

**MINUTES**

**MONTANA SENATE  
53rd LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON BUSINESS & INDUSTRY**

**Call to Order:** By J.D. Lynch, Chair, on March 3, 1993, at 10:00 a.m.

**ROLL CALL**

**Members Present:**

Sen. J.D. Lynch, Chair (D)  
Sen. Chris Christiaens, Vice Chair (D)  
Sen. John Brenden (R)  
Sen. Betty Bruski-Maus (D)  
Sen. Delwyn Gage (R)  
Sen. Ethel Harding (R)  
Sen. Ed Kennedy (D)  
Sen. Terry Klampe (D)  
Sen. Francis Koehnke (D)  
Sen. Kenneth Mesaros (R)  
Sen. Doc Rea (D)  
Sen. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** Senator Hager

**Staff Present:** Bart Campbell, Legislative Council  
Kristie Wolter, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: HB 222, HB 304, HB 339  
Executive Action: HB 339

**HEARING ON HB 222**

**Opening Statement by Sponsor:**

Representative Wayne Stanford, House District 62, stated HB 222 was an act revising licensing requirements for persons installing, selling and servicing fire protection equipment. He stated the fiscal note had changed from \$203,000 to \$192,000. He stated the fire marshal's office has been required since 1967 to license persons who service and install fire extinguishers, fire alarm systems and fire extinguishing systems. He stated the licensing system in place is outdated and the fire marshals rule

making authority needs to be clarified. He stated the licensing program had been studied by the Fire Prevention Investigation Advisory Council and the Council had decided to include businesses which sells or installs fire protection systems. He stated HB 222 would not apply to businesses which only sell extinguishers. He stated HB 222 would update statutes pertaining to the licensing of fire protection equipment businesses and to clarify the department's rule making authority. He stated HB 222 would provide a fee structure which would allow the Fire Prevention Investigation Bureau to insure the qualifications of licenses, applicants and to maintain fire safety standards required by law. He stated HB 222 was consumer protection legislation.

**Proponents' Testimony:**

Beth Baker, Department of Justice supplied the Committee with a fact sheet on HB 222 (Exhibit #1). She stated HB 222 was designed to modernize and streamline the licensing function of the State Fire Marshal's office. She stated the law requires a minimal fee for the service of licensing, permitting and issuing certificates of registration. She stated section 1 of HB 222 would require a license for any of the fire protection equipment businesses regulated by the department. She stated each person performing services under the license would be required to obtain an endorsement for each category of equipment for which services will be provided. Ms. Baker stated section 1 would require the license to be displayed on the business premises and also carried in the field. She stated section 2 would clarify the qualifications for obtaining a license or an endorsement and allows the department to require proof of insurance. She stated sections 3 and 4 are "clean-up" provisions which clarify the department's responsibility in granting and denying licenses. She stated section 5 is the fee portion of HB 222. She stated the fees arrived at were reasonable and necessary for the installment and enforcement of the law by the Fire Marshall. Ms. Baker stated the State Fire Marshall has substantial responsibilities which need to be funded. She stated there is a vital public safety interest in HB 222 and the fees are well justified for this interest. She stated section 6 of HB 222 would provide for rule making authority to implement the licensing program. She stated the rule making authority and misdemeanor penalties which are contained in section 1 were included in the 1967 statute, but the provisions were "split off" from the licensing provisions and moved to a different chapter of the MCA. She stated section 6 would reinstate the authority.

Gary Brandewie, Bill Glazier's Montana Watering Systems, stated his support of HB 222. He stated after the installation of a system, people are not willing to have a licensed person service the system. He stated HB 222 would make the people inspecting the systems be licensed. He stated HB 222 would protect the consumers. He stated there were inspectors who "rag and tag" the

equipment by wiping the dust off and shine the brass and these people don't really service the equipment but get paid for it.

Kelly Flaherty, Past Owner and Manager, Fire Protection Business. She stated there are currently systems which are "mixed" systems, which were not up to the manufacturer's specifications. Ms. Flaherty stated HB 222 would make the systems meet the standards which are required by the Fire Marshall. She stated the consumer has the right to buy from whomever they want.

Representative Tim Sayles, House District 31, stated his support of HB 222. He stated HB 222 would provide for public safety and the enforcement of the safety. He stated HB 222 would provide a fee structure which would prevent "fly-by-night" operations from selling their products in the state.

Kenneth Olson, Northern Fire Protection, stated the fees were necessary for quality work by quality personnel. He stated the problems in the industry were from a lack of funding. Mr. Olson stated HB 222 would make the fire protection business a true profession in Montana. He stated HB 222 would correct dangerous practices occurring in the fire protection industry and protect the consumer.

Mike Rigg, Owner, Fire Protection Business, stated he supports HB 222 because it would prevent the "rag and tag" operations occurring.

Larry McCann, Chairman, Fire Advisory Council, Fire Marshall, City of Billings stated his support of HB 222.

Lyle Nagel, Secretary/Treasurer, Montana State Fire Chiefs Association stated his support of HB 222. He stated at the last State Chief's Conference a resolution was drafted which asked the legislature to support HB 222.

John Hirschfelder, Northern Sound Communication, stated his support of HB 222. He stated public safety is the primary issue of HB 222. He supplied a letter for the Committee (Exhibit #2).

Dick Holme, Dick's Fire Service, stated his support of HB 222.

Lynn Perkins, Fire Suppression Systems stated the fee structure in HB 222 was fair. He stated the money generated would be used to enforce the provisions of HB 222.

#### Opponents' Testimony:

Joe Moline, Big Sky Fire Equipment, stated he opposed HB 222. He stated the larger stores should not be exempted from the provisions in HB 222.

Kenneth Brown, Security by Kenco, stated HB 222 would be detrimental to small businesses. He stated HB 222 would impose a "hidden tax" which would be felt by the public. Mr. Brown stated HB 222 would place additional pressure on businesses in Montana. He stated fire prevention is a concern and a need of all persons in the state and the tax burden for the need should be carried by all citizens and not by specific groups and businesses.

Ben Larango, Missoula Fire Equipment, stated his company could not afford the fees which would be charged. He stated less than 50% of his business was the recharging and servicing of extinguisher's. He stated the licensing law should govern the service and the sales of hand portable fire extinguishers. He supplied the Committee with a copy of articles from the Missoulian (Exhibit #3).

Dave Spoversis, Billings Extinguishing Service, stated he opposed HB 222. He stated according to current law, people should be licensed. He stated the fees are too high and the selling of portable extinguishers is important.

Jack Martinz, Manager, Superior Fire Apparatus, provided the Committee members with a letter opposing HB 222 (Exhibit #4).

Dale Ahrens, Supervising Teacher, Pioneer School, Yellowstone County, stated his concern is with safety. He stated unless a person has certification, he will not allow a person who is inspecting his equipment to do so. He stated HB 222 would not stop persons without certification from inspecting the equipment. He stated the increase in fees would be passed on to the outfitters.

Sonny Moline, Big Sky Fire Equipment, stated he opposed HB 222 because it would not control the selling of fire extinguishers. He stated the selling is as important as the servicing of fire extinguishers.

**Questions From Committee Members and Responses:**

Senator Mesaros asked Ms. Baker what the cost of implementation would be without basing the increases on other states. Ms. Baker stated the fees were based on the need to run the program effectively. She stated the fee structure was based on other state's fees so the amounts would not be exorbitant. She stated the laws are on the books, but not being enforced because the Department does not have the resources to do anything. She stated the fee in place has raised \$700 and has not allowed for enforcement of the current statutes. Senator Mesaros asked Ms. Baker where the figure of "350 entities" came from. Ms. Baker stated the number was an estimate from the renewal of licenses.

Senator Brenden asked Ms. Baker how the fee structure would affect the rural areas. Ms. Baker stated she had no statistics

on the subject. She stated the intent of HB 222 would be to broaden protection for the consumer.

Senator Koehnke asked Ms. Baker if there is a lack of funding for the enforcement of the current statutes. Ms. Baker stated the current law does not allow the Fire Marshall to obtain the fees or penalties which would be generated by enforcement. She stated the question is lack of manpower. She stated the staff is insufficient to cover the area which needs to be inspected. Senator Koehnke asked Ms. Baker if it would be feasible for the Department to license all of the larger stores, also. Ms. Baker stated the Department had no objection to licensing the sellers, but it was not a practical issue.

Senator Gage asked Ms. Baker if the fiscal note included the reimbursement of travel costs. Ms. Baker stated the Department anticipated the field deputies would performing the functions which were currently performed by the Marshals. She stated the field deputies would be evenly distributed throughout the state according to need. She stated the one-time processing fee would cover the costs of the field deputies. Senator Gage stated the volunteer fire department he had worked for serviced their own equipment and extinguishers. He asked if volunteer firemen would have to be licensed. Ms. Baker stated anyone engaging in the business of servicing fire extinguishers must attain a license.

Senator Christiaens asked Bruce Suenram, Chief of the Fire Investigation Bureau, if the six FTE's are placed around the state. He then asked what the other six and a half FTE's do. Mr. Suenram stated two and a half of the FTE's were removed during special session. He stated six of the Deputies were located in offices around the state and the remaining 4 people were himself and the office staff. Senator Christiaens asked Mr. Suenram if the inspectors were inspecting everybody yearly. Mr. Suenram stated the Bureau only investigates 40% of the schools and there is a tier response to other businesses and industry. He stated inspections of fire equipment dealers is the lowest priority. Senator Christiaens asked Mr. Suenram if the current status of the budget would include the 12 and a half FTE's. Mr. Suenram stated the budget would include the specified number of FTE's.

Senator Klampe asked Mr. McCann if he could provide evidence which would make HB 222 absolutely necessary. Mr. McCann referred to two instances where extensive damage had occurred because fire systems did not work. He stated the instances occurred because the persons selling the systems were not licensed.

Senator Lynch asked Mr. McCann if the systems in question had been inspected. Mr. McCann stated the systems had not been inspected.

Senator Lynch asked Representative Stanford how they could justify having 3 more FTE's. Senator Lynch then asked why the large corporations were being exempted from HB 222. Representative Stanford stated the current law is unenforceable and the 3 extra FTE's would allow for the manpower. He then stated if the Committee would like to add the large corporations, he would not object. He stated the corporations who are selling the portable fire extinguishers did not service them and the extinguishers were only valid for one year. He stated the corporations were not required to check and review the extinguishers and therefore did not need to be licensed to do so.

Senator Lynch asked Mr. Suenram how he justified that only 40% of the schools were being inspected. Mr. Suenram stated he had only been in the position for 10 months and he stated that previously inspections previously were not a priority for the office. He stated fire inspections were the main priority, but the situation has been amended. Senator Lynch then asked if the local fire departments aid the Marshals in inspections. Mr. Suenram stated the inspections were conducted by the local fire departments, but the Bureau was trying to cover the rural areas. Senator Lynch stated he felt there was not a need for any more bureaucracy and HB 222 would increase bureaucracy. Mr. Suenram stated the reason the volunteer fire departments do not conduct inspections is because they are not trained to do so. He stated there are only 19 "career" fire departments in Montana and an additional 5 or 6 which have career fire marshals to do inspections.

Senator Lynch asked Mr. Suenram what an inspection of a school would entail. Mr. Suenram stated an inspection should entail a complete look at the building and its exits, fire alarm systems and fire extinguishing systems.

**Closing by Sponsor:**

Representative Stanford stated HB 222 may need some revision and he was willing to work with the Committee on it. He stated if the Chair would like to assign a subcommittee, he would not object. He asked the Committee to work with the opponents.

**HEARING ON HB 304**

**Opening Statement by Sponsor:**

Representative Betty Lou Kasten, House District 28, stated HB 304 is a housekeeping bill. She stated HB 304 would clarify the language in the current law. Representative Kasten stated the original insurance consultant compensation law was that the insurer could not charge a consulting fee then sell a line of insurance for which they receive compensation. She stated the intent of the law would remain the same, but the interpretation of the law was incorrect. She stated the new language would not

change the intent, but clarify the statute.

**Proponents' Testimony:**

Roger McGlenn, Executive Director Independent Insurance Agents Association of Montana, read from prepared testimony in support of HB 304 (Exhibit #5).

**Opponents' Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Klampe asked Mr. McGlenn why a person could not charge for both the service of consulting and the insurance policy. Mr. McGlenn stated the practice would be "double dipping" and the intent of HB 304 was to prevent the practice of "double dipping". Senator Klampe asked Mr. McGlenn why HB 304 went against the free enterprise basis. Mr. McGlenn stated HB 304 would protect the consumer.

**Closing by Sponsor:**

Representative Kasten closed and asked Senator Christiaens to carry HB 304.

**HEARING ON HB 339**

**Opening Statement by Sponsor:**

Representative Jerry Driscoll, House District 92 stated HB 339 would make the non-enforcement of electrical and building codes in oil refineries legal. He stated the refineries have not fallen under the codes for 50 years and HB 339 would put that practice into statute.

**Proponents' Testimony:**

Dan Edwards, Oil, Chemical, and Atomic Workers International Union, stated he represented the members working in the oil refineries in Montana. He stated HB 339 would maintain the status quo of the refineries. He stated the health and safety of the employees and the communities are not at risk. Mr. Edwards stated he would support an amendment to make HB 339 state "petroleum refineries" instead of just "refineries".

Jim Campbell, Administrator of Public Safety, Department of Commerce, stated his support of HB 339.

Bill Egan, Montana Conference of Electrical Workers, stated HB 339 was duplicative of OSHA statutes. He stated his support of HB 339.

Dennis Flick, City of Billings, stated his support of HB 339. He supplied the Committee with a copy of a letter from the City of Billings Public Works Director in support of HB 339 (Exhibit #6).

Ronald Pletcher, Refinery Manager, Cenex, read from prepared testimony in support of HB 339 (Exhibit #7).

Larry Houseman, City of Great Falls, stated his support of HB 339.

Mike McConey, Conoco, stated his support of HB 339. He stated Conoco worked closely with the Department to draft HB 339.

Tom McNaab, Montana Technical Council, stated his support of HB 339.

Leland Griffin, Refinery Manager, Montana Refining, stated his support of HB 339.

Tom Ebzery, Exxon, stated his support of HB 339.

**Opponents' Testimony:**

None.

**Questions From Committee Members and Responses:**

None.

**Closing by Sponsor:**

Representative Driscoll closed on HB 339.

**Announcement:**

Chair Lynch appointed a Senator Bruski-Maus, Senator Gage and Senator Brenden to a subcommittee on HB 222.



**Motion/Vote:**

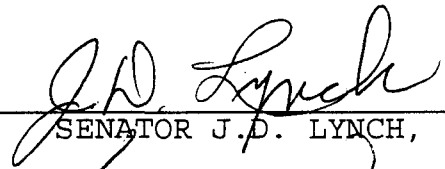
Senator Bruski-Maus moved HB 339 BE AMENDED (Exhibit #8). The motion CARRIED UNANIMOUSLY.

**Motion/Vote:**

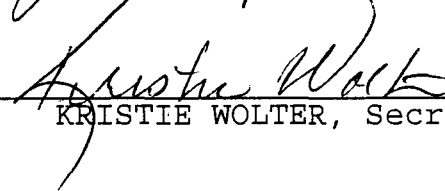
Senator Gage moved HB 339 BE CONCURRED IN AS AMENDED. The motion CARRIED UNANIMOUSLY.

**ADJOURNMENT**

**Adjournment:** 11:30 a.m.



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SENATOR J.D. LYNCH, Chair



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KRISTIE WOLTER, Secretary

JDL/klw

# ROLL CALL

SENATE COMMITTEE Business & Industry      DATE 3/3/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Lynch	✓		
Senator Christaens	✓		
Senator Bruski-Maus	✓		
Senator Gage	✓		
Senator Hager		/	
Senator Harding	✓		
Senator Kennedy	✓		
Senator Klampe	✓		
Senator Kuehnke	✓		
Senator Mesaros	✓		
Senator Rea	✓		
Senator <del>Evans</del> Brenden	✓		
Senator Wilson	✓		

F08

Attach to each day's minutes

**FACT SHEET: HB 222**  
Department of Justice  
March 1993

Purpose: To revise provisions of Montana law relating to the licensure of businesses that sell, install and service certain fire protection equipment. The legislation aims to protect life and property from uncontrolled fire due to deficient fire protection systems.

Funding Source: State law now requires the Department of Justice to license, certify and register fire safety equipment businesses. The Department is authorized by law to collect fees of up to \$50 for each license, permit or certificate issued. In FY 92, the fees generated only \$700, which was deposited into the general fund.

Under HB 222, as amended, the license fee would be increased to \$300 and each person performing services under the license would have to obtain an endorsement for the services to be performed. Endorsements would be based on nationally recognized testing standards. Fees would be \$100 for fire extinguishers, \$175 for fire alarm systems, \$175 for special agent fire suppression systems and \$175 for fire sprinkler systems. Representatives of the fire safety equipment industry participated in preparing this legislation and most support the fee increase. The proposed fees are comparable to similar fees collected by neighboring states.

Need: The Fire Prevention and Investigation Bureau of the Department of Justice administers the licensing function. The Uniform Fire Code, which sets the standards for fire protection equipment, is updated every three years, but staff shortages have hampered the Bureau's ability to develop and administer examinations based on contemporary standards. The recording system and testing programs used by the Bureau are at least 20 years old.

This problem was examined by the Fire Prevention and Investigation Advisory Council, a statutorily created council whose function is to advise the Department of Justice on issues affecting fire services. Its members, appointed by the Attorney General, represent the fire service and law enforcement communities as well as the Legislature. The Council received input from the industry and determined that this legislation would provide the best means of ensuring consumer protection and public safety.

With over 20 years of accumulated licensing data, the Bureau's files include approximately 750-850 licenses for fire protection equipment businesses. Although administrative rule requires renewal every two years, many businesses have not requested renewal and probably are no longer active. The proposed legislation will permit adoption of rules that incorporate nationally recognized standards and will provide uniformity and reliability to the program. The Bureau expects to hire two deputy state fire marshals and one support staff member with the funds generated by the increased fees.

Relationship of Funding to Services Performed: The fees currently collected do not cover the costs of managing the program. Retention of the fees generated will enable the Bureau to review plans, inspect applicants' facilities, and maintain the fire safety standards required by state law and necessary to ensure public safety.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 1

DATE 3/2/93

FILE NO. HB 222

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**NORTHERN SOUND & COMMUNICATION**

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43 Woodland Park Drive  
(406)752-3100

Kalispell, MT 59901  
FAX(406)257-4890

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January 25, 1993

House Business & Economic Development Committee  
Room 104  
State of Montana

Gentlemen,

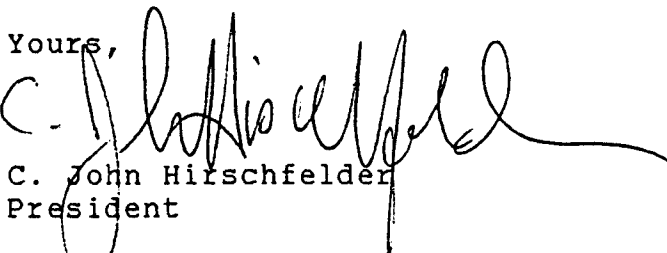
Northern Sound & Communication, Inc. produces approximately one hundred twenty five thousand dollars in gross sales annually of new fire alarm equipment in the State of Montana. An additional portion of our fire alarm revenues is service and additions to existing systems regardless of brand affiliation.

The systems I have seen, which at time of installation, did not meet existing Montana Electrical Codes, National Electrical Codes, and Underwriters Laboratories listings are too numerous to list. These systems are located in all types of building occupancies I.E. Licensed facilities & institutions, Motels/Hotels, Schools, public & private, Industrial applications and retail outlets. In general the unsuspecting building owners and consumers look to "Authorities Having Jurisdiction" to protect them from contractors and service personnel which either do not know code or just did not care enough to do a proper install.

The Department of Justice, Fire Marshals Bureau is that "authority" in a vast majority of the state. They therefore are the logical bureau to handle the state licensing of these "sales organizations & installers".

The fees asked for in the "Bill" are very minimal as a percentage of sales industry wide. Professionals active in the trade need to carry their own weight in these days of troubled financing and out of control budget deficits. To say that the public & consumers need a helping hand is a major under-statement. **Northern Sound & Communication therefore very strongly supports more and better licensing in the state and that includes HOUSE BILL 222.**

Yours,

  
C. John Hirschfelder  
President

cc: file

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 2

DATE 3/3/93

BILL NO. HB 222

1

# ROUNDUP

## Police want to extinguish scam

MISSOULA — A man wanted by Missoula authorities for selling fire extinguishers door-to-door, then failing to deliver them, was arrested by the Montana Highway Patrol Wednesday night.

Missoula County Sheriff's Sgt. Larry Jackson said Bruce A. Cech was arrested after returning to a Huson house, where he had sold a halon-type fire extinguisher.

The man who bought the extinguisher had become suspicious after cancelling payment on the check he had given Cech. When Cech showed up at the house, the man called police, Jackson said.

Cech was booked into the Missoula County Jail on two charges of misdemeanor theft by deception, in addition to a Montana Highway Patrol traffic warrant from Mineral County. He was released on \$870 bond later Wednesday night.

"He's been taking orders and advance payments and not delivering the extinguishers," Jackson said.

Missoula Rural Fire Department Assistant Chief Bill Reed said Cech, who is also wanted on a warrant out of Kalispell, demonstrated the extinguisher by setting a small fire with lighter fluid, then putting it out. Reed said Cech has sold extinguishers valued at less than \$100 for \$150 and up.

Jackson said Cech calls his business American Safety Products, which lists a Kalispell address of 1101 Whitefish Stage. Cech is not licensed to sell fire extinguishers, according to Reed.

Missoulian

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# ROUNDUP

Associated Press

## Salesman charged again with theft

THOMPSON FALLS — An itinerant fire extinguisher salesman who allegedly failed to deliver the goods he sold was charged this week in Sanders County District Court with felony theft.

The defendant, Bruce Alan Cech, 30, of Kalispell, is also charged in Missoula County with a similar offense, and was released on \$5,000 bond.

Court documents state that Cech took payment for more than \$300 worth of fire extinguishers from customers in eastern Sanders County, but failed to deliver fire extinguishers of the type promised, or in some cases, in the amount promised.

He is scheduled to appear on the theft charge March 9 in District Court in Thompson Falls.

John Stromnes, Missoulian

Police seek fire extinguisher salesman

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 3

DATE 3/3/93

BILL NO. HB 222

2

## Fire-extinguisher peddler charged with theft

A Kalispell man accused of selling fire extinguishers and then failing to deliver the merchandise made his initial appearance Friday in Missoula Justice Court on a charge of felony theft.

Bruce Alan Cech, 30, is accused of felony theft and misdemeanor sale of fire extinguishers without a license. Cech was arrested Wednesday by the Mon-

tana Highway Patrol, shortly after he returned to a Huson home where he had previously sold a halon-type extinguisher.

The resident, who had canceled a check he'd previously given Cech after becoming suspicious of the door-to-door salesman, called authorities when Cech paid him a visit.

Cech is accused of selling but

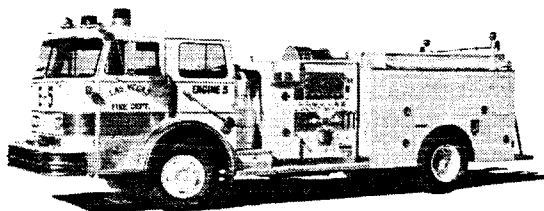
not delivering fire extinguishers to three Missoula County residents. He also is wanted in Flathead County for selling extinguishers without a license, as a fugitive, from justice in Great Falls, and on several traffic counts out of Mineral County.

Cech's Missoula bond was set at \$5,000, which he posted.

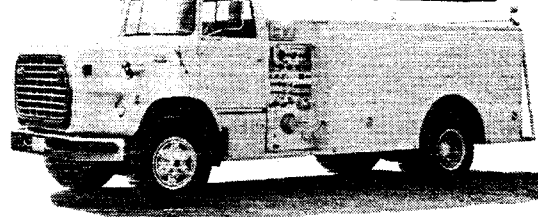
Michael Moore, Missoulian

# Superior Fire Apparatus Co.

Factory and Offices  
Joslyn and Leslie Street  
Helena, Montana 59601  
Phone (406) 442-0745



February 20, 1993



SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 4

DATE 3/3/93

BILL NO. HB 222

SUBJECT: House Bill No. 222 an act revising licensure requirements for persons selling, installing, and servicing Fire Protection Equipment.

Dear Senator:

Enclosed you will find a reprint of a fax I sent to Bruce Suenram, State Fire Marshall, on February 8th, unfortunately he did not receive it until after the house subcommittee meeting of that date. Thus our position and suggestions were not considered and this bill passed in the house on February 13th. Hopefully you will be able to consider the facts and details, which many house members did not have when casting their vote, during your committee meeting on House Bill 222.

In reference to "exorbitant fees" I quote from H.B.222 section 5, pages 4 & 5, as follows: section 50-39-105, MCA, is amended to read: 50-39-105 fees: There is an annual 300.00 license fee. There is an annual fee for each endorsement required by 50-39-101, as follows: (2) (A) 100.00 to service fire extinguishers. (3) The fees may not be prorated. In the year of first application, there is an additional fee equal to the cost of processing the application (note that the amount of this fee is unknown).

In summary our firm, for example, would be required to pay a minimum of 500.00 per year plus whatever the amount of the unknown first year application fee. This is a minimum (300.00 + 2x 100.00 = 500.00) as we would have two persons (endorsements in the wording of this Bill) of course if we had a change in employee or employees we would pay another 100.00 fee for each change. Thus our total cost beyond 500.00 is unknown and does not include "additional fee equal to the cost of processing the application".

An explanation of my reference to "discrimination" in my fax to the the Fire Marshall, is as follows:

Note that the title of H.B.222 is "An act revising licensure requirements for persons selling, installing and servicing fire protection equipment". However the contents of this Bill contradicts the heading in that it only requires those of us who service fire extinguishers to pay fees and fall under the jurisdiction of this act. While our firm offers both sales & service, those firms /persons and/or entities that only sell fire

extinguishers do not come under the jurisdiction of this act and are not required to be licensed or pay any fees. This is discriminatory in that it exempts those persons, firms or entities that sell, but do not service fire extinguishers, giving them an unfair competitive advantage. This discriminating factor also contradicts the "statement of intent" contained in this Bill, in that it does not, quoting from this Bills statement of intent, "Insure that consumers receive safe and effective fire protection equipment". This selective, discriminating exemption allows the unqualified and/or unscrupulous to sell fire extinguishers which may not comply with the stated intent of this act.

One of the uppermost purposes of the original legislation of 1967 as promoted by then Fire Marshall William Pentilla and supported by myself and others was to control the "fly by night artists" that canvas an area of Montana selling & promoting fire protection equipment at often greatly inflated prices and which does not offer effective protection for consumers. These operations can and do canvas an area for a relatively short time, selling inadequate or substandard fire protection equipment, only to disappear, without a trace.

In fact my conscientious concern for the protection and preservation of life and property prompts me to point out that some of the fire extinguishers often sold by those who are exempted from the jurisdiction of this act, in its present form, is actually hazardous to life and property. I illustrated this hazard with equipment I brought to a meeting of Fire Prevention and Investigation Bureau Advisory Council held at the Attorney General's conference room on February 4th. Not only is such equipment hazardous for the consumer, it can also cause serious injury to anyone who may attempt to service this equipment.

My desire to provide a safe work place and working conditions for employees was a contributing factor in our refusing to recharge or service these hazardous extinguishers. These extinguishers are hazardous to property in that they can malfunction at the scene of a fire, failing to extinguish the fire, as a result of inherent weakness and/or lack of quality, as I illustrated at the afore mentioned advisory meeting on February 4th.

If this legislation included every person, firm or entity, that sells or services fire extinguishers, not only would discrimination be eliminated, but also the licensing and endorsement fees could be reasonable, as they were in the case of the original legislation of 1967 and still provide at least much of the additional revenue the Fire Marshalls Fire Prevention and Investigation Bureau desires.

If H.B.222 were passed in its present form we would be forced to discontinue servicing and recharging fire extinguishers as the resulting income simply cannot support the 500.00 fee plus the afore mentioned unknown additional fees required by this Bill.

Exhibit #4  
3-3-93  
HB-222

RE: HB222

February 20, 1993

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Please consider that the passing of H.B.222 in its present form could create an additional, negative factor in the preservation of life and property, whereby the cost of the required fees would reduce the availability of service.

While some who service extinguishers may be able to continue to do so, most certainly they would have to pass their increased costs, resulting from the large fees, on to the consumer. The result could cause the additional hazard to life & property in that service may not be readily available and when available the cost would be a deterrent in that many owners especially those in the private sector, simply would not have their extinguishers properly serviced. A neglected extinguisher which malfunctions at the scene of a fire could result in the loss of life or property.

Please be advised that I would be glad to answer any questions you may have, either by phone or at a meeting, to which I would be invited. If I am invited to attend a meeting, I would appreciate a few days notice, as I am very busy and my obligations require me to be out of town on occasion.

Respectfully submitted



J.H. "Jack" Martinz, President



SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 5

DATE 3/3/92

BILL NO. HB 304

WRITTEN TESTIMONY ON HOUSE BILL 304  
BEFORE THE SENATE BUSINESS AND INDUSTRY COMMITTEE

Respectfully submitted by:  
Roger McGlenn, Executive Director  
Independent Insurance Agents' Association of Montana  
phone 442-9555

The original intent of the insurance consultant laws, in regards to compensation for their services, was to ensure that a consultant could not provide consulting services for a client and charge a fee and then also write insurance policies for the client and receive a commission. This bill wishes to maintain this principle while clarifying the language in statute.

An insurance consultant must be separately licensed and may only charge a fee when it is outlined in a written memorandum, (33-17-511). In this way, an insured knows precisely what charges will be levied for specific services agreed upon in the memorandum.

Currently, there are only 50 Montana licensed consultants. Twenty-four (24) are licensed for property and casualty and twenty-six (26) are licensed for life and health. Thirty-eight (38) consultants are Montana residents and twelve (12) are non-residents.

The major reasons that the clarifications in HB-304 are being requested is primarily a property and casualty concern. More and more in today's market place, a producer who is also licensed as a consultant may sell and service one or more insurance policies to a client. The client may also be looking into self-insurance programs or other lines of insurance coverage not provided by the producer/consultant. The client may request professional advice or services which do not include the sale or service of an insurance policy that pays a commission. The consulting service requested on another line of coverage for which there is no compensation may be extensive requiring many hours of work and/or service. HB-304 would allow a consultant to enter into a written memorandum for consulting services on a line that they receive no other compensation of any kind for their professional service. This language would not prohibit the sale and service of another line of coverage to the same client receiving consulting service.

The definition of the word line as used in the bill and these comments is as follows:

**LINE:** "A class or type of insurance (fire, marine or casualty, among others), also known as LINE OF BUSINESS."

Page 2:

As one specific example, Public Risk Insurance Management, owned by The Independent Insurance Agents Association of Montana, provides sales and service for some lines of insurance for the State of Montana. The State also self insures large lines of their risks. The State has in the past requested service in developing, or further developing, their self insured programs. Without clarification of the language in 33-17-512, Public Risk Insurance Management cannot afford to provide these services.

Another example would be if a small contractor wrote all lines, with the exception of Workers' Compensation, with a producer/consultant and wanted a potential Workers' Compensation program reviewed and recommendations made. The producer/consultant may require several hours to do a thorough review to provide a professional and sound recommendation. This clarification will allow the consultant and client to enter into a written memorandum for this service.



# CITY OF BILLINGS

PUBLIC WORKS DEPARTMENT  
Administration Division

510 North Broadway-4th Floor  
Billings, Montana 59101  
Office (406) 657-8230  
Fax (406) 657-8252

February 25, 1993

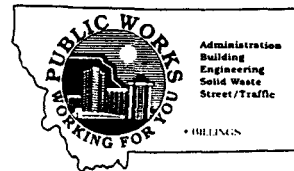
Senate Business Committee  
Capital Station  
Helena, MT 59624

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 6

DATE 3/3/93

BILL NO. HB 339



**RE: HOUSE BILL #339**

As Public Works Director for the City of Billings, I am offering testimony that the City of Billings supports House Bill #339. The provisions of this bill would actually legalize what the City of Billings and Conoco and Exxon Oil Refineries have been doing for the past number of years. History has shown that this is very workable method of handling building, permitting and inspection on the refinery grounds and that public health, safety and welfare of the citizens of Billings and the state of Montana are not compromised by this process.

The City building staff has met with project managers at both Conoco and Exxon refineries and walked through the process that both of these facilities use in developing their projects. With the exception of B2 and H occupancy units (as described by the uniform building code) we find that the building permit and inspection process would accomplish nothing that is not already being done by the refineries in compliance with various state and federal regulations. Thus, the local permitting and inspection process would prove redundant and only serve to slow up project development.

We have also worked with these refineries on previous buildings which fall into the B2 and H occupancy classifications. We feel that we can offer a certain amount of expertise in review on these buildings which may not be covered under federal regulations. Thus, we would request that these buildings remain under the provision of the building, fire and electrical code. House Bill #339 assures this.

I urge the Committee and the Senate to pass this legislation.

Sincerely,

Ken Haag, P.E.  
Director of Public Works

KH:tlr

MAR 02 '93 03:12PM CENEX

P.2

SENATE BUSINESS &amp; INDUSTRY

EXHIBIT NO. 7DATE 3/3/93BILL NO. HB 339

Testimony of Ronald E. Plotcher,  
Manager, CENEX Refinery

As many of you know, CENEX is a regional farm cooperative which has, for fifty years, owned and operated the Laurel Refinery.

HB 339 is not really "new" legislation. Instead, it simply makes official what has actually been the practice in the State of Montana since the Codes were enacted. Historically, neither the State or any city administering the state codes, has issued permits for industrial installations, other than offices and warehouses, related to process equipment in refineries. More importantly, this common practice of non-enforcement has not created a problem.

The Montana Legislature has already properly exempted installations in refineries from application of the State plumbing code. It is also reasonable to extend this limitation to the state building and electrical codes. Such a limitation would be consistent with the purposes of the codes, which clearly indicate they were to regulate occupied buildings.

Industrial facilities such as refineries have long utilized specific industry standards which are generally more stringent than the uniform building code and that address the highly specialized hazards of our industry. Compliance with those standards is provided by federal regulation administered by OSHA, and is continuously reviewed by insurers having millions of dollars at risk.

HB 339 will continue to allow the affected industries to respond quickly to changing circumstances in their complex facilities, and permit the continued use of their in-house skilled craftsmen, familiar with the unique hazards of these plants, to do the jobs they have always done. Failure to pass 339 will result in redundant, unnecessary regulation, with no benefit to the public and to the detriment of the affected industries and their employees.

CENEX is not opposed to the amendment in paragraph C of section 1 and paragraph B in section 2 of this bill which refers to chapter 9, section 901, group H. However, we would like to identify for the record that we have been assured by those submitting that amendment that the phrase "outside of process units" is intended to avoid permitting requirements for structures which are primarily equipment shelters within the processing area.

Amendments to House Bill No. 339  
Third Reading Copy

Requested by Representative Driscoll  
For the Committee on Business and Industry

Prepared by Bart Campbell  
March 3, 1993

1. Title, line 4.  
Following: "EXEMPTING"  
Insert: "CRUDE OIL"

2. Title, line 5.  
Following: "FROM"  
Strike: "THE"  
Insert: "CERTAIN"

3. Title, line 6.  
Following: "EXEMPTING"  
Insert: "CRUDE OIL"

4. Title, line 7.  
Following: "FROM"  
Strike: "THE"  
Insert: "CERTAIN"

5. Page 2, line 2.  
Following: "(c)"  
Insert: "crude oil"

6. Page 3, line 8.  
Following: "of"  
Insert: "crude oil"

SENATE BUSINESS & INDUSTRY  
EXHIBIT NO. 8  
DATE 3/3/93  
BILL NO. HB 339

DATE 3/3/93

SENATE COMMITTEE ON Business and Industry

BILLS BEING HEARD TODAY: HB 222 HB 304 HB 339

Name	Representing	Bill No.	Check One Support Oppose
W. James Kumbel	Public Safety Div DOG	HB 339	✓
James F. Brown	Bldg. Code Bureau, DOC	HB 339	✓
Ron Pletcher	Cenex	HB 339	✓
Lyle Nagel	Mt. St. Fire Chiefs Assn	HB 222	✓
Janelle Fallon	Mt Petroleum Assn	HB 339	✓
Mike Rygg	Knight Hat Motel	HB 222	✓
Leland Griffin	Martens Rat G.	HB 339	✓
John Spicaris	FIRE SUPPRESSION SYSTEMS	HB 222	✓
Debra	Nub's Fire Dept	HB 222	✓
Joe Moline	Big Sky Fire Equip	HB 222	✓
Benny Moline	Big Sky Fire Equip	HB 222	✓
John Heschfeld	NORTHSTAR SOUND CORP	HB 222	✓
Ferry Olson	Northern Tier Fire Protection Chief York U.F.A.	HB 222	✓
Kenneth Olson	Northern Tier Fire Protection	HB 222	✓
Kelly Flaherty	CITIZEN	HB 222	✓
JE McCann	Adviser Council	HB 222	✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 3/3/93

SENATE COMMITTEE ON B & I

BILLS BEING HEARD TODAY: \_\_\_\_\_

Name	Representing	Bill No.	Check One	
			Support	Oppose
Dale Ahrens	Citizen	HB 222		✓
Jack Marting	Superior Fire App	HB 222		X
Kenneth R Brown	security by Kenco	HB 222		✓
Beth Baker	Dept of Justice	HB 222	✓	
Mary Lou Larango	Msla Fire Equip Assoc	HB-222		✓
Ben Larango	msla fire Equip	HB 222		—
Mark Cerise	A&M Fire & Safety	HB 222		✓
Dave Spreccisi	Blgs. Exh. Sr	HB 222		✓
MIKE MIONE	COTCO	HB 339	X	
Dan Edwards	O.C.A.W	HB 339	X	
Arnie Varone	Dept. of Justice	HB 222	✓	
Dennis Flich	City of Belling	HB 339	X	
John Augustino	DePont / Cramer	HB 339	✓	
Jim SAULES	H.P. 61	HB 222	✓	
Larry Tashende	City of Mt. Fall	HB-339	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 3-3-93

SENATE COMMITTEE ON BUSINESS AND INDUSTRY

BILLS BEING HEARD TODAY: \_\_\_\_\_

Name	Representing	Bill No.	Check One	
			Support	Oppose
Roger Appleton	INDEPENDENT ENVS. AGENTS ASSOC. OF MT	HB-304	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fred L. Taylor	Fred Taylor Tire Co.	HB332	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MARK E. NELSON	State Auditor <sup>Ins</sup> Dept	HB304	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TOM ESTERY	TAXON	HB339	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**VISITOR REGISTER**

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY