

February 10, 1977

The Natural Resources subcommittee on Extraction and Conversion met in room 434, on February 10, 1977, at 7 p.m. with Chairman Kessler presiding and all members present.

Chairman Kessler announced that starting on Monday the subcommittee would meet Monday, Wednesday and Friday at 7 p.m.

The subcommittee considered HB 577. Rep. Metcalf moved that the recommendation to the committee be that it do not pass. Motion carried with Reps. Ernst and Cox voting no.

HB 553 was considered. After much discussion--all the committee members favored a tax cut incentive for gas exploration but not at the expense of the counties. Terry Wheeling of the EQC mentioned one option could be a surcharge on the consumer end--the price would be raised a certain amount and this amount would be used by the gas companies to explore for new mines. He mentioned that the clause in Bill Christianson's amendment giving the tax break only on gas used in Montana is discriminatory and might be declared unconstitutional.

The committee decided to take Bill Christianson's amendment and add in the severance tax (which goes to the state--and since this is on new gas wells it shouldn't affect the budget) and use only half of the net proceeds tax--and include within that half the part that the state now gets. They removed the six months time limit to enter distribution systems and also the phrase "to be consumed solely within Montana".

Rep. Frates moved that HB 553 as so amended be recommended do pass to the committee. The motion carried unanimously.

Rep. Metcalf moved that the recommendation for HB 631 be do not pass to the committee. Motion carried unanimously.

Meeting adjourned at 9 p.m.

Respectfully submitted,


GERALD KESSLER, Chairman

The above mentioned committee met for a brief meeting on February 11, 1977, in room 437, at 9 a.m. with Chairman Kessler presiding and all members present.

The committee considered HB 561 which changes the term "economical" to "technological" in referring to the coal the companies must remove from the mines. A discussion was had. Motion was made that HB 561 be recommended do pass to the committee. Motion carried with Reps. Ernst and Cox voting no.

Meeting closed at 9:40 a.m.

Respectfully submitted,