing the limit on interest rates at which bonds may be sold; providing for a public hearing prior to financing developments for rental units for a for-profit sponsor. Senator Pat Goodover stated last session he was involved with the Board of Housing bills. He called on Lyle Olson to present the bill.

PROPOSERS TO SENATE BILL 250: Lyle Olson, Board of Housing stated this is a change in the act. It allows them to sell taxable bonds. Congress sunsetted tax free bonds for housing. If they do that they are out of business. They could buy down taxable bonds for awhile and use them for Twin Bridges and other places. It would not be a great amount because taxable bonds are quite expensive. Congress has said that if we are going to sell for multi-family housing we must have hearings in the area. We are asking for that. We have a ceiling on the interest rate which we have never gone over. It is 1% less than HUD or FHA sell their bonds. They cannot sell for more than 11%. They are talking about getting rid of the FHA rate and going to a floating rate. There is no reason to have a ceiling and they are asking that the interest ceiling be abolished.

Dennis Rehberg, Montana Association of Realtors, stated he worked with Mr. Olson in Washington. The Boards of Housing nationwide had not been regulated until some abuses came up. Unfortunately, Montana is now having to live with that decision to regulate the State Board of Housing. There has been some problems in other states. Congress is looking closely to see if they want to continue the program. If Congress decides to sunset in 1983 they still will be able to carry

on the program as long as they can. They support this bill.

John Hollow, Montana Home Building Association stated they support this bill. It is an interest sensitive bill. Anything the Board of Housing can do to protect that kind of money will help the market.

Gary Buchanan, Director, Department of Commerce, stated they support this bill.

There were no further proponents and no opponents.
There were no questions from the committee.

ACTION ON SENATE BILL 250: Senator Severson made the motion that Senate Bill 250 Do Pass. Senator Goodover seconded the motion.

The Committee voted unanimously, by voice vote, that SENATE BILL 250 DO PASS.

CONSIDERATION OF SENATE BILL 251: An act authorizing the Board of Investments to enter a commitment agreement with the Board of Housing. Senator Pat Goodover stated this is a companion bill for the Board of Housing. The explanation for the bill will be given by Mr. Olson.

Lyle Olson, Board of Housing, stated this is something different. It is an amendment to the Board of Investments Act. It allows them to sell bonds for just a 12-year period and then enter into an agreement before they sell the bonds for a predetermined amount of interest. They would then enter into an agreement with the Board of Investments and pay interest for 12 years. They would then have the option to refinance at the same interest. The Board of Investments would agree to purchase mortgages made with the bond proceeds at that time.

Dennis Rehberg, Montana Association of Realtors, stated it is a mini version of a variable mortgage rate. The majority are not buying 30-year fixed rates but are buying variable mortgage rates. He thinks it is a good incentive. It would also provide additional revenue in Montana. They support this bill.

John Hollow, Montana Home Building Association, stated he supported this bill because it would make more mortgage money available.

Gary Buchanan, Director, Department of Commerce, stated this is permissive language and does not require anything. It is the prerogative of the Board of Investments in the end. It is an option that worked in Minnesota and he requested the committee's support.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE: Senator Regan requested that we hold this bill so that she can look at it more closely.

CONSIDERATION OF HOUSE BILL 253: An act to revise the procedure for acquiring information concerning the location of underground facilities.

Representative Oren Vinger, stated he was the sponsor of this bill. In the present law you have to make your request in writing and answer in writing. No one is abiding by that because it is too time consuming. They would like to amend the bill so a request can be made in person, in writing, or by telephone.

PROPOSERS TO SENATE BILL 253: Terry White, MDU, stated currently these requests must be in writing which causes more paper work and delay. They recommend this bill do pass.

Bob Quinn, Montana Power Company, stated they are in favor of this legislation. It is quick just to take a telephone call. This legislation offers the option of writing the letter if they wish.

Gene Phillips, Pacific Power and Light, stated he supports the amendments.

Sonny Hanson stated they support this bill.

Rod Hanson stated they support this bill.

There were no further proponents and no opponents.

There were no questions from the Committee.

ACTION ON HOUSE BILL 253: Senator Lee made the motion that House Bill 253 Be Concurred In. Senator Regan seconded the motion.

The Committee voted unanimously, by voice vote, that HOUSE BILL 253 BE CONCURRED IN.

CONSIDERATION OF SENATE BILL 322: An act making permanent the law providing for municipal regulation of municipally owned utilities; removing the limitation on annual rate increases that may be made by the municipality; providing for public reports on the utility; authorizing the Public Service Commission to provide technical assistance.

Senator Mike Halligan stated he was the sponsor of this bill. He stated one of the reasons they passed the 12% leeway last session was because there should be more leeway in the municipalities on water and sewer rates. The Public Service Commission was created to focus on the utilities and transportation system. If you look at the local level they have staff to take care of these kinds of things so the bill was simply designed to take some burden off of the Public Service Commission. It was designed to reduce some delays when they want to raise the water and sewer rates above 12%.

PROPOSERS TO SENATE BILL 322: Mike McConey stated this piece of legislation was the same that was requested in the last session. They were forced to accept the 12% limitations imposed by the Legislature. They support this bill.

Bill Verwolf, City of Helena, stated they support this bill.

Mae Nan Ellingson stated they were in support of Senate Bill 322. The Legislative Audit Committee is recommending making the 1981 legislation permanent. We support either bill and would encourage the committee hold this bill until the other bill is up.

OPPONENTS TO SENATE BILL 322: Representative Paul Pistoria stated he opposed this bill ardently. He opposed this bill in the last session which allowed the cities and towns to raise the sewer and water rates automatically to 12%. He had a copy of a petition and letter (Exhibit No. 2) to exemplify how the people feel about this. Out of 3-4 cities the Public Service Commission automatically gave them their raise. He feels the consumer would have to go to District Court to right this and he thinks it is discriminatory.

John Allen, Montana Consumer Counsel, stated the function of their office is to represent the public with all matters that come before them in the Public Service Commission which includes water and sewer rates. This bill would be harmful to the consumer because it allows them to raise the rates to 12% automatically. He thinks there would be some abuse. His understanding was the Legislature wanted the cities and towns to raise their rates for the purpose of offsetting their costs without going to the Public Service Commission. He made a tally of the number of cities that raised their rates for sewer and water in 1982 and there was a total of 75 cities that increased their water and sewer rates. When a city examines the water and sewer system they do not have the staff to make the analysis on their own. They go to an outside engineering firm to make that analysis for them. That engineering firm too often recommends a "cadillac" when a "chevy" will do. The existing legislation has been subjected to some abuses and cities have attempted to get more than 12%.

Bill Opitz, Public Service Commission, stated they are in a neutral position. However, if the bill is passed they offer the following amendment. Lines 11 & 12, page 2, strike "Public Service Commission" and strike all of new section 3, page 2, lines 17-21. There is another bill that is in the Sunset Audit Report that would make permanent the 12% increases that were passed in House Bill 754 from last session. They have worked with the League of Cities and Towns in trying to correct some of the things that happened. Once the Commission grants an increase they could not ask for another within 12 months. They have only talked about water and sewer but on page 1, line 20, it says public rate charges and its inhabitants. This would also include gas and electricity utilities owned by municipalities.

QUESTIONS FROM THE COMMITTEE:

Senator Gage asked of the 13 cases that were heard by the Public Service Commission how much abuse was their determined to be in those cases? Mr. Allen stated the City of Helena asked for 96% increase and were granted 45%. They were granted the entire increase after the application was heard.

Senator Regan stated lets assume that we were to pass this bill in this form. What is there from preventing you to charge one rate for

people within the city limits and when you get out to the heights making their increase a great deal larger? Are we opening the door for abuse in inequity? Mr. Thelen stated we have a contract with the heights. When you have a contract you have a document on how the rates have to relate with the customers. The rates which have been approved by the Public Service Commission are different in and outside the city.

Senator Gage stated you expressed concern of this going into other facilities? Bill Opitz stated yes. He just wanted the committee to realize the language of the bill does deregulate municipal utility services.

Senator Fuller stated he is interested that the abuse would occur at the local level rather than the state level. Mr. Allen stated the cities do not have the staff to critique the engineering studies from the firms they go to.

Senator Fuller asked would you still oppose this bill if the law required that you have a role in that process? Mr. Allen stated they have not taken our recommendations very seriously. They attended the public hearing held by the city counsel and their recommendations were completely ignored.

Senator Fuller asked would you be more comfortable if the Legislature allowed second and third class cities? Mr. Allen stated the most problem they have had has been with the first class cities.

In closing, Senator Halligan stated most of the cities and towns existed before the Legislature was around to tell them what they should or should not do. The attitude needs to be eroded. This bill does try to address some of these concerns.

The hearing was closed on Senate Bill 322.

ACTION ON SENATE BILL 84: Senator Severson made the motion that we reconsider Senate Bill 84 for the purpose of amendments. Senator Regan seconded the motion.

The committee voted 9-1 with Senator Boylan voting no that we reconsider Senate Bill 84 for the purpose of amendments.

Senator Severson made the motion to amend the amendment on Senate Bill 84 concerning the figures as far as who pays over the 26'. The amendments we had stated both the movers and utilities would be charged on a 50/50 basis. The movers will pay the cost of anything over 26'.

Senator Kolstad asked where does that appear in the bill?

Senator Goodover asked are we stripping the bill of amendments? Senator Lee stated no he is amending the amendments.

Staff Attorney Petesch stated this would be an amendment to the amend-

ment. What he would do is strike "equally shared" and later "owner of the wires and poles" and insert "paid by the owner of the structure." Senator Boylan seconded the motion.

Senator Dover asked now does that make the power companies pay 100%? Senator Severson stated no the mover or the owner of the structure pays the cost over 26'.

Senator Regan stated I think this bill needs amendments but I do not think that is the amendment it needs. I want to strip out all amendments and go with the compromise. If we simply accept the compromise that the industry has offered we can say goodbye to the house movers. We will mandate that they pay 50/50. I think they should be put in with the Public Service Commission. I hope we reject these amendments.

Senator Severson stated as far as I am concerned this is the compromise.

Senator Goodover made the substitute motion that Senate Bill 84 be stripped of all amendments and amend to include the complete amendments which we have.

Senator Fuller asked would someone tell me where we are? What is in the existing bill before us? Senator Regan stated I think we have the grey bill with some amendments.

Senator Lee stated no and asked Staff Attorney Petesch to explain. He stated currently as the bill was amended so anything built with the intention of being moved down the road the owner would pay the costs. If the structure exceeds 26' in height they would pay 50/50.

Senator Fuller asked could you describe your compromise? Senator Goodover stated this was agreed to buy the utilities. (Exhibit No. 3) He stated he had agreements from utilities and the housemovers. This is what the majority of them want. Lets give them what they are trying to compromise on. They are not all happy with it but they can live with it. This compromise that we have before us lets insert into the grey bill and get out of here.

Senator Regan asked if the grey bill was the compromise? Senator Goodover stated the people involved representing both sides is for the grey bill 84, isn't that what you are agreeing to?

Senator Kolstad stated we should have a second to the motion before we proceed. Senator Dover seconded the motion.

Steve Browning stated since this agreement was entered into the housemovers have reconsidered their position and their new position was in the letter of February 10th. The letter says in essence the housemovers support the bill as it was amended with the one exception that the amendment that Senator Christiaens has would provide a written estimate.

Jay Downen stated they negotiated with the homemovers. They came to

an agreement. They will stay with the compromise that they feel is fair. The new language they feel is unfair. The housemovers new position they do not agree with.

Senator Goodover withdrew his motion because they do not have an agreement.

Senator Severson stated basically the motion is to get it back to the original compromise. The utilities would pay below that and the housemovers would pay above.

Senator Regan stated the original proposal was the original motion but not the compromise. If you vote for this you will take the bill as the housemovers want it. There is no compromise in the bill. That may be what you want to do. I do not.

Senator Goodover made the substitute motion that we strip the previous amendments and accept Senate Bill 84 in the grey form except for page 4, line 4, strike "except" and all of lines 5, 6, 7 & 8. Senator Regan seconded the motion.

Senator Dover asked but I thought this was where the big problem was on prefabs? Senator Regan stated I am going to take it back to the Public Service Commission with the rates being set and the shared cost. Then after it is done then lets take it to the compromise.

The committee voted by Roll Call Vote 6-4 with Senators Boylan, Gage, Lee and Severson voting no, that we accept Senate Bill 84 in the grey form.

Senator Lee made the motion that we reconsider the action. He did not think he needed to speak on this but evidently he did. There was no compromise. They talk about the utilities getting with the housemovers. The housemovers could not come to any kind of an agreement. We have been going over this bill for a couple of weeks and we are making a big mistake on this. For Senator Regan to misrepresent this as some kind of compromise is beyond me. Senator Lee restated his motion that we reconsider action in our previous motion. Senator Boyland seconded the motion.

Senator Regan stated this subcommittee met and while you did not agree with the subcommittee's findings Senator Goodover and I did. I would ask you if they did arrive at a compromise the first time.

Senator Lee asked Senator Regan to define the compromise that she speaks of. Senator Regan stated both from the housemovers and the utilities was the compromise to accept the amendments we have before us. This was the original compromise. Senator Goodover stated he agrees with Senator Regan. We did have an agreement with the two parties.

Senator Christiaens stated he had amendments to Senate Bill 84.
(Exhibit No. 4)

Senator Lee stated we should pass on this bill and get a list of every housemover and poll them and see what route they want to go. If the premise is that only 2-3 housemovers were against the compromise then he is willing to withdraw his support.

Steve Browning stated I think the source of the difficulty that we are in now dates back to the week of January 24th. At that time he did have the opportunity to speak to each Senator individually in connection with the housemovers. On the Wednesday following one of committee hearings all of the housemovers convened at the Park Plaza Hotel. The discussion seemed to be focusing on what was a fair height. Housemovers would pay above that and then utilities would pay. At that time he asked what height could they live with. He started at 28' all but one agreed to that 28'. The one stated he would not agree to any compromise. At 26' four homemovers stated they could not survive. At 24' twelve said they could not agree with that. They thought 26' was the compromise, plus we had suggested that any height for prefab structures would be given up. Seven members of the committee stated they supported this compromise. The committee met on January 28th and that amendment was not offered. Instead after some discussions a subcommittee was appointed. Subsequently a new proposal was offered and that proposal was the 50/50 compromise. He was instructed to work with the subcommittee in developing a compromise that would best protect their interest. At that time all of the housemovers were not involved. All of them preferred the 26' but they thought the committee was not interested in that amendment. When he went ahead and negotiated the committee again went back to the initial compromise that the housemovers had supported on January 26th. In a letter dated yesterday, February 10, 1983, the housemovers now agree that they want to retain the initial compromise they agreed upon. I use the word "compromise" not in terms of an agreement but a compromise. We did estimate that the 26' limit took care of about 75% of the costs that they were incurring in moving wires.

Senator Regan stated when you speak of the 26' compromise it was a proposal. Did you not agree to the compromise that involved the Public Service Commission previously? Mr. Browning stated I did.

Senator Regan stated she did not lie to the committee. I want the record to show that.

Senator Lee apologized to Senator Regan. He used the word "compromise" when he meant proposal or agreement. He stated I vote on the committee and on the floor and the lobbyists don't. Whatever agreements they make he does not feel he is bound to. He would like to go to the original proposal.

Senator Fuller stated he supported the 26'. As a result he is going to oppose Senator Lee's motion and go with the grey bill.

The Committee voted by Roll Call Vote 4-6 with Senators Christiaens, Dover, Fuller, Goodover, Regan and Kolstad voting no. The motion failed.

Senator Christiaens made the motion that his proposed amendments Be Adopted. Senator Gage seconded the motion.

The Committee voted unanimously by Roll Call Vote that the proposed amendments to SENATE BILL 84 BE ADOPTED.

Senator Christiaens stated what this does is make sure that those persons moving will give written notice of the time of the move and ask that they receive a written estimate of the cost of the cutting of those wires so they can give the person moving that structure an exact estimate.

Senator Regan made the motion that Senate Bill 84 As Amended Do Pass. Senator Goodover seconded the motion.

The Committee voted by Roll Call Vote 6-4 with Senators Boylan, Gage, Lee and Severson voting no that SENATE BILL 84 AS AMENDED DO PASS.

ADJOURN: There being no further business, the meeting adjourned at 11:45 a.m.



ALLEN C. KOLSTAD, CHAIRMAN

STANDING COMMITTEE REPORT

February 11

1983

PRESIDENT

MR.

BUSINESS AND INDUSTRY

We, your committee on

having had under consideration **SENATE** Bill No. **84**

Respectfully report as follows: That **SENATE** Bill No. **84**
be amended as follows:

1. Title, line 6.

Following: "PAY"

Strike: "THE"

Insert: "CERTAIN"

2. Title, line 7.

Following: "EXPENSES"

Insert: ", AS DETERMINED BY THE PUBLIC SERVICE COMMISSION,"

3. Title, line 10.

Following: "SAME"

Insert: "REQUIRING THAT AN ESTIMATE OF THE COST BE GIVEN;"

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS 69-4-602 AND"

4. Page 2, line 12.

Following: "pay"

Strike: "all"

Insert: "some of the"

CONTINUED . . .

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5. Page 2, line 17.

Following: line 16

Insert: "Section 1. Section 69-4-602, MCA is amended to read:

"69-4-602. Procedure to give required notice. (1) The person, firm, or corporation moving any house, building, derrick, or other structure shall give the person, firm, or corporation owning or operating the wires or poles, at their principal office and their nearest office within the state, not less than 10 days' written notice of the proposed time and place of moving a structure. The owner of the wires or poles shall give the mover a written estimate of the cost of cutting, raising, or moving the wires or poles at least 3 days prior to the move.

(2) The person, firm, or corporation moving any house, building, derrick, or other structure shall give to the person, firm, or corporation owning or operating such wire or poles, at these nearest office and also at their principal office within the state, not less than 3 days' written notice of the time and place, when and where the removal of said poles or the cutting, raising, moving, or otherwise interfering with said poles or wires will be necessary."

Renumber: subsequent sections

6. Page 2, line 24.

Following: "structure"

Strike: remainder of line 24 through "structure" on line 3 of page 3.

7. Page 3, line 4.

Following: line 3

Insert: "(2) The necessary and reasonable expense of raising or cutting the wires or of removing the poles for utilities subject to the jurisdiction of the public service commission must be fixed and determined by the public service commission on the average cost per line or pole for time and materials expended. These costs and expenses must be determined at a hearing to be held within 180 days of [the effective date of this act] and must be reviewed biennially.

(3) The rates and charges of rural cooperative electric utilities, rural cooperative telephone utilities, and other persons who occupy and use utility or cooperative poles may not exceed the charges established by the public service commission for utilities subject to its jurisdiction.

(4) The public service commission shall apportion the costs and expenses determined pursuant to subsections (2) and (3) as it determines proper.

Renumber subsequent sections

CONTINUED . . .

J/C

8. Page 3, line 21.

Following: line 20

Insert: "Section 3. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."

AND AS AMENDED

DO PASS

Y.C.

STANDING COMMITTEE REPORT

February 11

1983

PRESIDENT

MR.

BUSINESS AND INDUSTRY

We, your committee on

SENATE

250

having had under consideration Bill No.

SENATE

250

Respectfully report as follows: That Bill No.

DO PASS

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STANDING COMMITTEE REPORT

February 11

1983

MR. **President**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **HOUSE** Bill No. **190**

ASAY (GAGE)

Respectfully report as follows: That **HOUSE** Bill No. **190**
be amended as follows:

1. Title, line 5.

Following: **"AUTHORIZING"**

Strike: **"PURCHASERS"**

Insert: **"WHOLESALE DISTRIBUTORS"**

2. Page 1, line 21.

Following: **"(2)"**

Strike: **"Sellers"**

Insert: **"Suppliers"**

3. Page 1, line 21.

Following: line 20.

Strike: **"prospective purchasers"**

Insert: **"Montana Petroleum Wholesale Distributors"**

4. Page 2, line 12.

Following: line 11.

Insert: **"(3) This section does not apply to the exchange or**
~~XXXXX~~ **or transfer of gasoline and distillates between refiners**
or transporters of petroleum or petroleum products."

AND AS AMENDED
BE CONCURRED IN

ye

STANDING COMMITTEE REPORT

February 11,

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MR. **President**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **HOUSE** Bill No. **253**

VINGER (LEE)

Respectfully report as follows: That **HOUSE** Bill No. **253**

 **BE CONCURRED IN**

AC.

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-11-83 Senate Bill No. 84 Time _____

NAME	YES	NO
PAUL F. BOYLAN	✓	
B. F. CHRIS CHRISTIAENS	✓	
HAROLD L. DOVER	✓	
DAVID FULLER	✓	
DELWYN GAGE	✓	
PAT M. GOODOVER	✓	
GARY P. LEE, VICE CHAIRMAN	✓	
PAT REGAN	✓	
PAT M. SEVERSON	✓	
ALLEN C. KOLSTAD, CHAIRMAN	✓	

Mimi Fancher
Secretary

ALLEN C. KOLSTAD
Chairman

Motion: Proposed amendments be adopted.

(Include enough information on motion -- put with yellow copy of committee report.)

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-11-83 Senate Bill No. 84 Time _____

NAME	YES	NO
PAUL F. BOYLAN		✓
B. F. CHRIS CHRISTIAENS	✓	
HAROLD L. DOVER	✓	
DAVID FULLER	✓	
DELWYN GAGE		✓
PAT M. GOODOVER	✓	
GARY P. LEE, VICE CHAIRMAN		✓
PAT REGAN	✓	
PAT M. SEVERSON		✓
ALLEN C. KOLSTAD, CHAIRMAN	✓	

Mimi Fancher
Secretary

ALLEN C. KOLSTAD
Chairman

Motion: Strip previous amendments and
accept Senate Bill 84 in the gray form.

(Include enough information on motion -- put with yellow copy of committee report.

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-11-83 Senate Bill No. 84 Time _____

NAME	YES	NO
PAUL F. BOYLAN	✓	
B. F. CHRIS CHRISTIAENS		✓
HAROLD L. DOVER		✓
DAVID FULLER		✓
DELWYN GAGE	✓	
PAT M. GOODOVER		✓
GARY P. LEE, VICE CHAIRMAN	✓	
PAT REGAN		✓
PAT M. SEVERSON	✓	
ALLEN C. KOLSTAD, CHAIRMAN		✓

Mimi Fancher
Secretary

ALLEN C. KOLSTAD
Chairman

Motion: Reconsider action in previous motion.
Motion failed.

(Include enough information on motion -- put with yellow copy of committee report.)

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-11-83 Senate Bill No. 84 Time _____

NAME	YES	NO
PAUL F. BOYLAN		✓
B. F. CHRIS CHRISTIAENS	✓	
HAROLD L. DOVER	✓	
DAVID FULLER	✓	
DELWYN GAGE		✓
PAT M. GOODOVER	✓	
GARY P. LEE, VICE CHAIRMAN		✓
PAT REGAN	✓	
PAT M. SEVERSON		✓
ALLEN C. KOLSTAD, CHAIRMAN	✓	

Mimi Fancher
Secretary

ALLEN C. KOLSTAD
Chairman

Motion: As Amended To Pass.

(Include enough information on motion -- put with yellow copy of committee report.)

Mr. Chairman, Members of the Committee:

For the record, my name is John Braunbeck and I own and operate Energy Services Company, a petroleum information, subscription and consulting business here in Helena. I also represent, on a part-time basis, the Montana Intermountain Oil Marketers Association. However, at this time, I wish to make it clear that I do not represent Montana IOMA on HB-190.

Before you are individual petroleum marketers (both proponents and opponents) representing themselves. To arrive at proper legislation, both components should be present.

Mr. Chairman, I thank you and the Committee for providing additional time in your busy schedule to generate the third ingredient for successful legislation--compromise.

To this end, the following amendments are offered:

1. Page 1, line 20: Delete the word "sellers" and insert the word "suppliers".
2. Page 1, line 21: Delete the words "prospective purchasers" and insert the following: "Montana Petroleum Wholesale Distributors".*

*Same definition as Section 15-70-201 (6) (a) (b) (c), MCA(attached).

I believe that Representative Asay provided the "exemption" amendments at the last hearing. For your reference, the amendments are included again at this time:

3. Page 2, line 8: Delete "Subsection (2) does not..." and insert "Section 30-12-409, MCA shall not..."
4. Page 2, line 8: After the word "exchange", insert "or transfers".

The result of these amendments are to reflect the original intent of the proposal, clarify that intent and to offer the necessary compromise for success of the bill. In short, the amendments clarify the option to the Montana Petroleum Wholesale Distributor. This issue must be addressed at the refinery point of loading. If the distributor receives resulting cost savings, it would be to his benefit to pass those savings to his customers. Again, the intent of this proposal is to address the temperature correction option at the refinery level--not requiring expensive temperature correction equipment to be installed at the wholesale distributor level.

With respect to the 7,500 gallon minimum pull level, this is no hard and fast number. It was used because the Wyoming bill (from which HB-190 is patterned) used that figure. From reports I have received, the Wyoming law has been successful. However, I understand that other states, having the option, are running minimum figures from 5,000 to 8,000 gallons. Again, I am sure the proponents will agree to whichever figure is a reasonable minimum.

Mr. Chairman, that concludes my testimony and the proposed compromise amendments. Thank you again for the chance to address these issues. I will be available for such questions as the Committee may have.

Part 2 λ

Basic Gasoline License Tax

15-70-201. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Agricultural use" means use of gasoline by a person whose major endeavor and primary source of earned income is from the business of farming or ranching.

(2) "Aviation dealer" means any person in this state engaged in the business of selling aviation gasoline, either from a wholesale or retail outlet, on which the license tax has been paid to a licensed distributor as herein provided for.

(3) "Aviation gasoline" means gasoline or any other liquid fuel by whatever name such liquid fuel may be known or sold, compounded for use in and sold for use in aircraft, including but not limited to any and all such gasoline or liquid fuel meeting or exceeding the minimum specifications prescribed by the United States for use by its military forces in aircraft.

(4) "Bulk delivery" means placing gasoline in storage or containers. The term does not mean gasoline delivered into the supply tank of a motor vehicle.

(5) (a) Gasoline refined, produced, manufactured, or compounded in this state and placed in tanks thereat or gasoline transferred from a refinery or pipeline terminal in this state and placed in tanks thereat or gasoline imported into this state and placed in storage at refineries or pipeline terminals shall be deemed to be "distributed", for the purpose of this part, at the time the gasoline is withdrawn from such tanks, refinery, or terminal storage for sale or use in this state or for the transportation to destinations in this state other than by pipeline to another refinery or pipeline terminal in this state. When withdrawn from such tanks, refinery, or terminal, such gasoline may be distributed only by a person who is the holder of a valid distributor's license.

(b) Gasoline imported into this state, other than that gasoline placed in storage at refineries or pipeline terminals, shall be deemed to be "distributed" after it has arrived in and is brought to rest in this state.

✓(6) "Distributor" means:

(a) any person who engages in the business in this state of producing, refining, manufacturing, or compounding gasoline for sale, use, or distribution;

✓(b) any person who imports gasoline for sale, use, or distribution;

✓(c) any dealer licensed as of January 1, 1969, except a dealer at an established airport.

(7) "Gasohol" means all products commonly or commercially known or sold as gasohol, produced and sold in Montana for the purpose of effectively and efficiently operating internal combustion engines, consisting of not less than 10% anhydrous ethanol produced in Montana from Montana agricultural products.

(8) "Gasoline" includes all products commonly or commercially known or sold as gasolines, including casinghead gasoline, natural gasoline, aviation



The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

REPRESENTATIVE PAUL G. PISTORIA
HOUSE DISTRICT 39

HOME ADDRESS:
2421 CENTRAL AVE.
GREAT FALLS, MONTANA 59401

Feb. 10, 1983

COMMITTEES:
VICE CHR. LOCAL GOVERNMENT
STATE ADMINISTRATION

FOR TESTIMONY AGAINST- S.B. 322

In the 1981 Session then Senator Jesse O'Hara was defeated for supporting H.B. 765, which allowed municipalities to automatically raise their water rates 12% each year. This same material applies AGAINST S.B. 322 by Senator Halligan.

(5) H.B. 765. It was sponsored by Gene Donaldson. This bill passed and now is the law for 2 years. It allows the Cities and Towns to automatically raise the Water & Sewer Rates 12% once each year. This took this Jurisdiction from the PSC to set Water & Sewer Rates. Then WHY HAVE THE PSC? That is a good question. THIS WAS TERRIBLE!

Even though I fought very hard against the bill in the House Local Gov't Committee and in the Senate Local Gov't Committee, it passed in Both Houses. In the House, your Representatives Jack Moore, John Phillips, John Matsko, Jay Fabrega and Toni Bergene VOTED for its passage. DID THEY REPRESENT YOU? NO.

*NOTE
THIS IS
TRUE.*

Now, in the Senate, it was very interesting. LISTEN TO THIS: In the Senate LOCAL GOV'T COMMITTEE, I presented them with 719 signatures on a petition AGAINST this bill. The Black Eagle Civic Club presented the Committee with the fact they were unanimously AGAINST this. Now the climax...Mrs Mary Mehlhoff, who lives in Senator JESSE O'HARA'S Dist. #18 mailed me a petition with approximately 370 signatures AGAINST THIS BILL. I gave them to JESSE O'HARA, Vice Chr. of the Senate Committee. He never turned it in to his committee and they didn't know about them when I questioned the committee. Chairman, Sen. Geo. McCallum was unaware of the petitions. No doubt, you know what JESSE O'HARA did with the petitions... he probably threw the petitions away. Being he is Vice Chairman of this committee, this was not the way to represent his constituents in his Senate District #18. DOES HE DESERVE TO BE RE-ELECTED...I WOULD SAY NO!

I WILL DO EVERYTHING POSSIBLE TO FIGHT THIS IF, IT COMES UP AGAIN IN THE 1983 SESSION. YOU SHOULD ELECT THE PERSON WHO WILL REPRESENT YOU.

MY RECORD SPEAKS FOR ITSELF AND I WILL NOT WAIVER. I AM NOT FOR SALE.

GOVERNMENT IS GETTING TOO BIG! WE NEED LESS.

I WOULD APPRECIATE YOUR CONTINUED SUPPORT.

BE SURE TO EXERCISE YOUR VOTE ON NOVEMBER 2, 1982.

THANK YOU.
October 28, 1982
Circulated and Pd. for by Paul Pistoria for Legislature, Kay Pistoria, Treas. 2421 Central Avenue
Great Falls, Montana, 59401

Sincerely yours,
Paul G. Pistoria
Paul G. Pistoria
State Representative

NOTE - S.B. 322 by Senator Halligan is the same as H.B. 771 by Representative Shontz, which was killed in committee in the 1981 Session.

BROWNING, KALECZYC & ASSOCIATES, INC.

Securities Building
Box 162
Helena, Montana 59624
406/449-6220

February 10, 1983

To: Members of the Senate Business and Industry Committee

From: Steve Browning

Subject: S.B. 84

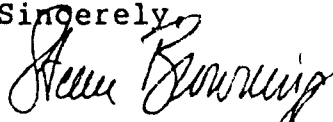
I am writing to you with respect to S.B. 84 to clarify the position of the Montana House Movers Association on this bill and my role with the Association.

To begin with, it should be understood that the Association supports the bill as currently amended, with the following exception: namely, the Association believes that the bill should require utilities to provide written estimates for any wire moving not to be paid for by the utilities. I'm informed that Senator Christiaens plans to offer such an amendment when the bill is debated on the floor of the Senate.

There has been some discussion about the "fifty-fifty compromise" that was negotiated by the utilities and me on behalf of the Association. (It should be noted that the Montana House Movers Association is a loosely knit group of approximately 30 house movers operating throughout the state. The Association has no by-laws and does not hold regular meetings. I note these facts to explain the difficulty in gaining permanent consensus of its members.) It is true that I negotiated the fifty-fifty compromise. I did so at the behest of some members of the Association who ostensibly spoke for the entire Association. Subsequently, some other house movers decided that the compromise was not in their best interests or in the best interests of the Association and asked members of the Business and Industry Committee to support the twenty-six (26) feet proposal. (Incidentally, the 26 feet proposal was essentially the same as that endorsed by 16 home movers when they met in Helena on Wednesday, January 26. Unfortunately, this proposal was not offered to the Committee on January 28 when the Committee first addressed the substance of the bill.) In any event, the 26 feet proposal has now been adopted by a majority of the Committee, and the Montana House Movers Association, as noted above, supports this proposal.

If you have any questions about the House Movers Associations view of S.B. 84, as amended, or my role in representing the Association, I would be pleased to respond to you.

Sincerely,



R. STEPHEN BROWNING

Amendment to SB84

1. Title, line 10.

Following: "SAME"

Insert: "REQUIRING THAT AN ESTIMATE OF THE COST BE GIVEN;"

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS 69-4-602 AND"

2. Page 2, line 17.

Following: line 16

Insert: "Section 1. Section 69-4-602, MCA is amended to read:

"69-4-602. Procedure to give required notice. (1) The person, firm, or corporation moving any house, building, derrick, or other structure shall give the person, firm, or corporation owning or operating the wires or poles, at their principal office and their nearest office within the state, not less than 10 days' written notice of the proposed time and place of moving a structure. The owner of the wires or poles shall give the mover a written estimate of the cost of cutting, raising, or moving the wires or poles at least 3 days prior to the move.

(2) The person, firm, or corporation moving any house, building, derrick, or other structure shall give to the person, firm, or corporation owning or operating such wire or poles, at these nearest office and also at their principal office within the state, not less than 3 days' written notice of the time and place, when and where the removal of said poles or the cutting, raising, moving, or otherwise interfering with said poles or wires will be necessary."

Renumber: subsequent sections

2-11-83

BUSINESS & INDUSTRY

REPRESENTING	BILL #	Check One	
		Support	Oppose
city of Billings	322	✓	
Montana Home Makers ass.	SB 84		
" " "	SB 84		
Montana House Moving co.	SB 84	as amended at this time	
PACIFIC POWER & LIGHT	HB 253	✗	
Montana Consumer Council	322		✗
Oil JOBBER - Put Bank	190		✗
oil jobber Shelby	190		✗
oil jobber Shelby	190		✗
Valley Bank - Helen	250-251		
House movers	84	as amended at this time	
Oil Jobber - Bozeman	190	✓	
Energy Serv. Co.	190	✓	
Mont. Pet. Assoc.	190	✓	
oil jobber	190	✓	

(Please leave prepared statement with Secretary)

NAME: John Braunbeck DATE: 2-11-83

ADDRESS: 1217 Wilders

PHONE: 442-6647

REPRESENTING WHOM? Energy Services Company

APPEARING ON WHICH PROPOSAL: HB-190

DO YOU: SUPPORT? X AMEND? X OPPOSE?

COMMENTS: Presented Testimony

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Lyle E. Olson DATE: 2-11-83

ADDRESS: 1924 Lockey

PHONE: 443-2551 (449-3040)

REPRESENTING WHOM? Montana Board of Housing

APPEARING ON WHICH PROPOSAL: SB 250-251

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Dennis R. Rehberg DATE: 2/11/83

ADDRESS: 600 North Park

PHONE: 443-4032

REPRESENTING WHOM? MT Assoc. of Realtors

APPEARING ON WHICH PROPOSAL: SB 250, 251

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: will speak

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME :

DATE :

ADDRESS :

PHONE :

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: GENE PHILLIPS

DATE: 2/11/83

ADDRESS: KALISPEL

PHONE: 755-6644

REPRESENTING WHOM? PACIFIC POWER & LIGHT

APPEARING ON WHICH PROPOSAL: HB 253

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: HS Hanson DATE: 2/11/83

ADDRESS: Heena

PHONE: _____

REPRESENTING WHOM? Mont. Technical Council

APPEARING ON WHICH PROPOSAL: _____

DO YOU: SUPPORT? ☒ AMEND? _____ OPPOSE? _____

COMMENTS: HB-253

1. Allows Architects & Engineers
to obtain information from a
single source.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Rod Hanson DATE: 2-11-83

ADDRESS: Fairfield, MT

PHONE: 467-2526

REPRESENTING WHOM? Mont. Assoc. Utilities

APPEARING ON WHICH PROPOSAL: RB 253

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: JOE THARES DATE: 2-12-83

ADDRESS: 560 NO. PARK HELENA

PHONE: 449-5101

REPRESENTING WHOM? MOUNTAIN BELL

APPEARING ON WHICH PROPOSAL: H.B. 253

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: GOOD BILL. SOLVES A PROBLEM FOR
BOTH EXCAVATION CONTRACTORS & UTILITIES.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Perry Wendler DATE: 2/11/83

ADDRESS: Helena

PHONE: 442 7365

REPRESENTING WHOM? Mont. Dakota Util Co.

APPEARING ON WHICH PROPOSAL: HB 253

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Mae Nan Illingworth DATE: 2-10-83

ADDRESS: 201 W. Spruce

PHONE: 5721-4700

REPRESENTING WHOM? City of Missoula

APPEARING ON WHICH PROPOSAL: SB 322

DO YOU: SUPPORT? ☒ AMEND? OPPOSE?

COMMENTS: The legislative audit
committee is recommending
making the 1981 legislation
permanent. The support
either bill and would
encourage the committee
hold this bill until
the other committee bill is up.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Paul M. Astaria DATE: Feb. 11, 1985
State Representative dist 439
ADDRESS: 2421 - Central ave - Mt Falls

PHONE: home 453-3665 - Helena 442-9540

REPRESENTING WHOM? Citizens who Elected me

APPEARING ON WHICH PROPOSAL: against S.B. 322

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X - S.B. 322

COMMENTS: Will Speak.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: John C Allen DATE: 2-11-83

ADDRESS: 34 W 6th

PHONE: 449-2771

REPRESENTING WHOM? Montana Consumer Council

APPEARING ON WHICH PROPOSAL: Senate Bill 322

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: In the opinion of the Consumer Council
The Bill is unnecessary since existing legislation
(Title 69 chapter 7) already provides for increases which
more than account for inflation.

In addition the bill opens the door to potential
abuse since City Staffs do not have the
necessary expertise in rate making to protect against
suggested improvements made by engineering firms
who often times overestimate the size and kind of
capital improvements required by a given system

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Bill Opatz DATE: 2/11/83

ADDRESS: 1227 11th Ave Helena

PHONE: 449-3007

REPRESENTING WHOM? Mont PSC

APPEARING ON WHICH PROPOSAL: SB-322

DO YOU: SUPPORT? AMEND? X OPPOSE?

COMMENTS: Strike On lines 11 & 12 of page 2
Strike "public service commission and
Strike all of ^{new} section 3 pg 2
lines 17-21.

The PSC is neutral on the
issue of total deregulation &
would leave that issue as a
"policy" decision for the legislature.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.