



Economic Affairs Interim Committee

64th Montana Legislature

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6/7/2016

MEMO ON: Meter Licensing and Inspection Costs

For: Economic Affairs Interim Committee Members
From: Pat Murdo, Committee Staff

In the 2013-2014 interim, the Economic Affairs Interim Committee [EAIC] objected to a Department of Labor and Industry proposed rule that would have increased fees an average of 26% on measuring devices, primarily affecting gasoline dispensing pumps.

In a letter provided to the EAIC in August 2013, the Weights and Measures Bureau suggested that the proposed fee increase was necessary "to operate fully staffed, maintain our current equipment and purchase better testing equipment to meet our statutory requirement to test all meters on an annual basis."¹ The Montana Petroleum Marketers and Convenience Store Association (Association) wrote of its opposition to the higher fees² as well as the annual testing schedule, which the Association said "is overly burdensome for both the Department and the industry and NOT specifically required by law."³ The letter noted that in some cases the Department was no longer competitive with private industry in providing testing and also was unable to test all meters in the state. As a result of the conflict over the rule, the EAIC asked the Department to work with the Association; that work has occurred over the past two years.

The Department's proposal, summed up in its "Proposed New Weights and Measures Meter Testing Plan," keeps licensing fees at the same level as before and revises protocols to allow some types of meters to be tested randomly and some to be tested by private firms. A licensee would need to let the Department know a preference for random or full testing. Those wanting full testing would pay more for each product tested beyond what would be tested randomly.

To date the Department has had meetings on the proposed changes in Helena, Missoula, and Kalispell, with more meetings through mid-July in Lewistown, Miles City, Glendive, and 5 other locations. Tim Lloyd of the Weights and Measures Bureau said in an email that stakeholder turnout has been low, with few phone calls about the proposed changes. He added that "no one has yet been opposed to the proposed testing plan." He noted that potential legislation is being discussed and the Department will review results of the random testing to determine if meters are appropriately calibrated and consumers are paying for their full measure.

¹See "Weights and Measures Meter Fee Increase" at August 21, 2013, meeting materials:
<http://leg.mt.gov/content/Committees/Interim/2013-2014/Economic-Affairs/Meetings/August-2013/ltr-meter-fee-increase.pdf>

²Fee increases proposed in 2013 ranged from the current \$21 for a PA-type fuel meter to \$27 and from \$102 for each liquefied petroleum gas (PD) meter to \$128. See the August 21, 2013, EAIC meeting materials page:
<http://leg.mt.gov/content/Committees/Interim/2013-2014/Economic-Affairs/Meetings/August-2013/meter-fee-preliminary-letter.pdf>

³See July 22, 2013, letter from the Montana Petroleum Marketers and Convenience Store Association to Tim Lloyd, Chief of the Weights and Measures Bureau in the Department of Labor and Industry:
<http://leg.mt.gov/content/Committees/Interim/2013-2014/Economic-Affairs/Meetings/August-2013/measuring-device-comment.pdf>