

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 7, 1981

The thirty-eighth meeting of the Senate Finance and Claims Committee met in room 108 on the above date. The meeting was called to order by Senator Himsl, Chairman at 8:14 a.m. Roll Call was taken and all members were present except Senator Thomas.

CONSIDERATION OF HOUSE BILL 542: Representative Ellison, House District 13, and chief sponsor of the bill explained House Bill 542 as a bill that requests an appropriation from the renewable resource fund to match \$46,350 of Federal money to implement a ground and surface water study in the Stillwater complex area in the Stillwater, Sweetgrass counties along the Absorkee Beartooth Wilderness area. Dr. Groff has been working with the Secretary of Interior to get their support for the study because of the proposed mineral development in the area. Last year he got the approval. In a cooperative effort with the USGS. The reason it is important is it gets the program off the ground in this biennium. We are assured we have funds in the next biennium if we do, and that the federal funds won't be cut. There is funds in the Bureau of Mines to continue with the study over the biennium. It is a highly sensitive environment area.

There were no proponents, no opponents, and Senator Himsl asked if there were questions from the committee.

Senator Regan: You made reference that it would assure continuing funding in the following biennium. In the '83, '84? Ellison: No. '82, '83. Our biennium ends in July. We could get this and get federal monies with this for the next fiscal year.

Senator Regan: What happens if the Feds don't come through? Ellison: Dr. Groff has been in contact with them and they say if the project is under way in this biennium they won't be cut. The reason is the plutonium, chromium, pladium and nickol. The federal government is exceedingly interested in the area since it is the only large area of planinum-pladium in the U.S.A. Dr. Groff has to use some money before Dec.1 or it will revert.

Senator Jacobson: How does it tie into the money we appropriate for ground water studies in the area? Ellison: That money will be used in the Federal Government fiscal year.

Senator Regan: If the money for the appropriation is here immediately upon passage we are appropriating approximately \$28,000 of money just so they can get started in July. Ellison: We do have to get started before September.

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Ellison: Those in House Bill 500 have received a tentative committment of matching funds for after September. This will take him from the present to September 1 and get the program started in this fiscal year.

Senator Himsl: The water studies in the other bill--do they take in the same area? Ellison: Yes. Dr. Groff does the other work along with the cooperative work of the federal so that it is done and he doesn't have to go back over the same area. It will take about 4 years to finish this study.

Senator Regan: What is the total we are looking at in this. It looks like a out of \$148,000.

Senator Smith: North of Scobey they killed fish and a lot of things. This should be done before they start mining.

Senator Keating: The Hydrology study--isn't it a part of the EIS to be done by industry before they start the project?

Ellison: It will work in conjunction with it. In our EIS (Invironmental Impact Statement) they don't have to cover that much area. This is the base line data to determine the federal testing of the ground water outside the mining area so that it is not to deteriorate. People are very jumpy about this area. It is true that some of this information can be used in conjunction with the EIS from industry, and will be.

Senator Dover: How much of this will be used by DNR and those when they get into this area? Is this something that will be an overlap? Ellison: DNR contracts with the Bureau of Mines to do it.

Senator Story: I don't think you have to worry about the ground water being duplication. If any of you were at Dr. Groff's meeting and went through his push--North Dakota and the Canadian provinces they are already studied. The other people have theirs done. We are only about 1/3 through in this state.

Senator Himsl declared the hearing closed.

DISPOSITION OF HOUSE BILL 542: Motion by Senator Dover that House Bill 542 be CONCURRED IN.

Senator Regan: We are putting up \$28,000 from the renewable resource fund. It is still money. This is for 10 weeks. It is just a 10 week head start. As of July 1 the other monies become available. I really don't know why this much as a head start.

Senator Story: The answer is the \$28,000 will get us \$46,000 The other will get us other additional monies. The USGS already wants certain things done. For our own State plan we have to

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get more information. In working with the federal projects he gets the state ones done and then does not have to go back and do it again for the state.

SUBSTITUTE MOTION by Senator Regan to appropriate only in the event it is matched by the Federal \$46,000. That it be appropriated on a contingency depending on the match. I would ask that this be worked out in the bill.

Voted, pass. Senator Smith voted no.

Senator Dover moved the bill be CONCURRED IN AS AMENDED.
Voted, passed. Senator Regan voting no.

DISPOSITION OF HOUSE BILL 766: Senator Hims1 explained that this is the Butte bill. It provides that some of the metal mines 25% tax would be put in the earmarked revenue fund to help local governments in the towns affected. It would reduce the general fund by about \$1 1/2 million a year. It would be put into the local governments that have the sites where the metal mines exist. It would be other places besides Butte.

MOTION by Senator Regan that House Bill 776 be concurred in.

Senator Dover: What is the difference between metal mines and hard rock mines. The difference in mining. Why two boards to pass it out?

Senator Stimatz: As you recollect, Senator Towe specifically exempts the mining in Butte area to get it passed. Ultimately they may be doing the same thing. This bill did apply to what is in. The other only addressed what is coming in. There are others, Troy and Anaconda are two.

Senator Aklestad: I guess what bothers me--I understand and sympathize with what has happened. I wonder why not more concern before? The same people pushing for this are the ones probably already knocking the company. They had a strike every two or three years, pushing for all the standard for clean air etc. I can sympathize with the situation there but can not sympathize enough to vote for this bill.

Senator Jacobson: I think we have to remember that we have learned by the mistakes. We are trying to go back and help from whatever happened two years ago. We are saying we have already recognized that there is a problem and we are not going to get into the same problem and now we are asking you to come back and help us.

Senator Smith: The older ones are not contributing to the fund and are exempt from the bills passed yesterday.

Senator Himsl: This is a separate tax.

Senator Story: This isn't dealing with closures as much as simple fluxuations. It gets a little tough on cattle men or anything else. This is not figuring a new tax, we just have to tighten the belt.

Senator Himsl: This is not a new tax. It is a redistribution of an existing tax. The city would share.

Senator Johnson: In Butte and Anaconda. They never believed it would happen that way, that they would pull out. They are devastated. We have to do something to help them. They don't have any bucks to work with.

Senator Boylan: Is this direct relief or what? Community re-development, or what?

Senator Stimatz: The bill provides, they will make application for a grant from the board and they decide. The application would have to have some long lasting merit. They have to apply to the mining board to get the grant.

• Senator Keating: What we are talking about is using tax money to return to the community that has an economic hardship. Glasgo: The packing plant at Billings, these were also economic hardships on our way of life. There are a number of programs we have supported to alleviate hardships. None have worked and I don't think they will.

Senator Haffey: To explain living in a community dominated by one industry. The predominant attitude is not anti-company.

Senator Aklestad: When did it change?

Senator Haffey: I don't know where you get this. The prominent attitude is to make a labor attuned artery and do what you can to have the company make the work a little less hazardous to people. Don't go too far and say labor has destroyed the company. In our area they have gone so far as to be benevolent in a dictatorial kind of way. They can give and they can take away. A smelter goes out of existence when they don't make the changes necessary. A harder line union could have contributed, possibly with regard to this board. All it would do is be able to decide where a grant could be made to Lincoln or Silver Bow to redevelop its economic future. There is a clear difference between this and a packing plant. They did not nourish the state since 1927.

Senator Boylan: Virginia City, the old gold mines; Marysville with 4,000 people; Trail Creek, it is history. That is the way it goes.

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Senator Jacobson: Something Representative Harrington said-- 95% of this money came out of Butte and right into the general fund and all we are asking is a little bit back.


Senator Smith: I know they have a problem. The state has accumulated about \$43 million out of the tax on copper over a period of years we have continually had a higher fund go to the Butte operation. In some years we have contributed \$1 million out of the General fund, also there were strikes and welfare for the people of Butte. If we continue to go like this the state of Montana will be in some problems.

Senator Aklestad: For example, this is a isolated area and a lot of people are involved, but the automobile industry is scattered all over Montana. They are in just as bad a state.

Question was called, the vote to CONCUR in House Bill 776 failed.

The meeting was adjourned at 8:50 A.m.

The next meeting will be at 8 a.m. tomorrow.



SENATOR HIMSL, CHAIRMAN

4-0

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

47th LEGISLATIVE SESSION - - 1981 Date 5/7

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart	/		
Senator Story	✓		
Senator Aklestad	✓		
Senator Nelson	✓		
Senator Smith	✓		
Senator Dover	✓		
Senator Johnson	✓		
Senator Keating	✓		
Senator Boylan	✓		
Senator Regan	✓		
Senator Thomas			
Senator Stimatz	✓		
Senator Van Valkenburg	✓		
Senator Haffey			
Senator Jacobson	✓		
Senator Himsl	✓		

SENATE COMMITTEE

FINANCE AND CLAIMS

Date

4/7

Bill No.

542

Time

5:36

NAME	YES	NO	ABSENT	EXCUSED
Senator Etchart	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Senator Story	<input checked="" type="checkbox"/>			
Senator Aklestad	<input checked="" type="checkbox"/>			
Senator Nelson	<input checked="" type="checkbox"/>			
Senator Smith	<input checked="" type="checkbox"/>			
Senator Dover	<input checked="" type="checkbox"/>			
Senator Johnson	<input checked="" type="checkbox"/>			
Senator Keating	<input checked="" type="checkbox"/>			
Senator Boylan	<input checked="" type="checkbox"/>			
Senator Regan				
Senator Thomas			<input checked="" type="checkbox"/>	
Senator Stimatz	<input checked="" type="checkbox"/>			
Senator Van Valkenburg	<input checked="" type="checkbox"/>			
Senator Haffey			<input checked="" type="checkbox"/>	
Senator Jacobson	<input checked="" type="checkbox"/>			
Senator Himsl	<input checked="" type="checkbox"/>			

Sylvia Kinsey
Secretary

Senator Himsl
Chairman

Motion:

Roll callStimatz

STANDING COMMITTEE REPORT

April 7 1981

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 776

(Hims1)

Respectfully report as follows: That House Bill No. 776

Y/c.

BE NOT CONCURRED IN

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STANDING COMMITTEE REPORT

April 7

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MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 542

(Stimatz)

Respectfully report as follows: That House Bill No. 542, third reading bill, be amended as follows:

1. Title, line 9.
Following: "COUNTIES;"
Insert: "PROVIDING THAT THE APPROPRIATION IS CONTINGENT UPON RECEIPT OF FEDERAL MATCHING FUNDS;"
2. Page 1, line 12.
Following: "Appropriation"
Insert: "contingency"
Following: "Appropriation."
Insert: "(1)"
3. Page 1, line 19.
Following: line 18
Insert: "(2) This appropriation is made contingent upon the receipt of \$46,000 in federal matching funds."

And, as so amended,

BE CONCURRED IN

XXXXX
DO PASS

House Bill 542, blue third reading bill, be amended as follows:

1. Title, line 9.

Following: "COUNTIES;"

Insert: "PROVIDING THAT THE APPROPRIATION IS CONTINGENT UPON RECEIPT
OF FEDERAL MATCHING FUNDS;"

2. Page 1, line 12.

Following: "Appropriation"

Insert : "contingency

Following: "Appropriation ."

Insert (1)

3. Page 1, line 19.

Following: line 18

Insert: "(2) This appropriation is made contingent upon the receipt
of \$46,000 in federal matching funds."

And, as so amended,

BE CONCURRED IN

Statement of Intent for HB 776

A Statement of Intent is required because of the rulemaking authority granted to the Metal Mines Board created by HB 776. Section 5, subsection (2) provides that the board shall adopt rules governing its proceedings. It is the intent of the legislature in adopting this act that the Metal Mines Board will adopt rules that specify the manner in which applications are to be processed and heard before the Board, the definitions of need and economic impact, and the exact process of awarding grants and providing for their administration.