

1 *House* BILL NO. *1753*
 2 INTRODUCED BY *Bradley* *Melby*
 3 -----

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

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

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

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

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

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

23 Section 2. Prohibition on sale of certain appliances.

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
 3 not sell or offer for sale an appliance suspended under
 4 [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
 8 money, and to discourage unnecessary use of energy by giving
 9 notice to potential purchasers of certain appliances of the
 10 probable energy cost to operate the appliances. The rules
 11 shall be promulgated according to the Montana Administrative
 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 commercial establishments;

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

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

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

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

1 clear and easily understandable form any of the following
2 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;

11 (d) a list of such energy costs or combined costs for
12 competing and comparable appliances;

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

16 (f) a description of testing procedures and
17 assumptions used to determine the information on the labels.

18 (4) The director may require labeling of any group of
19 competing and comparable appliances within a class of
20 appliances.

21 (5) The director may require that advertisements or
22 other printed or broadcast matter promoting labeled
23 appliances bear in prominent form any information required
24 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
4 the commission, promulgate by rule standardized testing and
5 computation procedures to be used to determine the rates of
6 energy consumption of appliances in typical operation. The
7 same testing and computation procedures shall apply to each
8 appliance in any group of competing and comparable
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 monetary 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.

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

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

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.

14 Section 5. Penalties. (1) A person who violates any
15 labeling or advertising requirements promulgated under
16 [section 3] shall pay a civil penalty of not more than \$25,
17 if the offense is insubstantial or pay a civil penalty of
18 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-

STATE OF MONTANA

REQUEST NO. 481-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 19 77, 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:

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

Richard A. Drangor
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-77