

MINUTES OF THE MEETING OF THE NATURAL RESOURCES COMMITTEE
MARCH 20, 1981

The House Natural Resources Committee convened in Room 437 of the Capitol Building on Friday, March 20, 1981, at 1:00 p.m. with CHAIRMAN DENNIS IVERSON presiding and eighteen members present.

EXECUTIVE SESSION HOUSE BILL 718 REP. BROWN presented the committee with the results of subcommittee action on HB 718. See attached Exhibit 1, second draft of a gray bill.

REP. BROWN explained the draft section by section. The first section deals with the composition of the Hard-Rock Mining Impact Board. He also described the procedure to be used when a vacancy occurs.

The second section deals with adding "facilities and" to include schools and other public buildings. In section 3 local government unit is expanded to include political subdivisions. This would then include towns which are non-incorporated.

Section 4 details when the board meets and how the costs of staff will be met. DEBBIE SCHMIDT, staff researcher, said there will have to be an appropriations bill to receive funding. Operations are basically under the Administrative Procedures Act.

Section 7 describes the procedure and time frame used for application of a permit and granting thereof. The language indicates what must be included in the plan.

JIM OPPEDAHL, staff researcher, used Exhibit 2 to explain section 9 which deals with tax prepayment. It states that a development will prepay taxes in an amount equal to at least three times the estimated property taxes due before the facility commences work. It then has five years to receive credit. When a new school facility is needed, the trustees of the district and the industry get together and work out a payment guaranty of principal and interest on bonds needed to construct the school. The county would guaranty the bonds for the company.

Under section 11, REP. BROWN indicated this will not tamper with existing law except to define large scale mineral development.

MS. SCHMIDT said in section 12 the subcommittee felt the granting of the permit should not be tied to the approval of the plan.

REP. BROWN moved that the amendments be approved so the committee could consider the redraft of the original bill.

REP. HUENNEKENS brought up the fact that on page 15, line 14 omits reference to 40 mills and the 6 mill levy language. He further stated that 40 mills is set as the taxable value. That means this is dealing with a state law. The 40 mills must be handled.

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REP. NORDTVEDT said the effective reduction on the taxable value should apply only to voted mill levy and local levy. REP. BROWN said the original language did deal with the 40 and 6 mills.

REP. NORDTVEDT then moved to reinsert the language that would include the 40 mills and the 6 mills. The motion passed.

The motion of REP. BROWN on the redraft PASSED.

REP. MUELLER moved DO PASS AS AMENDED on the bill.

REP. KEEDY stated that he felt the committee should have time to study the bill and not take executive action today.

REP. MUELLER withdrew his motion on that basis.

SENATE BILL 367 REP. HARP moved BE CONCURRED IN.

REP. HUENNEKENS felt this is a special interest bill because Shell Oil Company is the only company to be affected. He felt there are two different subjects being dealt with and not just coal export.

The motion PASSED with REPS. ASAY, HUENNEKENS, and SHELDEN opposing.

SENATE JOINT RESOLUTION 5 REP. MUELLER moved BE CONCURRED IN. He said he felt the project is cost effective and that it will be the least expensive in the end. The four new generators are already being built.

REP. NEUMAN asked what value the resolution has.

REP. MUELLER felt that it may have some effect on Congress indicating that Montana is interested in this type of project.

REP. HUENNEKENS questioned doing this if the generators are already being built. REP. CURTISS replied that the title refers to the additional generators and the reregulation dam. The generators cannot be used unless the reregulation is done. Our Congressional delegation is split on this issue and the resolution might provide the final push to unite them also.

REP. SHELDEN provided the committee with a letter from the Corps of Engineers regarding the project. See Exhibit 3.

He further stated that it is possible to use the four additional generating units without the reregulation dam.

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REP. BROWN moved that SJR 5 be TABLED. The motion PASSED with REPS. BURNETT, CURTISS, SALES, MUELLER, HARP, ROTH, and COZZENS opposing.

The meeting adjourned at 2:30 p.m.

Respectfully submitted,



DENNIS IVERSON, CHAIRMAN

Ellen Engstedt, Secretary