SENATE BILL NO. 345

,

INTRODUCED BY NEUMAN, COBB, SCHYE, MILLER

IN THE SENATE

February	7, 1985	Introduced and referred to Committee on Agriculture, Livestock and Irrigation.
February	8, 1985	Fiscal Note requested.
February	13, 1985	Fiscal Note returned.
February	19, 1985	Committee recommend bill do pass. Report adopted.
		Statement of Intent attached.
February	20, 1985	Bill printed and placed on members' desks.
February	21, 1985	Second reading, do pass.
February	22, 1985	Considered correctly engrossed.
February	23, 1985	Third reading, passed. Ayes, 49; Noes, 0.
		Transmitted to House.
	IN THE	E HOUSE
February	27, 1985	Introduced and referred to Committee on Business and Labor.
March 12,	1985	Committee recommend bill be concurred in. Report adopted.
March 15,	1985	Second reading, concurred in as amended.
March 18,	1985	Third reading, concurred in.
		Returned to Senate with amendments.

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IN THE SENATE

March	18,	1985	Received from House.
March	21,	1985	Second reading, amendments concurred in.
March	23,		Third reading, amendments concurred in. Ayes, 49; Noes, 0.
			Sent to enrolling.
			Reported correctly enrolled.

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3 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE "ANHYDROUS 4 AMMONIA FACILITIES SAFETY ACT"; REQUIRING THE DEPARTMENT OF 5 AGRICULTURE TO ADOPT RULES REGULATING ANHYDROUS AMMONIA 6 FACILITIES: ALLOWING AN INCREASE IN ANHYDROUS AMMONIA 7 INSPECTION FEES FOR ADMINISTRATION AND ENFORCEMENT; AND 8 AMENDING SECTIONS 80-10-207 AND 80-10-303, MCA." 9 10 WHEREAS, commercial fertilizer, primarily anhydrous 11 ammonia, is a necessary enhancement to agricultural 12

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12 Annohia, is a necessary commencement is a second of the second of

15 anhydrous ammonia in Montana and new anhydrous ammonia 16 facilities will be constructed and operated in this state; 17 and

18 WHEREAS, there is no central, statewide coordination of
 19 a safety program and location standards for commercial
 20 anhydrous ammonia facilities; and

21 WHEREAS, the State of Montana does not have an existing
22 safety code for anhydrous ammonia storage, manufacturing,
23 and distribution facilities; and

24 WHEREAS, the public interest in health and safety25 requires that such facilities be properly located and

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operated, according to acceptable and defined industry
 standards.

3 THEREFORE, the Legislature finds it necessary and 4 appropriate to enact legislation providing that the Montana 5 Department of Agriculture act as the coordinator of a 6 comprehensive safety program for commercial anhydrous 7 ammonia facilities.

8

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

10 <u>NEW SECTION.</u> Section 1. Short title. [Sections 1 11 through 7] shall be known and may be cited as the "Anhydrous 12 Ammonia Facilities Safety Act".

13 <u>NEW SECTION.</u> Section 2. Definitions. As used in
14 [sections 1 through 7], the following definitions apply:

(1) "Anhydrous ammonia" means a compound formed by a
combination of two gaseous elements, nitrogen and hydrogen,
in the proportion of one part nitrogen to three parts
hydrogen by volume, which compound is in either gaseous or
liquid form and is used primarily as fertilizer.

(2) "Anhydrous ammonia facility" or "facility" means
any building, tank, or system of equipment used for
processing, storing, or distributing anhydrous ammonia and
includes all appurtenances to such building, tank, or
system.

25 NEW SECTION. Section 3. Rulemaking authority and

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INTRODUCED BILL

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1 requirements. (1) The department shall adopt rules for the design, construction, repair, alteration, location, 2 installation, and operation of anhydrous ammonia facilities. 3 Such rules must be in substantial conformity with nationally 4 recognized safety standards for the storage and handling of 5 anhydrous ammonia. The department may adopt additional rules 6 necessary for the protection and safety of persons employed 7 8 in anhydrous ammonia facilities, persons using anhydrous 9 ammonia, and the public.

10 (2) The rules must include a provision under which new 11 or existing facilities may apply for a temporary or 12 permanent variance from any requirement of the rules. The 13 rules must provide criteria for granting or denying a 14 variance request and must provide for written notice and 15 public hearing on any variance request.

(3) The department shall coordinate its rulemaking 16 activities with other executive branch agencies and 17 18 departments by providing them with timely information on the 19 adoption of the rules, inviting and encouraging their 20 participation, giving due weight and consideration to their comments and testimony, and coordinating interdepartmental 21 meetings on matters pertaining to the adoption of the rules. 22 23 NEW SECTION. Section 4. Preexisting facilities, Any 24 facility in operation prior to the adoption of rules under 25 [section 3] that is not in compliance with the rules must be

allowed to continue in operation unless the department,
 after inspection and written notice to the owner or
 operator, makes a determination that the facility presents a
 safety hazard to employees, other persons using the
 facility, or the public.

6 <u>NEW SECTION.</u> Section 5. Variance. A person who owns 7 or controls a facility may request in writing from the 8 department a variance, which is an exemption or partial 9 exemption from any rule governing the design, construction, 10 repair, alteration, location, installation, or operation of 11 a facility.

<u>NEW SECTION.</u> Section 6. Enforcement. [Sections 1
 through 7] must be enforced as provided in 80-10-303.

14 <u>NEW SECTION.</u> Section 7. Funding. Administration and 15 enforcement of the provisions of [sections 1 through 7] and 16 the rules adopted under [section 3] must be funded through 17 expenditures of the anhydrous ammonia account established 18 under 80-10-207(5).

19 Section 8. Section 80-10-207, MCA, is amended to read: 20 "80-10-207. Fees. (1) There shall be paid to the 21 department fees on all commercial fertilizer distributed in 22 this state, except specialty fertilizers sold in packages of 23 10 pounds or less, and unmanipulated animal and vegetable 24 manures, provided that sales to manufacturers or exchanges 25 between them are exempt. The fees are:

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(a) inspection of fertilizers other than anhydrous 1 ammonia, 20 cents per ton. The department may by rule after 2 3 hearing adjust the inspection fee not to exceed a maximum of 25 cents per ton to maintain adequate funding for the 4 administration of this part. Any change in fee becomes 5 effective on the first day of a reporting period. All б registrants shall be given notice of any change in fees 7 before the effective date. 8

(b) inspection of anhydrous ammonia, 20 cents per ton. 9 10 The department may by rule after hearing adjust the anhydrous ammonia inspection fee not to exceed a maximum of 11 65 cents per ton to maintain adequate funding for the 12 13 administration and enforcement of [sections 1 through 7]. Any change in fee becomes effective on the first day of a 14 reporting period. All registrants and manufacturers of 15 16 anhydrous ammonia shall be given notice of any change in fees before the effective date of the fee adjustment. 17

18 (b)(c) assessment, the fee prescribed in 80-10-103.
19 The assessment fee shall be used to fund educational and
20 experimental programs as provided in 80-10-103 through
21 80-10-106.

(2) There shall be paid to the department on all soil
amendments distributed in this state an inspection fee of 10
cents per ton subject to the following provisions:

25 (a) sales to manufacturers or exchanges between them

1 are exempt; and

2 (b) when less than 50 tons of registered soil 3 amendment is sold per 6-month period, there shall be paid to 4 the department a fee of \$5 per soil amendment per 6-month 5 period in lieu of the 10 cents per ton fee. Inspection fees 6 shall be used by the department for administration of this 7 part.

8 (3) (a) Every registrant and licensee who distributes 9 a soil amendment or commercial fertilizer, except specialty fertilizer in packages of 10 pounds or less and 10 unmanipulated manures, to an unlicensed or unregistered 11 person in this state shall file with the department on 12 forms furnished or approved by the department a semiannual 13 statement for the periods ending June 30 and December 31 14 15 setting forth the number of net tons of each commercial fertilizer and/or soil amendment distributed in this state 16 during the 6-month period. The report is due on or before 17 the 30th day of the month following the close of each 18 period. The registrant or licensee shall pay the proper 19 fees, as set forth in subsection (1) of this section, at 20 21 that time.

22 (b) If the tonnage report is not filed and the payment 23 of fees is not made within 30 days after the end of the 24 period a collection fee amounting to 10% of the amount due 25 but not less than \$10 shall be assessed against the

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registrant or licensee, and the amount of fees due shall
 constitute a debt and become the basis of a judgment against
 the registrant or licensee.

4 (4) All Except as provided in subsection (5), all fees 5 collected for licenses, registration, and inspection and moneys collected as penalties shall be deposited in the 6 state treasury to the credit of the state special revenue 7 fund for the purpose of administering this chapter, 8 including the cost of equipment and facilities and the cost 9 10 of inspecting, analyzing, and examining commercial fertilizer and soil amendments manufactured or distributed 11 in this state. Reserve funds may be invested by the 12 department with interest credited to the state special 13 14 revenue fund.

15 (5) All fees collected under subsection (1)(b) shall be deposited in the state treasury to the credit of the state special revenue fund, anhydrous ammonia account, for the administration and enforcement of [sections 1 through 7] and the rules adopted thereunder."

Section 9. Section 80-10-303, MCA, is amended to read:
"80-10-303. Violations -- enforcement proceedings -judicial review. (1) If it appears from the examination of
any commercial fertilizer or from the inspection of any
<u>anhydrous ammonia facility</u> that this chapter or the rules
adopted under this chapter have been violated, the

department shall give notice of the violations to the 1 registrant, licensee, distributor, or possessor from whom 2 3 the sample was taken. A person notified shall be given an opportunity to be heard under rules of the department. If it 4 appears after a hearing, either in the presence or absence 5 of the person notified, that this chapter or rules issued б under this chapter have been violated, the department may 7 certify the facts to the proper prosecuting attorney. 8

9 (2) A person who violates this chapter or the rules 10 adopted under this chapter or who obstructs, prevents, or attempts to prevent the department from performing its duty 11 under this chapter is guilty of a misdemeanor and shall be 12 13 fined not less than \$300 or more than \$500 for the first 14 violation and not less than \$300 or more than \$1,000 for a 15 subsequent violation. In all prosecutions under this chapter 16 involving the composition of a lot of commercial fertilizer, 17 a certified copy of the official analysis of the department 18 is prima facie evidence of the composition.

(3) Nothing in this chapter requires the department to
report for prosecution or for the beginning of seizure
proceedings minor violations of this chapter when it
believes that the public interest will be best served by a
suitable notice of warning in writing.

24 (4) A prosecuting attorney to whom a violation is25 reported shall prosecute the violator in a court of

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1 competent jurisdiction without delay.

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2 (5) The department may apply for and the court may 3 grant a temporary or permanent injunction restraining any 4 person from violating or continuing to violate any of the 5 provisions of this chapter or any rule adopted under the 6 chapter notwithstanding the existence of other remedies at 1 aw. The injunction shall be issued without bond.

8 (6) If a person adversely affected by an act, order, 9 or ruling made by the department under this chapter is not entitled to a hearing before the department to determine his 10 rights, he may within 45 days sue in the district court of 11 any county where the alleged violation giving rise to the 12 department's act, order, or ruling occurred, for new trial 13 14 of the issues bearing upon the act, order, or ruling. After 15 the trial the court may issue and enforce those orders, judgments, or decrees it considers proper, just, and 16 equitable." 17

18 <u>NEW SECTION.</u> Section 10. Extension of authority. Any
 19 existing authority of the department of agriculture to make
 20 rules on the subject of the provisions of this act is
 21 extended to the provisions of this act.

<u>NEW SECTION.</u> Section 11. Codification instruction.
Sections 1 through 7 are intended to be codified as an
integral part of Title 80, chapter 10.

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STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 378-85

Form BD-15

In compliance with a written request received <u>February 8</u>, <u>19</u><u>85</u>, there is hereby submitted a Fiscal Note for <u>Senate Bill #345</u> pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). 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:

An act creating "anhydrous Ammonia Facilities Safety Act"; requiring Department of Agriculture to adopt rules regulating Anhydrous Ammonia Facilities; allowing an increase in inspection fees for administrative and enforcement and amending Sections 80-10-207 & 80-10-307 MCA.

ASSUMPTIONS:

- 1. The Department will be required to adopt rules for operation of anhydrous ammonia facility safety.
- 2. The Department will hold two (2) hearings annually on rule notices and variance requests.
- 3. Approximately 80 site inspections twice a year will be required.
- 4. Annual training classes will be conducted.
- 5. The inspection and training requirements will require 1.50 FTE and operational costs.
- 6. Anticipate 65,000 tons sold annually based on record of sales @ \$.60 a ton (includes current \$.20 tonnage tax).
- 7. Effective date of act, October 1, 1985.
- 8. The current .20 cents per ton charge will transfer to the anhydrous ammonia account on October 1, 1985.

BUDGET DIRECTOR Office of Budget and Program Planning

Date: Ed

Request	No.		378-85
Form BD-	-15	Page	

FISCAL IMPACT:

	FY 1	986	FY 1987	987
	Current	Proposed	Current	Proposed
Revenue:	-0-	\$39,000	-0-	\$39,000
Expenditures:				
Personal Services	-0-	\$31,345	-0-	\$32,644
Operations	-0-	\$ 6,100	-0	\$ 5,590
Equipment	-0-	\$ 610	~0-	-0-
Indirect	-0-	<u>\$ 559</u>	-0-	<u>\$ 582</u>
	-0-	\$38,614	-0-	\$38,816

AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

None.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The proposed legislation will reduce the feed & fertilizer state special revenue account by .20 cents per ton or \$13,000 annually. The feed & fertilizer account currently funds a portion of operational costs in the diagnostic laboratory.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

None.

49th Legislature

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APPROVED BY COMMITTEE On Agriculture Livestock And Irrigation

STATEMENT	OF	INTENT	
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SENATE BILL 345

3 Senate Agriculture, Livestock and Irrigation Committee

5 It is the intent of the legislature that the department of agriculture adopt rules to establish enforceable 6 standards for the safe storage and handling of anhydrous 7 ammonia. In adopting these rules, the department shall 8 demonstrate strong consideration of the safety standards for 9 the storage and handling of anhydrous ammonia published by 10 the American national standards institute, a private, 11 nationally recognized institute with expertise in matters 12 pertaining to industrial safety and design standards. It is 13 the intent of the legislature that the department of 14 agriculture adopt other rules necessary to administer the 15 provisions of this act. 16

SECOND READING

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SB 0345/02

SENATE BILL NO. 345

INTRODUCED BY NEUMAN, COBB, SCHYE, MILLER

4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE "ANHYDROUS 5 AMMONIA FACILITIES SAFETY ACT"; REQUIRING THE DEPARTMENT OF 6 AGRICULTURE TO ADOPT RULES REGULATING ANHYDROUS AMMONIA 7 FACILITIES; ALLOWING AN INCREASE IN ANHYDROUS AMMONIA 8 INSPECTION FEES FOR ADMINISTRATION AND ENFORCEMENT; AND 9 AMENDING SECTIONS 80-10-207 AND 80-10-303, MCA."

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WHEREAS, commercial fertilizer, primarily anhydrous
 ammonia, is a necessary enhancement to agricultural
 production in Montana; and

14 WHEREAS, there is continuing and growing demand for 15 anhydrous ammonia in Montana and new anhydrous ammonia 16 facilities will be constructed and operated in this state; 17 and

18 WHEREAS, there is no central, statewide coordination of 19 a safety program and location standards for commercial 20 anhydrous ammonia facilities; and

21 WHEREAS, the State of Montana does not have an existing
 22 safety code for anhydrous ammonia storage, manufacturing,
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10 (2) The rules must include a provision under which new 11 or existing facilities may apply for a temporary or 12 permanent variance from any requirement of the rules. The 13 rules must provide criteria for granting or denying a 14 variance request and must provide for written notice and 15 public hearing on any variance request.

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 operator, makes a determination that the facility presents a
 safety hazard to employees, other persons using the
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19 Section 8. Section 80-10-207, MCA, is amended to read: 20 "80-10-207. Fees. (1) There shall be paid to the 21 department fees on all commercial fertilizer distributed in 22 this state, except specialty fertilizers sold in packages of 23 10 pounds or less, and unmanipulated animal and vegetable 24 manures, provided that sales to manufacturers or exchanges 25 between them are exempt. The fees are:

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1 (a) inspection of fertilizers other than anhydrous 2 ammonia, 20 cents per ton. The department may by rule after hearing adjust the inspection fee not to exceed a maximum of 3 25 cents per ton to maintain adequate funding for the 4 administration of this part. Any change in fee becomes 5 б effective on the first day of a reporting period. All 7 registrants shall be given notice of any change in fees 8 before the effective date.

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(2) There shall be paid to the department on all soil
amendments distributed in this state an inspection fee of 10
cents per ton subject to the following provisions:

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(a) sales to manufacturers or exchanges between them

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are exempt; and

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2 (b) when less than 50 tons of registered soil 3 amendment is sold per 6-month period, there shall be paid to 4 the department a fee of \$5 per soil amendment per 6-month 5 period in lieu of the 10 cents per ton fee. Inspection fees 6 shall be used by the department for administration of this 7 part.

8 (3) (a) Every registrant and licensee who distributes a soil amendment or commercial fertilizer, except specialty 9 10 fertilizer in packages of 10 pounds or less and unmanipulated manures, to an unlicensed or unregistered 11 12 person in this state shall file with the department on forms furnished or approved by the department a semiannual 13 statement for the periods ending June 30 and December 31 14 setting forth the number of net tons of each commercial 15 16 fertilizer and/or soil amendment distributed in this state during the 6-month period. The report is due on or before 17 the 30th day of the month following the close of each 18 period. The registrant or licensee shall pay the proper 19 fees, as set forth in subsection (1) of this section, at 20 21 that time.

(b) If the tonnage report is not filed and the payment
of fees is not made within 30 days after the end of the
period a collection fee amounting to 10% of the amount due
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registrant or licensee, and the amount of fees due shall
 constitute a debt and become the basis of a judgment against
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4 (4) All Except as provided in subsection (5), all fees collected for licenses, registration, and inspection and 5 moneys collected as penalties shall be deposited in the 6 state treasury to the credit of the state special revenue 7 fund for the purpose of administering this chapter, 8 including the cost of equipment and facilities and the cost 9 10 of inspecting, analyzing, and examining commercial 11 fertilizer and soil amendments manufactured or distributed 12 in this state. Reserve funds may be invested by the department with interest credited to the state special 13 revenue fund. 14

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16 be deposited in the state treasury to the credit of the
17 state special revenue fund, anhydrous ammonia account, for
18 the administration and enforcement of [sections 1 through 7]
19 and the rules adopted thereunder."

20 Section 9. Section 80-10-303, MCA, is amended to read: 21 "80-10-303. Violations -- enforcement proceedings --22 judicial review. (1) If it appears from the examination of 23 any commercial fertilizer or from the inspection of any 24 <u>anhydrous ammonia facility</u> that this chapter or the rules 25 adopted under this chapter have been violated, the 1 department shall give notice of the violations to the 2 registrant, licensee, distributor, or possessor from whom the sample was taken. A person notified shall be given an 3 4 opportunity to be heard under rules of the department. If it appears after a hearing, either in the presence or absence 5 6 of the person notified, that this chapter or rules issued under this chapter have been violated, the department may 7 8 certify the facts to the proper prosecuting attorney.

9 (2) A person who violates this chapter or the rules 10 adopted under this chapter or who obstructs, prevents, or attempts to prevent the department from performing its duty 11 under this chapter is guilty of a misdemeanor and shall be 12 fined not less than \$300 or more than \$500 for the first 13 14 violation and not less than \$300 or more than \$1,000 for a subsequent violation. In all prosecutions under this chapter 15 16 involving the composition of a lot of commercial fertilizer, a certified copy of the official analysis of the department 17 is prima facie evidence of the composition. 18

(3) Nothing in this chapter requires the department to
report for prosecution or for the beginning of seizure
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believes that the public interest will be best served by a
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-7-

1 competent jurisdiction without delay.

2 (5) The department may apply for and the court may 3 grant a temporary or permanent injunction restraining any 4 person from violating or continuing to violate any of the 5 provisions of this chapter or any rule adopted under the 6 chapter notwithstanding the existence of other remedies at 7 law. The injunction shall be issued without bond.

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18 <u>NEW SECTION.</u> Section 10. Extension of authority. Any 19 existing authority of the department of agriculture to make 20 rules on the subject of the provisions of this act is 21 extended to the provisions of this act.

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Sections 1 through 7 are intended to be codified as an
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-End-

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49th Legislature

SB 0345/si

1	STATEMENT OF INTENT
2	SENATE BILL 345
3	Senate Agriculture, Livestock and Irrigation Committee
4	
5	It is the intent of the legislature that the department
6	of agriculture adopt rules to establish enforceable
7	standards for the safe storage and handling of anhydrous
8	ammonia. In adopting these rules, the department shall
9	demonstrate strong consideration of the safety standards for
10	the storage and handling of anhydrous ammonia published by
11	the American national standards institute, a private,
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13	pertaining to industrial safety and design standards. It is
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16	provisions of this act.

THIRD READING

Linontana Legislative Council

SB 0345/02

1 SENATE BILL NO. 345 1 operated, according to acceptable and defined industry INTRODUCED BY NEUMAN, COBB, SCHYE, MILLER 2 standards. 2 3 THEREFORE, the Legislature finds it necessary and 3 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE "ANHYDROUS 4 appropriate to enact legislation providing that the Montana 4 5 AMMONIA FACILITIES SAFETY ACT": REQUIRING THE DEPARTMENT OF 5 Department of Agriculture act as the coordinator of a AGRICULTURE TO ADOPT RULES REGULATING ANHYDROUS AMMONIA 6 comprehensive safety program for commercial anhydrous 6 FACILITIES: ALLOWING AN INCREASE IN ANHYDROUS 7 ammonia facilities. 7 AMMONIA INSPECTION FEES FOR ADMINISTRATION AND ENFORCEMENT; AND 8 8 AMENDING SECTIONS 80-10-207 AND 80-10-303, MCA." 9 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 10 NEW SECTION. Section 1. Short title. [Sections 1] WHEREAS, commercial fertilizer, primarily anhydrous 11 through 7] shall be known and may be cited as the "Anhydrous 11 12 ammonia, is a necessary enhancement to agricultural 12 Ammonia Facilities Safety Act". 13 NEW SECTION. Section 2. Definitions. As 13 production in Montana; and WHEREAS, there is continuing and growing demand for 14 [sections 1 through 7], the following definitions apply: 14 15 anhydrous ammonia in Montana and new anhydrous ammonia 15 (1) "Anhydrous ammonia" means a compound formed by a facilities will be constructed and operated in this state; 16 combination of two gaseous elements, nitrogen and hydrogen, 16 17 in the proportion of one part nitrogen to three parts 17 and 18 WHEREAS, there is no central, statewide coordination of 18 hydrogen by volume, which compound is in either gaseous or a safety program and location standards for commercial 19 liquid form and is used primarily as fertilizer. 19 20 (2) "Anhydrous ammonia facility" or "facility" means 20 anhydrous ammonia facilities; and 21 WHEREAS, the State of Montana does not have an existing 21 any building, tank, or system of equipment used for 22 processing, storing, or distributing anhydrous ammonia and safety code for anhydrous ammonia storage, manufacturing, 22 and distribution facilities; and 23 includes all appurtenances to such building, tank, or 23 24 WHEREAS, the public interest in health and safety 24 system. requires that such facilities be properly located and 25 NEW SECTION. Section 3. Rulemaking authority 25 -2-

Montana Legislative Council

SB 345

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 safety hazard to employees, other persons using the
 facility, or the public.

6 <u>NEW SECTION.</u> Section 5. Variance. A person who owns 7 or controls a facility may request in writing from the 8 department a variance, which is an exemption or partial 9 exemption from any rule governing the design, construction, 10 repair, alteration, location, installation, or operation of 11 a facility.

<u>NEW SECTION.</u> Section 6. Enforcement. [Sections 1
 through 7] must be enforced as provided in 80-10-303.

14 <u>NEW SECTION.</u> Section 7. Funding. Administration and 15 enforcement of the provisions of [sections 1 through 7] and 16 the rules adopted under [section 3] must be funded through 17 expenditures of the anhydrous ammonia account established 18 under 80-10-207(5).

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(a) inspection of fertilizers other than anhydrous 1 ammonia, 20 cents per ton. The department may by rule after 2 hearing adjust the inspection fee not to exceed a maximum of 3 4 25 cents per ton to maintain adequate funding for the administration of this part. Any change in fee becomes 5 effective on the first day of a reporting period. All 6 registrants shall be given notice of any change in fees 7 before the effective date. 8

(b) inspection of anhydrous ammonia, 20 cents per ton. 9 The department may by rule after hearing adjust the 10 anhydrous ammonia inspection fee not to exceed a maximum of 11 65 cents per ton to maintain adequate funding for the 12 administration and enforcement of [sections 1 through 7]. 13 Any change in fee becomes effective on the first day of a 14 reporting period. All registrants and manufacturers of 15 anhydrous ammonia shall be given notice of any change in 16 fees before the effective date of the fee adjustment. 17

18 (b)(c) assessment, the fee prescribed in 80-10-103.
19 The assessment fee shall be used to fund educational and
20 experimental programs as provided in 80-10-103 through
21 80-10-106.

(2) There shall be paid to the department on all soil
amendments distributed in this state an inspection fee of 10
cents per ton subject to the following provisions:

(a) sales to manufacturers or exchanges between them

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25

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are exempt; and

1

2 (b) when less than 50 tons of registered soil 3 amendment is sold per 6-month period, there shall be paid to 4 the department a fee of \$5 per soil amendment per 6-month 5 period in lieu of the 10 cents per ton fee. Inspection fees 6 shall be used by the department for administration of this 7 part.

8 (3) (a) Every registrant and licensee who distributes 9 a soil amendment or commercial fertilizer, except specialty 10 fertilizer in packages of 10 pounds or less and unmanipulated manures, to an unlicensed or unregistered 11 person in this state shall file with the department on 12 forms furnished or approved by the department a semiannual 13 statement for the periods ending June 30 and December 31 14 15 setting forth the number of net tons of each commercial fertilizer and/or soil amendment distributed in this state 16 during the 6-month period. The report is due on or before 17 18 the 30th day of the month following the close of each period. The registrant or licensee shall pay the proper 19 fees, as set forth in subsection (1) of this section, at 20 21 that time.

(b) If the tonnage report is not filed and the payment
of fees is not made within 30 days after the end of the
period a collection fee amounting to 10% of the amount due
but not less than \$10 shall be assessed against the

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registrant or licensee, and the amount of fees due shall
 constitute a debt and become the basis of a judgment against
 the registrant or licensee.

(4) All Except as provided in subsection (5), all fees 4 collected for licenses, registration, and inspection and 5 moneys collected as penalties shall be deposited in the 6 state treasury to the credit of the state special revenue 7 fund for the purpose of administering this chapter. 8 including the cost of equipment and facilities and the cost 9 of inspecting, analyzing, and examining commercial 10 11 fertilizer and soil amendments manufactured or distributed in this state. Reserve funds may be invested by the 12 department with interest credited to the state special 13 14 revenue fund.

15 (5) All fees collected under subsection (1)(b) shall be deposited in the state treasury to the credit of the state special revenue fund, anhydrous ammonia account, for the administration and enforcement of [sections 1 through 7] and the rules adopted thereunder."

20 Section 9. Section 80-10-303, MCA, is amended to read: 21 "80-10-303. Violations -- enforcement proceedings --22 judicial review. (1) If it appears from the examination of 23 any commercial fertilizer or from the inspection of any 24 <u>anhydrous ammonia facility</u> that this chapter or the rules 25 adopted under this chapter have been violated, the

department shall give notice of the violations to the 1 2 registrant, licensee, distributor, or possessor from whom 3 the sample was taken. A person notified shall be given an 4 opportunity to be heard under rules of the department. If it 5 appears after a hearing, either in the presence or absence 6 of the person notified, that this chapter or rules issued under this chapter have been violated, the department may 7 8 certify the facts to the proper prosecuting attorney.

9 (2) A person who violates this chapter or the rules adopted under this chapter or who obstructs, prevents, or 10 11 attempts to prevent the department from performing its duty under this chapter is guilty of a misdemeanor and shall be 12 13 fined not less than \$300 or more than \$500 for the first 14 violation and not less than \$300 or more than \$1,000 for a subsequent violation. In all prosecutions under this chapter 15 16 involving the composition of a lot of commercial fertilizer, 17 a certified copy of the official analysis of the department 18 is prima facie evidence of the composition.

(3) Nothing in this chapter requires the department to
report for prosecution or for the beginning of seizure
proceedings minor violations of this chapter when it
believes that the public interest will be best served by a
suitable notice of warning in writing.

24 (4) A prosecuting attorney to whom a violation is
25 reported shall prosecute the violator in a court of

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1 competent jurisdiction without delay.

2 (5) The department may apply for and the court may 3 grant a temporary or permanent injunction restraining any 4 person from violating or continuing to violate any of the 5 provisions of this chapter or any rule adopted under the 6 chapter notwithstanding the existence of other remedies at 7 law. The injunction shall be issued without bond.

8 (6) If a person adversely affected by an act, order, 9 or ruling made by the department under this chapter is not entitled to a hearing before the department to determine his 10 11 rights, he may within 45 days sue in the district court of 12 any county where the alleged violation giving rise to the 13 department's act, order, or ruling occurred, for new trial 14 of the issues bearing upon the act, order, or ruling. After 15 the trial the court may issue and enforce those orders, judgments, or decrees it considers proper, just, 16 and 17 equitable.*

18 <u>NEW SECTION.</u> Section 10. Extension of authority. Any
19 existing authority of the department of agriculture to make
20 rules on the subject of the provisions of this act is
21 extended to the provisions of this act.

<u>NEW SECTION.</u> Section 11. Codification instruction.
Sections 1 through 7 are intended to be codified as an
integral part of Title 80, chapter 10.

-End-

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COMMITTEE OF THE WHOLE AMENDMENT

3141010P.CW

HOUSE

3-14-85 DATE

10:10 TIME

No. 345 MR. CHAIRMAN: I MOVE TO AMEND _____ Senate Bill

> third reading copy (blue) as follows: Color

1.

Page 3, line 6. Following: "." Insert: "The rules shall require the owner to place his name and phone number on his anhydrous ammonia tank or tanks."

ADOPT REJECT

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SB 0345/si

1	STATEMENT OF INTENT
2	SENATE BILL 345
3	Senate Agriculture, Livestock and Irrigation Committee
4	
5	It is the intent of the legislature that the department

6 of agriculture adopt rules to establish enforceable 7 standards for the safe storage and handling of anhydrous ammonia. In adopting these rules, the department shall 8 9 demonstrate strong consideration of the safety standards for 10 the storage and handling of anhydrous ammonia published by the American national standards institute, a private, 11 nationally recognized institute with expertise in matters 12 pertaining to industrial safety and design standards. It is 13 the intent of the legislature that the department of 14 agriculture adopt other rules necessary to administer the 15 16 provisions of this act.

REFERENCE BILL 50345



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1 1 SENATE BILL NO. 345 2 INTRODUCED BY NEUMAN, COBB, SCHYE, MILLER 2^{\pm} 3 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE "ANHYDROUS 4 AMMONIA FACILITIES SAFETY ACT": REQUIRING THE DEPARTMENT OF 5 6 AGRICULTURE TO ADOPT RULES REGULATING ANHYDROUS AMMONIA 7 FACILITIES: ALLOWING AN INCREASE IN ANHYDROUS AMMONIA INSPECTION FEES FOR ADMINISTRATION AND ENFORCEMENT: AND 8 9 AMENDING SECTIONS 80-10-207 AND 80-10-303, MCA." 10 WHEREAS, commercial fertilizer, primarily anhydrous 11 ammonia, is a necessary enhancement to agricultural 12 production in Montana; and 13 WHEREAS, there is continuing and growing demand for 14 15 anhydrous ammonia in Montana and new anhydrous ammonia 16 facilities will be constructed and operated in this state; 17 and WHEREAS, there is no central, statewide coordination of 18 19 a safety program and location standards for commercial 20 anhydrous ammonia facilities; and 21 WHEREAS, the State of Montana does not have an existing safety code for anhydrous ammonia storage, manufacturing, 22 and distribution facilities; and 23 WHEREAS, the public interest in health and safety 24

24 WHEREAS, the public interest in nearth and sarety 25 requires that such facilities be properly located and operated, according to acceptable and defined industry standards.

3 THEREFORE, the Legislature finds it necessary and 4 appropriate to enact legislation providing that the Montana 5 Department of Agriculture act as the coordinator of a 6 comprehensive safety program for commercial anhydrous 7 ammonia facilities.

8

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

<u>NEW SECTION.</u> Section 1. Short title. [Sections 1
through 7] shall be known and may be cited as the "Anhydrous
Ammonia Facilities Safety Act".

13NEW SECTION.Section 2.Definitions.As used in14[sections 1 through 7], the following definitions apply:

(1) "Anhydrous ammonia" means a compound formed by a
combination of two gaseous elements, nitrogen and hydrogen,
in the proportion of one part nitrogen to three parts
hydrogen by volume, which compound is in either gaseous or
liquid form and is used primarily as fertilizer.

(2) "Anhydrous ammonia facility" or "facility" means
any building, tank, or system of equipment used for
processing, storing, or distributing anhydrous ammonia and
includes all appurtenances to such building, tank, or
system.

25 NEW SECTION. Section 3. Rulemaking authority and

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requirements. (1) The department shall adopt rules for the 1 2 design, construction, repair, alteration, location. installation, and operation of anhydrous ammonia facilities. 3 Such rules must be in substantial conformity with nationally 4 recognized safety standards for the storage and handling of 5 anhydrous ammonia. THE RULES SHALL REQUIRE THE OWNER TO 6 7 PLACE HIS NAME AND PHONE NUMBER ON HIS ANHYDROUS AMMONIA TANK OR TANKS. The department may adopt additional rules 8 necessary for the protection and safety of persons employed 9 10 in anhydrous ammonia facilities, persons using anhydrous 11 ammonia, and the public.

12 (2) The rules must include a provision under which new 13 or existing facilities may apply for a temporary or 14 permanent variance from any requirement of the rules. The 15 rules must provide criteria for granting or denying a 16 variance request and must provide for written notice and 17 public hearing on any variance request.

(3) The department shall coordinate its rulemaking 18 19 activities with other executive branch agencies and departments by providing them with timely information on the 20 adoption of the rules, inviting and encouraging their 21 participation, giving due weight and consideration to their 22 comments and testimony, and coordinating interdepartmental 23 meetings on matters pertaining to the adoption of the rules. 24 25 NEW SECTION. Section 4. Preexisting facilities. Any 1 facility in operation prior to the adoption of rules under 2 [section 3] that is not in compliance with the rules must be 3 allowed to continue in operation unless the department, 4 after inspection and written notice to the owner or 5 operator, makes a determination that the facility presents a 6 safety hazard to employees, other persons using the 7 facility, or the public.

8 <u>NEW SECTION.</u> Section 5. Variance. A person who owns 9 or controls a facility may request in writing from the 10 department a variance, which is an exemption or partial 11 exemption from any rule governing the design, construction, 12 repair, alteration, location, installation, or operation of 13 a facility.

<u>NEW SECTION.</u> Section 6. Enforcement. [Sections 1
 through 7] must be enforced as provided in 80-10-303.

16 <u>NEW SECTION.</u> Section 7. Funding. Administration and 17 enforcement of the provisions of [sections 1 through 7] and 18 the rules adopted under [section 3] must be funded through 19 expenditures of the anhydrous ammonia account established 20 under 80-10-207(5).

Section 8. Section 80-10-207, MCA, is amended to read: "80-10-207. Fees. (1) There shall be paid to the department fees on all commercial fertilizer distributed in this state, except specialty fertilizers sold in packages of 10 pounds or less, and unmanipulated animal and vegetable

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manures, provided that sales to manufacturers or exchanges
 between them are exempt. The fees are:

(a) inspection of fertilizers other than anhydrous 3 ammonia, 20 cents per ton. The department may by rule after 4 hearing adjust the inspection fee not to exceed a maximum of 5 6 25 cents per ton to maintain adequate funding for the administration of this part. Any change in fee becomes 7 effective on the first day of a reporting period. All 8 registrants shall be given notice of any change in fees 9 before the effective date. 10

(b) inspection of anhydrous ammonia, 20 cents per ton. 11 The department may by rule after hearing adjust the 12 anhydrous ammonia inspection fee not to exceed a maximum of 13 65 cents per ton to maintain adequate funding for the 14 administration and enforcement of [sections 1 through 7]. 15 Any change in fee becomes effective on the first day of a 16 reporting period. All registrants and manufacturers of 17 anhydrous ammonia shall be given notice of any change in 18 19 fees before the effective date of the fee adjustment.

tb)(c) assessment, the fee prescribed in 80-10-103.
The assessment fee shall be used to fund educational and
experimental programs as provided in 80-10-103 through
80-10-106.

(2) There shall be paid to the department on all soil
 amendments distributed in this state an inspection fee of 10

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1 cents per ton subject to the following provisions:

2 (a) sales to manufacturers or exchanges between them
 3 are exempt; and

4 (b) when less than 50 tons of registered soil 5 amendment is sold per 6-month period, there shall be paid to 6 the department a fee of \$5 per soil amendment per 6-month 7 period in lieu of the 10 cents per ton fee. Inspection fees 8 shall be used by the department for administration of this 9 part.

(3) (a) Every registrant and licensee who distributes 10 a soil amendment or commercial fertilizer, except specialty 11 fertilizer in packages of 10 pounds or less and 12 13 unmanipulated manures, to an unlicensed or unregistered 14 person in this state shall file with the department on forms furnished or approved by the department a semiannual 15 statement for the periods ending June 30 and December 31 16 setting forth the number of net tons of each commercial 17 fertilizer and/or soil amendment distributed in this state 18 during the 6-month period. The report is due on or before 19 20 the 30th day of the month following the close of each period. The registrant or licensee shall pay the proper-21 fees, as set forth in subsection (1) of this section, at 22 23 that time.

(b) If the tonnage report is not filed and the paymentof fees is not made within 30 days. after the end of the

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period a collection fee amounting to 10% of the amount due
 but not less than \$10 shall be assessed against the
 registrant or licensee, and the amount of fees due shall
 constitute a debt and become the basis of a judgment against
 the registrant or licensee.

6 (4) All Except as provided in subsection (5), all fees collected for licenses, registration, and inspection and 7 B moneys collected as penalties shall be deposited in the state treasury to the credit of the state special revenue 9 10 for the purpose of administering this chapter, fund including the cost of equipment and facilities and the cost 11 inspecting, analyzing, and examining commercial 12 of fertilizer and soil amendments manufactured or distributed 13 in this state. Reserve funds may be invested by the 14 15 department with interest credited to the state special 16 revenue fund.

17 (5) All fees collected under subsection (1)(b) shall 18 be deposited in the state treasury to the credit of the 19 state special revenue fund, anhydrous ammonia account, for 20 the administration and enforcement of [sections 1 through 7] 21 and the rules adopted thereunder."

Section 9. Section 80-10-303, MCA, is amended to read:
"80-10-303. Violations -- enforcement proceedings -judicial review. (1) If it appears from the examination of
any commercial fertilizer or from the inspection of any

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anhydrous ammonia facility that this chapter or the rules 1 2 adopted under this chapter have been violated. the department shall give notice of the violations to the 3 registrant, licensee, distributor, or possessor from whom 4 5 the sample was taken. A person notified shall be given an 6 opportunity to be heard under rules of the department. If it 7 appears after a hearing, either in the presence or absence of the person notified, that this chapter or rules issued 8 9 under this chapter have been violated, the department may certify the facts to the proper prosecuting attorney. 10

11 (2) A person who violates this chapter or the rules adopted under this chapter or who obstructs, prevents, or 12 13 attempts to prevent the department from performing its duty 14 under this chapter is guilty of a misdemeanor and shall be fined not less than \$300 or more than \$500 for the first 15 16 violation and not less than \$300 or more than \$1,000 for a 17 subsequent violation. In all prosecutions under this chapter 18 involving the composition of a lot of commercial fertilizer, 19 a certified copy of the official analysis of the department 20 is prima facie evidence of the composition.

(3) Nothing in this chapter requires the department to
report for prosecution or for the beginning of seizure
proceedings minor violations of this chapter when it
believes that the public interest will be best served by a
suitable notice of warning in writing.

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1 (4) A prosecuting attorney to whom a violation is 2 reported shall prosecute the violator in a court of 3 competent jurisdiction without delay.

4 (5) The department may apply for and the court may 5 grant a temporary or permanent injunction restraining any 6 person from violating or continuing to violate any of the 7 provisions of this chapter or any rule adopted under the 8 chapter notwithstanding the existence of other remedies at 9 law. The injunction shall be issued without bond.

(6) If a person adversely affected by an act, order, 10 or ruling made by the department under this chapter is not 11 entitled to a hearing before the department to determine his 12 13 rights, he may within 45 days sue in the district court of any county where the alleged violation giving rise to the 14 15 department's act, order, or ruling occurred, for new trial of the issues bearing upon the act, order, or ruling. After 16 the trial the court may issue and enforce those orders, 17 judgments, or decrees it considers proper, just, and 18 equitable." 19

20 <u>NEW SECTION.</u> Section 10. Extension of authority. Any
21 existing authority of the department of agriculture to make
22 rules on the subject of the provisions of this act is
23 extended to the provisions of this act.

24 <u>NEW SECTION.</u> Section 11. Codification instruction.
 25 Sections 1 through 7 are intended to be codified as an

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1 integral part of Title 80, chapter 10.

SB 0345/03

-End-

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