MINUTES
NATURAL RESOURCES SUBCOMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

March 5, 1987

The meeting of the Natural Resources Subcommittee was called to order by Chairman Swift on March 5, 1987, at 9:00 a.m. in room 317 of the State Capitol.

ROLL CALL: All subcommittee members were present with the exception of Senator Story who was excused. Also present were Carl Schweitzer, Senior Fiscal Analyst, from the Office of the Legislative Fiscal Analyst (LFA) and Karen Vollstedt, Budget Analyst, from the Office of Budget and Program Planning (OBPP).

Tape 84A

EXHIBIT 1 1989 Biennium Deficit Scenario by Rep. Donaldson

Rep. Donaldson, chairman, House Appropriations Committee, addressed the subcommittee. He told members they had done a good job on the general-fund portions of the budgets, but asked them to take another look at special fund accounts (raised through fees and licenses).

Sen. Boylan complained about the special funds that make up most of the budget of the Department of Fish, Wildlife and Parks (FW&P). He said it was unfair that education, institutions, human services and other areas would be left suffering from budget decisions while FW&P has sufficient special funds to put up new buildings around the state. Rep. Donaldson agreed with Sen. Boylan's concerns and warned that if the present trends continue, there may be resentment against FW&P in the future.

Sen. Smith said that the subcommittee had done a good job reviewing FW&P's budget and forcing it to keep surpluses in some of the funds. He said that the rest of state government has benefited from the interest from these funds.

Chairman Swift said there is no way the subcommittee can cut those federal driven programs without changing the state and the federal process.

Rep. Donaldson closed by saying that in the past legislators haven't looked down the road very far. He stressed that this session, legislators need to find some long-range solutions.

HB 778 EXHIBIT 2

Rep. Jenkins presented HB 778, an act to allow the Department of Agriculture to assist farmers and ranchers in determining the most efficient scheduling and use of water for irrigation purposes.

Jo Brunner, executive secretary of Montana Water Development Association, spoke against HB 778. Ms. Brunner said that at the Montana Water Development Association board of directors' meeting in February, the board voted to oppose HB 778. The board feels this bill would duplicate an all ready existing program. She said that agencies should not need a law to coordinate programs. The board took offense that it is assumed that a majority of farmers and ranchers are sloppy in irrigating land. The board understands that this program could be beneficial to a young beginning farmers unfamiliar with the soil type and climatic conditions. Ms. Brunner said such programs are all ready available through the extension service, and other areas for the asking.

Rep. Jenkins said that a person may irrigate for thirty years, but that doesn't mean he knows everything about irrigation. Rep. Spaeth and Chairman Swift said that this information is all ready available. Rep. Jenkins replied that this bill is intended to get all the irrigation information into one area. Chairman Swift said that even if the subcommittee passes this bill, there wouldn't be money for a phone line. Rep. Jenkins said the fiscal note was written before the bill was amended. The original bill required the Department of Agriculture to assist farmers and ranchers with water use. The bill now uses the word, allow rather than require.

Rep. Jenkins closed on HB 778. He said the main purpose of the bill is to put all the information in one office.

Rep. Devlin MOVED to table this bill. Motion passed with Rep. Spaeth and Sen. Smith voting no. Rep. Spaeth said he doesn't like this bill, but this appropriations subcommittee should not make policy. Sen. Smith said that he would not ever vote to kill a bill in this subcommittee.

HB 838 EXHIBIT 3

This bill was presented to the subcommittee on March 4 by Rep. Dave Brown. Carl was to check with the Legislative Council on the statutory language of HB 838.

Carl reported that he checked with Greg Petesch, director of Legal Division, Legislative Council. Currently of the revenue coming in from the metal minings tax 1/3 goes into a state special revenue account. The LFA recommends appropriating that entire revenue estimate in the appropriation bill--about $1,000,000 in '88, and $1,300,000 in '89. Due to action taken by this subcommittee, $100,000 would be used for administration. The rest would be used to mitigate disputes between companies and local communities, if any should evolve. At the end of the year, if those funds are not used, all that money would go into trust account.

Carl continued by explaining that, under HB 838, the legislature would appropriate only the money for administration. The remainder of the money would go into the trust account. Statutorily, the money could come out of the trust account if there was ever a dispute between a local unit of government and a mining company. The Hard-Rock Mining Impact Board would be able to take money out of trust fund and use it to hire expert witnesses, have hearings, etc.

Carl said there is another way the money could come out of the trust fund account. The trust fund money is identified by county. A county could use the money to handle any problems due to a mine closing. They wouldn't have to come to the legislature for an appropriation or a budget amendment to get money out of this trust fund. It would come out through the statutory appropriation process.

Rep. Spaeth asked what would be the situation if HB 838 didn't pass. Carl explained that presently, the money can't come out of the trust account unless there is a legislative appropriation, or else through the budget amendment process.

Carolyn Doering, budget analyst, Department of Commerce, said that there are two criteria with the budget amendment law that would be difficult to meet to pull the monies out: 1) the emergency situation which may or may not be able to be met, and 2) the funds could not have been available for consideration by the

legislature. Ms. Doering explained that the Department of Commerce requested this statutory appropriation bill because the department sees no need for the Hard-Rock Mining Impact Board to have an appropriation of a million dollars this year, and 1.2 million next year. The changes of mitigation are not in the immediate future. Ms. Doering said that the department is only asking for statutory appropriation for arbitration and mitigation.

Chairman Swift said that if the subcommittee agrees to HB 838, then the legislature no longer will review any part of those funds once they go into statutory appropriation.

Sen. Story MOVED to recommend that HB 838 do not pass. Motion passed with Rep. Manuel voting no. Sen. Boylan was absent for the vote.

Sen. Smith said he doesn't approve of bills being deverted to this subcommittee. He stated that every bill should go before the regular committees.

Carl explained that the subcommittee accepted the executive budget for the administration of the Hard-Rock Mining Impact Board. Now there is the question of the money for the trust fund appropriation itself. Carl said the subcommittee could recommend to put in full amount of the revenue estimate, subtracting out the cost of administration, which would be one million to 1.3 million per year. Or, the subcommittee could set the figure at $250,000 to $500,000. Carl suggested separating the administration from the trust fund.

Rep. Spaeth Moved to specifically spell out the accounts. Sen. Story asked if boiler plate language could be put in to permit the department to come back to a budget committee. Rep. Spaeth withdrew the motion. Rep. Manuel said the legislature wants to know if the department spends any of that money, and how much they spend.

Rep. Spaeth MOVED to separate the administration from the hard rock mitigation and arbitration by line item. Motion passed unanimously.

The meeting adjourned at 10:45 a.m.

Bernie Swift

Chairman
Natural Resources Subcommittee

DAILY ROLL CALL

Natural Resources Sub COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 5, 1987

NAME	PRESENT	ABSENT	EXCUSED
Senator Boylan	X		
Representative Devlin	X		
Representative Manuel	X		
Senator Smith	X		
Representative Spaeth	X		
Senator Story	X		
Representative Swift	X		

CS-30

Exhibit 1
Natural Resources Subcommittee

1989 Biennium Deficit Scenario - Representative Donaldson
(Millions)
March 3, 1987

Funds Available	
Beginning Fund Balance - HB 434	$ -0-
1989 Biennium Revenue Subcommittee	665.28
Interest Income from Gas Tax - HB 136	2.81
Total Funds Available	$ 668.09
Disbursements	
Foundation Program 0/0	$ 94.20
1989 Session Feed Bil	4.33
TRANS Issue and Interest Costs	7.23
Long Term Debt Service	24.96
Additional Worker Compensation Costs	2.06
Subcommittee Appropriations	713.37
Replacement of Lost Education Trust Fund Interest	6.35
Reversions	
Debt Service	(2.94)
Other	(10.00)
Total Disbursements	$ 839.56
ENDING GENERAL FUND DEFICIT	$(171.47)

- - - - - - - - - - - - - - - Resource Scenarios - - - - - - - - - - - - - - -

	Maximum
Transfers:	
Education Trust - SB 228	8.96
Coal Board - Schools - SB 228	6.36
Interest - Permanent Trust - SB 228	11.58
RRD	0.34
RIT - Subcommittee	4.04
Water Development - Subcommittee	0.48
Block Grant - Oil (SB200)	12.92
Taxes:	
Federal Tax - Gain	73.33
District Courts (HB 155, SB 200)	5.46
Total	$ 123.47
Resources Needed	(171.47)
Surplus (Deficit)	$ (48.00)
Ending Fund Balance	(20.00)
Remaining Surplus (Deficit)	$ (68.00)
Property Tax Relief 15%	(148.02)
Deficit with Property Tax Relief	$(216.02)

Exhibit 2
Natural Resources Subcommittee

APPROVED BY COMMITTEE
ON AGRICULTURE LIVESTOCK
& IRRIGATION

HOUSE BILL NO. 778

INTRODUCED BY JENKINS, DEMARS, PATTERSON

A BILL FOR AN ACT ENTITLED: "AN ACT TO ~~REQUIRE~~ ALLOW THE DEPARTMENT OF AGRICULTURE TO ASSIST FARMERS AND RANCHERS IN DETERMINING THE MOST EFFICIENT SCHEDULING AND USE OF WATER FOR IRRIGATION PURPOSES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, efficient use and conservation of the state's waters is a matter of critical economic importance to the state and to Montana's agricultural producers; and

WHEREAS, many farmers and ranchers tend to irrigate too often and with too much water; and

WHEREAS, excessive application of water has numerous undesirable consequences, including leaching of fertilizers below the root zone, reduced effectiveness of herbicides and pesticides, increased risk of ground water contamination, increased erosion potential, and unnecessary energy usage and costs; and

WHEREAS, the Montana Cooperative Extension Service at Montana State University has an irrigation scheduling computer program that is designed to assist farmers and ranchers in determining the most efficient timing and volume of water to apply in irrigating their crops.

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

Section 1. Short title. [Sections 1 through 3] may be cited as the "Efficient Irrigation Practices Act of 1987".

Section 2. Purpose -- goal. The purpose of [this act] is to encourage and assist irrigators in making the most efficient use of their water. A goal of this effort is to maximize cooperation among the department, the cooperative extension service, the college of agriculture at Montana state university, private business, water user associations, irrigation districts, water conservancy districts, volunteer organizations, individual farmers and ranchers, and, as necessary during periods of drought, the disaster and emergency services division in the department of military affairs.

Section 3. Duties of the department -- irrigation efficiency assistance. The department ~~shall~~ MAY:

(1) in conjunction with the cooperative extension service, assist farmers and ranchers in determining the most efficient timing and volume of water to apply in irrigating their crops in order to achieve optimum plant growth with the least amount of water;

(2) develop and distribute educational materials and create opportunities to directly inform farmers and ranchers concerning the following:

SECOND READING

1 (a) the benefits of irrigation scheduling and
2 planning;
3 (b) the computerized irrigation scheduling service
4 available through the cooperative extension service; and
5 (c) the types of information farmers and ranchers must
6 furnish in order to use the service;
7 (3) establish a toll-free telephone line to receive
8 requests for irrigation scheduling assistance; and
9 (4) work in cooperation with state and federal
10 agencies, the college of agriculture at Montana state
11 university, private business, water user associations,
12 irrigation districts, water conservancy districts, the
13 disaster and emergency services division in the department
14 of military affairs, volunteer organizations, and interested
15 individuals to achieve the purposes of [this act].
16 Section 4. Effective date. This act is effective on
17 passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB778 , as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
This bill would require the Department of Agriculture to assist farmers and ranchers in determining the most efficient scheduling and use of water for irrigation purposes; and provide an immediate effective date.

ASSUMPTIONS:

1. The Department of Agriculture would be responsible for the development and distribution of educational materials. The Montana Cooperative Extension Service and the Agriculture Experiment Station would work with the Department of Agriculture to collect and assess research findings.
2. The Department of Agriculture would be responsible for providing opportunities to directly inform farmers and ranchers about efficient water usage practices, how to utilize the Extension Service computer program, and to provide, with the Extension Service, public training meetings.
3. The Department of Agriculture would establish an in-house, toll-free telephone number to respond to calls concerning water usage.
4. The Department of Agriculture would work in cooperation with other federal and state agencies, and private business and associations.
5. Extension Service would be responsible for computer program operation and case-by-case information and program summary feed-back service to farmers and ranchers.
6. The Department of Agriculture would have a program for cursory applications and training.
7. Irrigation program is currently available in five county offices. Approximately 30 county offices have the data processing equipment necessary to run the irrigation program.
8. Assume general fund support.
9. The Cooperative Extension Service currently has county agents to assist farmers and ranchers. Travel would increase slightly.

FISCAL IMPACT:

	FY88			FY89		
Expenditures:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Personal Services	$ 0	$ 22,210	$ 22,210	$ 0	$ 22,210	$ 22,210
Operating Expenses	0	18,950	18,950	0	16,850	16,850
TOTAL	$ 0	$ 41,160	$ 41,160	$ 0	$ 39,060	$ 39,060
Funding:						
General Fund	$ 0	$ 41,160	$ 41,160	$ 0	$ 39,060	$ 39,060

David L. Hunter DATE 2/19/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Loren Jenkins DATE
LOREN JENKINS, PRIMARY SPONSOR

Fiscal Note for HB778, as introduced.

HB 778

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB778, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
This bill would require the Department of Agriculture to assist farmers and ranchers in determining the most efficient scheduling and use of water for irrigation purposes; and provide an immediate effective date.

ASSUMPTIONS:
1. The Department of Agriculture would be responsible for the development and distribution of educational materials. The Montana Cooperative Extension Service and the Agriculture Experiment Station would work with the Department of Agriculture to collect and assess research findings.
2. The Department of Agriculture would be responsible for providing opportunities to directly inform farmers and ranchers about efficient water usage practices, how to utilize the Extension Service computer program, and to provide, with the Extension Service, public training meetings.
3. The Department of Agriculture would establish an in-house, toll-free telephone number to respond to calls concerning water usage.
4. The Department of Agriculture would work in cooperation with other federal and state agencies, and private business and associations.
5. Extension Service would be responsible for computer program operation and case-by-case information and program summary feed-back service to farmers and ranchers.
6. The Department of Agriculture would have a program for cursory applications and training.
7. Irrigation program is currently available in five county offices. Approximately 30 county offices have the data processing equipment necessary to run the irrigation program.
8. Assume general fund support.
9. The Cooperative Extension Service currently has county agents to assist farmers and ranchers. Travel would increase slightly.

FISCAL IMPACT:

	FY88			FY89		
Expenditures:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Personal Services	$ 0	$ 22,210	$ 22,210	$ 0	$ 22,210	$ 22,210
Operating Expenses	0	18,950	18,950	0	16,850	16,850
TOTAL	$ 0	$ 41,160	$ 41,160	$ 0	$ 39,060	$ 39,060
Funding:						
General Fund	$ 0	$ 41,160	$ 41,160	$ 0	$ 39,060	$ 39,060

David L. Hunter DATE 2/19/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Loren Jenkins DATE
LOREN JENKINS, PRIMARY SPONSOR

Fiscal Note for HB778, as introduced.

HB 778

LC 0963/01

HOUSE BILL NO. 838

INTRODUCED BY Dave Brown

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE STATUTORY APPROPRIATION AND PASS-THROUGH OF MONEY RECEIVED BY THE HARD-ROCK MINING IMPACT BOARD FOR THE LOCAL IMPACT OF MINERAL DEVELOPMENT; AMENDING SECTIONS 17-7-502 AND 90-6-304, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations:

(a) 2-9-202;
(b) 2-17-105;
(c) 2-18-812;
(d) 10-3-203;
(e) 10-3-312;
(f) 10-3-314;
(g) 10-4-301;
(h) 13-37-304;
(i) 15-31-702;
(j) 15-36-112;
(k) 15-70-101;
(l) 16-1-404;
(m) 16-1-410;
(n) 16-1-411;
(o) 17-3-212;
(p) 17-5-404;
(q) 17-5-424;
(r) 17-5-804;
(s) 19-8-504;
(t) 19-9-702;
(u) 19-9-1007;
(v) 19-10-205;
(w) 19-10-305;

INTRODUCED BILL
HB-838

(x) 19-10-506;

(y) 19-11-512;

(z) 19-11-513;

(aa) 19-11-606;

(bb) 19-12-301;

(cc) 19-13-604;

(dd) 20-6-406;

(ee) 20-8-111;

(ff) 23-5-612;

(gg) 37-51-501;

(hh) 53-24-206;

(ii) 75-1-1101;

(jj) 75-7-305;

(kk) 80-2-103;

(ll) 80-2-228;

(mm) 90-3-301;

(nn) 90-3-302;

(oo) 90-6-304(2);

~~(oo)~~(pp) 90-15-103; and

~~(pp)~~(qq) Sec. 13, HB 861, L. 1985.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements

authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments."

Section 2. Section 90-6-304, MCA, is amended to read:

"90-6-304. Accounts established. (1) There is within the state ~~special revenue fund~~ agency fund a hard-rock mining impact account. Moneys are payable into this account from payments made by a mining developer in compliance with the written guarantee from the developer to meet the increased costs of public services and facilities as specified in the impact plan provided for in 90-6-307. The state treasurer shall draw warrants from this account upon order of the hard-rock mining impact board.

(2) There is within the state special revenue fund a hard-rock mining impact trust account. Money is payable into this account under the provisions of 15-37-117. After deducting the administrative and operating expenses of the board as provided in 90-6-303, money must be segregated within the account by county of origin. Money required to enable the board to hold public hearings and arbitrate disputes, as required by 90-6-307 and 90-6-311, is statutorily appropriated to the board as provided in

1 17-7-502. Money allocated to the county subaccounts as
2 provided by this section is statutorily appropriated to the
3 board, as provided in 17-7-502, for the purposes of
4 90-6-321. The state treasurer shall draw warrants from ~~this~~
5 the hard-rock mining impact trust account upon order of the
6 ~~hard-rock-mining-impact~~ board."
7 NEW SECTION. Section 3. Effective date. This act is
8 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB838 , as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act to provide for the statutory appropriation and pass-through of money received by the Hard-Rock Mining Impact Board for the local impact of mineral development.

ASSUMPTIONS:
1. Administrative and operating expenses will be appropriated through the budgeting process.
2. Monies for arbitrating disputes between local governments and the mining developer and for mitigating the impacts of decline will be statutorily appropriated.
3. Should this act not pass, direct appropriation authority or budget amendment authority will be necessary in order to comply with existing statutes. This would amount to $1,025,010 in FY88 and $1,211,439 in FY89 - APPROPRIATION AUTHORITY ONLY. Budget amendments would have to meet the criteria for amendment of state special revenue funds specified in section 17-7-403(3), MCA.

FISCAL IMPACT:
None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:
No change.

David L. Hunter DATE 2/23/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Dave Brown DATE 2/24/87
DAVE BROWN, PRIMARY SPONSOR

Fiscal Note for HB838, as introduced.

HB 838

VISITOR'S REGISTER

Natural Resources SUBCOMMITTEE

AGENCY(S) _____ DATE March 5, 1987

DEPARTMENT _____

NAME	REPRESENTING	SUP-PORT	OP-POSE
J. Brunner	MWDA		778

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY

FORM CS-33A
Rev. 1985

SUBCOMMITTEE ACTION REPORT

THE FOLLOWING BILL WAS REFERRED TO MY SUBCOMMITTEE ON _____

AND WAS HEARD ON March 5. THE RECOMMENDED ACTION FOLLOWS:

HB 778 HJR_____ HR_____ SB___ SR___ SJR_____ OTHER_____

THE SUBCOMMITTEE RECOMMENDED:

DO PASS ✓ DO NOT PASS_____ DO PASS AS AMENDED____

TABLED ✓ POSTPONED_____

OTHER ACTION _____

Ellen Garrity
Secretary

3-5-87
Date

SUBCOMMITTEE ACTION REPORT

THE FOLLOWING BILL WAS REFERRED TO MY SUBCOMMITTEE ON _____

AND WAS HEARD ON March 5. THE RECOMMENDED ACTION FOLLOWS:

HB 838 HJR_____ HR_____ SB___ SR___ SJR_____ OTHER_____

THE SUBCOMMITTEE RECOMMENDED:

DO PASS____ DO NOT PASS ✓ DO PASS AS AMENDED____

TABLED_____ POSTPONED_____

OTHER ACTION _____

Ellen Garrity
Secretary

3-5-87
Date