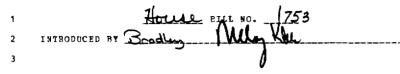
LC 1076/01



A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE či. 5 LAPELING OF APPLIANCES FOR ENERGY EFFICIENCY: TO PRESCRIBE POWERS TO THE DIRECTOR OF THE DEPARTMENT OF BUSINESS 6 7 REGULATION: TO PROVIDE FOR TESTING OF APPLIANCES: AND TO R PROVIDE FOR REMEDIES AND PENALTIES."

9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA:

Section 1. Definitions. As used in this act, the 11 following definitions apply: 12

(1) "Class of appliances" means all appliances 13 14 performing a similar function.

15 (2) "Commission" means the Montana public service commission. 16

17 (3) "Director" means the director of the department of business regulation. 18

19 (4) "Person" means a natural person, corporation; association, partnership, receiver, joint venture, common 20 law or statutory trust, quardian, personal representative, 21 22 or fiduciary of any kind.

Section 2. Prohibition on sale of certain appliances. 23 24 A person may not sell or offer for sale an appliance 25 required by the director to be labeled under [section 3] 1 unless the appliance prominently bears a label which 2 complies with the requirements of [section 3]. A person may not sell or offer for sale an appliance suspended under 3 [section 4].

5 Section 3. Labeling of certain appliances. (1) The 6 director, after consultation with the commission, shall 7 promulgate rules to implement this act, to save consumers R money, and to discourage unnecessary use of energy by giving q notice to potential purchasers of certain appliances of the 10 probable energy cost to operate the appliances. The rules shall be promulgated according to the Montana Administrative 11 12 Procedure Act.

13 (2) The director may by rule require that each 14 appliance in a class of appliances bear labels if:

15 (a) the appliances are widely used in residences or in 16 small connercial establishments;

17 (b) significant differences in energy consumption 16 exist between competing and comparable appliances within a 19 class of appliances;

(c) the choice of the more energy-efficient appliances 20 by purchasers could yield significant monetary savings 21

22 during the lives of the appliances; and

(d) the choice could yield significant savings of 23 energy. 24

(3) The director may require the labels to bear in 25

INTRODUCED BILL

-2-

HR 153

clear and easily understandable form any of the following
 information:

3 (a) the cost in dollars or units of energy, or both,
4 of operating the appliance as a typical purchaser might
5 operate it for a year or other period of time;

6 (b) the cost in dollars or units of energy, or both,
7 of operating the appliance as a typical purchaser might
8 operate it during a reasonable expected useful life;

9 (c) the combined cost of purchase and of energy during
10 expected useful life, discounted to present value;

(d) a list of such energy costs or combined costs forcompeting and comparable appliances;

(e) a brief, prominent statement indicating whether
the appliance is generally more or less efficient than
competing or comparable appliances; and

(f) a description of testing procedures and
assumptions used to determine the information on the labels.
(4) The director may require labeling of any group of
competing and comparable appliances within a class of
appliances.

(5) The director may require that advertisements cr
other printed or broadcast matter promoting labeled
appliances bear in prominent form any information required
on its label.

25 (6) The director may prescribe the size, color, and

1 form of labels.

2 Section 4. Testing of appliances for energy 3 efficiency. (1) The director may, after consultation with the commission, promulgate by rule standardized testing and 4 5 computation procedures to be used to determine the rates of energy consumption of appliances in typical operation. The 6 same testing and computation procedures shall apply to each 7 appliance in any group of competing and comparable 8 9 appliances.

10 (2) The director may test appliances in accordance 11 with the standardized testing procedures and make the 12 results available to persons selling affected appliances to 13 consumers.

14 (3) After consultation with the commission, the 15 director may, if the potential mometary and energy 16 conservation benefits from labeling substantially exceed the 17 cost of testing, instruct manufacturers, distributors, and 18 importers of affected appliances to test the appliances in 19 accordance with the standardized testing procedures and 20 report the results to the director and to persons selling 21 the appliances to consumers.

(4) If a manufacturer, distributor, or importer fails
to provide the results or if the results provided are
determined by the director to be erroneous, the director may
order the suspension of sales of the appliance within not

-3-

fewer than 5 days of sales to consumers of the affected 1 appliance. An aggrieved person may demand a hearing 2 concerning an order. The hearing shall be conducted by the 3 director within 45 days of the demand. The director shall 4 dissolve an order within 14 days if a manufacturer, 5 distributor. or importer provides to the director and to 6 7 persons selling such appliances to consumers correct and complete reports of properly conducted tests. 8

9 (5) The director may, after hearing and after 10 consultation with the commission, adopt the results of 11 energy consumption tests performed by other persons or 12 organizations in lieu of requiring tests by the director or 13 manufacturers and importers.

Section 5. Penalties. (1) A person who violates any labeling or advertising requirements promulgated under [section 3] shall pay a civil penalty of not more than \$25, if the offense is insubstantial or pay a civil penalty of not more than \$200, if the offense is substantial.

19 (2) A manufacturer, distributor, or importer who
20 provides false or misleading information under [section 3]
21 is guilty of a misdemeanor and shall be fined not more than
22 \$5,000 or imprisoned for not more than 1 year, or both.

-End-

-5-

STATE OF MONTANA

REQUEST NO. 481-77

FISCAL NOTE

Form BD-15

In compliance with a written request received ______February_14_____, 19 ZZ____, there is hereby submitted a Fiscal Note for ______House Bill 753 ______ pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

To provide for the labeling of appliances for energy efficiency; to prescribe powers to the Director of the Department of Business Regulation; to provide for testing of appliances: and to provide for remedies and penalties."

ASSUMPTIONS:

- 1. One additional position, Investigator II, grade 12, will be able to monitor the requirements of this bill.
- 2. In-state travel will be required to check the retail outlets.
- 3. Out-of-state travel will be necessary to verify manufacturers specifications.
- 4. Appliance testing and labeling will be necessary.
- 5. No additional source of funding is identified for the enforcement of this act; thus, it is assumed to be financed from the general fund.

FISCAL IMPACT:

	FY78	FY79
Personal Services	\$14,602	\$15,625
Operational Expenses	10,100	10,100
Capital Outlay	1,600	350
Additional cost of proposed legislation	\$26,302	\$26,075
Additional cost of proposed legislation	\$26,302	\$26,07

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BUDGET DIRECTOR