HOUSE BILL NO. 441

INTRODUCED BY REHBEIN BY REQUEST OF THE BOARD OF WATER WELL CONTRACTORS

	IN THE HOUSE
FEBRUARY 3, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
FEBRUARY 11, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 12, 1993	PRINTING REPORT.
FEBRUARY 13, 1993	SECOND READING, DO PASS.
FEBRUARY 15, 1993	ENGROSSING REPORT.
FEBRUARY 16, 1993	THIRD READING, PASSED. AYES, 99; NOES, 1.
FEBRUARY 17, 1993	TRANSMITTED TO SENATE.
	IN THE SENATE
FEBRUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
MARCH 20, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 24, 1993	SECOND READING, CONCURRED IN.
MARCH 25, 1993	THIRD READING, CONCURRED IN. AYES, 48; NOES, 1.
	RETURNED TO HOUSE.
	IN THE HOUSE
MARCH 25, 1993	RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

APPLICABILITY DATE."

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2	INTRODUCED BY Rehbein
3	BY REQUEST OF THE BOARD OF WATER WELL CONTRACTORS
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5	A BILL FOR AN ACT ENTITLED: "AN ACT MODIFYING GROUNDS,
6	PROCEDURES, AND ACTIONS IN REGARD TO DISCIPLINE BY THE BOARD
7	OF WATER WELL CONTRACTORS; AMENDING SECTIONS 37-43-202,
8	37-43-203, AND 37-43-204, MCA; REPEALING SECTION 37-43-311,
9	MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN

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

Section 1. Section 37-43-202, MCA, is amended to read:

"37-43-202. Powers and duties. (1) The board may exercise the authority granted to it by this chapter.

- (2) The board shall adopt rules and orders to effectuate this chapter.
- water well construction standards and enforcement procedures. The standards must address the protection of the drilling site; specifications for casing materials; materials and specifications for well screens; casing perforations; well development procedures; proper sealing and grouting; temporary capping; cleaning and disinfecting; bonds; guaranties; contractors' and drillers'



- qualifications; tests for yield and drawdown; reporting procedures and requirements for water quality, well logs, location of wells, and information relating to local conditions; well filters; access ports; gravel packing; sampling methods; plumbness and alignment of the hole and casing; well abandonment procedures; and other necessary and appropriate standards.
 - (4) The board shall adopt minimum standards regarding the construction, use, and abandonment of monitoring wells. The standards must be designed to protect the state's ground water resource from degradation by contamination and loss of hydrostatic pressure. A violation of the standards does not occur if it can be shown that noncompliance results in equal or greater protection of the ground water resource.
- 15 (5) The board may request the department to inspect
 16 water wells or monitoring wells drilled or being drilled,
 17 and the department has access to these wells at reasonable
 18 times.
 - (6) The board may establish a program for training apprentices and licensed or prospective water well contractors, water well drillers, and monitoring well constructors to more effectively carry out this chapter.
 - (7) The board shall set and enforce standards and rules governing the licensing, registration, and conduct of water well drillers, water well contractors, and monitoring well

- l constructors.
- 2 (8) The board shall set fees commensurate with costs.
- 3 The board may establish fees, including but not limited to
 - fees for application, examination, renewal, reciprocity,
 - late renewal, and continuing education. Board costs not
- 6 related to specific programs may be equitably distributed as
- 7 determined by the board. The board shall maintain records
- 8 sufficient to support the fees charged for each program
- 9 area.

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- 10 (9) The rules of the board must be compiled in printed
 - form for distribution to interested persons, for which the
 - department may charge a fee. Sums realized from these sales
 - must be deposited in the state special revenue fund for the
- 14 use of the board.
- 15 (10) The board shall:
- 16 (a) authorize the department to issue licenses to
- 17 qualified water well contractors, water well drillers, and
- 18 monitoring well constructors in this state;
- 19 (b) cause examinations to be made of applicants for
- 20 licenses;
- 21 (c) denyy--revokey--or-suspend-licenses-for-good-causey
- 22 after-notice-and-opportunity-to-be-heard take disciplinary
- 23 action and issue orders pursuant to this chapter;
- 24 (d)--reinstate---licenses---previously---revoked---when
- 25 justification-is-shown-to-the-satisfaction-of-the-board; and

- 3 (11) The board shall pay to the department its share of
- 4 the assessed costs of the department in administering this
- 5 chapter."
 - Section 2. Section 37-43-203, MCA, is amended to read:
- 7 #37-43-203. Disciplinary--authority----injunctions
- 8 Injunctions. (1)--The--board--may--adopt--rules--specifying
- 9 grounds-for-disciplinary-action-and-rules-providing-for:
- 11 fb;--suspension--of--its-judgment-of-revocation-on-terms
- 12 and-conditions-determined-by-the-board;
- 13 fet--suspension-of-the-right-to-practice--for--a--period
- 14 not-exceeding-i-year;
- 16 tet--reprimend-or-censure-of-a-licensee;-or
- 17 +fi--taking-any-other-action-in-relation-to-disciplining
- 18 a-licensee-as-the-board-in-its-discretion-considers-proper-
- 19 (2)--Any--disciplinary--action--by--the--board--must--be
- 20 conducted--as--a-contested-case-hearing-under-the-provisions
- 21 of-the-Montana-Administrative-Procedure-Act-
- 22 (3) The board may maintain an action to enjoin a person
- 23 from engaging in the drilling, making, or construction of
- 24 water wells or monitoring wells until a license to practice
- 25 is procured. A person who has been enjoined and who violates

- the injunction is punishable for contempt of court."
- NEW SECTION. Section 3. Complaints and investigations.
- 3 The board may investigate complaints against licensees to
- 4 determine compliance with the laws and rules of this
- chapter. Licensees must be given an opportunity to respond
- 6 to complaints and demonstrate or achieve legal compliance
- 7 prior to disciplinary action. The board may require
- 8 complainants and licensees to appear before the board to
- 9 discuss complaints and to attempt to settle differences.
- 10 NEW SECTION. Section 4. Disciplinary procedure. (1)
- 11 If, after investigation and attempted settlement under
- 12 [section 3], compliance with lawful requirements is not
- 13 demonstrated or achieved, the board may initiate discipline
- 14 by issuing a proposed disciplinary order. The proposed order
- 15 must state the factual and legal basis for the order and
- 16 identify the witnesses, documents, logs, and reports relied
- 17 upon by the board in reaching a decision. Copies of any
- 18 documents, logs, or reports must be attached to the proposed
- 19 order.
- 20 (2) The board shall mail or deliver a copy of the
- 21 proposed order to the licensee, along with notice that the
- 22 licensee may request a hearing to show cause why the order
- 23 should be rejected or modified. If a hearing is not
- 24 requested within 20 days, the board shall adopt the proposed
- 25 order as a final order.

- specify which, if any, board witnesses the licensee wishes to cross-examine. If a timely request for hearing is received, the board shall schedule a hearing before the board or assign a hearings examiner to conduct the hearing at a later date to be set by the hearings examiner. The board shall make the specified witnesses available for cross-examination at the hearing.
- 9 (4) The licensee has the burden to show cause why the 10 proposed order should be rejected or modified. The licensee 11 may cross-examine the board's witnesses, present evidence, 12 propose alternative discipline, argue issues of law and 13 fact, or otherwise attempt to convince the board that the 14 proposed order should be rejected or modified.
- 15 (5) After considering the evidence, proposals, and
 16 arguments presented at the hearing, the board shall issue
 17 its final order adopting, rejecting, or modifying the
 18 proposed order. The final order must state the reason for
 19 the adoption, rejection, or modification of the proposed
 20 order.
- 21 (6) A final disciplinary order may be appealed to the
 22 district court in the first judicial district and is
 23 reviewable according to the rules and standards for judicial
 24 review of contested cases pursuant to the Montana
 25 Administrative Procedure Act.

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- NEW SECTION. Section 5. Disciplinary authority. (1) If the board finds grounds for disciplinary action, as provided in subsection (2), the board may by order:
- 4 (a) require a licensee to repair or reconstruct 5 substandard wells at the licensee's expense to meet board 6 standards:
- 7 (b) require a licensee to take further training or 8 education;
- 9 (c) place probationary terms and conditions on a 10 license:
- (d) suspend a license for a period not to exceed 1 year; or
- 13 (e) revoke a license, specifying that the licensee may
 14 not reapply for licensure for a period of 3 years from the
 15 date of revocation.
 - (2) Grounds for disciplinary action include:

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- 17 (a) violating the rules, construction standards, or
 18 laws established by the board and this chapter;
- 19 (b) disobeying an order from the board to repair or
 20 reconstruct a substandard well;
- 21 (c) violating probationary terms of or conditions on a 22 license:
- 23 (d) misrepresenting facts on well log reports, license 24 or renewal applications, or apprenticeship records or in 25 response to board inquiries; or

- (e) failing to maintain qualifications for licensure as
 specified in 37-43-305.
- 3 Section 6. Section 37-43-204, MCA, is amended to read:
- expenditure of funds from bonds. (1) All money collected under this chapter must be deposited in the state special revenue fund and may be used only for the purpose of paying expenses of the board. Except for funds received from bonds in subsection (2), the money must be appropriated by the legislature before it may be expended by the board. Income and interest from investment of the money in the state special revenue fund that are collected under this chapter

must be credited to the board.

- (2) The board may accept and expend all funds received from bonds required by 37-43-306. The funds must be used to remedy defects in water wells, to compensate for damages caused by violations of this chapter or the rules of the board, or to pay any administrative costs incurred by the board under 37-43-311 [sections 3 through 5]. These funds are statutorily appropriated as provided in 17-7-502."
- NEW SECTION. Section 7. Repealer. Section 37-43-311,
 MCA, is repealed.
- NEW SECTION. Section 8. Codification instruction.

 (Sections 3 through 5) are intended to be codified as an integral part of Title 37, chapter 43, part 3, and the

- provisions of Title 37, chapter 43, part 3, apply to
- 2 [sections 3 through 5].
- 3 NEW SECTION. Section 9. Effective date --
- 4 applicability. [This act] is effective on passage and
- 5 approval and applies to all disciplinary actions initiated
- 6 by the board of water well contractors after [the effective
- 7 date of this act].

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APPROVED BY COMM. ON BUSINESS AND ECONOMIC DEVELOPMENT

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37-43-203, AND 37-43-204, MCA; REPEALING SECTION 37-43-311,

MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN

10 APPLICABILITY DATE."

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

Section 1. Section 37-43-202, NCA, is amended to read:

14 **37-43-202. Powers and duties. (1) The board may 15 exercise the authority granted to it by this chapter.

- (2) The board shall adopt rules and orders to effectuate this chapter.
- (3) The board shall adopt rules to establish mandatory water well construction standards and enforcement procedures. The standards must address the protection of the drilling site; specifications for casing materials; materials and specifications for well screens; casing perforations; well development procedures; proper sealing and grouting; temporary capping; cleaning and disinfecting; bonds; guaranties; contractors' and drillers'

- qualifications; tests for yield and drawdown; reporting procedures and requirements for water quality, well logs, location of wells, and information relating to local conditions; well filters; access ports; gravel packing; sampling methods; plumbness and alignment of the hole and casing; well abandonment procedures; and other necessary and appropriate standards.
 - (4) The board shall adopt minimum standards regarding the construction, use, and abandonment of monitoring wells. The standards must be designed to protect the state's ground water resource from degradation by contamination and loss of hydrostatic pressure. A violation of the standards does not occur if it can be shown that noncompliance results in equal or greater protection of the ground water resource.
- 15 (5) The board may request the department to inspect
 16 water wells or monitoring wells drilled or being drilled,
 17 and the department has access to these wells at reasonable
 18 times.
 - (6) The board may establish a program for training apprentices and licensed or prospective water well contractors, water well drillers, and monitoring well constructors to more effectively carry out this chapter.
 - (7) The board shall set and enforce standards and rules governing the licensing, registration, and conduct of water well drillers, water well contractors, and monitoring well

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- (8) The board shall set fees commensurate with costs. The board may establish fees, including but not limited to fees for application, examination, renewal, reciprocity, late renewal, and continuing education. Board costs not related to specific programs may be equitably distributed as determined by the board. The board shall maintain records sufficient to support the fees charged for each program area.
- (9) The rules of the board must be compiled in printed form for distribution to interested persons, for which the department may charge a fee. Sums realized from these sales must be deposited in the state special revenue fund for the use of the board.
 - (10) The board shall:
 - (a) authorize the department to issue licenses to qualified water well contractors, water well drillers, and monitoring well constructors in this state;
- (b) cause examinations to be made of applicants for licenses;
- (c) denyy--revokey--or-suspend-licenses-for-good-causey

 after-notice-and-opportunity-to-be-heard take disciplinary

 action and issue orders pursuant to this chapter;

l	(a) (d)	generally	perform	duties	which	that	will	carry
2	out this ch	apter.						

- 3 (11) The board shall pay to the department its share of 4 the assessed costs of the department in administering this 5 chapter."
- Section 2. Section 37-43-203, MCA, is amended to read:
- 7 "37-43-203. Disciplinary--authority-----injunctions
 8 Injunctions. (i)--The--board--may--adopt--rules--specifying
 9 grounds-for-disciplinary-action-and-rules-providing-for-
- 10 fat--revocation-of-a-license;

- 11 (b)--suspension--of--its-judgment-of-revocation-on-terms
 12 and-conditions-determined-by-the-board;
- 13 (c)--suspension-of-the-right-to-practice--for--a--period
 14 not-exceeding-1-year;
 - {d}--placing-a-licensee-on-probation;
- 16 fet--reprisend-or-censure-of-a-licensee;-or
- 17 (f)--taking-any-other-action-in-relation-to-disciplining
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- determine compliance with the laws and rules of this
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- to complaints and demonstrate or achieve legal compliance
- prior to disciplinary action. The board may require 7
- complainants and licensees to appear before the board to
- discuss complaints and to attempt to settle differences.
- NEW SECTION. Section 4. Disciplinary procedure. (1) 10
- If, after investigation and attempted settlement under 11
- 12 [section 3], compliance with lawful requirements is not
- demonstrated or achieved, the board may initiate discipline 13
- by issuing a proposed disciplinary order. The proposed order 14
- must state the factual and legal basis for the order and 15
- 16 identify the witnesses, documents, logs, and reports relied
- upon by the board in reaching a decision. Copies of any 17
- documents, logs, or reports must be attached to the proposed 18
- 19 order.

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- (2) The board shall mail or deliver a copy of the 20
- 21 proposed order to the licensee, along with notice that the
- 22 licensee may request a hearing to show cause why the order
- 23 should be rejected or modified. If a hearing is not
- 24 requested within 20 days, the board shall adopt the proposed
- 25 order as a final order.

(3) A request for hearing must be in writing and 1 specify which, if any, board witnesses the licensee wishes 3 to cross-examine. If a timely request for hearing is received, the board shall schedule a hearing before the board or assign a hearings examiner to conduct the hearing 5 at a later date to be set by the hearings examiner. The 7 board shall make the specified witnesses available for

cross-examination at the hearing.

- (4) The licensee has the burden to show cause why the proposed order should be rejected or modified. The licensee may cross-examine the board's witnesses, present evidence, propose alternative discipline, arque issues of law and fact, or otherwise attempt to convince the board that the proposed order should be rejected or modified.
- 15 (5) After considering the evidence, proposals, and arguments presented at the hearing, the board shall issue 16 its final order adopting, rejecting, or modifying the 17 18 proposed order. The final order must state the reason for the adoption, rejection, or modification of the proposed 19 20 order.
 - (6) A final disciplinary order may be appealed to the district court in the first judicial district and is reviewable according to the rules and standards for judicial review of contested cases pursuant to the Montana Administrative Procedure Act.

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- NEW SECTION. Section 5. Disciplinary authority. (1) If the board finds grounds for disciplinary action, as provided in subsection (2), the board may by order:
- 4 (a) require a licensee to repair or reconstruct
 5 substandard wells at the licensee's expense to meet board
 6 standards:
- 7 (b) require a licensee to take further training or 8 education:
- 9 (c) place probationary terms and conditions on a 10 license;
- (d) suspend a license for a period not to exceed 1
 vear; or
- 13 (e) revoke a license, specifying that the licensee may

 14 not reapply for licensure for a period of 3 years from the

 15 date of revocation.
- 16 (2) Grounds for disciplinary action include:
- 17 (a) violating the rules, construction standards, or 18 laws established by the board and this chapter;
- (b) disobeying an order from the board to repair or reconstruct a substandard well;
- 21 (c) violating probationary terms of or conditions on a 22 license:
- 23 (d) misrepresenting facts on well log reports, license 24 or renewal applications, or apprenticeship records or in 25 response to board inquiries; or

- (e) failing to maintain qualifications for licensure as
 specified in 37-43-305.
- 3 Section 6. Section 37-43-204, MCA, is amended to read:
- *37-43-204. Earmarked money for board expenses 5 expenditure of funds from bonds. (1) All money collected under this chapter must be deposited in the state special revenue fund and may be used only for the purpose of paving expenses of the board. Except for funds received from bonds 9 in subsection (2), the money must be appropriated by the legislature before it may be expended by the board. Income 10 11 and interest from investment of the money in the state 12 special revenue fund that are collected under this chapter 13 must be credited to the board.
 - (2) The board may accept and expend all funds received from bonds required by 37-43-306. The funds must be used to remedy defects in water wells, to compensate for damages caused by violations of this chapter or the rules of the board, or to pay any administrative costs incurred by the board under 37-43-311 [sections 3 through 5]. These funds are statutorily appropriated as provided in 17-7-502.
- NEW SECTION. Section 7. Repealer. Section 37-43-311,

 NCA, is repealed.
- NEW SECTION. Section 8. codification instruction.

 14 [Sections 3 through 5] are intended to be codified as an integral part of Title 37, chapter 43, part 3, and the

- provisions of Title 37, chapter 43, part 3, apply to [sections 3 through 5].
- 3 <u>NEW SECTION.</u> **Section 9.** Effective date --4 applicability. [This act] is effective on passage and
- s approval and applies to all disciplinary actions initiated
- 6 by the board of water well contractors after [the effective
- 7 date of this act].'

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- (5) The board may request the department to inspect water wells or monitoring wells drilled or being drilled, and the department has access to these wells at reasonable times.
- (6) The board may establish a program for training apprentices and licensed or prospective water well contractors, water well drillers, and monitoring well constructors to more effectively carry out this chapter.
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- 10 taj--revocation-of-a-license;

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- 11 (b)--suspension--of--its-judgment-of-revocation-on-terms
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- 16 tet -- reprimend-or-censure-of-a-licensee; or
- 17 (f)--taking-any-other-action-in-relation-to-disciplining
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 - f3+ The board may maintain an action to enjoin a person from engaging in the drilling, making, or construction of water wells or monitoring wells until a license to practice is procured. A person who has been enjoined and who violates

the injunction is punishable for contempt of court."

NEW SECTION. Section 3. Complaints and investigations.

The board may investigate complaints against licensees to determine compliance with the laws and rules of this chapter. Licensees must be given an opportunity to respond to complaints and demonstrate or achieve legal compliance prior to disciplinary action. The board may require complainants and licensees to appear before the board to discuss complaints and to attempt to settle differences.

NEW SECTION. Section 4. Disciplinary procedure. (1) If, after investigation and attempted settlement under [section 3], compliance with lawful requirements is not demonstrated or achieved, the board may initiate discipline by issuing a proposed disciplinary order. The proposed order must state the factual and legal basis for the order and identify the witnesses, documents, logs, and reports relied upon by the board in reaching a decision. Copies of any documents, logs, or reports must be attached to the proposed order.

(2) The board shall mail or deliver a copy of the proposed order to the licensee, along with notice that the licensee may request a hearing to show cause why the order should be rejected or modified. If a hearing is not requested within 20 days, the board shall adopt the proposed order as a final order.

- (3) A request for hearing must be in writing and specify which, if any, board witnesses the licensee wishes to cross-examine. If a timely request for hearing is received, the board shall schedule a hearing before the board or assign a hearings examiner to conduct the hearing at a later date to be set by the hearings examiner. The board shall make the specified witnesses available for cross-examination at the hearing.
- (4) The licensee has the burden to show cause why the proposed order should be rejected or modified. The licensee may cross-examine the board's witnesses, present evidence, propose alternative discipline, argue issues of law and fact, or otherwise attempt to convince the board that the proposed order should be rejected or modified.
- (5) After considering the evidence, proposals, and arguments presented at the hearing, the board shall issue its final order adopting, rejecting, or modifying the proposed order. The final order must state the reason for the adoption, rejection, or modification of the proposed order.
- (6) A final disciplinary order may be appealed to the district court in the first judicial district and is reviewable according to the rules and standards for judicial review of contested cases pursuant to the Montana Administrative Procedure Act.

- 1 NEW SECTION. Section 5. Disciplinary authority. (1) If 2 the board finds grounds for disciplinary action, as provided 3 in subsection (2), the board may by order:
- 4 (a) require a licensee to repair or reconstruct 5 substandard wells at the licensee's expense to meet board 6 standards;
- 7 (b) require a licensee to take further training or 8 education;
- 9 (c) place probationary terms and conditions on a 10 license;
- 11 (d) suspend a license for a period not to exceed 1
 12 year; or
- 13 (e) revoke a license, specifying that the licensee may 14 not reapply for licensure for a period of 3 years from the 15 date of revocation.
 - (2) Grounds for disciplinary action include:

- 17 (a) violating the rules, construction standards, or 18 laws established by the board and this chapter;
- 19 (b) disobeying an order from the board to repair or
 20 reconstruct a substandard well;
- 21 (c) violating probationary terms of or conditions on a 22 license:
- 23 (d) misrepresenting facts on well log reports, license 24 or renewal applications, or apprenticeship records or in 25 response to board inquiries; or

(e) failing to maintain qualifications for licensure as
 specified in 37-43-305.

Section 6. Section 37-43-204, MCA, is amended to read:

"37-43-204. Earmarked money for board expenses —
expenditure of funds from bonds. (1) All money collected
under this chapter must be deposited in the state special
revenue fund and may be used only for the purpose of paying
expenses of the board. Except for funds received from bonds
in subsection (2), the money must be appropriated by the
legislature before it may be expended by the board. Income
and interest from investment of the money in the state
special revenue fund that are collected under this chapter
must be credited to the board.

- (2) The board may accept and expend all funds received from bonds required by 37-43-306. The funds must be used to remedy defects in water wells, to compensate for damages caused by violations of this chapter or the rules of the board, or to pay any administrative costs incurred by the board under 37-43-311 [sections 3 through 5]. These funds are statutorily appropriated as provided in 17-7-502."
- 21 <u>MEM SECTION.</u> Section 7. Repealer. Section 37-43-311,
- 22 MCA, is repealed.

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- 23 <u>NEW SECTION.</u> Section 8. Codification instruction. 24 [Sections 3 through 5] are intended to be codified as an
- 25 integral part of Title 37, chapter 43, part 3, and the

- 1 provisions of Title 37, chapter 43, part 3, apply to
- 2 {sections 3 through 5}.
- 3 NEW SECTION. Section 9. Effective date --
- 4 applicability. (This act) is effective on passage and
- 5 approval and applies to all disciplinary actions initiated
- 6 by the board of water well contractors after [the effective
- 7 date of this act].

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1	HOUSE BILL NO. 441
2	INTRODUCED BY REHBEIN
3	BY REQUEST OF THE BOARD OF WATER WELL CONTRACTORS
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT MODIFYING GROUNDS,
6	PROCEDURES, AND ACTIONS IN REGARD TO DISCIPLINE BY THE BOARD
7	OF WATER WELL CONTRACTORS; AMENDING SECTIONS 37-43-202,
8	37-43-203, AND 37-43-204, MCA; REPEALING SECTION 37-43-311,
9	MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN
10	APPLICABILITY DATE."
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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 37-43-202, MCA, is amended to read:

- 14 *37-43-202. Powers and duties. (1) The board may
 - exercise the authority granted to it by this chapter.
- 16 (2) The board shall adopt rules and orders to
 17 effectuate this chapter.
 - (3) The board shall adopt rules to establish mandatory water well construction standards and enforcement procedures. The standards must address the protection of the drilling site; specifications for casing materials; materials and specifications for well screens; casing perforations; well development procedures; proper sealing and grouting; temporary capping; cleaning and disinfecting; bonds; guaranties; contractors' and drillers'

- l qualifications; tests for yield and drawdown; reporting
- 2 procedures and requirements for water quality, well logs,
- 3 location of wells, and information relating to local
- 4 conditions; well filters; access ports; gravel packing;
- 5 sampling methods; plumbness and alignment of the hole and
- 6 casing; well abandonment procedures; and other necessary and
- 7 appropriate standards.
- 8 (4) The board shall adopt minimum standards regarding
- 9 the construction, use, and abandonment of monitoring wells.
- 10 The standards must be designed to protect the state's ground
- 11 water resource from degradation by contamination and loss of
- 12 hydrostatic pressure. A violation of the standards does not
- 13 occur if it can be shown that noncompliance results in equal
- 14 or greater protection of the ground water resource.
- 15 (5) The board may request the department to inspect
- 16 water wells or monitoring wells drilled or being drilled.
- 17 and the department has access to these wells at reasonable
- 18 times.
- 19 (6) The board may establish a program for training
- 20 apprentices and licensed or prospective water well
- 21 contractors, water well drillers, and monitoring well
- 22 constructors to more effectively carry out this chapter.
- 23 (7) The board shall set and enforce standards and rules
- 24 governing the licensing, registration, and conduct of water
- 25 well drillers, water well contractors, and monitoring well

HB 0441/02

constructors.

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- (8) The board shall set fees commensurate with costs. The board may establish fees, including but not limited to fees for application, examination, renewal, reciprocity, late renewal, and continuing education. Board costs not related to specific programs may be equitably distributed as determined by the board. The board shall maintain records sufficient to support the fees charged for each program area.
- (9) The rules of the board must be compiled in printed form for distribution to interested persons, for which the department may charge a fee. Sums realized from these sales must be deposited in the state special revenue fund for the use of the board.
 - (10) The board shall:
- (a) authorize the department to issue licenses to qualified water well contractors, water well drillers, and monitoring well constructors in this state;
- (b) cause examinations to be made of applicants for licenses;
- (c) denyy--revokey--or-suspend-licenses-for-good-causey
 after-notice-and-opportunity-to-be-heard take disciplinary
 action and issue orders pursuant to this chapter;
- (d)--reinstate---licenses---previously---revoked---when justification-is-shown-to-the-satisfaction-of-the-board; and

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3 (11) The board shall pay to the department its share of 4 the assessed costs of the department in administering this 5 chapter."

6 Section 2. Section 37-43-203, MCA, is amended to read:

7 **37-43-203. Disciplinary---authority------injunctions
8 **Injunctions. (1)--The--board--may--adopt--rules--specifying
9 **grounds-for-disciplinary-action-and-rules-providing-for:

11 (b)--suspension--of--its-judgment-of-revocation-on-terms
12 and-conditions-determined-by-the-board;

13 (c)--suspension-of-the-right-to-practice--for--a--period
14 not-exceeding-l-year;

15 (d)--placing-a-licensee-on-probation;

16 (e)--reprimend-or-censure-of-a-licensee;-or

17 (f)--taking-any-other-action-in-relation-to-disciplining
18 a-licensee-as-the-board-in-its-discretion-considers-proper-

19 (2)-Any-disciplinary-action-by-the-board-must-be
20 conducted-as-a-contested-case-hearing-under-the-provisions

21 of-the-Montana-Administrative-Procedure-Act-

(3) The board may maintain an action to enjoin a person from engaging in the drilling, making, or construction of water wells or monitoring wells until a license to practice is procured. A person who has been enjoined and who violates

HB 441

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- the injunction is punishable for contempt of court." 1
- NEW SECTION. Section 3. Complaints and investigations. 2
- 3 The board may investigate complaints against licensees to
- determine compliance with the laws and rules of this
 - chapter. Licensees must be given an opportunity to respond
- to complaints and demonstrate or achieve legal compliance
- 7 prior to disciplinary action. The board may require
- complainants and licensees to appear before the board to
- 9 discuss complaints and to attempt to settle differences.
- NEW SECTION. Section 4. Disciplinary procedure. (1) 10
- If, after investigation and attempted settlement under 11
- 12 [section 3], compliance with lawful requirements is not
- demonstrated or achieved, the board may initiate discipline 13
- 14 by issuing a proposed disciplinary order. The proposed order
- 15 must state the factual and legal basis for the order and
- 16 identify the witnesses, documents, logs, and reports relied
- 17 upon by the board in reaching a decision. Copies of any
- 18
- documents, logs, or reports must be attached to the proposed
- 19 order.
- 20 (2) The board shall mail or deliver a copy of the
- 21 proposed order to the licensee, along with notice that the
- 22 licensee may request a hearing to show cause why the order
- 23 should be rejected or modified. If a hearing is not
- 24 requested within 20 days, the board shall adopt the proposed

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25 order as a final order.

- 1 (3) A request for hearing must be in writing and specify which, if any, board witnesses the licensee wishes to cross-examine. If a timely request for hearing is received, the board shall schedule a hearing before the board or assign a hearings examiner to conduct the hearing at a later date to be set by the hearings examiner. The board shall make the specified witnesses available for cross-examination at the hearing.
- 9 (4) The licensee has the burden to show cause why the proposed order should be rejected or modified. The licensee may cross-examine the board's witnesses, present evidence, 11 propose alternative discipline, argue issues of law and 12 fact, or otherwise attempt to convince the board that the proposed order should be rejected or modified.
 - (5) After considering the evidence, proposals, and arguments presented at the hearing, the board shall issue its final order adopting, rejecting, or modifying the proposed order. The final order must state the reason for the adoption, rejection, or modification of the proposed order.
- (6) A final disciplinary order may be appealed to the 21 22 district court in the first judicial district and is reviewable according to the rules and standards for judicial 23 review of contested cases pursuant to the Montana 24 25 Administrative Procedure Act.

- NEW SECTION. Section 5. Disciplinary authority. (1) If the board finds grounds for disciplinary action, as provided in subsection (2), the board may by order:
- 4 (a) require a licensee to repair or reconstruct
 5 substandard wells at the licensee's expense to meet board
 6 standards:
- 7 (b) require a licensee to take further training or 8 education;
- 9 (c) place probationary terms and conditions on a license:
- 11 (d) suspend a license for a period not to exceed 1
 12 year; or
- 13 (e) revoke a license, specifying that the licensee may
 14 not reapply for licensure for a period of 3 years from the
 15 date of revocation.
 - (2) Grounds for disciplinary action include:

- (a) violating the rules, construction standards, orlaws established by the board and this chapter;
- (b) disobeying an order from the board to repair or reconstruct a substandard well;
- 21 (c) violating probationary terms of or conditions on a 22 license:
- 23 (d) misrepresenting facts on well log reports, license 24 or renewal applications, or apprenticeship records or in 25 response to board inquiries; or

- 1 (e) failing to maintain qualifications for licensure as 2 specified in 37-43-305.
- 3 Section 6. Section 37-43-204, MCA, is amended to read:
- *37-43-204. Earmarked money for board expenses -expenditure of funds from bonds. (1) All money collected under this chapter must be deposited in the state special revenue fund and may be used only for the purpose of paying 7 expenses of the board. Except for funds received from bonds 9 in subsection (2), the money must be appropriated by the legislature before it may be expended by the board. Income 10 and interest from investment of the money in the state 11 special revenue fund that are collected under this chapter 12 must be credited to the board. 13
- 14 (2) The board may accept and expend all funds received 15 from bonds required by 37-43-306. The funds must be used to 16 remedy defects in water wells, to compensate for damages 17 caused by violations of this chapter or the rules of the 18 board, or to pay any administrative costs incurred by the 19 board under 37-43-3±1 [sections 3 through 5]. These funds 20 are statutorily appropriated as provided in 17-7-502.**
- NEW SECTION. Section 7. Repealer. Section 37-43-311,
 22 MCA, is repealed.
- NEW SECTION. Section 8. Codification instruction.

 [Sections 3 through 5] are intended to be codified as an integral part of Title 37, chapter 43, part 3, and the

HB 0441/02

- provisions of Title 37, chapter 43, part 3, apply to [sections 3 through 5].
- 3 NEW SECTION. Section 9. Effective date --
- 4 applicability. [This act] is effective on passage and
- 5 approval and applies to all disciplinary actions initiated
- 6 by the board of water well contractors after [the effective
- 7 date of this act).