

MINUTES OF THE MEETING  
BUSINESS AND LABOR COMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

February 20, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on February 20, 1985 at 7:30 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

ACTION ON HOUSE BILL 728: Representative Kadas moved DO PASS on House Bill 728. Representative McCormick offered a substitute motion that House Bill 728 DO NOT PASS. The motion PASSED with all but Representatives Bachini, Hansen, Kadas, and Nisbet voting yes. House Bill 728 DO NOT PASS.

ACTION ON HOUSE BILL 561: Representative McCormick moved DO PASS on House Bill 561. Representative Simon moved to strike sections 7, 9, and 10 from the bill. He stated that we should not license out-of-state transfers who have less hours than the Montana requirement. Representative Brandewie stated that some people may have less hours than required, but 20 years experience and be prevented from practicing in Montana. Representative Brown offered her support of the amendment. Question being called, the amendment PASSED with Representatives Brandewie, Hansen, Jones, and Pavlovich voting no. Representative Brown moved that on page 3, lines 23 - 25, the years experience be reinserted. Bev Ball of Great Falls, was present and explained that if a person wants to teach, they should not have to have the years experience and there are no facts showing that those with experience are better teachers. Representative Wallin raised a question regarding the inspection provision. Shirley Miller, with the Department of Commerce, explained that an inspector can inspect realtors, plumbers, beauty salons, etc. at once while traveling throughout the state. Representative Brown's amendment FAILED by a vote of 6 to 8. House Bill 561 DO PASS AS AMENDED unanimously.

ACTION ON HOUSE BILL 562: Representative Jones moved DO NOT PASS on House Bill 562, and stated that a high school diploma should not be needed, this is discriminatory. Representative McCormick offered a substitute motion that HOUSE BILL 562 DO PASS. Representative Wallin stated that this is a profession those that don't finish high school can get into. Representatives Schultz and Glaser

did agree. Representative Glaser made a motion to all motions pending that House Bill 562 be TABLED. A roll call vote resulted in 13 members voting yes and 7 members voting no. House Bill 562 is TABLED.

ACTION ON HOUSE BILL 563: Representative Jones moved DO PASS on House Bill 563 and then moved the Statement of Intent. Representative Kadas asked if you can only teach manicuring if you also teach cosmetology. Darlene Battiaola of Butte, explained that a cosmetologist license is required to teach or practice manicuring. Representative Brown asked if this bill was thrown together with little thought. Ms. Battiaola stated that the bill was well thought out. Question being called, the Statement of Intent PASSED by a unanimous vote. House Bill 563 DO PASS With Statement of Intent unanimously.

ACTION ON HOUSE BILL 420: Representative Kadas moved DO PASS on House Bill 420 and then moved to amend, striking subsection 3 on page 2, line 22 through page 3, line 8. The amendment PASSED unanimously. Representative Glaser moved to amend on page 3, lines 9 and 10, changing civil aeronautics authority to federal aviation administration. The amendment PASSED unanimously. House Bill ~~563~~ **420** PASSED AS AMENDED by a unanimous vote.

ACTION ON HOUSE BILL 707: Representative Thomas moved DO PASS on House Bill 707 and moved the amendments attached hereto as Exhibit 1. The amendments DO PASS by a unanimous vote. Representative Glaser stated this bill has great merit. Representative Thomas suggested a grey copy of the bill may be appropriate. Question being called, House Bill 707 PASSED AS AMENDED unanimously.

ACTION ON HOUSE BILL 273: Representative Brandewie moved that House Bill 273 be taken from the TABLE. A voice vote defeated the motion.

HOUSE BILL 819: Hearing commenced on House Bill 819. Representative Kurt Krueger, District #69, sponsor of the bill, stated this extends the agricultural lien law to apply to agricultural chemicals or petroleum products.

Proponent John Scully, representing the Petroleum Market Association, explained that the petroleum distributors want to be in first position. A financial institution to be first, must show they gave information to the supplier and then denied credit, added Mr. Scully.

Opponent Leanne Schraudner, representing the Montana Agriculture Business Association, distributed to committee members Exhibit 2 which is attached hereto. The amendments proposed would strike "agricultural chemical" from the bill.

Opponent Larry Johnson, a farmer from Kremlin, owns a 1/8 interest in a fertilizer company. Mr. Johnson supports the amendment proposed by Ms. Schraudner.

Opponent Elroy Letcher, Executive Secretary of the Montana Council of Cooperatives supplied written testimony which is attached hereto as Exhibit 3.

In closing, Representative Krueger stated the amendments proposed to exclude agricultural chemical from the bill would present no problems.

Representative Ellerd asked Mr. Scully if the information would be available from the FHA. Mr. Scully stated that yes it would.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 819 was closed.

HOUSE BILL 657: Hearing commenced on House Bill 657. Representative Mike Kadas, District #55, sponsor of the bill, stated this limits a public utility to one request for a rate change in any calendar year unless the Public Service Commission decides that additional requests are "justifiable and necessary". The Public Service Commission is overworked and rate requests get piled up. The PSC is the judge when a change is requested by a utility. To intervene, an attorney and economist is needed. These public interest groups that intervene are being represented poorly, due to lack of funds, added Representative Kadas.

Proponent Chester Kinsey, representing the Montana Senior Citizen Association and Montana Low Income Coalition, stated the power company has rate increases one after another. Experts need to be hired to present testimony and the consumer pays for the utilities expert staff through their rates. The utilities should be held to one request every two years, rather than annually, added Mr. Kinsey.

Proponent Paul Carpino, Director, Montana Low Income Coalition, explained that these groups have limited

resources. It is difficult to spend all your time and energy on one aspect of an operation. The utilities have a number of increases to wear down the resources of any opposition and do so successfully, added Mr. Carpino.

Opponent Dennis Lopach, representing Mountain Bell, explained their "historical test period". The prior 12 months are studied with any known changes taken into consideration. "Future test year" is used in some states to look and project future costs. The continuation of inflation creates rate increases. If House Bill 657 is passed, the Public Service Commission will be forced to make many exceptions to accommodate the utilities, added Mr. Lopach.

Opponent Gene Phillips, representing Pacific Power and Light, stated the Public Service Commission already controls how much an increase may be and it would be carrying their authority too far to allow the PSC to control when an increase can occur. Pacific Power and Light averaged 2.75 rate increases per year since 1980, added Mr. Phillips.

Opponent John Alke, representing Montana/Dakota Utilities, stated this will not save money. MDU files every two years on electric rates and is required to file three times a year on gas.

Opponent Mike Zimmerman, representing Montana Power Company, stated this will have an adverse impact on a utilities ability to track costs and could also affect the ability for a decrease in rates. The process only works fairly if both the consumer and the utility have the ability to reach the Public Service Commission.

In closing, Representative Kadas stated this bill is permissive. An intervener currently has no protection. House Bill 657 is optional and the consumer, through their rates pay for a utilities expert witness.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 675 was closed.

HOUSE BILL 666: Hearing commenced on House Bill 666. Representative Mike Kadas, District #55, sponsor of the bill, stated this bill amends the definition of "conservation" and eliminates the definition of

"residential building" in the law requiring conservation purchases or investments by utilities and allows conservation purchases or investments for all buildings and processes if the utilities full avoided costs are not exceeded.

Proponent John Alke, representing Montana/Dakota Utilities, explained that this is optional and expands what can be done with rate base conservation.

Proponents Gene Phillips, representing Pacific Power and Light, and Don Reed, representing the Montana Environmental Information Center, offered their support of the bill.

Proponent Mike Zimmerman, representing Montana Power Company, stated the extension to sources of conservation are already covered in the electric conservation plan and the discretion and determination should be left to the company.

H. S. Hanson, representing the Design Professions, rose neither as a proponent or opponent, but to offer an amendment. Mr. Hanson suggested that "non-residential" should be deleted on page 2, lines 23 - 25.

Ted Otis, staff economist, Public Service Commission, rose neither as a proponent or opponent. If a utility pays full avoided cost, a loss in revenue and an increase in rates will be the result. The commission has the discretion with the utilities to set the basis of utility conservation, added Mr. Otis.

In closing, Representative Kadas stated that he would meet with the Public Service Commission and the utilities to work out the problems.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 666 was closed.

HOUSE BILL 811: Hearing commenced on House Bill 811. Representative Jerry Driscoll, District #94, sponsor of the bill, stated this requires payment by contractors and subcontractors on public utility projects of the prevailing wage in the county or the locality where the work is performed. Representative Driscoll proposed that on page 2, line 24, subsection (2) be stricken from the bill.

Proponent Gene Fenderson, representing the Montana State Building and Construction Trades Council, stated that the

federal and state Davis-Bacon Act was enacted over 50 years ago to protect the public and workers. This act has worked well, added Mr. Fenderson.

Proponent Dave Emerson, representing Plumbers and Fitters Local #139, presented testimony as shown on the witness statement attached hereto.

Proponent Bill Morton, representing the Montana Painter's Council #59, offered his support of the bill.

Opponent Bill Olson, Secretary-Manager, Montana Contractor's Association, stated prevailing wage should be paid on public work only and should not be brought into the private sector. If House Bill 811 is passed, this will eventually lead into the residential construction field. The department is unable to make a proper determination unless collective bargaining is used. Most public utilities require that union contractors be employed, added Mr. Olson.

Opponent Dennis Lopach, representing Mountain Bell, explained that the bulk of Mountain Bell's construction budget is in rural employment programs. The collective bargaining process works well. Mountain Bell has an excellent relationship with the unions and they do require that their work be done by union contractors and subcontractors, added Mr. Lopach.

In closing, Representative Driscoll, stated this does not affect the prevailing wage law. Jobs are going to out-of-state workers and are being paid sub-standard wages, causing money problems in communities.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 811 was closed.

HOUSE BILL 825: Hearing commenced on House Bill 825. Representative Bob Pavlovich, District #70, sponsor of the bill, explained this would legalize state raffles. The necessity to purchase a license in every county will be eliminated. One license would be issued by the secretary of state and the individual would then have 90 days in which the raffle must be conducted, added Representative Pavlovich.

Proponent Bill Lindsay, representing the American Legion, stated they spend \$20,000 per year on Legion baseball and the cost of Boy's State is \$80 per person. It takes money and volunteer help to keep doing these things. The requirement of one license would save the American Legion money, added Mr. Lindsay.

Proponent Bill Wilson, representing the Veterans of Foreign Wars, explained that 132 licenses need to be applied for currently, before a statewide raffle can be conducted. The county attorney who issues said license, can take months before the applicant is in receipt of the license. The cost for these licenses adds up, and the requirement of one license would be beneficial to all.

There being no further discussion by proponents or opponents, all were excused by the vice-chairman and the hearing on House Bill 825 was closed.

ACTION ON HOUSE BILL 825: Representative Pavlovich moved DO PASS on House Bill 825. Representative Brandewie asked if this would tie with the federal government in the requirement for a nonprofit organization. Representative Driscoll added that a nonprofit, tax exempt organization must file a 990 report with the federal government. Representative Schultz suggested an amendment be added to further define nonprofit organization. Paul Verdon, the staff researcher, stated section 15-31-102 would further clarify the definition. Representative Driscoll moved the amendment as suggested by Paul Verdon, which passed by a unanimous vote. House Bill 825 PASSED AS AMENDED unanimously.

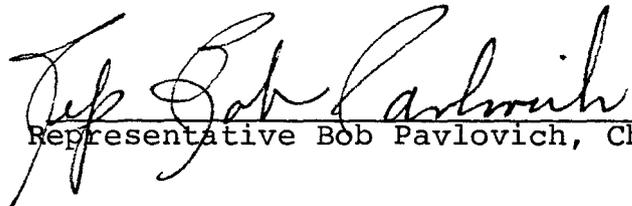
Gary Blewett, of the Department of Labor and Industry, was present to provide information on House Bill 554. Mr. Blewett explained that House Bill 453 is limited to making advances on indemnity benefits. House Bill 559 permits payments not included in indemnity benefits. Permanent Partial and permanent total disability benefits are different. House Bill 554 allows a larger advance and is an additional benefit, not a reduction of the final settlement.

Representative Schultz asked Mr. Blewett if there are any guidelines set as to the amount of said advance. Mr. Blewett explained that the party must make application and state their reasons for the advance.

Mr. Blewett clarified a previous statement and said this is not technically an additional benefit, as it can be reduced from the final settlement.

Business and Labor Committee  
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ADJOURN: There being no further business before the  
committee, the meeting was adjourned at 9:40 a.m.

  
Representative Bob Pavlovich, Chairman

DAILY ROLL CALL  
 BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date Feb. 20, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

# STANDING COMMITTEE REPORT

February 20

65

19.....

MR. SPEAKER.....

We, your committee on BUSINESS AND LABOR.....

having had under consideration HOUSE..... Bill No. 728

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## REQUIRES PSC APPROVAL FOR CORPORATE REORGANIZATIONS OF PUBLIC UTILITIES

Respectfully report as follows: That HOUSE..... Bill No. 728

DO NOT PASS  
DO NOT PASS

*AmA 2-20-85*

STANDING COMMITTEE REPORT Page 1 of 4

February 20 19 85

MR. SPEAKER:

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 707

FIRST reading copy (WHITE) color

REVISE PLUMBING LAW EXCEPTIONS

Respectfully report as follows: That HOUSE Bill No. 707

BE AMENDED AS FOLLOWS:

1. Title, line 6. Following: "REVISING" Insert: "AND PROVIDING"

2. Title, line 9. Following: "UNAVAILABLE" Insert: "PROVIDING FOR RECIPROCAL LICENSING OF PLUMBERS LICENSED IN OTHER STATES; REVISING THE LICENSE DISCIPLINE LAW; PROVIDING THAT A VIOLATION OF PROVISIONS OF TITLE 37, CHAPTER 69, IS A MISDEMEANOR;"

3. Title, line 9. Following: "37-69-107," Strike: "AND" Following: "37-69-301," Insert: "AND 37-69-324,"

DO PASS

CONTINUED

February 20 ..... 19 35

4. Page 2, line 10.

Following: "(7)"

Insert: "(a)"

Strike: "Plumbing"

Insert: "Except as provided in subsection (b), "plumbing"

5. Page 2, line 14.

Following: "appurtenances"

Strike: the remainder of line 14, line 15 in its entirety, and line 16 through "line"

Insert: "within the property lines of any premises"

6. Page 2, line 17.

Strike: "building"

Insert: "premises"

7. Page 2.

Following: line 17

Insert: "(b) As defined in subsection (a), "plumbing system" does not include water services installed and maintained by water districts or water users' associations in which water service is installed by any qualified person appointed or hired by the administrative authority of the water system."

8. Page 3, line 11.

Following: "railroads"

Strike: "1"

Insert: "1"

9. Page 3, line 12.

Following: "ferns"

Insert: "(c) in a"

Renumber: subsequent subsections

10. Page 3, line 15.

Following: "12"

Strike: "for"

Insert: "12"

11. Page 3, line 22.

Following: "dealer"

Insert: "; and

(c) installation of a water meter by a qualified person appointed by the administrative authority of the water system"

~~12. Page 4, line 1.~~

~~Following: "ferns"~~

~~Insert: "or ranches"~~

CONTINUED

February 26

19 85

13. Page 4, line 17.  
Following: "reasonable"  
Insert: "reasonably"

14. Page 4, line 19.  
Following: "reasonable"  
Insert: "reasonable"  
Following: "notice"  
Insert: "by certified letter"

15. Page 4, line 20.  
Following: "approval"  
Insert: "and upon their approval, or after 30 days from the date of the postmark of the certified letter if the board fails to respond to the certified letter,"

16. Page 4, line 23.  
Following: "reasonably"  
Insert: "reasonably"  
Following: "available"  
Insert: "or until the board of plumbers withdraws its authorization"

17. Page 5, following line 2.  
Insert: "NEW SECTION. Section 5. Plumbers licensed by other states -- reciprocity. To the extent that other states that provide for the licensing of plumbers provide for similar action, the board may grant licenses to plumbers licensed by other states on payment by the applicant of the required fee and on furnishing proof to the board that the applicant has qualifications at least equal to those provided herein for applicants for written examinations. Applicants who qualify for a license under this section are not required to take a written examination. The board has authority to adopt rules necessary to implement this action.

NEW SECTION. Section 6. License discipline. (1) the board may revoke, suspend, restrict, censure, or apply any other disciplinary treatment contemplated by section 37-1-136, MCA, to any occupational licensee under this chapter for any one or more of the following causes:

(a) performance of plumbing work in the field of plumbing that is below the standards established by the Uniform Plumbing Code;

(b) inadequate supervision that causes or allows plumbing work in the field of plumbing that is below the standards established by the Uniform Plumbing Code;

(c) material deceit in procuring, attempting to procure, or aiding and abetting the procurement of, or occupational license to practice in the field of plumbing;

(d) unfitness to provide services in the field of plumbing by reason of negligence, habit, intemperance, or addiction to the use of habit-forming drugs;

CONTINUED

February 20 ..... 19 85.....

(a) physical or mental incompetence which impairs the licensee's ability to deliver adequate service in the field of plumbing;

(f) willful or repeated violation of this chapter or rules adopted hereunder or willful or repeated violation of Title 59, chapter 69, part 5 of the Montana Code Annotated or rules adopted thereunder; or

(g) unprofessional practice related conduct as defined by rules adopted by the board.

(2) Any licensee disciplinary action under the jurisdiction of the board shall be conducted as a contested case under the provisions of the Montana Administrative Procedure Act.

Section 7. Section 37-69-324, MCA, is amended to read:

"37-69-324. Penalty. A person who works at the field of plumbing or maintains or conducts a plumbing business or as individual who connects or disconnects plumbing from a public water or sewer system in violation of any provisions of this chapter or at a time when he is not exempt from the provisions of this chapter pursuant to the provisions of a duly enacted and subsisting ordinance of a city or town is guilty of a misdemeanor and, upon conviction thereof in any court of competent jurisdiction, shall be punished by a fine of not less than \$10 and not more than \$100 for each separate offense is guilty of a misdemeanor. However, this chapter shall not be construed to apply to or affect plumbing or pipefitting as indicated in the 37-69-102 exceptions."

NEW SECTION. Section 8. Repealer. Section 37-69-321, MCA, is repealed.

NEW SECTION. Section 9. Codification instruction. Sections 5 and 6 are intended to be codified as an integral part of Title 37, chapter 69, part 3, and the provisions of Title 37, chapter 69, apply to sections 5 and 6."

AND AS AMENDED, DO PASS

# STANDING COMMITTEE REPORT

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page 1 of 2 ..... 19.....

MR. SPEAKER .....

## BUSINESS AND LABOR

We, your committee on .....

having had under consideration ..... HOUSE ..... Bill No. 363

FIRST reading copy ( WHITE )  
color

### LICENSURE & REGULATION OF MANICURISTS & MANICURIST SHOPS AND SCHOOLS

Respectfully report as follows: That ..... HOUSE ..... Bill No. 363

DO PASS  
STATEMENT OF INCIDENT ATTACHED

## STATEMENT OF INTENT

A statement of intent is required for this bill because it grants the board of cosmetologists the authority to make rules regarding the practice and teaching of manicuring. Currently Title 37, chapter 31, allows for the licensing of practitioners, teachers, and schools of cosmetology. It is the intent of this bill to license those persons wishing to practice manicuring apart from the practice of cosmetology and to require that only a person who holds a valid license to teach cosmetology may teach manicuring to such persons. It is contemplated that rules adopted by the board should address the following:

- (1) types of programs required for practicing or teaching manicuring or operating a school of manicuring, such as classroom instruction and examination;
- (2) standards for determining programs to be approved for the fulfillment of the requirements, such as adequacy of facilities, qualification of instructors, and course content;
- (3) the number of hours of instruction required;
- (4) the basic content and the passing grade for any examination required;
- (5) preparation of a written application to be filed for examination and practice of manicuring; and
- (6) methods of monitoring compliance.

# STANDING COMMITTEE REPORT

February 20 ..... 195.....

MR. SPEAKER .....

We, your committee on BUSINESS AND LABOR .....

having had under consideration HOUSE ..... Bill No. 420 .....

FIRST ..... reading copy ( WHITE )  
color

## RAISING LICENSE FEES FOR AIRCRAFT, AIRMEN, INSTRUCTORS, CHANGING AIRPORT FEE

Respectfully report as follows: That HOUSE ..... Bill No. 420 .....

**BE AMENDED AS FOLLOWS:**

- 1) Title, line 8  
Strike: line 8 through "PROVISION;"
- 2) Page 2, line 22, through Page 3, line 8  
Strike: subsection (3) in its entirety  
Renumber: subsequent subsection
- 3) Page 3, line 9  
Following: "the"  
Strike: the remainder of line 9 and line 10 through "authority"  
Insert: "federal aviation administration"

**AND AS AMENDED,**

DO PASS

Rep. ROBERT PRYOR, ..... Chairman.

# STANDING COMMITTEE REPORT

February 20

85

..... 19.....

**SPEAKER**

MR. ....

**BUSINESS AND LABOR**

We, your committee on .....

having had under consideration ..... **HOUSE** ..... Bill No. **561**

**FIRST** ..... reading copy ( **WHITE** )  
..... color

## GENERAL REVISION OF COSMETOLOGY LAW

Respectfully report as follows: That ..... **HOUSE** ..... Bill No. **561**

### BE AMENDED AS FOLLOWS:

- 1) Page 8, lines 13 through 19  
Strike: Section 7 in its entirety  
Re-number: subsequent sections
- 2) Page 8, line 24 through Page 9, line 4  
Strike: Sections 9 and 10 in their entirety  
Re-number: Subsequent section

AND AS AMENDED,

DO PASS

# STANDING COMMITTEE REPORT

February 20

85

19.....

**SPEAKER**

MR. ....

**BUSINESS AND LABOR**

We, your committee on .....

**HOUSE**

**825**

having had under consideration ..... Bill No. ....

**FIRST**

reading copy ( **WHITE** )  
color

## LEGAL STATEWIDE RELIEFS BY CERTAIN NONPROFIT ORGANIZATIONS

Respectfully report as follows: That ..... **HOUSE** ..... Bill No. **825** .....

### BE AMENDED AS FOLLOWS:

- 1) Page 1, line 11  
Following: "nonprofit"  
Insert: "organizations exempt from taxation under 15-31-102  
(1)(a), (1)(b), and (1)(d) through (1)(g), "including"

AND AS AMENDED,

DO PASS

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE 2/2 BILL NO. 542 TIME \_\_\_\_\_

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitzelman	✓	
Bob Bachini	✓	
Ray Brandewie	✓	
Jan Brown	✓	
Jerry Driscoll	✓	
Robert Ellerd		✓
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart	✓	
Ramona Howe	✓	
Tom Jones	✓	
Mike Kadas		✓
Vernon Keller	✓	
Lloyd McCormick		✓
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon	✓	
Fred Thomas		✓
Norm Wallin	✓	

Secretary Debbie Aqui

Chairman Bob Pavlovich

Motion: 13-17 tabled

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AMENDMENTS HB 707, INTRODUCED BILL

1. Title, line 6.  
Following: "REVISING"  
Insert: "AND PROVIDING"
2. Title, line 8.  
Following: "UNAVAILABLE"  
Insert: "PROVIDING FOR RECIPROCAL LICENSING OF PLUMBERS LICENSED IN OTHER STATES; REVISING THE LICENSE DISCIPLINE LAW; PROVIDING THAT A VIOLATION OF PROVISIONS OF TITLE 37, CHAPTER 69, IS A MISDEMEANOR;"
3. Title, line 9.  
Following: "37-69-102,"  
Strike: "AND"  
Following: "37-69-301,"  
Insert: "AND 37-69-324,"
4. Page 2, line 10.  
Following: "(7)"  
Insert: "(a)"  
Strike: "Plumbing"  
Insert: "Except as provided in subsection (b), "plumbing"
5. Page 2, line 14.  
Following: "appurtenances"  
Strike: the remainder of line 14, line 15 in its entirety, and line 16 through "line"  
Insert: "within the property lines of any premises"
6. Page 2, line 17.  
Strike: "building"  
Insert: "premises"
7. Page 2, line 18.  
Following: line 17  
Insert: "(b) As defined in subsection (a), "plumbing system" does not include water services installed and maintained by water districts or water users' associations in which water service is installed by any qualified person appointed or hired by the administrative authority of the water system."
8. Page 3, line 11.  
Following: "railroad,"  
Strike: " / "  
Insert: " ; "
9. Page 3, line 12.  
Following: "~~faarms~~"  
Insert: "(c) In a"  
Reorder: subsequent subsections
10. Page 3, line 15.

Following: "in"  
Strike: "for"  
Insert: "in"

11. Page 3, line 22.

Following: "dealer"

Insert: "; and

(g) installation of a water meter by ~~a licensed plumber or a~~ qualified person appointed by the administrative authority of the water system"

12. Page 4, line 1.

Following: "farms"

Insert: "or ranches"

13. Page 4, line 17.

Following: "reasonably"

Insert: "reasonably"

14. Page 4, line 19.

Following: "reasonable"

Insert: "reasonable"

Following: "notice"

Insert: "by certified letter"

15. Page 4, line 20.

Following: "approval"

Insert: "and upon their approval, or after 30 days from the date of the postmark of the certified letter if the board fails to respond to the certified letter,"

16. Page 4, line 23.

Following: "reasonably"

Insert: "reasonably"

Following: "available"

Insert: "or until the board of plumbers withdraws its authorization"

17. Page 5, following line 2.

Insert: "NEW SECTION. Section 5. Plumbers licensed by other states -- reciprocity. To the extent that other states that provide for the licensing of plumbers provide for similar action, the board may grant licenses to plumbers licensed by other states on payment by the applicant of the required fee and on furnishing proof to the board that the applicant has qualifications at least equal to those provided herein for applicants for written examinations. Applicants who qualify for a license under this section are not required to take a written examination. The board has authority to adopt rules necessary to implement this action.

NEW SECTION. Section 6. License discipline. (1) the board may revoke, suspend, restrict, censure, or apply any other disciplinary treatment contemplated by section 37-1-136, MCA, to any occupational licensee under this chapter for any one or more of the following causes:

(a) performance of plumbing work in the field of plumbing that is below the standards established by the Uniform Plumbing Code;

(b) inadequate supervision that causes or allows plumbing work in the field of plumbing that is below the standards established by the Uniform Plumbing Code;

(c) material deceit in procuring, attempting to procure, or aiding and abetting the procurement of, an occupational license to practice in the field of plumbing;

(d) unfitness to provide services in the field of plumbing by reason of negligence, habit, intemperance, or addiction to the use of habit-forming drugs;

(e) physical or mental incompetence which impairs the licensee's ability to deliver adequate service in the field of plumbing;

(f) willful or repeated violation of this chapter or rules adopted hereunder or willful or repeated violation of Title 50, chapter 60, part 5 of the Montana Code Annotated or rules adopted thereunder; or

(g) unprofessional practice related conduct as defined by rules adopted by the board.

(2) Any licensee disciplinary action under the jurisdiction of the board shall be conducted as a contested case under the provisions of the Montana Administrative Procedure Act.

Section 7. Section 37-69-324, MCA, is amended to read:

"37-69-324. Penalty. A person who works at the field of plumbing or maintains or conducts a plumbing business or an individual who connects or disconnects plumbing from a public water or sewer system in violation of any provisions of this chapter or at a time when he is not exempt from the provisions of this chapter pursuant to the provisions of a duly enacted and subsisting ordinance of a city or town is guilty of a misdemeanor and, upon conviction thereof in any court of competent jurisdiction, ~~shall be punished by a fine of not less than \$10 and not more than \$100 for each separate offense~~ is guilty of a misdemeanor. However, this chapter ~~shall~~ may not be construed to apply to or affect plumbing or pipefitting as indicated in the 37-69-102 exceptions."

NEW SECTION. Section 8. Repealer, Section 37-69-321, MCA, is repealed.

NEW SECTION. Section 9. Codification instruction. Sections 5 and 6 are intended to be codified as an integral part of Title 37, chapter 69, part 3, and the provisions of Title 37, chapter 69, apply to sections 5 and 6."

2/20

Exhibit 2

2/20/85

HB 819

Submitted by: Leanne  
Schraudner

Montana Agri-Business Amendments to House Bill 819

Page 1, Line 18 strike an agricultural chemical,  
Page 1, Line 20 strike agricultural chemical,

Page 2, Line 4 strike chemical,  
Page 2, Line 16 strike an agricultural chemical

Page 5, Line 1 strike agricultural chemical,  
Page 5, Line 5 strike chemical,  
Page 5, Line 7 strike chemical,

*Also must amend title line 7*

# Montana Council of Cooperatives

P.O.Box 367

Helena, Montana 59624

406-442-2120

For the Record I am Elroy Letcher, Executive Secretary of the Montana Council of Cooperatives.

Our Organization represents the Farmer Owned Supply Cooperatives operating in Montana, as well as the Farmer Owned Grain Marketing Cooperatives. We also represent the Cooperative Farm Credit System Lenders.

We Appear today as Opponents to HB-819 on the general basis of equity and the restraint of commerce. We note that Section 4 provides for lien priority superior to previously perfected crop liens.

It is our opinion that the proliferation of this type of lien will work to the disadvantage of the majority of producers and tend to restrict the availability of credit.

Non-noticed, statutory, priority liens increase the risk to production lenders which tends to increase the cost of this type of credit as well as limit availability. The leveraged or beginning producer most in need of dependable annual production financing will be the first to suffer from decreased credit availability.

Established operators with strong balance sheets who often borrow on an unsecured basis will be unaffected.

PCAs commonly leave crop liens in place to facilitate loan advances for the next years crop and/or to cover the increasing levels of carryover operating debt secured by the following years crops. Since no lien need be filed for 90 days after the product was furnished or applied, PCAs will be unable to adequately search the records for prior liens. This could cause delays in credit advances or restrictions in loan structuring.

The suppliers of fuel, fertilizer and chemicals would be better served by developing a trust relationship with local lenders instead of partially entering the credit business and extending credit without evaluating a producers' overall ability to repay all legitimate creditors.

With agriculture undergoing its worst economic stress in 50 years, this is not the time to make piecemeal changes in long established agricultural lien laws.

With some distressed producers calling for stricter control and regulation of regulated lenders, now is not the time to enable non regulated credit grantors to take a priority position ahead of the regulated lender without

Other states have or are addressing this same problem. Iowa has a Law similiar to this bill. But they tell me it does not contain the priority provision. But merely one of equal status. Which has been defined that each lien holder would share in the proceeds from the crop on the same percentage basis as the amount of funds advanced.

The State of Minnesota in 1983 adopted a bill that became law on Jan 1, 1984 that provides a method for the exchange of information between producer, dealer and lender. I am attaching a copy of that bill, also a copy of the one page document used in the information exchange. We would suggest you give serious consideration to amending this bill to include the provisions of the Minnesota Law.

With the many bills regarding the subject of liens to be considered by this session. HB-371, HB-597, HB-712 and HB-819 and I am not sure I have listed all. Most of these provide for a priority lien. The Question may soon be Just who has the priority?. We would suggest that your committee address the subject as is being done in the State of Washington. They are forming an Eight Member Washington Bar Assn. "Ag Lien Task Force" through the Bar Associations Corporate Business and Banking Section. This task force will review and recommend legislation to recodify the agricultural lien section of the Washington Code. The purpose of the Task Force effort is to clarify legal ambiguities, eliminate inconsistencies, standardize procedures and establish relative priorities for these agricultural liens.

We believe this approach has much merit, and we recommend a Montana Task force be formed to review and assess potential legislative changes in this area.

In Closing:

We ask you study the bill for possible amendment, or recommend that a Task Force or Study Committee be appointed, but please do not pass this bill out of committee with a do pass.

Thank You.

  
Elroy Letcher  
Executive Secretary  
Montana Council Of Cooperatives  
442-2120 or 443-3497

Introduced by DeCramer; Wegscheid; Peterson, R. W. and Isackson.  
Read First Time Mar. 6, 1984, and Referred to the Committee  
on Agriculture and Natural Resources.  
Committee Recommendation. To Pass as Amended and Re-referred to  
the Committee on Judiciary.  
Committee Report Adopted Mar. 28, 1984.  
Committee Recommendation. To Pass as Amended.  
Committee Report Adopted Apr. 10, 1984.  
Read Second Time Apr. 10, 1984.  
Pursuant to Rule 10, Made a Special Order, Amended Apr. 16, 1984.  
Read Third Time as Amended Apr. 16, 1984.  
Passed by the Senate as Amended Apr. 16, 1984.  
Transmitted to the House Apr. 16, 1984.

1 A bill for an act

2 relating to commerce; including all liens on file in  
3 abstract by the county recorder; providing a lien for  
4 agricultural production inputs; establishing a  
5 procedure for priority and foreclosure requirements;  
6 amending Minnesota Statutes 1982, section 386.42;  
7 proposing new law coded in Minnesota Statutes, chapter  
8 514.

9

- 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 11 Section 1. Minnesota Statutes 1982, section 386.42, is
- 12 amended to read:
- 13 386.42 [ABSTRACT OF MORTGAGES AND LIENS ON GRAIN CROPS FOR
- 14 ELEVATOR COMPANIES.]
- 15 Any elevator company or grain buyer doing business in this
- 16 state may annually make written application to the county
- 17 recorder for an abstract of all designated mortgages and liens
- 18 upon grains grown during the year within-the filed with the
- 19 county recorder. The application shall state the name and the
- 20 post office address of the company and be accompanied by a fee.
- 21 The fee shall be determined by resolution of the county board
- 22 upon the recommendation of the county recorder based upon the
- 23 estimated cost of providing the service.
- 24 Sec. 2. [514.950] [DEFINITIONS.]
- 25 Subdivision 1. [APPLICABILITY.] The definitions in this
- 26 section apply to sections 2 to 7.
- 27 Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical."

1 means fertilizers or agricultural chemicals that are applied to  
2 crops or to land that is used for raising crops, including  
3 fertilizer material, plant amendment, plant food, and soil  
4 amendment as defined in section 17.713, and pesticide and plant  
5 regulator as defined in section 18A.21.  
6 Subd. 3. (AGRICULTURAL PRODUCTION INPUT.) "Agricultural  
7 production input" means crop production inputs and livestock  
8 production inputs.  
9 Subd. 4. (CROP PRODUCTION INPUT.) "Crop production input"  
10 means agricultural chemicals, seeds, petroleum products, the  
11 custom application of agricultural chemicals and seeds, and  
12 labor used in preparing the land for planting, cultivating,  
13 growing, producing, harvesting, drying, and storing crops or  
14 crop products.  
15 Subd. 5. (FEED.) "Feed" means commercial feeds, feed  
16 ingredients, mineral feeds, drugs, animal health products, or  
17 customer-formula feeds that are used for feeding livestock,  
18 including commercial feed as defined in section 25.33.  
19 Subd. 6. (LENDER.) "Lender" means a person in the business  
20 of lending money identified in a lien-notification statement.  
21 Subd. 7. (LETTER OF COMMITMENT.) "Letter of commitment"  
22 means a binding, irrevocable and unconditional agreement by a  
23 lender to honor drafts or other demands for payment upon the  
24 supplier presenting invoices signed by the purchaser or other  
25 proof of delivery.  
26 Subd. 8. (LIVESTOCK PRODUCTION INPUT.) "Livestock  
27 production input" means feed and labor used in raising livestock.  
28 Subd. 9. (PERSON.) "Person" means an individual or an  
29 organization as defined in section 336.1-201, paragraph (30).  
30 Subd. 10. (PETROLEUM PRODUCT.) "Petroleum product" means  
31 motor fuels and special fuels that are used in the production of  
32 crops and livestock, including petroleum products as defined in  
33 section 296.01, alcohol fuels, propane, lubes, and oils.  
34 Subd. 11. (PROCEEDS.) "Proceeds" means proceeds as defined  
35 in section 336.9-306 except that if rights or duties are  
36 contingent upon express language in a financing statement, the

1 provides language may exist in a lien-notification statement  
2 under section 3, and includes farm products, inventory,  
3 warehouse receipts, and documents of title.  
4 Subd. 12. (SEED.) "Seed" means agricultural seeds that are  
5 used to produce crops, including agricultural seed as defined in  
6 section 21.47.  
7 Subd. 13. (SUPPLIER.) "Supplier" means a person who  
8 furnishes agricultural production inputs.  
9 Sec. 3. (514.952) [NOTIFICATION; LIEN-NOTIFICATION  
10 STATEMENT; EFFECT OF NOTIFICATION.]  
11 Subdivision 1. [NOTIFICATION TO LENDER.] A supplier may  
12 notify a lender of an agricultural production input lien by  
13 providing a lien-notification statement to the lender in an  
14 envelope marked "IMPORTANT-LEGAL NOTICE". Delivery of the  
15 notice must be made by certified mail or another verifiable  
16 method.  
17 Subd. 2. [LIEN-NOTIFICATION STATEMENT.] The  
18 lien-notification statement must be in a form approved by the  
19 secretary of state and disclose the following:  
20 (1) the name and business address of any lender;  
21 (2) the name and address of the supplier claiming the lien;  
22 (3) a description and the date or anticipated date or dates  
23 of the transaction and the retail cost or anticipated costs of  
24 the agricultural production input;  
25 (4) the name, residential address, and signature of the  
26 person to whom the agricultural production input was furnished;  
27 (5) the name and residential address of the owner and a  
28 description of the real estate where the crops to which the lien  
29 attaches are growing or are to be grown; or for a lien attaching  
30 to livestock, the name and residential address of the owner of  
31 the livestock, the location where the livestock will be raised,  
32 and a description of the livestock; and  
33 (6) a statement that products and proceeds of the crops or  
34 livestock are covered by the agricultural input lien.  
35 Subd. 3. [RESPONSE OF LENDER TO NOTIFICATION.] Within ten  
36 calendar days after receiving a lien-notification statement, the

1 lender must respond to the supplier with either:

2 (1) a letter of commitment for part of all of the amount in

3 the lien-notification statement; or

4 (2) a written refusal to issue a letter of commitment.

5 Subd. 4. [EFFECT OF RESPONSE.] (a) If a lender responds

6 with a letter of commitment for part or all of the amount in the

7 lien-notification statement, the supplier may not obtain a lien

8 for the amount stated in the letter of credit.

9 (b) If a lender responds with a refusal to provide a letter

10 of credit the rights of the lender and the supplier are not

11 affected.

12 Subd. 5. [EFFECT OF NO RESPONSE.] If a lender does not

13 respond to the supplier within ten calendar days after receiving

14 the lien-notification statement, an agricultural production

15 input lien corresponding to the lien-notification statement has

16 priority over any security interest of the lender in the same

17 crops or livestock or their proceeds for the lesser of:

18 (1) the amount stated in the lien-notification statement;

19 (2) the unpaid retail cost of the agricultural production

20 input identified in the lien-notification statement; or

21 (3) for livestock any limitation in section 4, subdivision

22 2.

23 Subd. 6. [LIEN PRIORITY.] An agricultural production input

24 lien does not have priority over liens that arise under chapter

25 395 or 514, or over perfected security interests for unpaid rent

26 for the land where the crops were grown. Agricultural

27 production input liens are a security interest and have priority

28 according to chapter 336, the uniform commercial code, except as

29 provided in subdivision 5.

30 Sec. 4. [514.954] [LIEN ATTACHMENT.]

31 Subdivision 1. [LIEN ON CROPS.] A supplier who furnishes

32 crop production inputs has an agricultural input lien for the

33 unpaid retail cost of the crop production inputs. The lien

34 attaches to: (1) the existing crops upon the land where a

35 furnished agricultural chemical was applied, or if crops are not

36 planted, to the next production crop within 16 months following

1 the last date on which the agricultural chemical was applied;

2 (2) the crops produced from furnished seeds; or (3) the crops

3 produced, harvested, or processed using a furnished petroleum

4 product. If the crops are grown on leased land and the lease

5 provides for payment in crops, the lien does not attach to the

6 lessor's portion of the crops. The lien continues in crop

7 products and proceeds, except that the lien does not continue in

8 grain after a cash sale under section 223.16.

9 Subd. 2. [LIEN ON LIVESTOCK.] A supplier who furnishes

10 livestock production inputs has an agricultural production input

11 lien for the unpaid retail cost of the livestock production

12 input. The lien attaches to all livestock consuming the feed

13 and continues in livestock products and proceeds. A perfected

14 agricultural production input lien that attaches to livestock

15 may not exceed the amount, if any, that the sales price of the

16 livestock exceeds the greater of the fair market value of the

17 livestock at the time the lien attaches or the acquisition price

18 of the livestock.

19 Subd. 3. [TIME OF ATTACHMENT.] An agricultural input lien

20 attaches when the agricultural production inputs are furnished.

21 by the supplier to the purchaser.

22 Sec. 5. [514.956] [PERFECTION OF LIEN; FILING.]

23 Subdivision 1. [PERFECTION.] To perfect an agricultural

24 production input lien, the lien must attach and the supplier

25 entitled to the lien must file a lien-notification statement

26 with the appropriate filing office under section 336.9-401 by

27 six months after the last date that the agricultural production

28 input was furnished.

29 Subd. 2. [FAILURE TO PERFECT.] An agricultural production

30 input lien that is not perfected has the priority of an

31 unperfected security interest under section 336.9-312.

32 Subd. 3. [DUTIES OF FILING OFFICER.] The filing officer

33 shall enter on the lien-notification statement the time of day

34 and date of filing. The filing officer shall file and note the

35 filing of a lien-notification statement under this section in

36 the manner provided by section 336.9-403 for a financing

1 statement.

2 Sec. 6. [514.958] [ENFORCEMENT OF LIEN.]

3 The holder of an agricultural production input lien may  
4 enforce the lien in the manner provided in sections 336.9-501 to  
5 336.9-508 subject to section 550.17. For enforcement of the  
6 lien, the lienholder is the secured party and the person for  
7 whom the agricultural production input was furnished is the  
8 debtor, and each has the respective rights and duties of a  
9 secured party and a debtor under sections 336.9-501 to  
10 336.9-508. If a right or duty under sections 336.9-501 to  
11 336.9-508 is contingent upon the existence of express language  
12 in a security agreement or may be waived by express language in  
13 a security agreement, the requisite language does not exist.

14 Sec. 7. [514.959] [ENFORCEMENT ACTIONS; LIEN

15 EXTINGUISHED.]

16 An action to enforce an agricultural production input lien  
17 may be brought in district court in a county where some part of  
18 the crop or livestock is located after the lien is perfected. A  
19 lien-notification statement may be amended, except the amount  
20 demanded, by leave of the court in the furtherance of justice.  
21 An agricultural production input lien is extinguished if an  
22 action to enforce the lien is not brought within 18 months after  
23 the date the lien-notification statement is filed.

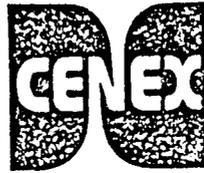
24 Sec. 8. [EFFECTIVE DATE.]

25 This act is effective July 1, 1984, except that an

26 agricultural input lien may not attach to crops planted before

27 December 1, 1984.

FARMERS UNION COOPERATIVE OIL ASS'N.  
1180 No. Concord, South St. Paul, Minn. 55075



Where the customer is the company

Telephone 451-6200

Date \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I intend to purchase the following products from Farmers Union Cooperative for my 1985 Spring production needs:

Fertilizer: \_\_\_\_\_ \$ \_\_\_\_\_  
Chemicals: \_\_\_\_\_ \$ \_\_\_\_\_  
Seed: \_\_\_\_\_ \$ \_\_\_\_\_  
Fuel: \_\_\_\_\_ \$ \_\_\_\_\_  
Other Needs: \_\_\_\_\_ \$ \_\_\_\_\_

I intend to have made financial arrangements with \_\_\_\_\_

\_\_\_\_\_ to pay for the above purchases and authorize verification of the above arrangement.

By \_\_\_\_\_ Patron  
Farmers Union Co-op Oil

To: Farmers Union Co-operative Oil Assn

This is a letter of commitment that \_\_\_\_\_ has an operating credit line to finance the above purchases.

Date: \_\_\_\_\_

\_\_\_\_\_  
Lendor  
\_\_\_\_\_  
By  
\_\_\_\_\_  
Title  
\_\_\_\_\_

MR. CHAIRMAN

MEMBERS OF THE COMMITTEE

LADIES & GENTLEMEN

FOR THE RECORD I AM

NAME DAVID M. EMERSON BILL NO. H.B. 811

ADDRESS 317 - 22nd Avenue N.W., Great Falls, Mont. 59404 DATE 2-20-85

WHOM DO YOU REPRESENT Plumbers & Fitters Local #139

SUPPORT XXXXXXXX OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I am a proponent of H.B. 811 for the following reason:

I believe that the Standard Prevailing Rate of wages and fringes should be paid by all public utilities when contracting out work to a contractor.

Many public utility contracts in recent years have gone to out-of-state contractors, who usually bring in their own workers. At least with the prevailing wage rate applying the chance to have Montana workers help build Montana would be greater.

These Montana workers are the people who have paid Montana State taxes, raised their children here, have their homes here, and they support their communities and this State with taxes and in buying necessities. The more out-of-state workers we support with jobs, the less chance there is for local workers to do their part in helping the State economy. We know from past experience that most of the money earned by non-residents goes with them or is used to support their families in other States. It is time that we take a stand and help keep Montana for Montanans. Without including provisions for prevailing wage rate required in requests for bids for public utility projects, we open the door for all kinds of sub standard workmanship by many unqualified people, and in the end cost many Montana workers badly needed jobs.

Since the people of Montana pay the utility bills, for the public utilities used in Montana, it seems only fair that the workers living in Montana should have the opportunity to do the construction, and that employers employing these workers have a fair opportunity to bid work that these public utilities require.

Many out-of-state contractors bring people into Montana from areas of sub standard wages and living conditions. These people see a golden opportunity to fleece the local citizens, not only by taking our work, but also by taking the majority of their wages back to their home areas, or even worse many of these people are stranded in Montana after the job is over and end up on our welfare rolls. We firmly believe that we have the skills, and knowledge to perform all of the work, that these public utilities contract out, in the State of Montana, since we pay the bills, let's do this work with Montana workers and contractors.

This is not to eliminate out-of-state competition, but is to put them on the same competitive basis as required by local workers and contractors.

I urge you to vote for a DO PASS on H.B. 811 in your committee.

Respectfully submitted,

  
DAVID M. EMERSON





VISITORS' REGISTER  
BUSINESS AND LABOR COMMITTEE

BILL NO. House Bill 811

DATE 2/20/85

SPONSOR Rep. Driscoll

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
DAVID EMERSON	GT. FALLS	X	
Bill Marton	Great Falls	✓	
John Nyman	Gr. Falls	✓	
MONTY F. PATERSON	BILLINGS	X	
DAN ANTONIETTI	HELENA	X	
Richard J. Hanson	Missoula	X	
Marg Glass <small>new farm Helena Fed.</small>	Helena	<del>X</del>	X
Bill Olson	Helena		X
F.H. BILLS	<del>Helena</del>		X
Dan Cass	Billings (Member of Commerce)		X
Eugene Fendley	Helena	X	
Christa Kuzney	Helena	X	
Dennis L. Spach	Helena Mtn Bell		✓

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



