

February 11, 1977

The Natural Resources subcommittee on Conservation and Public Participation met at 9 a.m. in room 435 on February 11, 1977, with Chairman Bengtson presiding and Reps. Curtiss and Davis present.

Chairman Bengtson asked the members how they felt about the policy they were to recommend back to the committee on their field. Rep. Davis felt the bills being worked on and the recommendations the committee makes on them is policy making.

Rep. Bengtson said she, too, felt that after taking a prudent and practical scrutiny of the bills and then recommending them back to the legislature--whether or not they pass--they are policy making. She said it was needed to come up with something the people will be able to live with. She expressed doubts about tax incentives--whether the state would be able to afford them. However, she felt that conservation of energy is the most important energy policy today.

Rep. Davis said education in the conservation line is also very important--if it doesn't cost too much. He mentioned the AERO show and how it had impressed him. He felt that all residents of Montana should be privileged to watch such a show and conservation of energy would grow because of the awareness that would come from it. He said the cost was minimal. He said tax incentives are fine--if we can give them on the basis of additional construction--but he didn't feel that tax dollars should be used this way. He felt rather to apply it on property tax--delay taxing on the increased valuation that would occur because of the improvement.

Rep. Curtiss felt education was very important. She felt we should use the renewable resource^{currently} now available. She felt it important to be realistic.

Rep. Davis said he strongly felt that the state should not get into the loan business--provide state funds to the banks so the borrowers could get money at a more reasonable rate.

Rep. Bengtson mentioned the banks had not done too well with the handling of the money for student loans.

Senator Tom Rasmussen was asked to testify about his bill SB 167 which is similar in some ways to Meloy's HB 292. He said his bill is to encourage the use of renewable resource systems. He said the approach is different and he felt his allowed greater incentives as it allows direct tax credit from the top of the state income tax owed.

He said this system is used in four other states--his being patterned after the Kansas law. He said there would be a residential credit of up to \$1000 available--40% on first thousand spent (say on a solar system), 20% of next three thousand. He said this could also be used on older homes. It cannot be used for insulation. As yet it doesn't

have an amendment which takes out grant receivers--but he planned to so amend it. Businesses could get up to \$4000 for installing an alternative energy system.

Comparing the two bills he said an individual making \$10,000 would get \$400 worth of tax deducted from his and only \$70 from Meloy's. The fiscal impacts projected were: 1.7 million dollars to .96 million in 1978 and 2.2 million to 1.9 million in 1979.

He said with all the interest in solar energy--which is good--and will continue even without an incentive--but this would give it and other forms of alternative energy a boost. He said there was no incentive program for the individual.

Mr. Sonny Hanson asked who the attesting group would be that would make sure the work was done. Sen. Rasmussen said the Dept. of Revenue.

He said the program would self destruct in 1982--by that time he felt it would no longer be needed.

Chairman Bengtson mentioned that she would like to see insulation added. Sen. Rasmussen said he felt it should be in a separate bill but it could be amended in.

Chairman Bengtson thanked Senator Rasmussen for coming and testifying. She mentioned that Sen. Meloy's bill HB 292 is amended and could be brought to the committee.

She asked the members to look over the bills on weatherization before Saturday morning at 8:30 a.m.

Meeting adjourned at 9:40 a.m.

Respectfully submitted,


ESTHER BENGTON, Chairman