

MINUTES

MONTANA SENATE  
53rd LEGISLATURE - SPECIAL SESSION  
COMMITTEE ON STATE ADMINISTRATION

**Call to Order:** By Senator Vaughn, on December 13, 1993, at 3:30 p.m.

ROLL CALL

**Members Present:**

Sen. Eleanor Vaughn, Chair (D)  
Sen. Jeff Weldon, Vice Chair (D)  
Sen. Jim Burnett (R)  
Sen. John Hertel (R)  
Sen. Bob Pipinich (D)  
Sen. Bernie Swift (R)  
Sen. Henry McClernan (D)

**Members Excused:** Senator Harry Fritz  
Senator Bob Hockett  
Senator Larry Tveit

**Members Absent:** None

**Staff Present:** David Niss, Legislative Council  
Shari Briggeman, Committee Secretary

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

**Committee Business Summary:**

Hearing: SJ 3  
SJ 4

Executive Action: SJ 3  
SJ 4

HEARING ON SENATE JOINT RESOLUTION 4

**Opening Statement by Sponsor:** Senator Bruski-Maus requested the committee consider adoption of Senate Joint Resolution 4 urging no additional restrictions on above-ground storage tanks and asked that comments be made by Beth Baker of the Attorney General's Office.

**Proponents' Testimony:** Elizabeth Baker, Assistant Chief Deputy Attorney General stated the Department of Justice houses the State Fire Marshal, who is responsible under state law for

adopting rules pertaining to fire safety and, pursuant to that authority, has adopted the Uniform Fire Code. The Fire Code governs the storage of fuel in above ground tanks and the department's perspective on the issue is limited to one of fire safety. Recently, however, above ground fuel storage tanks have come to be seen as an environmental hazard, similar to underground storage tanks, and the EPA is taking great interest in them. Federal legislation has been proposed to place more stringent requirements on above ground tanks, and the EPA has convened forums in various parts of the country to discuss these tanks and problems associated with them. The department's concern about any federal legislation is primarily with any proposal that would attempt to govern all above ground tanks without considering needs unique to rural areas. It is the department's goal, as it prepares to consider adoption of the 1994 Uniform Fire Code, to attempt to adopt rules that are realistic for Montana, but will have to make sure they are consistent with federal law on the subject.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: Senator Bruski-Maus asked that the committee consider the adoption of Senate Joint Resolution 4.

### HEARING ON SENATE JOINT RESOLUTION 3

Opening Statement by Sponsor: Senator Forrester asked for the committee's consideration of the resolution to urge the Board of Directors of the Montana State Insurance Fund to meet with representatives of the business community to lessen the impact of advance premiums on businesses prior to implementing the system. This is an honest attempt to work with the Workers Compensation Board, and urges the Board to work with the businesses adversely affected by the new premium system. In the next legislative session, a request will be drafted to introduce a bill in regard to this matter.

Proponents' Testimony: James Tutwiler of the Chamber of Commerce stated the majority of the business community represented are small businesses. They have followed with a great deal of interest the changes taking place in the State Fund with respect to advance premiums. There are a number of businesses insured by the State Fund who have a major fluctuation in employment which effects their monthly payroll which may result in a company paying premiums up to 4 and 5 months well above what they would actually be required to pay. Several organizations, because of their concern, have asked that the State Fund revisit how they will implement premium advance to develop recommendations to help businesses adversely affected so as to cause the least disruption and economic hardship. The resolution would require the State

Fund to note the legislative body is concerned and requests that it work with the business community.

Riley Johnson, NFIB (National Federation of Independent Business), has received several letters, calls, etc from NFIB members which is 8,600 small businesses very concerned about the methodology expressed by the Board of Directors of Workers Compensation. Any disruption is not well received by the small business community as it would prefer not to have any pay in advance system. It gives the direction to the Workers Compensation Fund to start operating like a business. NFIB proposed that above \$5,000 annual premium can pay monthly. If you pay monthly, you will only have to pay 2 months in advance in 1994, but those under \$5,000 annual only pay quarterly. Mr. Riley expressed appreciation of the resolution urging the Board of Directors to meet and discuss the implementation of the advance premium payment system.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: Senator Forester stated that in a sense of cooperation, this is a reminder that the Legislature will be returning in a year. At that time, he is hopeful that many of the business people will be able to say they did get some satisfaction and that the Board of Directors realizes the need to give people notice of their decision and the need to involve more people. This resolution should be a move in the right direction.

#### EXECUTIVE ACTION ON SENATE JOINT RESOLUTION 4

Motion/Vote: Senator Pipinich moved SJR do pass. The motion passed unanimously.

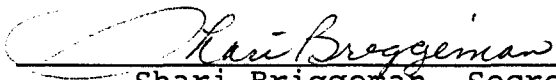
#### EXECUTIVE ACTION ON SENATE JOINT RESOLUTION 3

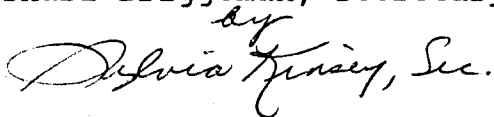
Motion/Vote: Senator Weldon moved SJR 3 do pass. The motion passed unanimously.

ADJOURNMENT

Adjournment: 4:30 p.m.

  
SENATOR VAUGHN, Chair

  
Shari Briggeman, Secretary

by  
  
Sylvia Kinsey, Sec.

EV/sb

ST3  
ST4

12-13-25

[illegible]

Attach to each day's minutes

MEMORANDUM

TO: Shari Briggeman  
FROM: Beth Baker  
DATE: December 14, 1993  
RE: Senate Joint Resolution 4

Following is a brief summary of the testimony I gave yesterday on Senate Joint Resolution 4. Since I am sure it is not a verbatim transcription of what I said, you probably should not include it in your notes as written below, but you may just want to summarize. Hope this is helpful.

The Department of Justice houses the State Fire Marshal, who is responsible under state law for adopting rules pertaining to fire safety and, pursuant to that authority, has adopted the Uniform Fire Code. The Fire Code governs the storage of fuel in above ground tanks and our perspective on the issue is limited to one of fire safety. Recently, however, above ground fuel storage tanks have come to be seen as an environmental hazard, similar to underground storage tanks, and the EPA is taking great interest in them. Federal legislation has been proposed to place more stringent requirements on above ground tanks, and the EPA has convened forums in various parts of the country to discuss these tanks and problems associated with them. Our concern about any federal legislation is primarily with any proposal that would attempt to govern all above ground tanks without considering needs unique to rural areas. It is our goal, as we prepare to consider adoption of the 1994 Uniform Fire Code, to attempt to adopt rules that are realistic for Montana, but we will have to make sure we are consistent with federal law on the subject.

## SENATE STATE ADMINISTRATION

		For	Oppose
1	Jim Tutwiler mt chamber	SJ3	✓

Riley Johnson - NFIB	SJ-3	X
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Betty Brunk - Mrs	SJ 4	X
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