

THE MINUTES OF THE NATURAL RESOURCES COMMITTEE
JANUARY 28, 1981

The House Natural Resources Committee met in Room 437 in the Capitol Building on January 28, 1981, Wednesday, at 12:30 p.m. with CHAIRMAN DENNIS IVERSON presiding and eighteen members present.

CHAIRMAN IVERSON opened the hearing on HB 397.

HOUSE BILL 397 REP. KATHLEEN MCBRIDE, chief sponsor, presented the bill together with some amendments, attached as Exhibit 1. This bill provides for the lease of water projects under the control of the Department of Natural Resources for hydroelectric development. There currently is no guidance for leasing of hydroelectric developments. The department would have a preliminary investigation of the lease. The board would then solicit additional applications. The board then holds a hearing and within a certain time must accept an application.

Speaking as a proponent of the bill was LEO BERRY, Director of the Department of Natural Resources. His department would like to have the legislative guidance as to issuing a lease. It could assist the agency.

ANN WILSNACK, representing A. E. R. O., spoke in favor of the bill also. Felt it would be a good idea for the department to have the necessary guidance in this area.

There were no OPPONENTS.

REP. MCBRIDE closed on the bill.

During questions from the committee, REP. BERTELSEN asked if REP. MCBRIDE was familiar with SB 229. She said yes and that it is possible the two bills will mesh.

REP. SALES questioned whether there are existing dams to apply this to. MR. BERRY mentioned the state owned dam at Toston as well as a number of others in the state that have the same capabilities.

GARY FRITZ stated that the department hires consultants to determine feasibility.

REP. SALES asked if the department then goes out looking for applicants. MR. BERRY said there is nothing in the law that provides for that.

REP. CURTISS said Vigilante Electric was interested in one of these projects and had applied for a permit. Will they be given preference? MR. FRITZ replied no preference is given but they could match the other bids.

REP. CURTISS then asked if Vigilante Electric would be reimbursed for the costs of filing the application. MR. FRITZ replied he felt the company would not be reimbursed. Both the department and Vigilante Electric applied for the permit. The department owns the facility and therefore has the permit. They are now putting together the necessary forms to receive the final permit.

REP. CURTISS asked who will apply for the permits. Will other people or just the department? MR. FRITZ said the permit will be held by the department as owner of the property and the project. The license would be held by the state.

REP. CURTISS asked if the same engineering firm did the work for both the department and Vigilante Electric. MR. FRITZ replied that he was not aware of an engineering firm hired by the electric company.

MR. BERRY said this bill provides for leasing. If it is feasible after studying, then the department will go ahead.

The hearing closed on HB 397 and opened on HB 398.

HOUSE BILL 398 REP. JOE QUILICI, chief sponsor, presented this bill which would generally revise the alternative energy grant program. REP. QUILICI stressed that he is not opposing the program but feels it needs some oversight. He feels there should be a legislative committee to oversee these grants. There must be a way to find out if the program is successful or not and which projects work and which ones do not. REP. QUILICI said he would not object to amending the bill, if necessary.

There were no other proponents.

Speaking as an opponent was LEO BERRY, Director of the Department of Natural Resources. He could understand the concerns regarding the program. Stated that there are two advisory councils that do make recommendations on the grants. He has a problem with a legislative committee overseeing the administration of the department.

JOAN MILES of E. I. C. spoke against the bill saying it would be redundant. There are already advisory councils and the department seems to follow the oversight of these councils. She felt it is mixing the executive and legislative branches. Monitoring of the grants is being done. Also felt the E. Q. C. has better expertise in reviewing these. Under the existing language in this bill, grants would not be funded for educational projects that are being done now.

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MARGARET MACDONALD, representing the Northern Plains Resource Council, reaffirmed MS. MILES' testimony stating that the advisory councils do what the E. Q. C. cannot do.

ANN WILSNACK of A. E. R. O. was concerned about eliminating the educational aspects of the grants.

REP. MCBRIDE, who is a member of the advisory council on alternative energy, expressed her major concern with the bill. It is page 2, lines 17 through 22 which uses language which eliminates the education and awareness raising possibilities.

REP. QUILICI closed on the bill saying he has no objections to some amendments. He certainly supports the educational programs in schools and felt that with proper amendments, we could get a better handle on this.

During questions from the committee, REP. HARP asked MS. WILSNACK exactly what she does with the funds she gets from the program. She replied the funds are used to educate the people of Montana about renewable energy. Do a great deal in the school system educating the kids. Also provide demonstrations because when people see the effects, they know that it really works.

MS. MACDONALD explained that her group would like to see alternative forms of energy used on farms and ranches. They help to provide information and technology to people who can use it. They use a travelling program to distribute the information.

REP. MUELLER asked if section 3 could be omitted. REP. QUILICI replied that without that section, you don't have the legislative oversight.

REP. ROTH stated she felt most Montana farmers are pretty progressive. MS. MACDONALD said the farmers do not have time to go all over looking at various projects to see what has been done. It is better to take the programs to them.

REP. NEUMAN asked if the councils have the power to give out the funds. REP. MCBRIDE said it is an advisory council and most of its time is spent reviewing the grants.

REP. SHELDEN asked how the councils can keep up with the program because it is moving so fast. Companies are using solar equipment now. Is this reducing the need for certain grants? BILL GOSNELL of the Department of Energy replied that conservation is definitely in the form of alternative energy type programs.

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MR. GOSNELL said there are presently three small scale hydro-electric projects used as demonstrations so people can see the concept in use.

REP. BURNETT asked if the department is continuing to make grants. MR. BERRY said there are 177 proposed grants that will be funded by a budget amendment.

The hearing closed on HB 398.

EXECUTIVE SESSION HOUSE BILL 195 REP. BERTELSEN moved DO PASS and REP. MUELLER seconded. REP. CURTISS moved DO PASS on four amendments. REP. BERTELSEN seconded.

Under discussion, REP. BERTELSEN asked what kind of form is needed and where would people get it. REP. CURTISS explained that the permits are obtained from the Forest Service and that the problem is with individuals.

REP. NORDTVEDT opposed the fourth amendment which allows for law enforcement officers to stop vehicles carrying trees for the purpose of verifying ownership. This gives the police power to stop vehicles for the purpose of search.

REP. QUILICI asked if the police would stop groups such as service organizations that cut several trees at one time. Perhaps these individuals would not have the proper forms or information needed by that amendment.

REP. CURTISS withdrew her original motion to pass on all four amendments and moved DO PASS on the other three. Seconded and PASSED with REPS. BROWN and NORDTVEDT opposing.

REP. ASAY moved DO NOT PASS on amendment four. A substitute motion of DO PASS presented by REP. BURNETT failed.

A motion of DO PASS AS AMENDED passed unanimously.

HOUSE BILL 277 REP. NORDTVEDT moved DO PASS on the proposed amendments. REP. HARP moved DO NOT PASS on the Montco amendment. It was seconded and PASSED unanimously.

REP. MUELLER moved that page 1, line 16 be amended after "continues" to read "following the service of notice of the violation" and DO PASS. It was seconded and PASSED with REP. KEEDY opposing.

REP. MUELLER moved HB 277 receive a DO PASS AS AMENDED. REP. SHELLEN seconded and it PASSED unanimously.

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SENATE BILL 62 REP. SALES moved DO PASS. It was seconded and PASSED unanimously.

HOUSE BILL 373 DEBBIE SCHMIDT, researcher, explained the amendments including some submitted by REP. BURNETT. He felt this position of permit facilitator could be handled by the Lieutenant Governor or his office.

REP. SHELDEN stated the intent of this bill is to create the office of permit facilitator and not to say who will be in charge of the position.

REP. BERTELSEN moved DO PASS on amendment three dealing with defining "permit".

Motion on amendments 1, 2, 4, 5, 6, and 7 by REP BURNETT to DO PASS. Seconded and REPS. BURNETT, CURTISS, SALES, ABRAMS, and HARP in favor and REPS. IVERSON, MUELLER, NORDTVEDT, ASAY, BERTELSEN, ROTH, COZZENS, QUILICI, HUENNEKENS, KEEDY, SHELDEN, BROWN, NEUMAN, and HART opposing. Motion failed.


Motion made to change page 1, line 11 "shall" to "may".
Seconded and passed with REPS. KEEDY and BURNETT opposing.

Motion to DO PASS AS AMENDED made and seconded. REPS. HART and NEUMAN felt it added another layer to the bureaucracy. REP. HUENNEKENS thought new, small operators could use this type of help in applying for permits. REP. BERTELSEN said big companies are familiar with the process but small operators have a lot of problems.

The motion of DO PASS on the bill failed with REPS. BURNETT, CURTISS, SALES, MUELLER, NORDTVEDT, ASAY, HARP, ROTH, COZZENS, KEEDY, BROWN, voting against and REPS. IVERSON, BERTELSEN, HUENNEKENS, SHELDEN, ABRAMS, NEUMAN, and HART in favor.

The meeting adjourned at 3:00 p.m.

Respectfully submitted,


DENNIS IVERSON, CHAIRMAN

Ellen Engstedt, Secretary

VISITORS' REGISTER

HOUSE NATURAL RESOURCES COMMITTEE

ILL	398
NSOR	QUILICI

Date 1/28/81

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Amend HB 397

1. Page 4, line 2.

Following: "makes"

Strike: "an"

Insert: " a preliminary"

2. Page 4, line 9.

Following: "preliminary"

Strike: "investigations"

Insert: "examination"

3. Page 5, line 2.

Following: line 1

Strike: "annual"

4. Page 5, line 10.

Following: "board"

Strike: "may"

Insert: "shall within 180 days following the conclusion of the
bid acceptance period"

Following: "or"

Strike: "may"

Insert: "shall"

5. Page 5, line 15.

Following: "adequate"

Strike: "annual"

Insert: "royalty"

6. Page 5, line 20.

Following: "pay"

Strike: "an annual"

Insert: "a"

7. Page 6, line 1.

Following: "the"

Strike: "annual"