

HOUSE BILL NO. 436

INTRODUCED BY T. NELSON, KEATING, DRISCOLL, HAGER

IN THE HOUSE

|                  |   |
|------------------|---|
| FEBRUARY 3, 1993 | INTRODUCED AND REFERRED TO COMMITTEE<br>ON TAXATION.            |
|                  | FIRST READING.  |
| MARCH 6, 1993    | COMMITTEE RECOMMEND BILL<br>DO PASS AS AMENDED. REPORT ADOPTED. |
| MARCH 8, 1993    | PRINTING REPORT.  |
| MARCH 9, 1993    | SECOND READING, DO PASS.  |
| MARCH 10, 1993   | ENGROSSING REPORT.  |
| MARCH 11, 1993   | THIRD READING, PASSED.<br>AYES, 94; NOES, 4.                    |
| MARCH 12, 1993   | TRANSMITTED TO SENATE.  |

IN THE SENATE

|                |  |
|----------------|--|
| MARCH 13, 1993 | INTRODUCED AND REFERRED TO COMMITTEE<br>ON TAXATION.                       |
|                | FIRST READING.   |
| APRIL 5, 1993  | COMMITTEE RECOMMEND BILL BE<br>CONCURRED IN AS AMENDED. REPORT<br>ADOPTED. |
| APRIL 8, 1993  | SECOND READING, CONCURRED IN.  |
| APRIL 12, 1993 | THIRD READING, CONCURRED IN.<br>AYES, 48; NOES, 0.                         |
|                | RETURNED TO HOUSE WITH AMENDMENTS.   |

IN THE HOUSE

|                |   |
|----------------|---|
| APRIL 14, 1993 | SECOND READING, AMENDMENTS<br>CONCURRED IN. |
| APRIL 15, 1993 | THIRD READING, AMENDMENTS<br>CONCURRED IN.  |

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 436  
 2 INTRODUCED BY Jon Nelson  
 3 Donnell Hager  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE  
 5 DEFINITION OF AIR AND WATER POLLUTION EQUIPMENT FOR PROPERTY  
 6 TAX PURPOSES; PROVIDING REQUIREMENTS FOR RULES GOVERNING THE  
 7 CERTIFICATION OF THE EQUIPMENT; SPECIFYING THE ROLES OF THE  
 8 DEPARTMENT OF REVENUE AND OF THE DEPARTMENT OF HEALTH AND  
 9 ENVIRONMENTAL SCIENCES IN CLASSIFYING AND VALUING AIR AND  
 10 WATER POLLUTION EQUIPMENT; AMENDING SECTION 15-6-135, MCA;  
 11 AND PROVIDING AN APPLICABILITY DATE."

12  
 13 STATEMENT OF INTENT

14 A statement of intent is necessary for this bill because  
 15 the amendment to 15-6-135 grants rulemaking authority to the  
 16 department of revenue and the department of health and  
 17 environmental sciences.

18 It is intended that the rules promulgated by the  
 19 departments clarify the definition, application for  
 20 certification, and use of air and water pollution equipment  
 21 eligible for special property tax treatment. The rules  
 22 should provide certainty regarding the special tax treatment  
 23 for air and water pollution equipment purchasers, affected  
 24 local governments, and state departments, thus increasing  
 25 the use of air and water pollution equipment.

1  
 2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

3 **Section 1.** Section 15-6-135, MCA, is amended to read:

4 "15-6-135. Class five property -- description --  
 5 taxable percentage. (1) Class five property includes:

6 (a) all property used and owned by cooperative rural  
 7 electrical and cooperative rural telephone associations  
 8 organized under the laws of Montana, except property owned  
 9 by cooperative organizations described in subsection (1)(b)  
 10 of 15-6-137;

11 (b) air and water pollution control equipment as  
 12 defined in this section;

13 (c) new industrial property as defined in this section;

14 (d) any personal or real property used primarily in the  
 15 production of gasohol during construction and for the first  
 16 3 years of its operation;

17 (e) all land and improvements and all personal property  
 18 owned by a research and development firm, provided that the  
 19 property is actively devoted to research and development;

20 (f) machinery and equipment used in electrolytic  
 21 reduction facilities.

22 (2) (a) "Air and water pollution equipment" means  
 23 identifiable property, facilities, machinery, devices, or  
 24 equipment used designed, constructed, and operated  
 25 exclusively to--reduce--or--control--water--or--atmospheric

1 pollution--or--contamination--by for removing, reducing,  
 2 altering, disposing, abating, treating, eliminating,  
 3 destroying, neutralizing, stabilizing, rendering inert, or  
 4 storing, or preventing the creation of air or water  
 5 pollutants, which, except for the use of the item, would be  
 6 released to the environment pollutants,--contaminants,  
 7 wastes,--or--heat. Reduction in pollutants obtained through  
 8 operational techniques without specific facilities,  
 9 machinery, devices, or equipment is not eligible for  
 10 certification under this section. The department--of--health  
 11 and--environmental--sciences--shall--determine--if--such  
 12 utilization-is-being-made.

13 (b) Requests for certification must be made on forms  
 14 available from the department of revenue. Certification may  
 15 not be granted unless the applicant is in compliance with  
 16 all applicable rules, laws, orders, or permit conditions.  
 17 Certification remains in effect only for as long as a  
 18 compliance continues.

19 (c) The department of health and environmental sciences  
 20 shall promulgate rules specifying procedures, including  
 21 timeframes for certification application, and definitions  
 22 necessary to identify air and water pollution equipment for  
 23 certification and compliance. The department of revenue  
 24 shall promulgate rules pertaining to the valuation of  
 25 qualifying air and water pollution equipment. The department

1 of health and environmental sciences shall identify and  
 2 track compliance in the use of certified air and water  
 3 pollution equipment and report noncompliance to the  
 4 department of revenue.

5 (b)(d) The--department--of--health--and--environmental  
 6 sciences--determination--as--to--air--and--water--pollution  
 7 equipment--may--be--appealed--to--the--board--of--health--and  
 8 environmental--sciences--and--may--not--be--appealed--to--either--a  
 9 county--tax--appeal--board--or A person may appeal the  
 10 classification and valuation of the property to the state  
 11 tax appeal board. However,--the--appraised Appeals on the  
 12 property classification must name the department of health  
 13 and environmental sciences as the defendant, and appeals on  
 14 the value of the equipment as-determined-by-the must name  
 15 the department of revenue may-be-appealed-to-the-county--tax  
 16 appeal--board--and--the--state--tax--appeal--board as the  
 17 defendant.

18 (3) "New industrial property" means any new industrial  
 19 plant, including land, buildings, machinery, and fixtures,  
 20 used by new industries during the first 3 years of their  
 21 operation. The property may not have been assessed within  
 22 the state of Montana prior to July 1, 1961.

23 (4) (a) "New industry" means any person, corporation,  
 24 firm, partnership, association, or other group that  
 25 establishes a new plant in Montana for the operation of a

1 new industrial endeavor, as distinguished from a mere  
2 expansion, reorganization, or merger of an existing  
3 industry.

4 (b) New industry includes only those industries that:

5 (i) manufacture, mill, mine, produce, process, or  
6 fabricate materials;

7 (ii) do similar work, employing capital and labor, in  
8 which materials unserviceable in their natural state are  
9 extracted, processed, or made fit for use or are  
10 substantially altered or treated so as to create commercial  
11 products or materials;

12 (iii) engage in the mechanical or chemical  
13 transformation of materials or substances into new products  
14 in the manner defined as manufacturing in the 1987 Standard  
15 Industrial Classification Manual prepared by the United  
16 States office of management and budget;

17 (iv) engage in the transportation, warehousing, or  
18 distribution of commercial products or materials if 50% or  
19 more of an industry's gross sales or receipts are earned  
20 from outside the state; or

21 (v) earn 50% or more of their annual gross income from  
22 out-of-state sales.

23 (5) New industrial property does not include:

24 (a) property used by retail or wholesale merchants,  
25 commercial services of any type, agriculture, trades, or

1 professions unless the business or profession meets the  
2 requirements of subsection (4)(b)(v);

3 (b) a plant that will create adverse impact on existing  
4 state, county, or municipal services; or

5 (c) property used or employed in any industrial plant  
6 that has been in operation in this state for 3 years or  
7 longer.

8 (6) Class five property is taxed at 3% of its market  
9 value."

10 **NEW SECTION. Section 2. Applicability -- rulemaking.**

11 (1) [This act] applies to tax years beginning after December  
12 31, 1993.

13 (2) The department of revenue and the department of  
14 health and environmental sciences may institute rulemaking  
15 under Title 2, chapter 4, prior to October 1, 1993, to  
16 implement [this act], but the rules may not be effective  
17 prior to October 1, 1993.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0436, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying the definition of air and water pollution control equipment for property tax purposes; providing requirements for rules governing the certification of the equipment; specifying the roles of the Department of Revenue and of the Department of Health and Environmental Sciences (DHES) in classifying and valuing air and water pollution control equipment; reviewing compliance with applicable standards as a condition of maintaining the certification.

ASSUMPTIONS:

1. DHES will receive approximately 15 new applications per year for consideration.
2. Each review takes 8 hours per application to determine the portion exclusively for water pollution control.  
 $8(15)/1880=.064$  FTE.
3. Rule development takes 2 months for 1 FTE in first year. ( $2/12=.167$  FTE).
4. One appeal will be received per year. Appeals will take 2 weeks each for 1 FTE to resolve. ( $2(40)/1880=.043$  FTE).
5. Compliance checks will have to be made on 100 facilities per year. Each check will take an average of 1 hour.  
( $100/1880=.053$  FTE).
6. A grade 15 engineer will be required to do the work at .33 FTE in FY94 and .16 FTE in FY95 and succeeding years.
7. The Department of Revenue projects a positive but unpredictable impact on future property tax revenues.

FISCAL IMPACT: DHES

|                      | FY '94      |              |            | FY '95      |              |            |
|----------------------|-------------|--------------|------------|-------------|--------------|------------|
|                      | Current Law | Proposed Law | Difference | Current Law | Proposed Law | Difference |
| <u>Expenditures:</u> |             |              |            |             |              |            |
| FTE                  | 0           | .33          | .33        | 0           | .16          | .16        |
| Personal Services    | 0           | \$13,720     | \$13,720   | 0           | \$6,720      | \$6,720    |
| Operating            | 0           | \$5,880      | \$5,880    | 0           | \$2,880      | \$2,880    |
| Total                | 0           | \$19,600     | \$19,600   | 0           | \$9,600      | \$9,600    |
| <u>Funding:</u>      |             |              |            |             |              |            |
| General Fund         | 0           | \$19,600     | \$19,600   | 0           | \$9,600      | \$9,600    |

*David Lewis* 7-9-93

DAVID LEWIS, BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

*Thomas E. Nelson* 2-10-93

THOMAS E. NELSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0436, as introduced

**HB 436**

APPROVED BY COMMITTEE  
ON TAXATION

## HOUSE BILL NO. 436

INTRODUCED BY T. NELSON, KEATING, DRISCOLL, HAGER

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEFINITION OF AIR AND WATER POLLUTION EQUIPMENT FOR PROPERTY TAX PURPOSES; PROVIDING REQUIREMENTS FOR RULES GOVERNING THE CERTIFICATION OF THE EQUIPMENT; SPECIFYING THE ROLES OF THE DEPARTMENT OF REVENUE AND OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES IN CLASSIFYING AND VALUING AIR AND WATER POLLUTION EQUIPMENT; AMENDING SECTION 15-6-135, MCA; AND PROVIDING AN APPLICABILITY DATE."

## STATEMENT OF INTENT

A statement of intent is necessary for this bill because the amendment to 15-6-135 grants rulemaking authority to the department of revenue and the department of health and environmental sciences.

It is intended that the rules promulgated by the departments clarify the definition, application for certification, and use of air and water pollution equipment eligible for special property tax treatment. IT IS FURTHER INTENDED THAT THE RULES CLARIFYING THE DEFINITION AND USE OF AIR AND WATER POLLUTION CONTROL EQUIPMENT ESTABLISH A PROCEDURE TO APPORTION THE VALUE OF MULTIPURPOSE EQUIPMENT INTO THAT USED FOR PRODUCTION AND OTHER PURPOSES AND THAT

USED FOR POLLUTION CONTROL. The rules should provide certainty regarding the special tax treatment for air and water pollution equipment purchasers, affected local governments, and state departments, thus increasing the use of air and water pollution equipment.

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

Section 1. Section 15-6-135, MCA, is amended to read:

"15-6-135. Class five property -- description -- taxable percentage. (1) Class five property includes:

(a) all property used and owned by cooperative rural electrical and cooperative rural telephone associations organized under the laws of Montana, except property owned by cooperative organizations described in subsection (1)(b) of 15-6-137;

(b) air and water pollution control equipment as defined in this section;

(c) new industrial property as defined in this section;

(d) any personal or real property used primarily in the production of gasohol during construction and for the first 3 years of its operation;

(e) all land and improvements and all personal property owned by a research and development firm, provided that the property is actively devoted to research and development;

(f) machinery and equipment used in electrolytic

1 reduction facilities.

2 (2) (a) "Air and water pollution equipment" means THAT  
 3 PORTION OF identifiable property, facilities, machinery,  
 4 devices, or equipment used designed, constructed, and UNDER  
 5 CONSTRUCTION, OR operated exclusively to-reduce-or-control  
 6 water-or-atmospheric-pollution-or-contamination-by for  
 7 removing, reducing, altering, disposing, abating, treating,  
 8 eliminating, destroying, neutralizing, stabilizing,  
 9 rendering inert, or storing, or preventing the creation of  
 10 air or water pollutants, which, except for the use of the  
 11 item, would be released to the environment pollutants,  
 12 contaminants,--wastes,--or--heat. Reduction in pollutants  
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17 **NEW SECTION. Section 2. Applicability** ~~-----RULEMAKING.~~

18 ~~{1}~~ [This act] applies to tax years beginning after December  
19 31, ~~1993~~ 1994.

20 ~~{2}~~ ~~--The department of revenue--and--the--department--of~~  
21 ~~health--and--environmental--sciences--may--institute--rulemaking~~  
22 ~~under--Title--27--chapter--47--prior--to--October--17--1993,--to~~  
23 ~~implement--{this--act}7--but--the--rules--may--not--be--effective~~  
24 ~~prior--to--October--17--19937.~~

-End-

## 1 HOUSE BILL NO. 436

2 INTRODUCED BY T. NELSON, KEATING, DRISCOLL, HAGER

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17 NEW SECTION. Section 2. Applicability ~~-----RULEMAKING.~~

18 ~~{1} [This act] applies to tax years beginning after December~~  
19 ~~31, 1993 1994.~~

20 ~~{2}--The department of revenue--and--the--department--of~~  
21 ~~health--and--environmental--sciences--may--institute--rulemaking~~  
22 ~~under--Title--27--chapter--47--prior--to--October--17--1993--to~~  
23 ~~implement--{this--act}--but--the--rules--may--not--be--effective~~  
24 ~~prior--to--October--17--1993.~~

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
April 5, 1993

Page 2 of 2  
April 5, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 436 (third reading copy -- blue), respectfully report that House Bill No. 436 be amended as follows and as so amended be concurred in.

Signed:   
Senator Mike Baligan, Chair

That such amendments read:


1. Page 4, lines 16 and 17.  
Following: "the" on line 16  
Insert: "certification,"  
Following: "classification" on line 17  
Insert: ", "
2. Page 4, line 19.  
Strike: "classification"  
Insert: "certification"
3. Page 4, line 20.  
Strike: "defendant"  
Insert: "respondent"
4. Page 4, line 21.  
Strike: "value"  
Insert: "classification or valuation"
5. Page 4, line 24.  
Strike: "defendant"  
Insert: "respondent"
6. Page 6, line 17.  
Following: "rulemaking"  
Insert: "-- rulemaking"
7. Page 6, line 18.  
Following: "{1}"  
Insert: "(1)"
8. Page 6, line 19.  
Strike: "1994"  
Insert: "1993"

9. Page 6, line 25.

Following: line 24

Insert: "(2) The department of revenue and the department of health and environmental sciences may institute rulemaking under Title 2, chapter 4, prior to October 1, 1993, to implement [this act], but the rules may not be effective prior to October 1, 1993."

-END-

 Amd. Coord.  
Sec. of Senate

Towe  
Senator Carrying Bill

761306SC.San

SENATE

HB 436  
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## HOUSE BILL NO. 436

INTRODUCED BY T. NELSON, KEATING, DRISCOLL, HAGER

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEFINITION OF AIR AND WATER POLLUTION EQUIPMENT FOR PROPERTY TAX PURPOSES; PROVIDING REQUIREMENTS FOR RULES GOVERNING THE CERTIFICATION OF THE EQUIPMENT; SPECIFYING THE ROLES OF THE DEPARTMENT OF REVENUE AND OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES IN CLASSIFYING AND VALUING AIR AND WATER POLLUTION EQUIPMENT; AMENDING SECTION 15-6-135, MCA; AND PROVIDING AN APPLICABILITY DATE."

## STATEMENT OF INTENT

A statement of intent is necessary for this bill because the amendment to 15-6-135 grants rulemaking authority to the department of revenue and the department of health and environmental sciences.

It is intended that the rules promulgated by the departments clarify the definition, application for certification, and use of air and water pollution equipment eligible for special property tax treatment. IT IS FURTHER INTENDED THAT THE RULES CLARIFYING THE DEFINITION AND USE OF AIR AND WATER POLLUTION CONTROL EQUIPMENT ESTABLISH A PROCEDURE TO APPORTION THE VALUE OF MULTIPURPOSE EQUIPMENT INTO THAT USED FOR PRODUCTION AND OTHER PURPOSES AND THAT

USED FOR POLLUTION CONTROL. The rules should provide certainty regarding the special tax treatment for air and water pollution equipment purchasers, affected local governments, and state departments, thus increasing the use of air and water pollution equipment.

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

**Section 1.** Section 15-6-135, MCA, is amended to read:

"15-6-135. Class five property -- description -- taxable percentage. (1) Class five property includes:

(a) all property used and owned by cooperative rural electrical and cooperative rural telephone associations organized under the laws of Montana, except property owned by cooperative organizations described in subsection (1)(b) of 15-6-137;

(b) air and water pollution control equipment as defined in this section;

(c) new industrial property as defined in this section;

(d) any personal or real property used primarily in the production of gasohol during construction and for the first 3 years of its operation;

(e) all land and improvements and all personal property owned by a research and development firm, provided that the property is actively devoted to research and development;

(f) machinery and equipment used in electrolytic

1 reduction facilities.

2 (2) (a) "Air and water pollution equipment" means THAT  
 3 PORTION OF identifiable property, facilities, machinery,  
 4 devices, or equipment used designed, constructed, and UNDER  
 5 CONSTRUCTION, OR operated exclusively to-reduce-or-control  
 6 water-or-atmospheric-pollution-or-contamination-by for  
 7 removing, reducing, altering, disposing, abating, treating,  
 8 eliminating, destroying, neutralizing, stabilizing,  
 9 rendering inert, or storing, or preventing the creation of  
 10 air or water pollutants, which, except for the use of the  
 11 item, would be released to the environment pollutants,  
 12 contaminants, wastes, or heat. Reduction in pollutants  
 13 obtained through operational techniques without specific  
 14 facilities, machinery, devices, or equipment is not eligible  
 15 for certification under this section. The--department--of  
 16 health--and--environmental--sciences-shall-determine-if-such  
 17 utilization-is-being-made.

18 (b) Requests for certification must be made on forms  
 19 available from the department of revenue. Certification may  
 20 not be granted unless the applicant is in SUBSTANTIAL  
 21 compliance with all applicable rules, laws, orders, or  
 22 permit conditions. Certification remains in effect only for  
 23 as long as a SUBSTANTIAL compliance continues.

24 (c) The department of health and environmental sciences  
 25 shall promulgate rules specifying procedures, including

1 timeframes for certification application, and definitions  
 2 necessary to identify air and water pollution equipment for  
 3 certification and compliance. The department of revenue  
 4 shall promulgate rules pertaining to the valuation of  
 5 qualifying air and water pollution equipment. The department  
 6 of health and environmental sciences shall identify and  
 7 track compliance in the use of certified air and water  
 8 pollution equipment and report CONTINUOUS ACTS OR PATTERNS  
 9 OF noncompliance AT A FACILITY to the department of revenue.  
 10 CASUAL OR ISOLATED INCIDENTS OF NONCOMPLIANCE AT A FACILITY  
 11 DO NOT AFFECT CERTIFICATION.

12 ~~(b)(d)~~ The--department--of--health--and--environmental  
 13 sciences--determination--as--to--air--and--water--pollution  
 14 equipment--may--be--appealed--to--the--board--of--health--and  
 15 environmental--sciences--and--may--not--be--appealed--to--either--a  
 16 county--tax--appeal--board--or A person may appeal the  
 17 CERTIFICATION, classification, and valuation of the property  
 18 to the state tax appeal board. However,--the--appraised  
 19 Appeals on the property classification CERTIFICATION must  
 20 name the department of health and environmental sciences as  
 21 the defendant RESPONDENT, and appeals on the value  
 22 CLASSIFICATION OR VALUATION of the equipment as--determined  
 23 by--the must name the department of revenue may-be-appealed  
 24 to-the-county-tax-appeal-board--and--the--state--tax--appeal  
 25 board as the defendant RESPONDENT.

(3) "New industrial property" means any new industrial plant, including land, buildings, machinery, and fixtures, used by new industries during the first 3 years of their operation. The property may not have been assessed within the state of Montana prior to July 1, 1961.

(4) (a) "New industry" means any person, corporation, firm, partnership, association, or other group that establishes a new plant in Montana for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry.

(b) New industry includes only those industries that:

(i) manufacture, mill, mine, produce, process, or fabricate materials;

(ii) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials;

(iii) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1987 Standard Industrial Classification Manual prepared by the United States office of management and budget;

(iv) engage in the transportation, warehousing, or

distribution of commercial products or materials if 50% or more of an industry's gross sales or receipts are earned from outside the state; or

(v) earn 50% or more of their annual gross income from out-of-state sales.

(5) New industrial property does not include:

(a) property used by retail or wholesale merchants, commercial services of any type, agriculture, trades, or professions unless the business or profession meets the requirements of subsection (4)(b)(v);

(b) a plant that will create adverse impact on existing state, county, or municipal services; or

(c) property used or employed in any industrial plant that has been in operation in this state for 3 years or longer.

(6) Class five property is taxed at 3% of its market value."

NEW SECTION. Section 2. Applicability---RULEMAKING---RULEMAKING. (1) [This act] applies to tax years beginning after December 31, 1993 ~~1994~~ 1993.

~~(2) The department of revenue and the department of health and environmental sciences may institute rulemaking under Title 2, chapter 4, prior to October 1, 1993, to implement this act, but the rules may not be effective prior to October 1, 1993.~~



1        (2) THE DEPARTMENT OF REVENUE AND THE DEPARTMENT OF  
2        HEALTH AND ENVIRONMENTAL SCIENCES MAY INSTITUTE RULEMAKING  
3        UNDER TITLE 2, CHAPTER 4, PRIOR TO OCTOBER 1, 1993, TO  
4        IMPLEMENT [THIS ACT], BUT THE RULES MAY NOT BE EFFECTIVE  
5        PRIOR TO OCTOBER 1, 1993.

-End-