

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS  
SUBCOMMITTEE ON NATURAL RESOURCES  
January 30, 1981

The meeting was called to order by CHAIRMAN STOBIE on January 30, 1981 at 8:00 a.m. in room 431 of the Capitol. Roll call was taken with all members present but REPRESENTATIVE HEMSTED.

STATE LANDS HEARING was the agenda: (EXHIBIT A)

GARETH MOON, COMMISSIONER OF STATE LANDS, covered the responsibilities of this department and touched on the key problems and introduced the three division administrators. Those divisions are Land Administration, Centralized Services and Reclamation.

The primary function of State Lands is to be responsible for the administration of the school trust lands, and this amounts to about 5,000,000 acres and to administer Montana's reclamation laws.

The LAND ADMINISTRATION DIVISION is charged with the appraisal and reclassification under the multiple use concept. They adjust carrying capacities and cropcheck agricultural tracts for productivity to attempt to expand land resource developments, to insure the land's highest and best use. The income that comes from these lands are used by the state's public schools.

CENTRALIZED SERVICES is responsible for the bookkeeping, payroll, mineral and surface leasing and budgetary function. The difference between the Centralized Service Division in State Lands and in other departments, is that this department handles so much money, and keeping track of \$40,000,000 annually in receipts.

RECLAMATION DIVISION handles all the service disturbances and carries out five acts that involve the Hard Rock Mining, and Strip Mining.

STATE LAND RECOMMENDATIONS (EXHIBIT B).

MR. MOON reviewed some of the key problems they have run into, first mentioning CENTRALIZED SERVICES and the number of leases and permits that they put out. It has gone up about 3,000 in the last year with only two girls to do the work.

We are asking for an increase of \$20,000 per year for payment in lieu of taxes, that will bring the increases in taxes from \$215,000 to \$235,000 per year. State law requires payment in full.

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS Page 2  
SUBCOMMITTEE ON NATURAL RESOURCES  
January 30, 1981

The 8 new FTE team are working on the Northern Powder Rive environmental impact statement team. The team is federally funded and stops when federal and private funds stop. These positions require \$254,105 and \$263,621 in fiscal 1982 and 1983 for FTEs, and additional operating expenses of \$99,224 and \$94,807 in respective fiscal years.

In Land Administration, they have only five men to check land. It is impossible for these men to check all the leased land. Some of it is being checked once in 20 years. We have, therefore, asked for five additional men, he said. The feeling that the forestry division can compliment lands leads us to believe that forestry and lands should be put together. It was Mr. Moon's opinion that if ten men were placed stratigically over the state and compliment it with forestry staff, it will actually cut costs and summertime help can be cut out completely.

The one FTE working on processing state water rights application should be completed in FY 1982.

In reference to questions, Mr. Moon stated that all of the men checking leases have either been raised on a farm or taken training in college. The corporate farms were the ones they felt needed to be checked on more often. These men put in many summertime hours so that in the winter their hours are used to check out what the farmers have sent in and in helping the farmer get ready for spring work. Most of the leases are crop share, but they have some cash leases.

Most of their complaints regarding land come from neighbors, but mining complaints are usually regarding laws being forced on them. The typical leases for state land is 10 years. In case of land abuse the case is taken to the Commission and the land can be taken from the leasee. They are also looking into the farmer having a release from the lease in case of drought or such.

In regard to exchanges and sales of state lands, they are getting pressure from the U. S. Forest Service for exchanges because they are putting vast acres of wilderness into blocks, and next to some of these are state section of forest land.

MR. ERBE stated that they have a land grazing plan and have qualified men working on this problem with BLM using aereal photographs.

THE RESOURCE DEVELOPMENT program was explained that as long as they are guaranteed a return, they will share in the expense of improvements.

Under the RECLAMATION PROGRAM, (EXHIBIT C), they have just one hard rock mine reclamation inspector. Because of the increase in gold, silver and other precious minerals, another inspector is needed.

Because of the anticipated problems involving the mining of coal, they have already been authorized an attorney. If any group petitions regarding the mining of some land, they have already been authorized an attorney. They have two attorneys, one with Reclamation and one with Central Services.

Since the purpose of the land is to make money for the schools, they mine or whatever will produce the most money.

The budget in Reclamation is travel oriented since that is the basis of this program. Reclamation has an office in Billings. They have put the people where the work is.

BOB ROBINSON stated that the LFA budget was built with an inflation factor without the extra programs in consideration. He, therefore, felt that their budget is inadequate.

MR. ROBINSON stated that Senate Bill 62 affected the 02173 earmarked revenue account. The LAF recommended \$60,000 per year, and they have a balance of over \$1000,000 at the end of FY81. This would have been enough, but S.B. 62 has eliminated the earmarking on the coal portion of the 02173 and puts it into the general fund wo the only remaining funds will be for the hard rock mining.

JOHN OSBORNE questioned if the Legislative Auditor will be making a charge against them for audits. MR. ROBINSON said that this will be added to the budget in a line item.

MR. ERBE stated that their base was short and the budget was based on that. They did not have the full staff allowed them as they lost two people at a critical time.

There was also a question whether the 5 FTE means four range inspectors and one appraiser above the 5 FTEs currently on staff, or does it mean that the 5 FTEs include the range inspector and appraiser. Mr. MOON stated that if they have to eliminate an FTE they could do without a range inspector.

Regarding the five additional FTEs, Mr. MOON stated that in getting 5 additional people on the staff, it would reduce the area to travel, thus costing less in travel since they would be located in various areas. It will cost \$150,000 to hire these five FTEs, but by eliminating so much travel they will come out ahead in a long run.

JIM WILLIAMS, Budget Analyst, stated that when their budget was put together, they decided since revenues come from the state school lands, that the earmarked funds were appropriate to fund these five positions.

A question was asked regarding rent cost per square feet on the building on 11th Street. The answer was that they have 10,000 square feet of space they are paying \$5 for, and have 2800 square feet they are paying \$6 for, and storage of 600 square feet at \$3.45.

Regarding revenues in 1980, they collected 69.8 million dollars; in 1979, 35.6 million dollars, and in 1981 48 million dollars will go to local school foundation programs. The income on revenues is shown on page 5 & 6 in the statistical report (EXHIBIT D).

MR. KURT BADEFY approached the committee in regards to an appropriation the Bureau of Mines has been asking for this for 5 years. The request is for a geological hazardous area that is a fault with possible movement that is 80 miles long and 15 miles wide from Hardin to Broadview. Mr. Badefy stated that he is a former geologist and feels it is his duty in requesting the Montana State Mines and Geology to ask for funds to publish this report that has been completed for 5 years. (EXHIBIT E)

REPRESENTATIVE SMITH suggested Mr. Badefy see Sid Groff. State Lands representatives said they did not feel this was in their department since they do not deal in making maps.

The meeting was called into EXECUTIVE SESSION:

BUSINESS REGULATIONS:  
MILK CONTROL DIVISION:

Both budgets recommend 9 FTEs. The difference in operation funds is due to inflation. It was suggested that the assistant administrator be cut.

REPRESENTATIVE MANUEL MOVED that the assistant administrator's position be eliminated. Question was called. All voted DO PASS.

Because there is duplication of the butterfat testing between Department of Business Regulation and Department of Livestock, the following motion was made.

REPRESENTATIVE COZZENS made a MOTION to eliminate the milk butterfat testing FTE from the Department of Business Regulations and the testing be done only by the Department of Livestock. The test reports will be forwarded back to the milk control board. Question was asked. All voted DO PASS except REPRESENTATIVE MANUEL.

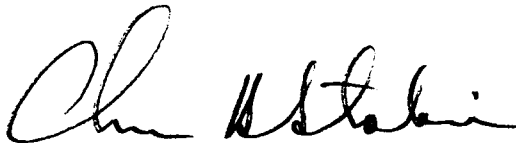
REPRESENTATIVE HEMSTED made a MOTION to adopt the LFA recommendation for the milk control program. MOTION PASSED.

The Subcommittee reviewed the Plant Industry Division of the Department of Agriculture (EXHIBIT B). The department has requested cars for the inspectors, thus the comparison study for the decision of the subcommittee.

OBPP figured 5 new FTEs would have to be taken out.

MOTION was made by REPRESENTATIVE MANUEL to adopt the subcommittee's recommendations for 1982 and 1983. ALL VOTED DO PASS.

Motion was made that the meeting adjourn at 11:45.



CHRIS STOBIE, CHAIRMAN

(A)

NAME C. P. Smith BILL No. \_\_\_\_\_

ADDRESS Lands Dept DATE \_\_\_\_\_

WHOM DO YOU REPRESENT Lands Dept

SUPPORT  OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: my budget

DEPARTMENT OF STATE LANDS

The Department of State Lands' primary functions are to administer the lands granted to the state for the support and benefit of the various state educational institutions and to administer Montana's reclamation laws.

The DEPARTMENT OF STATE LANDS has three divisions for which responsibilities are delegated. Those divisions are Land Administration, Centralized Services and Reclamation.

The LAND ADMINISTRATION DIVISION is charged with the appraisal and reclassification of all state-owned lands under the multiple use concept. Field evaluations are made on the 4.6 million acres of state-owned lands to adjust carrying capacities, to cropcheck agricultural tracts for productivity, to expand land resource developments for the lands highest and best use and to enhance public relationships with private lessees and otherwise look after the state's interest.

None used by Dept excepts temporary in Resource Div. Schools

The RESOURCE DEVELOPMENT BUREAU (under the Land Administration Division) is charged with administering a program legislatively created for the purpose of improving and developing state land in order to increase revenue from the lands. The bureau works with state lessees to develop and implement projects which will increase revenue for both the less and state's schools.

The RECLAMATION DIVISION <sup>State & private land</sup> regulates all mining-related surface disturbances in the state of Montana. The division has three bureaus which administer the Montana Strip Mining and Reclamation Act, the Montana Open Cut Mining Act, the Strip Mined Coal Conservation Act, the Hard Rock Mining Law and the Strip Mine Siting Act. Those bureaus are the HARD ROCK BUREAU, the OPEN CUT BUREAU, and the COAL AND URANIUM BUREAU. These bureaus have the responsibility of protecting Montana's environment and still providing the services that industry and the public demand. The bureaus enforce provisions of these laws and monitor operations to assure that reclamation commitments are fulfilled. Law enforcement

The CENTRALIZED SERVICES DIVISION provides the necessary administrative services in support of other division programs. The division administers the budgetary functions, accounting and bookkeeping functions, payroll, mineral and surface leasing, and records management responsibilities.

diff. Mining back ground

entering 40mm paper with plan calls.

Libby  
Cabe  
B. ce 3  
Jan  
Jan  
B. some

Most of work of these 3 divisions go on as usual. We are having some problems and I'd like to talk to those issues. Short time here

Centralized Services

1. The number of state leases have gone from <sup>up about 3000</sup> as little as 2000 (2,189) in 1979 to over 9,000 (9,658) this year. In 2 years! Primarily due to renewed interest in oil and gas development and metal prices. Can't keep up without one additional clerk typist.

2. State payment in lieu of taxes to counties in which state owns more than 6% of total will increase from \$215,000 to \$235,000 per year. State law requires payment be made in full. Need increase of 20,000 per year for this item.

See 6160

3. We have 8 FTE team who are working on the Northern Powder River environmental impact statement. Team authorized by budget amendment. All <sup>Company +</sup> federally funded and stops (believe me) when federal funds stop. These positions require \$254,105 and \$263,621 in fiscal 1982 and 1983 for FTE's and additional operating expenses of \$99,224 and \$94,807 in respective fiscal years.

E.I.S.  
82500

See 2900

State Lands

1. We are just not doing job of administration and supervision. We have 5 men who handle over 5 million acres of state-owned land. This is barely custodialship. The trouble as I see it is we are going down hill in our production because of poor agricultural practices and noncompliance with leases on about 4/5 of the land. With 5 men, we can check land once in every 10 to 20 years. (How would you like to lease your farm on that basis?) Obviously, we must do better than this so we have recommended 5 additional FTE's to work in this area.



*Expenditure clear*

*Submit*

*What is the*

2. In Resource Development Program, we have an FTE working on processing state water rights applications. This work should be completed in FY 1982 when he completes review of the contractor work and submits the applications.

*What you pay report to do*

3. It has been the past practices of the legislature to include \$220,000 each year in this budget to provide funds for production improvement on state lease land. This money comes from a special account using only state lease moneys. The amount should be adequate for this biennium.

*Paul's farm boys  
Second grade  
State*

Reclamation Program

1. Most of this program is financed with federal funds. As far as I know there is no intention or plans to eventually put these people on general fund moneys. But to do the job required by state and federal laws, 3 new FTE's are needed for this program.

*What you*

Two of these people have been working for us by contract. Federal strip mine reclamation funds are paying the bill.

*What you*

Can't do this work without vehicle and related equipment so more than \$22,000 is recommended each year for that purpose.

*What you*

2. Recent increase in gold, silver and other precious minerals has required another hard rock mine reclamation inspector. In this business one man can just do so much work - he's responsible for ensuring compliance with state reclamation and mine waste standards. If we don't have the men, we just reduce mining - bad all way around. (We don't reduce standards)

- 2. attorney - public Hearing -
  - dictated by law - Petition concerning
  - Retention OR hire - 2 are one need outdoors
  - Federal laws - Fed Reg. -
  - Fed have already allocated this money to us
  - increase in law enforcement

603 Dist

Cool

The recommendation also includes \$220,000 each year as has been the past practice to provide funds for productive improvements on state lease land. The department spent only \$97,116 in this area in fiscal 1980. Past legislatures have authorized \$220,000 per year in order to allow ample funds to meet all reasonable improvement requests.

This program is funded entirely from the income derived from state leases.

NAME BRACE HAYDEN BILL No. \_\_\_\_\_  
ADDRESS Dept State Lands, Capitol Station DATE 1/30/81  
WHOM DO YOU REPRESENT \_\_\_\_\_  
SUPPORT ✓ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Title: Administrator Reclamation Division, Dept State Lands

NAME John W. Osborne BILL No. \_\_\_\_\_  
ADDRESS Helena DATE \_\_\_\_\_  
WHOM DO YOU REPRESENT State Lands  
SUPPORT  OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*Administrator, Centralized Services*

NAME WILBUR ERISE BILL No. \_\_\_\_\_  
ADDRESS DEPT. STATE LANDS DATE 1-22-91  
WHOM DO YOU REPRESENT STATE LANDS  
SUPPORT  OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

T 412 ADMINISTRATION, LAND DIVISION

DEPARTMENT OF STATE LANDS

Reclamation Division -- Travel Costs

Line item 2400 on page 281 of the Department's budget comparison sheet indicates substantial differences between the OBPP recommendations and the LFA recommendations for Reclamation Division travel. For FY 82, the LFA's recommendation is \$40,512 below that of the OBPP and for FY 83, the LFA's recommendation is \$55,898 lower. Given the increased responsibility of the Reclamation Division, the Department believes that such costs would severely hamper its ability to implement Montana's various mined land reclamation programs.

The Reclamation Division is heavily travel oriented. Its staff simply cannot do their jobs sitting behind a desk. Existing and proposed mine areas must be inspected for the Montana reclamation program to be effective and the staff is continually asked to go into the field to advise and assist representatives of the mining industry with mine planning problems.

More than inflation has driven up the Reclamation Division's travel costs. New travel intensive programs have been added as a result of the Department's administration of the Federal Surface Mining Act including programs for Abandoned Mine Land Reclamation, Designation of Lands Unsuitable for Mining, and Small Operators Assistance. These programs, which are all 100% federally funded, were in their development stages during FY 80 and 81 but are planned to grow considerably during FY 82 and 83. Travel costs associated with the Abandoned Mine Land Reclamation Program are especially important as the Department must oversee rehabilitation projects that in total will exceed \$6,000,000 per year.

Another reason for the increase in the Reclamation Division's travel costs is the increase in hard rock mining applications being processed. Exploration activity, especially for gold, is higher today in Montana than it has been in many years. Several major new hard rock mines have recently been permitted by the Department as well as numerous smaller ones. In addition, large new proposals are planned for the coming biennium, most notably in the Stillwater Complex west of Billings. The Department's ability to respond to the permit needs of the mining industry requires frequent field visits to such project sites.

Mont. Basin State  
Appropriations

NAME Kirk Badgley BILL No. 11  
ADDRESS 2615 Treasure Building DATE 1-29-81  
WHOM DO YOU REPRESENT Consulting Geologist  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

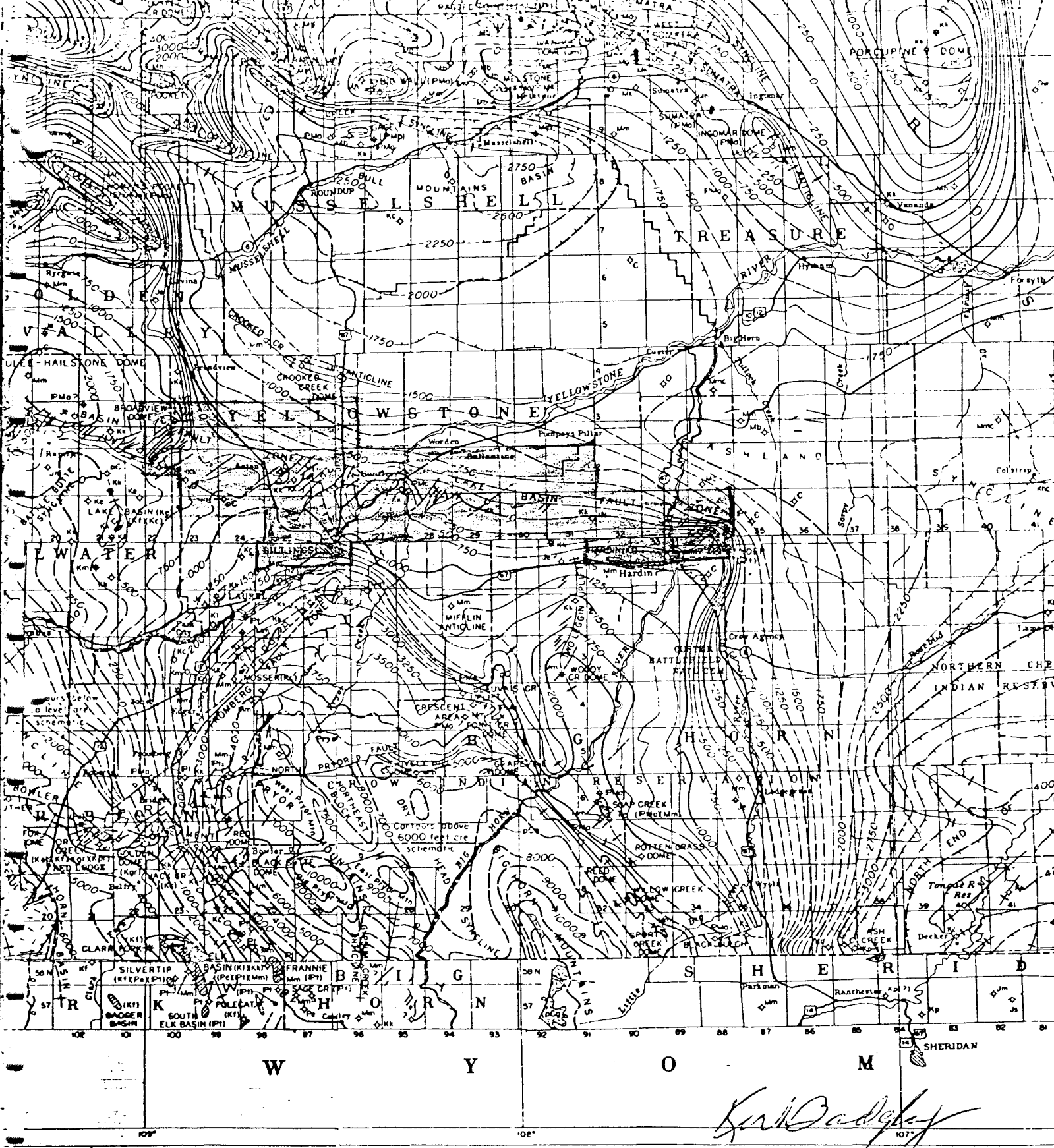
Petition State Funds or Material Resources Subcommittee on appropriations to consider:

Providing financial support to Montana Bureau of Mines & Geology for publication of a geologic report entitled:

Geology of the Lake Basin Fault Zone, by Kirk Badgley, completed in 1955 - updated to 1975.

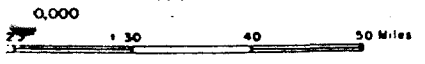
The last geologic map of this geologically hazardous area in our most populous county, Yellowstone, was done in 1920.

The MBMG director, since 1970 has claimed lack of funds to publish this highly essential report. Respectfully,  
Kirk Badgley



OF THE MONTANA PLAINS

E. Erdmann



TH REVISIONS IN 1935 AND 1946



