

March 11, 1977

The Natural Resources Committee convened at 8:00 a.m. in Room 437 on March 11, 1977, with Chairman Sheldon presiding and all members present, except Representatives Davis and Nathe, who were absent and Representatives Huennekens and Hirsch who were excused for a hearing on the following bills:

SENATE JOINT RESOLUTION 17

SENATOR ED SMITH, Senate District No. 1, said this is a Resolution urging public authorities to seek a distribution point for Montana along any arctic gas pipeline which may be constructed and urging it be constructed along the inland route through Montana. EXHIBIT 1 is a clipping from the Billings Gazette showing one of the possible routes the pipeline might take.

BILL COLDIRON, Montana Power, said this resolution should be of particular interest to the people in Montana as it would coincide with the anticipated cut-off of Canadian gas.

Senator Smith said in closing that originally no outlet was planned for the pipeline before Bismarck. He said if the line crosses Montana we should have an outlet.

During questions Representative Frates asked if this was being done with private capital. The answer was yes by several oil companies.

SENATE BILL 195

SENATOR FLYNN, Senate District No. 48, said this bill changes the park and playground requirements and permits the sale of such dedicated lands. He said the bill has been almost redone. He mentioned the weed problem on the random parcels that are dedicated but not yet improved. He said since people create the need for a park, a park should be based on a density standard -- the bill exempts subdivisions consisting of an acre or over plots from the park provision.

CLIFF CHRISTIAN, Montana Association of Realtors, spoke in support. He said the cash in lieu of is a form of blackmail. He mentioned a case where the money was spent in the city rather than in or near the subdivision. He handed in testimony on surveys completed on dedicated park lands for Ravalli and Yellowstone Counties, EXHIBIT 2.

JIM RICHARDS, DCA, said he could support the bill with some very important amendments added. He said the 500 square feet proposed for dedication per living unit is not much more than a token and would cause the park dedication to dry up. He felt a compromise could be found.

DEAN ZENNICKER, Montana Association of Counties, said he supported the concept although he wasn't sure about the figures. He recommended more local flexibility to meet needs of the local community rather than fix standards statewide.

DENIS VOGT, Montana Association of Planners and Lewis and Clark Area-wide Planning Organization Board, opposed the bill. A copy of his testimony is EXHIBIT 3.

SENATOR CHET BLAYLOCK spoke in opposition. He said he had people in his community that were disturbed about this bill. He urged the committee to look carefully and consider the amendments. He mentioned Central Park in New York City and said at the time it was dedicated it probably also had weeds and now is a beautiful sight for all to enjoy. He said our dedicated land could in the years to come also be much appreciated. He said his city of Laurel would get 2.9 acres under the present law--1.63 acres under Senate Bill 195. He also questioned exempting all lots over one acre--he asked what happens if people start dividing their one acre plots. The density could get quite high.

DAN MIZNER, Montana League of Cities and Towns, spoke in opposition. He felt the bill should be amended to increase the amount dedicated and that the acreage should be more than one acre before exempting.

Senator Flynn said the overall zoning will keep the one acre lots from being able to divide. He said people who have an acre have their own park. He felt parks should be subsidized with a general obligation bond as they are in cities.

Representative Frates asked how long the law on park dedication has been on the books. Senator Flynn thought 1973. He said he wasn't against parks but he felt we should concentrate on places where we need parks. He said he'd be happy to work with the sub-committee to make it more workable.

Representative Frates questioned the date as he had subdivided over 20 years ago and had to dedicate land for a park then.

Chairman Sheldon said there has been some kind of park dedication on the books since 1917 and it was picked up and put in the subdivision law in 1973. He said the 1917 law used the 1/9 formula. It was also mentioned a supreme court case upheld the constitutionality of requiring dedicated park land.

Chairman Sheldon announced this bill would be put with the other subdivision bills in that subcommittee.

SENATE BILL 314

SENATOR TOM HAGER, Senate District No. 30, as chief sponsor of this bill said the bill changes the method of filling vacancies on the Environmental Quality Council. He said this just says they shall be appointed in the same way as the original appointment, rather than appointed by the remaining members of the council as the law now states. He said this could lead to a geographical or a political unbalance on the Council.

There were no other proponents or opponents.

SENATE JOINT RESOLUTION 22

SENATOR TOM HAGER, Senate District No. 30, as chief sponsor of this bill said it was to encourage the exploration for natural gas by deregulating the price of new natural gas. He mentioned the filler flats they use in their egg business which are manufactured at a plant in Indiana and in January this plant closed because of the lack of natural gas. He said for the most part we weren't affected this past winter like the people in the East, but our time could be coming. He said this isn't a bill to help out Montana Power as the drilling would be done by wildcatters and so would help them.

DON ALLEN, Montana Petroleum Association, said they rise in support of the bill. He said controls have been on since 1954 and so has kept the price artificially low and this is why we are where we are today. He urged the approval of this resolution.

TOM WINSOR, Montana Chamber of Commerce, said they wanted to go on record as supporting this resolution.

Senator Hager said gas wells are short term wells--they peak early and drop off so you are always having to go find new wells. He said Montana deposits are not that great, we would never have enough to produce for the rest of the country. He said the reason for the January 1, 1975 date is that is the date on the two bills going through Congress at this time on deregulation.

During questions, Representative Hurwitz mentioned the gas could go to \$3.50 to \$4.00. Mr. Allen mentioned the taxes are based on value and also being a producing state, we have something going for us.

SENATE JOINT RESOLUTION 17

Representative Hurwitz moved that Senate Joint Resolution 17 be concurred in. Representative Cox seconded the motion. Representative Metcalf asked if in an emergency they might also use this line for shipping our gas out. Question was called and motion carried unanimously with those present (absent were Nathe, Davis, Huennekens and Hirsch).

SENATE BILL 314

Representative Metcalf moved that Senate Bill 314 be CONCURRED IN. Motion carried unanimously with those present (absent same as above bill).

SENATE JOINT RESOLUTION 22

Representative Ernst mentioned a stock feeding plant in Hardin which had to close its doors because MDU removed its industrial customers, and they couldn't afford the capital investment of putting in a different system. He felt if more gas had been available, even at a higher price, they would have been able to continue.

Representative Burnett moved that Senate Joint Resolution 22 be CONCURRED IN and Representative Curtiss seconded the motion.

Representative Metcalf said he felt the system is wrong as it keeps the price of new gas down--perhaps it should be higher or at least as high as the old. He had only one reservation--when anything goes up it usually doesn't come down again.

Representative Kessler said we must get away from expecting gas to drop--our days of cheap energy are gone.

Representative Hurwitz mentioned the deregulation would be on new gas only. Representative Quilici mentioned it was a matter of economics--when the price was right they would drill.

Question was called. Motion carried unanimously with those present (Absent same).

Meeting adjourned at 9:15 a.m.

Respectfully submitted,


ARTHUR H. SHELDEN, Chairman

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