

March 29, 1977

The Natural Resources Committee convened at 8 a.m. on March 29, 1977, in room 437, with Chairman Shelden presiding and all members present except Rep. Huennekens who was excused and Rep. Quilici who was absent.

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

HJR 94 REP. MIKE COONEY, Dist. No. 83, the bill's chief sponsor, said 94 Representatives had signed this resolution. He passed copies of a newspaper article telling about MHD, a copy of which is exhibit 1. He said this is a resolution to show state support for MHD (magnetohydrodynamic). He said 86 million dollars have been earmarked by congress for this process. He said MHD is a very clean method to get more energy out of coal and uses only a small amount of water in comparison to other conversion projects. He said Jim Murry, Ex. Sec. of the AFL-CIO wished to go on record as supporting the bill.

SB 167 SENATOR TOM RASMUSSEN, Dist. 16, the bill's chief sponsor, said we do have an energy problem which is getting worse. He said SB 167 is designed to encourage development of renewable energy projects. He said what the bill does is to allow direct income tax credit to be used toward the cost of a renewable energy project and it applies to both residences and businesses. Twenty percent of the first \$1000 of cost can be claimed and 10% of the next \$3000 for a total of \$500 for a residence. He said it is designed to end in 1982 as by then the business will be competitive (as the cost of fossil fuels rise) and won't need a tax incentive. He said a practical side effect will be in the job area as a lot of work will be created for tradesmen. He mentioned there is a company in Great Falls marketing solar; and also Bridgeport, Texas, is building a solar plant to supply the total needs of the city. He said solar is not a pie in the sky but available now and all we need to do is to help it along a little bit.

JAMES W. MURRY, Ex. Sec. of the AFL-CIO, spoke next in support and a copy of his testimony is exhibit 2.

TORIANN DONAHOE, EIC, spoke in support. She said it only makes good sense that Montana should develop sources of renewable energy. SB 167 says the most effective way of developing resources is by making it economical for those who are interested. She urged favorable recommendation for the bill.

In closing Sen. Rasmussen said Mr. Tom Winsor, MT Chamber of Commerce, had planned to testify as a proponent and also Mr. Larry Gerke, Great Falls Gas Company. He said they were unable to be here because of the blizzard. Sen. Rasmussen said New Mexico passed a similar law in 1975 only more liberal (25% up to \$1000) and they had 21 claims the first year amounting to \$9700, and expect 100 to 150 claims this year

amounting to \$60,000 to \$80,000. In regard to the fiscal note--he said it is off. Amendments in the Senate cut the percentages in half and judging from New Mexico's application experience there won't be as many as the fiscal note expects. He said the New Mexico director said the law was easy to administer. Sen. Rasmussen said if congress had acted years ago and subsidized the renewable resources as they did the nonrenewable fuels we would not be facing the crisis we are today. He said there is a provision in the bill if the federal government enacts tax incentive legislation ours will be cut back. He said in both MEAC and CACE there are recommendations for just this kind of legislation.

During questions Senator Rasmussen said if grants are received it would be deducted from the cost bill. He said a solar system costs about \$3000.

Rep. Bengtson mentioned this bill had been studied by the Conservation and Public Participation Subcommittee along with a similar one by Rep. Meloy, which bill passed the House. She said Meloy's bill also included weatherization and asked the Senator why his didn't. Senator Rasmussen said his bill dealt with one subject--solar--and he felt his bill had stronger incentives than Rep. Meloy's.

HOUSE JOINT RESOLUTION 94

Rep. Curtiss moved that it Do Pass. Motion carried unanimously with those present. Reps. Huennekens and Quilici were absent.

SENATE BILL 167

Rep. Metcalf moved Be Concurred In. The feeling was this bill could be reconciled with Rep. Meloy's in a conference committee if both made it through the two houses. Motion carried unanimously with those present (absent Quilici and Huennekens).

SENATE BILL 247

Rep. Davis moved the bill Be Concurred In. Rep. Frates moved a substitute motion of Be Not Concurred In.

Rep. Harper said there is a distinction here--between the Montana taxpayer and the consumer since a lot of the power produced will go out of state. Rep. Metcalf said if the monitoring isn't paid for by the company it will have to come from the Montana taxpayer.

Rep. Curtiss asked if the large amount of money for an EIS wouldn't have a dampening effect on the companies and so on jobs available. Rep. Frates responded they aren't that big a supplier of jobs for the resources being used. Rep. Burnett said this portrays an anti-business image. He said he opposed the substitute motion.

Question was called and a roll call vote taken on the substitute motion. The motion carried with the following voting no: Burnett, Cox, Curtiss, Davis, Ernst, Hirsch, Hurwitz; Rep. Quilici absent; and Rep. Huennekens had left a vote asking that it be cast against the bill.

SENATE BILL 173

This bill had been considered and discussed on Thursday, March 24, and two amendments had been adopted--that it be a willing seller and removing the use of condemnation for development rights.

Rep. Curtiss moved Be Not Concurred In. She said the Fish and Game can already do what this bill authorizes them to do.

Rep. Davis said this talks of mandating 10% of their moneys for this particular purpose. He said since they can acquire development rights now--can't see the logic of mandating them to do this. Rep. Harper questioned just where this privilege was in the law--he feared it might be hazy. Rep. Metcalf said there were no opponents to the bill and Wes Woodgerd of the Fish and Game was a proponent. Rep. Nathe questioned whether the Fish and Game had development rights.

Since Senator Jergeson was present he was asked if he would like to respond. He said there is great concern about Fish and Game buying up ranches outright and they wanted to see if there was some way to get away from that. He said the Fish and Game didn't ask for the bill.

Chairman Shelden asked if they could do this under the Conservation Easement Act. Sen. Jergeson said they could--but probably won't unless they are told. Chairman Shelden asked the Senator if he saw this bill as forcing the F & G to use 10% of their money for this purpose. The Senator said yes. Rep. Kessler asked if they envision a law like this being used for access sites. Senator Jergeson said \$60,000 won't go too far.

The question was called and a roll call vote taken. The motion carried with the following voting no: Shelden, Harper, Cooney, Kessler, Metcalf, Nathe; Rep. Frates abstained and Rep. Huennekens and Quilici were absent.

SENATE BILL 268

Rep. Burnett moved on page 1, line 21, to strike "propose,". This was the suggested amendment from the Wyoming Mineral Corp. He also moved to strike "propose," on line 14. Motion carried with Quilici and Huennekens absent. After further discussion Rep. Hurwitz moved the bill be passed for the day. Motion failed. Rep. Burnett moved the agency initiate rule making within 60 days and necessary funds be provided. This was also a Wyoming Mineral Corp. amendment. Rep. Nathe felt this could get the agency involved unnecessarily with the federal people on nuclear regulations. Rep. Metcalf said the rules have to be in by April 1, 1978, anyway. It was also mentioned that the Health Dept. had testified that their rules were drafted and ready to go just waiting to be compared with the federal regulations. Rep. Hirsch felt this could cause unnecessary duplication and expressed his opposition to the amendment. The motion failed with Reps. Curtiss and Burnett voting yes, and Quilici and Huennekens absent.

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Rep. Davis moved the first amendment be reconsidered. He said the "propose," on line 14 of page 1 should remain as it has a different meaning. This motion carried with Reps. Burnett and Curtiss voting no. Rep. Metcalf moved to remove the "propose," from line 21. This motion carried. Rep. Burnett moved Be Concurred In as amended and the motion carried unanimously with those present (Quilici and Huennekens absent).

Meeting adjourned at 9:45 a.m.

Respectfully submitted,


ARTHUR H. SHELDEN, Chairman

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