

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION  
COMMITTEE ON BUSINESS AND INDUSTRY

Call to Order: By Chairman Gene Thayer, on April 4, 1989,  
at 10:00 a.m.

ROLL CALL

Members Present: Chairman Thayer, Vice Chairman Meyer,  
Senator Boylan, Senator Noble, Senator Williams,  
Senator Hager, Senator McLane, Senator Weeding,  
Senator Lynch

Members Excused: None

Members Absent: None

Staff Present: Mary McCue, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 552

Presentation and Opening Statement by Sponsor:

Representative Tom Nelson, House District 95, said "HB 552 went through the House Natural Resources Committee with several proponents and no opponents. It went through second and third reading, of the House, with maybe four or five no votes.....It's an important piece of legislation. It requires individuals who install or remove underground storage tanks, which store fuels or chemicals, to be licensed by the state of Montana. We have twenty or thirty thousand underground storage tanks, containing gasoline and other chemicals, in Montana that aren't all registered. Ten to twenty percent of these are leaking. We have quite a problem accumulating out there."

"This requires that permits be obtained before installation or removal of underground storage tanks. It allows for inspections. HB 552 also creates a special revenue account for the underground storage tank program. Improper installation and closures, which is the term for removal, are a leading cause of underground piping and tank failures. This bill will help extend the life of a tank system. It's to reduce the danger of fires and explosions."

"Fees would be accessed by regulation for installer licensing and renewal. It would provide for examinations and installation, and for closure permits. These fees would defray a portion of the cost of implementing the program.

List of Testifying Proponents and What Group They Represent:

Larry Mitchell - Department of Health and Environmental Sciences

Leonard Yurian - Marketing Specialists, Incorporated

Rona Alexander - Montana Petroleum Marketers Association

Ray Kenik - Kenco Incorporated, Great Falls, Montana

Chris Kaufman - Montana Environmental Information Center

Fritz Zettel - Helena Fire Department

Kim Wilson - Montana Chapter of The Sierra Club

List of Testifying Opponents and What Group They Represent:

None

Testimony: Larry Mitchell said, "I have made available, to the committee, copies of the prepared formal testimony that was given before the House Natural Resources Committee." Also, "A briefing paper that goes into some detail about what this legislation does. Today, I think I will keep it more informal, and be available to answer questions you may have." He briefly summarized the written materials presented. (See Exhibits #1 and #2)

Leonard Yurian said, "We are in the business of installing underground tanks, and have been for twenty-eight years. I just want to say that I am for the bill." (See Exhibit #4)

Rona Alexander said, "I am Director for the Petroleum Marketers Association, who are the wholesalers and distributors of petroleum products in Montana. This group represents a large number of the underground storage tanks owned in the state. We are in support of this bill."

Ray Kenik said, "I am a tank installer in Great Falls, Montana. Great Falls, over three years ago, adopted a certification program. It is working very well. In fact, it is a model right now. We are the first ones that actually inaugurated a certification program."

"As far as I am concerned, this bill is not

excluding anybody from installing tanks.....Anybody can become an installer.....I am for the bill. I guess the United States Government says we gotta have it, so it's pretty much set and dried." (See Exhibit #5)

Chris Kaufman said, "I am from the Environmental Information Center, and we are concerned over the environmental problems caused from leaks from underground storage tanks. As has been testified, there are probably about thirty thousand tanks in Montana. The petroleum industry admits that at least ten percent of those are leaking. The EPA studies suggest that maybe up to thirty-five percent are leaking. That means somewhere between three thousand and ten thousand tanks are probably leaking right now, under the ground, here in Montana."

"These leaks can cause a variety of environmental problems. Wells are contaminated, water supplies are lost, and the possibility of very toxic substances getting into the ground water certainly exists. We are in support of legislation that helps prevent these kinds of problems in the future, and would strengthen the underground storage program. We urge your support for this bill."

Fritz Zettel said, "Increasingly, fire departments around the state are finding they are having to spend more and more time dealing with underground storage programs. Whether this is the result of a leak that has occurred, or a suspected leak. We're certainly interested in the installation of a tank. We are in favor of this bill, and urge your support to pass it."

Kim Wilson said, "We also support this bill. We have heard a lot of concern this session with problems connected with ground water pollution. As Mr. Mitchell has stated, we think storage tanks are a major cause of that kind of pollution in the state. We feel that this is a very effective bill. An effective way of battling that problem, by looking right to the source, by effectively dealing with the installation of the tanks up front. We think that will go a long way toward alleviating some of these problems. We urge you to support this bill."

Questions From Committee Members: Senator Noble stated, "It seems to me like this is almost excessive regulation. I want to know how many people are out there installing tanks that don't know what they are doing. It seems from what I have heard, every other person doesn't know what they're doing, is that the way it is.?"

Representative Nelson said, "I don't have access to figures like that, although, Mr. Mitchell may.....The fact that we have an eight year old tank that is leaking into the river in your city (Great Falls) is just one piece of evidence of the fact that we need people to be more capable and more educated to the proper way of putting things in. I know, if you drop a tank into the ground, or you don't put it into the right bedding, or if you use malleable type iron pipe,

instead of the right kind of pipe, then you can run into a morass of trouble. It seems to me, with the potential environmental problems.....there is a cry, that says we need to be making sure the people that install these are certified and know what they are doing. It might be well to say that we could do this without such a program if we had enough inspectors from state level or central level....That's an impossibility, given our limited state budget and all of the miles involved. It seems to me this method is a good way to do it."

Senator Noble asked, "How did the bill come about? Who originally wanted the bill? Was the Department of Health and Environmental Science the one who kicked it off?" Larry Mitchell said, "The original concept of the bill came in 1986 when the legislature started the tank program. A lot of installers were asking us whether or not we were going to get involved in the certification of installers. They had seen that as a real need in the state. They were constantly going around repairing tank leaks and finding out there were some serious installation errors....We saw this as an opportunity to perhaps get some leak prevention up front."

Senator Weeding wanted to know, "What is the criteria that we will need to license these tank installers?" Larry Mitchell said, "There are other states that have these programs in effect as well. Basically, what it would involve is putting together a study guide, just like the drivers license examination. An exam would be given, and an eighty percent passage would be required to be licensed....general level of education based on these industry standards, the fire code requirements, and state and federal requirements. Just a test of the awareness of the basic concepts and rules and regulations on proper installation." Mr. Mitchell told Senator Weeding, "Yes, there are existing standards."

Senator Williams asked Larry Mitchell, "If the Rules Committee decides that you can't write yourself out of the sunrise audit, will the passage of SB 259 cover

you?" Mr. Mitchell replied, "Yes, it is my understanding SB 259 has the exemption in there....It is written specifically for this bill, and for the asbestos bill."

Chairman Thayer inquired of Mr. Mitchell, "If this is a department bill, why didn't it get applied for in the normal procedure?....It wouldn't have had any problems with the sunrise provision." Mr. Mitchell stated, "That's a good question.....When the Technical Advisory Committee was reviewing the process....should we do something like this, and if so how should it be accomplished, one of the things that was looked into was the licensing through the Department of Commerce's

Licensing Board. It was decided,...it would be too expensive. Once that was rejected, the sunrise requirement, the audit committee's requirement was that the act wasn't even necessary. After the deadline, a reading of the bill in more detail, indicated that even the executive agency licensing process would fall within the provisions of that act."

Senator Williams asked, "Is it my understanding, if we pass a bill like this, the Department of Health can have a pretty good handle on it? If we do not pass it, we will very likely be under EPA regulations, which is handled out of the Denver area." Mr. Mitchell replied, "We will just follow what is set in federal law. The EPA is not going to license installers and their actions."

Chairman Thayer remarked, "There is going to be a \$50,000 loan, which has to be appropriated through the general fund, to the Department of Health and Sciences. That loan has to be repaid over a ten year period, from the fees derived from this program. Is this \$50,000 already in the department's budget, or does this have to go to Finance and Claims for a new appropriation?" Representative Nelson answered, "It has been to the House Appropriations Committee. It has been appropriated and approved by that committee. I presume your process would be to send it to Finance and Claims."

Senator Thayer inquired further, "Did you go before one of the other standing committees in the House, and then to Appropriations?" Representative Nelson answered, "Yes, it went to the Natural Resources Committee....then it went down to House Appropriations."

Senator Thayer questioned, "There is some reference that this bill is needed to meet federal regulations. What would happen if this bill didn't pass? Is there some

penalty because we can't comply with federal law? Your department has to administer federal law. As part of your inspection service, I assume you are doing this anyway." You wouldn't allow an underground installation to go in that wasn't meeting federal specifications would you?" Mr. Mitchell replied, "No we wouldn't if we knew about it beforehand. The problem is, we don't know about tank installations until thirty days after it has been accomplished. The federal requirements are fairly minimal. They do state that the owner operator of the tank system must certify that the installation was done correctly. He must certify on the notification form by any one of the six methods on the briefing paper. If this bill were not to pass, there would have to be some other methodology by which we would certify the owner operator.

Chairman Thayer clarified, "Currently installers only have to certify that they did it properly. Your department rarely inspects a job while it is in progress, or do you inspect any of them while in progress?" Mr. Mitchell stated, "Occasionally we get an opportunity to inspect them beforehand. There are only two of us in the office that can get out and do inspections. We use a lot of local fire services."

Chairman Thayer asked, "If we have licensed and certified installers, then we would not be duplicating by also hiring inspectors?" Mr. Mitchell replied, "The logic behind having somebody like that do the installation, would be for the inspector to have some level of comfort. Whoever was doing the job at least was aware of the proper way to install it. We would still have the opportunity to spot check those installations."

Chairman Thayer inquired, "What penalties, if any, would be imposed if a bad installation was made by a licensed and certified installer?" Mr. Mitchell told him, "Under this bill, the installer would be subjecting his license to loss or revocation. There are civil penalties in there, and criminal penalties both. Should the tank leak and cause environmental problems, the owner operator is responsible for that. If he can transfer some of that to the installer, I'm not quite sure. That would be a civil matter."

Closing by Sponsor: Representative Nelson said, "I think this is a good piece of legislation. Senator Beck has agreed to carry this if you choose to pass the bill out of committee."

## HEARING ON HOUSE BILL 783

Presentation and Opening Statement by Sponsor:

Representative O'Keefe, House District 45, said "This is a very simple bill. What HB 783 does, is it authorizes the Department of Revenue to negotiate, communicate, and work with financial institutions, throughout the state of Montana, to set up an affinity credit card system for the state of Montana. For a year, I have researched and looked to find out why government didn't have affinity cards. I have been unable to find anybody.....who can explain why government hasn't done this before. It is legal. It essentially supplies government with a non-traditional source of revenue which is voluntary. If you were to pull out your credit card,....you would find all of those cards....99% I would Guess, are issued by out-of-state banks. Every time you purchase something on those cards, three or four percent of that capital immediately leaves the state of Montana."

"What we have tried to do here is set up a system where any bank, that would like to, can increase their card base and work with the state of Montana. Montana can capture some of that capital, bring it back and put it into the general fund and the state special revenue fund for education. An example would be, if Senator Thayer headed to Spokane to buy a pair of boots, and he walked in and found a good pair of boots for \$20. He could either pay with a twenty dollar bill, or he could pay with his State of Montana Visa Card. If he chose to pay with that Visa Card, then one percent, if that is the negotiated rate, would come directly back to the state general fund. If Senator Thayer paid his bill at the end of the month, he still only paid twenty dollars for the pair of boots. If he decides to wait longer to pay that bill, then he has to pay the financial charge. Just as he would with any other credit card, and the banks make their money."

He stated, "Every time people make an out-of-state purchase, using their Montana State Card, the money would come back to fund education. Totally voluntary on their behalf. It would also bring revenue on all the catalog sales that go on throughout the state. What you essentially have here is a very, very, very selective voluntary sales tax. (See Exhibit #6)

Representative O'Keefe stated, "I worked with a number of private companies in putting this bill together. This is from a report titled 'An Affinity Card Program for the State of Montana'. The first

paragraph in the report states, 'As the country continues to move into the era of electronic funds transfer, credit cards have become an integral part of our society's way of life. There will soon be more credit cards issued, than there are people in the United States. This method of paying for goods and services is quickly making us a cash-less society. In the next decade, we will probably all but eliminate the use of making payments by cash or check.' This is going to give us the option to work with those financial institutions, to set up this program."

There is a fiscal note attached to the bill. I didn't sign the fiscal note. I believe the fiscal note says that by the year 1993 we could make \$2,300,000 on this program. I guess what the Governor's Budget Office did with this, is essentially take my 'worst scenario' numbers and use those. I have had a number of computer printouts, run by people around 'the country who deal with credit cards, and my numbers are a little bit different on this. What I'm doing here, is taking the numbers that were given me by private industry, which show that we would make \$3,400,000 in 1993.....This would be, if private industry took one half of the take, and took all of the renewal money for the cards. If we double that number and a cut of the card issuance fees, we come up with \$7,600,000 a year by 1993. Revenue voluntarily paid the state."

"When this bill was presented in the House, I guess the national news picked it up. I'll pass out a handout here (See exhibit #7). This is an article from the Oakland Tribune, March 28, last Tuesday, talking about the Alameda County Visa Card Program. It's talking about the hearing in the House of Representatives here. In three weeks, between the first presentation of this bill and this morning at 11:00 they signed an agreement with all of the banks in California. They went ahead and set up the first governmental entity to have an affinity credit card in the nation. I have had calls and letters from about one hundred and twenty citizens throughout the state, supporting this. I've talked with bankers, who support this....I have talked to sixteen bankers from outside of Montana, who called on the program. I have been contacted by legislators from the States of Georgia, Arizona, New Hampshire, Indiana, Illinois, California, Louisiana, New Mexico, Kentucky, Texas, South Carolina, Iowa and Maine for copies of this legislation." He further named cities and groups who had contacted him for the purpose of utilizing the legislation.



"As I said, it's just an idea at this point. It's a non-traditional source of revenue for the state. There are a lot of details to be worked out. The bill is written loosely so the Administration and the Department of Revenue can make the negotiations and work with the financial institutions on this....My interest is to make sure that everyone who works with this does it voluntarily. That everyone makes money, and the State General Fund is the beneficiary in the long run."

List of Testifying Proponents and What Group They Represent:

Bob Pyfer - Vice President, Montana Credit Unions  
League  
Steve Browning - Representing, First Bank System

List of Testifying Opponents and What Group They Represent:

None

Testimony: Bob Pyfer said, "We see this bill as certainly breaking new ground. It is interesting and heartening to hear we may have some models out there to work on. There are an awful lot of questions with a bill like this. However, we do feel it has the potential, of not only benefitting the state financially, but also bolstering pride and loyalty to the state of Montana. We support the bill."

Steve Browning stated, "First Bank System's position is very similar to that described to you by Bob Pyfer."

Questions From Committee Members: Senator Williams said "Say you get it rolling and XYZ Bank, is the one doing the paper work for you, would you re-advertise it every year, or how would you handle that to get the best interest rate?" Representative O'Keefe answered, "The interest rates themselves are going to be controlled by the banks. What the state is negotiating is the percentage take from the overall purchase....Any bank who wants in" (at the negotiated rate) "or a credit union, or savings and loan, you can buy into the program and issue the State of Montana Sealed Card. All we are selling is our name."

Senator Williams asked, "If you had one bank saying we'll give you one and one half percent of everything that is taken in, but we're going to charge eighteen percent. Would you envision selling that to the loyal Montanan's? Or would you be looking at it from the

standpoint that here's another bank that will do it for sixteen percent, but were only going to give you one half a percent?" Representative O'Keefe replied,, "No, I wouldn't envision the state selling that card at eighteen percent with the one and one half percent cut. First off the banks are going to be the ones selling these cards. The state does nothing but rake money off the top.....As a consumer, if, there are nine different State of Montana affinity cards out there, you are going to pick the one with the lowest interest rate."

Senator Williams asked, "We, as a state may be dealing with nine different banks then, is that what you're telling me?" Representative O'Keefe, affirmed that any banking institutions "Would all be allowed to issue a Montana Affinity Card. If we were to put it up to a bid process, and only one bank, or savings and loan, or credit union would get it, I wouldn't have any support for this bill. It probably would be a better bill, and we would probably make more money on it. But this committee wouldn't pass it and neither would the House or the Senate.

Senator Williams referred to the term revenue neutral, and asked, "With this program the state of Montana is going to pick up \$3,300,000, who is not going to pick it up?" Representative O'Keefe stated, "Ken Nordvedt carries a National Science Foundation Credit Card. He is working with those people on how their program works. All of these different affinity groups are going to come in and show the state how this program works. If it doesn't work, this bill won't do anything. This is all a 'may' investigate, and 'may' negotiate bill."

Senator Weeding said, "I thought a credit card was the creation of one bank, and you are saying we could have savings and loans and others?" Representative O'Keefe said, "All of the banks that issue the San Francisco Forty Niners Card....There are nine hundred thousand people in that county, they have over two hundred and eighty thousand San Francisco Forty Nine Cards out in that county. They get one percent of the take, the Forty Niners. They pay Joe Montana's salary with that credit card service.

Senator Weeding asked, "If I wanted to avail myself to these banks, I would deal with the bank of my choice....The state would have no common requirements?" Representative O'Keefe replied, "That is correct. Only the amount of money that is paid into the general fund. The state has absolutely no liability."

Representative O'Keefe told Senator Hager, "It is covered by federal law. The Truth and Lending Act on the Federal Reserve Board limits liability of credit card holders to fifty dollars. Your liability is fifty dollars, and the rest of it resides with the issuer of the credit card."

Senator Thayer stated, "The fiscal note we have shows \$8,400,000. Did you not sign it because you thought that number was too high?" Representative O'Keefe answered, "Too low, Mr. Chairman, if you read it closely, it says the accumulative net through 1993 would be \$8,400,000."

Senator Thayer stated, "I thought you said \$3,400,000 in your testimony." Representative O'Keefe answered, "In the single year 1993. In my testimony, I stated that we would make \$7,600,000."

"In one year?" inquired Senator Thayer. Representative O'Keefe replied, "In one year."

Senator Thayer questioned, "How many cards would you anticipate would be switched over to the Montana Card, to come up with kind of a number?" Representative O'Keefe said, "The numbers I'm using,--cards issued by 1993, approximately eighty-five thousand cards. Right now, the estimate in Montana, there are approximately three hundred and fifty thousand credit cards."

Senator Thayer inquired, "You take that times the average number of purchases times one percent, is that how you are doing it?" Representative O'Keefe answered, "Yes, times the one percent, then you figure in a cut of the renewal fee. Assuming a \$20 renewal fee. If you figure the state negotiates for half of that renewal fee, which is typical in the affinity card business, we would get another \$800,000 from the renewal fee. All of these figures are run on a national data base. I'm using projections made on national portfolio projections. It could be even higher."

Senator Thayer asked, "Why isn't there any rule making authority authorized in this bill?" Representative O'Keefe said, "I think there is, Page 3, Section 2."

Senator Thayer stated, "That is extension of authority. Mary would you explain this?" Mary McCue asked Representative O'Keefe, "Are we contemplating that Revenue is going to adopt rules. If their original grant of rule making authority does not include this

subject, the extension is not going to do you any good. I'm wondering where we are going to codify this to."

Senator Thayer explained, "I think, because of that, we will delay taking executive action." Representative O'Keefe replied,....I too envision we'll need some type of rules. I thought the extension of authority would cover it Mr. Browning also helped draft the bill,....maybe we can get that hammered out."

Closing by Sponsor: Representative O'Keefe said, "The amount of interest this relatively simple idea has generated, I think it is going to be really beneficial to the Department of Revenue if we pass this bill. Everyone I've sent this bill to, and the fiscal note and the numbers--I've made them a trade. The research they do on the issue has to come back to the Director of the Department of Revenue here. I think a lot of our homework in going to be done before we get out of legislature."

DISPOSITION OF HOUSE BILL 783

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

ADJOURNMENT

Adjournment At: 11:19 a.m.

  
\_\_\_\_\_  
SENATOR GENE THAYER, Chairman

GT/ct

HB0552.404

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

DATE 4/4/89

51st LEGISLATIVE SESSION 1989

NAME	PRESENT	ABSENT	EXCUSED
SENATOR DARRYL MEYER			✓
SENATOR PAUL BOYLAN			✓
SENATOR JERRY NOBLE	✓		
SENATOR BOB WILLIAMS	✓		
SENATOR TOM HAGER	✓		
SENATOR HARRY MC LANE	✓		
SENATOR CECIL WEEDING	✓		
SENATOR JOHN "J.D." LYNCH	✓		
SENATOR GENE THAYER	✓		

Each day attach to minutes.

DEPARTMENT OF  
HEALTH AND ENVIRONMENTAL SCIENCES

EXHIBIT NO. 14/4/89BILL NO. HB 552*Mitchell*

COGSWELL BUILDING



STAN STEPHENS, GOVERNOR

## STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

Underground Storage Tank Program  
(406) 444-5970

Date: April 4, 1989  
Title: DHES Testimony on HB 552

The Department of Health and Environmental Sciences (DHES) is the implementing agency for the Federal EPA underground storage tank program in Montana. The Montana Underground Storage Tank Installer Licensing and Permitting Act would be an integral part of this program. This bill is designed to protect the public and the environment from improper underground storage tank installations and closures which are a significant cause of tank and piping failures. Serious failures can result in groundwater pollution, public health impacts, and concerns about fires and explosions. By one national estimate upwards of 40 percent of the leaking underground storage systems can be attributed to improper installation practices. This bill would require that tank installers be licensed and that tank installation and removal permits be obtained by the owner.

Licensed installers would be persons who have demonstrated competence, training and experience in the field of underground storage tank installations and closures. DHES would develop a licensing program similar to those in other states which includes training, testing and monitoring of underground storage tank installers. Exams will be given on a regular basis with an 80% required for passing. The study guides, which will be provided to interested persons, will cover the complete test. The test will be made up from industry and manufacturers' standards, Federal EPA regulations, and Montana regulations governing underground storage of regulated substances.

The installer licensing procedure is designed to improve the quality of tank installation in Montana by requiring that all persons in this field of endeavor have a minimum level of training.

New Federal EPA underground storage tank technical requirements state that all new tank installations must have a certification of compliance. This includes an owner certification that the installation was done correctly. Most tank owners are not able to do this. Two other EPA options for installation certification are:

- 1) the installer has been certified or licensed by the implementing agency;
- 2) the installation has been inspected and approved by the implementing agency.

ex. #1  
4/4/89

DHES Testimony on HB 552  
April 4, 1989  
Page 2

State, fire and health offices will likely never have the resources available to inspect every tank installation and closure in Montana. However, the licensing of qualified installers appears to be a viable alternative to assure a safe and quality tank installation. EPA is not planning to license installers at a national level, but has left the option available to the states. Several states and the city of Great Falls already have installer licensing programs in place. This bill is the result of a technical advisory committee made up of installers, tank owners and state and local government officials which studied this problem in 1987.

HB 552 will also require that permits be obtained for tank closures and installations. The permitting process will provide the State with information that is currently not available until the work is completed. Under this bill, permits must be submitted for review 30 days in advance of the work, unless the work is for an emergency replacement of a leaking tank or line. This will allow the agency to review the permit application for compliance with State and Federal tank design and leak detection requirements and arrange for possible State or local inspection prior to the work being completed.

Licensed installers will not be required for the installation or closure of small farm tanks and residential heating oil tanks. However, a permit will be required to at least assure that a properly designed system is installed.

This bill is designed to make this a self-supporting program. To help defray the costs of the program, HB 552 provides for the assessment of fees for the installer licensing process, license renewals, and permits for the installation and closure of underground storage tanks. Personnel costs which are not covered by fee assessments would be absorbed into the underground storage tank program. This bill does provide for exceptions to the use of a licensed installer. In these cases, the bill provides for additional inspection fees to cover the additional cost of conducting more thorough inspections in order to certify the installation.

All fees will be deposited into the underground storage tank special revenue account established by this bill. From this account, the DHES is authorized to pay up to 80% of a permit inspection fee to local government agents who are authorized to conduct inspections on behalf of the department. These payments may only be used to cover inspection costs.

DEPARTMENT OF  
HEALTH AND ENVIRONMENTAL SCIENCES

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 2

DATE 4/9/89

BILL NO. HB 552

*Mitchell*  
COGSWELL BUILDING



STAN STEPHENS, GOVERNOR

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

Underground Storage Tank Program  
(406) 444-5970

Briefing for  
HB 552  
February 7, 1989

In 1984, Congress established a federal program to address leaks from underground storage tanks. The 1985 Legislature authorized the Department of Health and Environmental Sciences (DHES) to establish the underground storage tank program in Montana. Congress directed the Environmental Protection Agency (EPA) to develop rules governing the installation, leak detection, corrective action, and closure of underground storage tanks. The new federal requirements concerning notification of underground storage tanks require that all new installations have a certification of compliance. The options available to the owner are:

- (1) The installer has been certified by the tank and piping manufacturer;
- (2) The installer has been certified or licensed by the implementing agency;
- (3) The installation has been inspected and certified by a registered professional engineer;
- (4) The installation has been inspected and approved by the implementing agency;
- (5) All work listed on the manufacturer's installation checklists has been completed;
- (6) Another method was used as allowed by the implementing agency.

Of these options, the most likely to be used by an owner are 2, 4 and 5. National tank and piping manufacturers are not likely to certify tank installers due to not being able to control local installations. There are not many registered professional engineers within Montana who are knowledgeable in underground tank installations. Anyone can complete a check list, but who is to say that the installation is done correctly. Underground storage tank installer licensing will protect the public from improper installations which may cause leaks or reduce the life of an underground storage tank system.

In 1987, a technical advisory committee was formed to investigate the need for an installer licensing program. The committee was composed of individuals from the regulated community, and included installers, petroleum distributors, state and local fire marshals, and petroleum equipment dealers. The committee



ex. #2

4/4/89

HB552

Briefing for HB 552  
February 7, 1989  
Page 2

determined that it would be in the best interest of the public if Montana regulated the installation of underground storage tanks. All individuals who installed underground storage tanks would then have the minimum knowledge of what is required by law.

Certain underground storage tanks have been exempted from the use of a licensed installer. These tanks are small farm or residential tanks of 1100 gallons or less capacity used for storing motor fuel for noncommercial purposes, or tanks used for storing heating oil for consumptive use on the premises where stored.

Permits for underground storage tank installation would be required by this bill. A few local fire departments currently require permits, otherwise there is currently no review or approval of work before it is completed.

Fees would be assessed for the testing, licensing, and license renewal of installers and for permits for underground storage tank installation and closure. The fees would be used to defray the program cost (i.e. training and publication costs). The personnel costs not covered by the fee assessment would be absorbed into the underground storage tank program.

briefhb.552

Bill Summaries  
Senate Business and Industry  
Prepared by Mary McCue  
April 4, 1989

HB 552: This bill provides for licensing of persons who install underground storage tanks used to contain regulated substances. The department of Health and Environmental Sciences is to adopt rules governing the installation and closure of such storage tanks, including rules relating to permits for installation, licenses and requirements for installers, inspections and inspectors, fees, and distribution of funds to local governments.

Section 2 states the findings and purposes of the legislation. Section 3 contains definitions. (The definitions of "regulated substance" and "underground storage tank" are copied on the back of this summary page.) Section 4 grants rulemaking authority to the department and states the various subjects on which rules may be adopted. Section 5 requires an owner or operator of an underground storage tank to obtain a permit. The section also states the circumstances under which an owner or operator must obtain the services of a licensed installer for the installation or closure of a tank. Section 6 requires that an installer be licensed by the department. It provides for interim licensing from April 1, 1990 to September 30, 1990, and regular licensing beginning October 1, 1990.

Section 7 states the circumstances under which the department may deny, modify, suspend, or revoke a license. Section 8 states the application procedure for obtaining an installation or closure permit. Section 9 states the procedure by which an owner or operator may obtain an inspection by the department in lieu of obtaining the services of a licensed installer.

Section 10 exempts an owner or operator of a farm or residential tank with a capacity of 1,100 gallons or less for storing motor or heating fuel from having to obtain the services of a licensed installer. However, the owner or operator must obtain a permit for the installation or closure of the tank.

Sections 11 through 15 contain enforcement provisions of the bill. Section 11 allows for administrative enforcement. Section 12 allows the department to obtain an injunction to restrain anyone from violating this act or engaging in acts harmful to the public. Sections 14 and 15 provide for civil and criminal penalties.

This act is exempt from the legislative audit sunrise requirement.

HB 783: This bill allows the department of revenue to participate on behalf of the state in an affinity credit card program for the benefit of the state. Within 6 months of enactment, the department must contact all financial institution in the state to inquire whether they administers a credit card

ex. # 3

4/4/89

program, whether the program provides a fee or commission on retail sales to the sponsoring entity, and whether the program would accept the state as the sponsoring entity. If the department determines that the state may be a sponsoring entity for the credit card, it shall negotiate the most favorable rate for the state's fee. The bill also provides that the revenue from the fee must be deposited in the general fund and the school equalization fund.



WITNESS STATEMENT

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 5

DATE 4-4-89

DATE BILL NO. 4-4-89 AB552

NAME: Ray Kewik

ADDRESS: 1827 6th St. N.E. Great Falls Mont 59404

PHONE: 406-454-1359

REPRESENTING WHOM? Kewik Inc

APPEARING ON WHICH PROPOSAL: House Bill 552

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

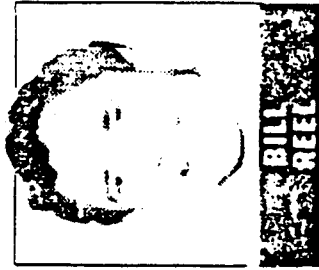
PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

# DAILY NEWS

35c

NEW YORK'S PICTURE NEWSPAPER

Wednesday, January 18, 1989



**BILL REEL**

## Charity can begin with your credit card

In addition to churches, schools, hospitals, sports leagues and Communions breakfests, Catholics now have their own credit card. No kidding. It's called Caritas MasterCard. The faith is doing some creative fund-raising. Catholic Charities, primary agency for human services of the church in the U.S., will receive 0.5% of the sales generated by Caritas MasterCard.

There are 54 million Catholics in the country. If they got Caritas MasterCard to pay for restaurant meals, airline tickets, etc., God and manna might enjoy a whole new relationship.

"How do you wish to pay for that mozzarella pie and two ginger ales?" Rose, the Waitress of Demmo's of Staten Island, preferred pizzzeria of discriminating

Catholics, Protestants and Jews, will ask. Whipping out my Caritas MasterCard, I'll tell Rose, "Just put it on the ecclesiastic plastic."

Witty Rose is apt to come back, "Bill Reel, you'll never be a Knight of Malta, but maybe a Knight of Default-a."

Oh, I'm only kidding. This Catholic card is no joke, however. Much as I hate to endorse an idea I didn't dream up, Caritas MasterCard makes sense as a painless way to help poor people.

"We already have 7,000 requests for applications. We hope to have a quarter of a million cardholders within five years," Father Tom Harvey, executive director of Catholic Charities USA, said in announcing the project at the Catholic Center on First Ave. yesterday.

A letter has gone out to 57,000 priests and sisters asking support. Harvey is urging the nation's nearly 20,000 Catholic pastors to use the card and to encourage parishioners to do likewise.

"If a cardholder makes, say, \$1,800

worth of purchases a year, that \$9 for Catholic Charities," Harvey pointed out. An order of nuts in the Midwest has decided to use the card for all its institutional purchases, he said.

Imagine if the Jesuits and the Franciscans, with their universities and hospitals, got aboard, and if parishes and Catholic schools and diocesan agencies nationwide adopted Caritas MasterCard. What a windfall for good works! "I'm going to encourage all the restaurants in Brooklyn to take our card," Bishop Joe Sullivan of Brooklyn said with a smile at yesterday's press conference.

A modern-day multiplying of loaves and fishes seems possible. If Catholic Charities got a half of a per cent of the purchases of 5 or 10 million Catholics using Caritas MasterCard, a reasonable goal by the year 2000 or so, the proceeds sure would pay for a lot of programs for ghetto kids, AIDS sufferers, battered wives, retarded folks, unwed mothers, foster children, elderly people in poverty

and others in need. Catholic Charities aided 7.5 million Americans last year, mostly non-Catholics in inner-city and rural areas. In addition, the agency lobbies hard as an advocate for government programs for needy Americans.

Father Harvey admitted it's risky to identify works of mercy with a commercial enterprise like credit cards, but said he believed the pluses outweighed the minuses. "We hope to utilize a modern economic reality, credit cards, to generate funds," he said. "We won't be encouraging debt. Our half a per cent is linked only to the price of a purchase. We'll receive no portion of interest or fees."

**A**MERICAN EXPRESS and Visa may not be thrilled that MasterCard got together with the Catholics, but they can always go out and sign up the Salvation Army and Jewish philanthropies. It's a free country, meanwhile, the Caritas MasterCard motto is: "Give yourself some credit for all the good you do."

ex. # 6  
4/4/89

THE WASHINGTON POST

SATURDAY, JANUARY 21, 1989 C17

# RELIGION

## Catholic Charities' Fund-Raising Tack

### Percentage of MasterCard Charges to Be Used to Aid the Needy

By George W. Cornell  
*Associated Press*

NEW YORK—U.S. Roman Catholicism's social-service arm, Catholic Charities, launched a system this week of raising money to help the needy through credit cards.

The plan is called "Project Caritas," Latin for generous love.

Half of 1 percent of the amount charged on a specially endorsed Caritas MasterCard credit card will be channeled by participating banks to the church's work among the needy.

The Rev. Thomas J. Harvey of

Washington, executive director of Catholic Charities U.S.A., called it a "creative way" of bolstering efforts at "lessening human suffering."

Other nonprofit groups, devoted to such causes as the environment, college alumni associations or higher education, also participate in such "affinity" credit card programs.

Officials at the news conference said the National Conference of Synagogue Youth also has begun such a program, and others are being considered by the Salvation Army and YMCA.

Auxiliary Bishop Joseph Sullivan of

Brooklyn, representing U.S. bishops, termed the new plan a "very responsible way" to raise money and to "get the message out" for aid to the homeless, hungry, sick, children and other needy.

Harvey estimated that at least 20,000 people would use the new card the first year, increasing to 250,000 in five years, when it would funnel an estimated \$4 million a year into church charities. That estimate was based on the average annual spending per card of \$1,800.

The Caritas MasterCard is being marketed by a bankcard organiza-

tion, Magna Carta Inc., of Alexandria, with two issuing banks: State Street Bank and Trust of Boston and First Financial Savings Association of Milwaukee.

Harvey emphasized that the church didn't want to promote "credit dependency" and would not benefit from interest on deferred payment of charges. "We are not encouraging debt," he said.

Noting that Catholic Charities serves the needy without regard to creed, with 75 percent of help going to non-Catholics, he said the card was being promoted ecumenically among "all people of good will."

Returns from the card program will be divided 30 percent locally, 30 percent nationally for training leadership, and 40 percent for work among troubled youth and AIDS patients.

# THE TRIBUNE

 7  
 4/4/89  
 Metro Fina  
 AB 783

Oakland, California

Tuesday, March 28, 1989

## Visa card with civic pride

*Idea would make money for Alameda County, cities*

By Benny Evangelista  
Tribune

LIVERMORE — A Livermore couple has just downed a sumptuous dinner at an elegant restaurant in Bangkok.

Reaching for the bill, they're hit with a burst of civic pride as they flash their City of Livermore Visa card.

Such a scenario could become reality if an idea being studied by Livermore and Alameda County gets off the ground.

City Council member Cathie Brown, pointing to credit cards that sport the San Francisco 49ers logo, is proposing a special credit card.

There could also be cards for each Alameda County city or for the county as a whole, she suggested. Since a portion of the credit-card charges would go to the sponsoring city or county, the cards would bring in revenue without raising taxes, she said.

She bounced the idea off Supervisor Don Perata, who said he wants to "aggressively pursue" the idea "until it proves itself impossible."

"We are always thinking of new and innovative ways of raising little amounts of revenue," he said.

"There aren't any losers in this," Brown said yesterday. "I think it would be fun for cities to have their own card."

Dan Brigham, a Visa U.S.A. spokesman, said that while such "affinity" credit cards have grown in popularity since 1985, he knows of no other governments or municipalities that have their own credit cards.

Last week, a Montana state legislative subcommittee approved a bill to issue a state Visa MasterCard, which Rep. Mark O'Keefe said in a published report could net millions of dollars for the state.

The popularity of affinity cards has grown since mid-1985, when Visa changed its rules to allow a non-member's name or trademark on the card.

Out of about 120 million Visa cards in the United States, 18 million to 20 million are part of 1,300 affinity card programs, he said.

The affinity cards generated more than \$20 billion in estimated gross sales in 1988. Visa accounts for about 60 percent of the credit card market, O'Keefe said.

The affinity groups include such wide-ranging organizations as the Sierra Club, the National Rifle Association, the Florida A & M alumni association and the Chrysler Corp.

There are cards for each National Football League team, the Democratic and Republican parties, the U.S. Tennis Association, the Young Astronauts Association of Utah and the American Society of Post-Anesthetic Nurses.

"It's become de rigueur," said Livermore City Attorney Tom Curry, who is preparing a report on affinity cards for the city council.

The affinity cards are issued and administered by a financial institution by contract with an organization. The institution normally makes money through finance charges or membership fees charged to the cardholder and a discount fee charged to the retailers.

The affinity group receives a percentage of the discount fee and the banks benefit from increased use of their card.

The Sierra Club Visa started in 1986 and generates about \$300,000 a year for the non-profit environmental advocacy group, said Tad Dunlap, a membership supervisor.

Dunlap said about 20,000 of the club's 496,000 members carry the card — billed as "the plastic that is actually good for the environment."

Brown said she believes local residents would have a similar reaction and would be more prone to use their Oakland, Hayward or Fremont card more if they knew proceeds would return to their community to help with projects such as street improvements.

Curry said he has not encountered any legal problems that will "knock us out of the ballpark."

Perata said he plans to have the county counsel's office examine the idea.

The logo on the cards will likely take a task force, but Brown and Perata said pictures of elected officials are probably out of the question.

"More people could identify with the San Francisco 49ers than five members of the Board of Supervisors," Perata said with a laugh.



