

February 21, 1977

The Natural Resources Committee convened at 7:00 a.m. on February 21, 1977, in Room 437, with Chairman Sheldon presiding and all members present except Representatives Huennekens and Kessler, who were excused.

Chairman Sheldon opened the meeting to a consideration of the following bills:

HOUSE BILL 390

Representative Nathe moved that this bill "do not pass". He said he had been in contact with the Flathead Coalition and the Coalition at present did not need the \$66,000. They felt House Joint Resolution 20 will accomplish the same purpose and they prefer to go that route. Motion carried unanimously with those present (absent being Kessler, Huennekens and Burnett).

HOUSE JOINT RESOLUTION 20

Representative Nathe moved to amend on page 2, line 14, following "state" to strike "and"; and on line 15 following "jurisdictions," to insert "and the Salish-Kootenai confederation,"; and on page 3, line 1, following "county" to insert "and Lincoln County"; and following line 3 to insert "(7) in the Indian community, members of the Salish-Kootenai tribes should be represented."

Representative Bengtson moved the amendments be adopted. Motion carried unanimously with those present (absent Huennekens and Kessler).

Representative Nathe moved House Joint Resolution 20 as so amended be passed. Motion carried unanimously with those present (same absent).

HOUSE JOINT RESOLUTION 75

Representative Bengtson explained this committee bill. Rather than have an edict come down from the state level that energy conservation must be taught this is to encourage it at the local level. She said this was the suggestion of both Mrs. Rice's office and Christiansen's office. Chairman Sheldon asked if there was any way to find out if the districts are working on this--any feedback. Representative Bengtson said no, but offered an amendment which would incorporate this in the bill: page 3, following line 16 to insert "BE IT FURTHER RESOLVED, that the Superintendent of Public Instruction shall monitor the progress of the conservation education program and report to the 1979 Legislature." Representative Bengtson moved the amendment: motion carried (Davis, no, absent same). Representative Bengtson moved that House Joint Resolution 75, as so amended "do pass". Motion carried unanimously. (Absent Huennekens and Kessler).

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HOUSE BILL 430

Representative Bengtson moved that House Bill 430 "do pass" (it had been passed on Saturday and then reconsidered). ERTA has established standards which can be worked into the codes, so no need to put into this bill.

Motion carried unanimously with those present (absent were Representatives Nathe, Curtiss, Burnett, Huennekens and Kessler).

HOUSE BILL 731

This bill was in the Conservation and Public Participation Subcommittee and its Chairman, Representative Bengtson, said they recommend this bill "do not pass". Motion carried unanimously with those present (same absent, as previous bill).

HOUSE BILL 631

This bill was in the Extraction and Conversion Sub-Committee and in the absence of its chairman, Representative Metcalf said the Subcommittee recommends that it do not pass, as a similar bill was passed by the committee. Representative Hurwitz moved the bill "do not pass". Representative Metcalf said the committee felt this bill did not really provide an incentive--it postponed the tax liability. Motion carried unanimously with those present (absent being Huennekens, Nathe, Curtiss, Kessler).

HOUSE BILL 679

Representative Bengtson felt the bill was just permissive. Representative Davis felt it could be the foot in the door for public owned utilities. Representative Harper thought that would be a good foot, as it would help local people decide their own energy future. Representative Burnett felt the bill was not needed that this could already be done. Chairman Sheldon said in the early days, but not now. Representative Davis felt private enterprise were better managers and could produce cheaper energy. Representative Frates mentioned Cody, Wyoming, which has a private utility district and because of its profit has a low mill levy. He felt this should be left up to the community to decide. Representative Quilici said this bill sounds like the old House Bill 80--he felt with a public utility regular employees would go down the tubes and relatives would be hired. He said their metrosewer in Silver Bow County has raised prices every year while the water department run by Anaconda Company is still \$4 a month. Chairman Sheldon said the only thing this adds to the law is alternative energy districts--in Washington and Oregon this has been a success and Montana is only one of two states not to have this kind of legislation. He said the only tax that can be put on property is the interest on the bonds. Representative Hurwitz felt time had been spent arguing needlessly, as this wouldn't have any effect on energy. He said if they came up with a system, they could put into the company lines now.

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Representative Bengtson moved the bill "do pass", and Representative Cooney seconded it. A roll call vote was taken and the motion carried. Voting "no" were: Representatives Burnett, Cox, Curtiss, Davis and Ernst and Hurwitz; absent was Huennekens, Kessler and Nathe. This bill receives "DO PASS" recommendation.

Chairman Sheldon opened the meeting to a hearing on the following bills:

HOUSE BILL 588

REPRESENTATIVE HAL HARPER, District No. 30, the chief sponsor. He said this bill amends the open cut mining act to provide (1) extension of time frames (coincides with Representative Quilici's hard rock mining bill) (2) bonding estimates cost of reclamation; (3) places enforcement in the attorney general's office rather than the county attorney's office.

LEO BERRY, Department of State Lands, spoke in support. He said bonds now collected are very inadequate for reclamation--\$5 to \$6 an acre. He said the county attorney could have a conflict of interest in enforcing the penalties, so it is better placed with the attorney general.

STEVE WILLIAMS, Anaconda Company, spoke as an opponent. He said the purpose of the open cut mining law is not to regulate but to see that mining operations meet the reclamation requirement. He felt this bill would eliminate flexibility for the small mining operations and make miners less competitive with the miners in other states.

LORENE FRANCE, Montana Mining Association, said her group would like to go on record as opposing.

Representative Harper in his rebuttal said this was just an act to make the laws more reasonable with what has to be done.

During questions, Mr. Berry assured the committee this would have no affect on the small miners. He said there had been only one impact statement in four years, and only one job on which the bond would be forfeited.

HOUSE JOINT RESOLUTION 35

REPRESENTATIVE GARY KIMBLE, District 94, the bill's chief sponsor, said this was to affirm the need of a long-range Montana timber supply study and to get the Montana Forest and Conservation Experiment Station to undertake planning investigations.

RICHARD BOURKE, EQC, said the resolution grew out of a study. He said this is an area where there is definitely a lack of information.

PETER JACKSON, Western Trade Association, spoke as a proponent. He said there were 16 mills having problems locating timber to buy. He felt this study was long overdue.

ROBERT N. HELDING, Montana Wood Products Association, left written testimony, EXHIBIT 1.

Representative Huennekens came.

#### HOUSE BILL 703

REPRESENTATIVE HERB HUENNEKENS, District No. 68, the chief sponsor of this bill, said this was an attempt to introduce the recreational use aspect to the leasing of state land, especially state school land. When a piece of state school land came up for bids (usually every ten years) and there were identical bids (bid now would go to the present leasee, if he were one of the bidders--or he would get to match high bid) but under this bill the overriding concept would be the public good. If bidder said he would permit the public use of that land and provide access so he could--he would get the lease. The state would still get the same revenue from the land.

LEO BERRY, Department of St. Lands, said the question is whether recreational use has a value and, if it has a value, the trust fund must be compensated. He said there would be administrative problems with this bill. He opposed the bill.

JEFF DORSEY, Flying D Ranch, Gallatin County, opposed the bill. He felt it would be detrimental to the use of agriculture and the land owners. He felt this bill would open up all state lands to other uses.

M. E. EDDLEMAN, Worden, opposed the bill. He felt it would harness the state with liability; it would be costly as the boundary lines would need to be clearly marked; and it would hurt sportsmen-land owner relationship.

JOHN E. PATTERSON, Patterson Ranch, Custer, spoke next in opposition. He said the Fish & Game as the supervisory agency do not have enough men to cover this--so that will be an extra cost. It will cost to survey, for the liability, to fight fires, garbage pick-up, etc. He also felt some present leasees would not be willing to rent under these conditions and so the school trust fund would suffer.

MONS TEIGEN, Montana Stockgrowers and Montana Woolgrowers, spoke next in opposition. He felt this represents a back door approach to making full recreational use of state lands. He said this is contrary to the Enabling Act and will cause a gross erosion of the trust.

GORDON DARLINGTON, Agricultural Preservation Association, Three Forks, spoke next in opposition. He felt this bill would cause hardship among the leasing ranchers.

PETER JACKSON, WETA, spoke in opposition. He wondered if there shouldn't be a fiscal note with this bill.

JOHN C. BROWN, Buffalo Creek State Grazing District, Worden, spoke in opposition. He said for every dollar the state got in leases under this bill they would spend \$7 or \$8 in administration.

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BOB BIGGERSTAFF, Montana Association of State Coop. Grazing Districts, said they endorse what the rest of the opponents have been saying.

KENNETH VOLDSETH, Martinsdale, spoke next in opposition and a copy of his testimony is EXHIBIT 2.

SPIKE VAN CLEVE, Sweet Grass County Preservation Association, spoke in opposition. He felt the bill would be impracticable and would worsen rancher-sportsmen relations.

Signing as opposing this bill were: DAN A. LEVINE, Levine Land and Cattle Company, Wolf Creek; HARRY BRAINARD, Manhattan; KAREN SMITH, Toston, EXHIBIT 3; JACK SMITH, Toston, EXHIBIT 4; BARBARA Van CLEVE, EXHIBIT 5; WILLIAM J. KLEINSASSER, Milford Colony, Wolf Creek; RAY KRONE, Soap Creek Cattle Company, Augusta; TAG RITTEL, Montana Outfitters and Guides Association, EXHIBIT 6.

REPRESENTATIVE HUENNEKENS in his rebuttal said the case had been vastly overplayed. Competitive bids will be only if both bidders have access to the land and the land will have to be fenced. This will affect only a few sections. He felt the Fish & Game would be well able to take care of it.

During questions, Mr. Dorsey was asked if any of their land was posted and the answer was all of it. He said it has been posted since early days. Representative Harper mentioned that it need not be vehicular travel, access across the land could be limited to foot travel.

#### HOUSE BILL 776

REPRESENTATIVE JOHN VINCENT, District #78, the bill's chief sponsor, said this would create a commission to demonstrate and develop the renewable energy resources. He said we must have the foresight to prepare ourselves for the time when the nonrenewable energy forms are gone. An emphasis of the commission would be to obtain any grants for individuals or groups that are offered in this area. Representative Vincent offered one amendment--of obtaining \$90,000 from the Renewable Resources Act to fund the commission.

KYE COCHRAN, Citizens Advisory Committee on Energy, spoke next as a proponent and a copy of her testimony is EXHIBIT 7.

BOB KIESLING, EIC, Spoke as a proponent. He said the seed money, the \$90,000 could have a multiplier affect of attracting federal funds to be used for renewable research. He said with the change of administration there is a renewed interest in solar and with this bill, Montana would be taking a forward step.

PAT BINNS, representing self, spoke in support. He said the commission would give some type of base to attract federal contracts. He urged the bill be given a "do pass".

GENE PICOTTE, MDU, spoke as an opponent. He said this bill would put the government in business. He requested permission to submit a written summary concerning this.

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JOHN CARL, MPC, spoke as an opponent. He felt renewable energy would provide only a small part of our energy needs for a long time to come. He felt the bill was an attempt to build a plant of some kind in the utility business. He questioned that the commission would not have a utility person on the board.

TOM WINSOR, Montana Chamber of Commerce, spoke as an opponent. He said this bill assumes two things--the private sector is doing nothing in this field and we need the federal government's help to get something done. He said both assumptions are wrong.

REPRESENTATIVE VINCENT in his rebuttal said he had seen no evidence in Montana of private industry picking up the ball on renewable energy development and running with it. He said the time to pick up this ball and run is getting short. He said the \$90,000 would be a positive investment in Montana's future.

During questions Representative Bengtson asked if the money could be taken from the alternative resources program instead of the renewable resources as the latter program was set up to deal with things like land and water and was not intended to be used for an energy program.

Meeting adjourned at 10:05 a.m.

Respectfully submitted,



ARTHUR H. SHELDEN, Chairman

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