

MINUTES OF MEETING OF NATURAL RESOURCES SUBCOMMITTEE ON HB 718
MARCH 10, 1981

The Subcommittee on House Bill 718 met on Tuesday, March 10, 1981, in Room 437 of the Capitol Building, at 6:00 p.m. Present were CHAIRMAN BROWN, REPS. MUELLER, HARP, KEEDY, and IVERSON. Also present were Legislative Council staff members DEBBIE SCHMIDT and JIM OPPEDAHL. There were also representatives of several companies and cities. They were ED BARTLETT, Anaconda Company; GEORGE JOHNSTON, ASARCO; GEORGE BENNETT, ASARCO; WARD SHANAHAN, Stillwater PGM; LLOYD CRIPPEN, Anaconda/ARCO; BILL STERNHAGEN, Northwest Mining Association; CONRAD FREDRICKS, Sweet Grass County; REP. ORVAL ELLISON; JAMES TULLEY, Big Timber Schools; STEVE DOHERTY, Northern Plains; and, BOB GANNON, Montana Power Company.

CHAIRMAN BROWN outlined the guidelines to be used by the committee and the major areas needing resolution. See Exhibit 1.

He explained that the governor would have the choice of four people from eight names, and, in addition, one at-large member for the impact board. He further explained that all areas involved are pertinent to the problems to be addressed.

REP. KEEDY asked if there would be a political balance. MS. SCHMIDT replied that there is a subsection stating that there would be three of each party. No more than three could be chosen from the same party.

CHAIRMAN BROWN said to refer to subsection 5.

Discussion then turned to including city members on the board as well as representatives of the county. JAMES TULLEY of the Big Timber School Board said that the jurisdictions of schools seldom match up with city representations. He further asked if a vacancy would occur on the board if a trustee term is three years and the board term is four. MS. SCHMIDT replied that one of the qualifications is that one must be an elected official. CHAIRMAN BROWN said the governor would then appoint someone to fill the vacancy.

REP. KEEDY asked if this board representation runs the risk of leaving out the city people.

CONRAD FREDRICKS mentioned that subsection 6 deals with the qualifications for board members.

REP. MUELLER moved that subsection 6 as it appears on the amendment (Exhibit 2) be adopted. Also to include the five-member board to be appointed by the governor. The motion PASSED.

The committee referred to the chart, attached as Exhibit 3. Decided to continue through the bill one section at a time.

MR. FREDRICKS stated that "facilities" would be buildings rather than people who would be providing services.

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REP. MUELLER moved that in "Ellison's Revised Draft" (Exhibit 4), Section 2, the words "facilities and" be added. Motion PASSED.

REP. KEEDY asked if everyone who submits a plan is included in this act.

MR. BARTLETT said they want to avoid having the small miner's getting into this act. Therefore, they want the stipulation that construction will employ more than 100 people.

REP. ELLISON objected to the use of the average annual rate.

REP. KEEDY suggested that on the ASARCO amendment (Exhibit 5) Page 4, line 7 the committee could strike "average annual basis" through "and which will create a substantial adverse impact on existing state, county, or local government". MR. SHANAHAN suggested using "will employ at any given time".

REP. MUELLER moved that the language on Page 4, line 7 (original bill) read "will employ at any given time at least 100 people...".

CHAIRMAN BROWN moved that any reference to bonding or bonds be removed.

REP. KEEDY further moved that in Section 7 of the "Revised Draft" the language read "grants shall be awarded to local government units on the basis of: (a) need; (b) degree of severity of impact from mineral development; (c) availability of funds; (d) degree of local effort in meeting its needs. The motion PASSED.

REP. KEEDY moved that Section 7 (2) read that the board may not provide bonding to local government units. Again, reference to bonding should be removed.

REP. ELLISON said if prepayment of taxes is used, the average mill levy is the center of the bill. When mill levy drops below the average, they would recover on prepayment of taxes.

REP. HARP said different counties have different priorities so it is difficult to compare.

Discussion centered on Section 10 shown in Exhibit 6 dealing with language describing local government units. REP. KEEDY stated that he did not agree that local governments should be the only ones who could object. REP. IVERSON said the public would have the right to petition local governing unit and then proceed on to the board.

REP. BROWN said the "Revised Draft" ties the permit system and the board together. Time period for beginning the development begins

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when the permit is filed. MR. SHANAHAN said the plan and the permit application are submitted at the same time. Then, the one-year time frame begins.

MR. TULLEY said the plan is submitted prior to getting the permit. The demand for the facilities is immediate. He said he also realized that the school is not needed before the people arrive.

STEVE DOHERTY of Northern Plains asked what the triggering mechanism is for the penalty provision. MS. SCHMIDT said a determination of what is compliance must be made. Referring to the penalty provision amendment (Exhibit 7) it was mentioned that the language "to the extent required to reflect...10(1)(c)" be stricken and insert "according to the provisions of Section 10". Also stricken should be "county" and inserted "local government unit".

REP. KEEDY stated that the use of "knowingly" should also be stricken. MR. SHANAHAN disagreed.

CHAIRMAN BROWN asked who has the authority to close down a company for noncompliance. APA negotiations could take up to two years. If so, does the board shut down the company but without receiving impact funding. The county could end up waiting. He felt there is a need to require payment up front.

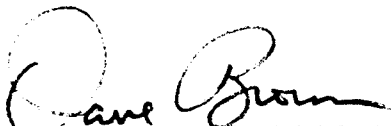
MR. SHANAHAN had drafted a new paragraph into the Large Scale Mineral Act. MR. OPPEDAHL said that is written for Colstrip and coal mining.

CHAIRMAN BROWN asked if it is possible to credit back to the county where the impact actually is located.

MR. BARTLETT said his company would like a partial credit for pre-payment and then some later on.

The meeting adjourned at 8:00 p.m.

Respectfully submitted,



DAVE BROWN, CHAIRMAN

Ellen Engstedt, Secretary