

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 17, 1981

The 47th meeting of the Senate Finance and Claims Committee met in room 108 of the State Capitol on the above date. Roll call was taken with all members present except Senators Stimatz and Van Valkenburg. The meeting was called to order by Chairman, Senator Hims1 at 8:17 a.m.

CONSIDERATION OF HOUSE BILL 261: Representative Ernst, Dist. 47, Superior, said this bill is an act to appropriate \$203,000 to Fish, Wildlife and Parks for Akley Lake. He said the state has had the park since 1938 and there is no sanitation or drinking water there. The lake is used a lot for water skiing fishing, etc. He said \$101,000 funding was switched to the Resource Indemnity fund and the other is from the old BOR fund from the Federal Government.

Representative Shultz, District 48, Lewistown, spoke as a proponent of the bill. He said it is closer to Hobson and Utica but people from Lewistown use it a lot. The cost of gasoline is going to stop a lot of people from coming to Holter and Canyon Ferry and they need to develop this area to have boating facilities.

Ron Holliday, Administrator of the parks Division of Fish, Wildlife and Parks said the dam itself is operated by the Natural Resources and the water users. Last year over 8,000 people used this lake for recreational use. The operation of the dam would remain there and the recreation would be transferred to our department. President Reagan said not to fund BOR money. The president suggested \$100,000,000 for federal land use and they may not go along with it.

There were no further proponents, no opponents, and the Chairman asked if there were questions from the committee.

Senator Keating: The source of the fund is renewable resources and you are not sure there will be federal funds. I am not that familiar with the renewable resource funding. We had a bill through here a couple of days ago that took a lot of money from a lot of projects. Were they in this form also? Will this reduce that balance?

Senator Hims1: This project was included in that summary we had the other day.

Senator Boylan: Why didn't they put it in 709? Hims1: Some of these came in as separate bills. Instead of going into that group, it was suggested by the administration that these be separate.

Senator Boylan: Have any of these been subjected to additional amounts from DNR?

Senator Haffey: In the Long Range Building Program, the Parks

program. Did we deal with Akley Lake in some respect? Holliday: It was funded in LRB so you have heard it before and the original funding was for Resource Indemnity Trust and the House changed it to Renewable Resource funding. It started out as another funding source.

In closing, Representative Ernst said that Senator Dover would be one of our proponents.

Senator Hims1 declared the hearing on House Bill 261 closed.

CONSIDERATION OF HOUSE BILL 460: Representative Conn, Flathead, said this is a reappropriation for Lone Pine State Park. It was given in 1941, dedicated in 1950. Basically no funds have gone into it. It is a large resource to the state of Montana. The liability is high because of the lack of development. Mr. Sam Bibler will donate land on Foy's lake to make an access to the lake.

Ron Holliday, Administrator of the Parks Division, said in 1941 it was given to the state of Montana. It is potentially valuable. It has received no attention from the state and has no facilities. We are unable to protect it from motorcycles, drug parties, etc. There have been two deaths there in the last 2 years. We just can't ignore this problem any longer. We show more ground swell of public attitude to help with the park. The result of the study was that people felt strongly that it should be developed. No legislation was introduced last session. In March of last year I addressed a group in Kalispell that said we couldn't go along with the way it was done. The Rotary group took hold of it. There is 700 feet of shore land on Foy's Lake worth \$140,000. The 1980 land and water appropriation was started. If the federal money is forthcoming it will be developed, and if not, it will revert.

There were no further proponents, no opponents, and the Chairman asked if there were questions from the committee.

Senator Jacobson: Is this project on that list? Hims1: Yes. Originally it was a grant and was given to another project in the area and the development of a park called Lawrence Park. They could not make it and that is why these funds were available for reappropriation.

Senator Johnson: How many dollars are there in the Renewable Resource fund? Ans: \$4million, 68+ thousand.

Senator Keating: Mr. Bibler and the Rotary's contributed, has there been any other civic support for the project? Conn: The Chamber of Commerce and others are backing it up. We get good support on these projects.

Senator Hims1: The value of this contribution that Mr. Bibler and Harrington made, the individual appraisal was between \$140 and \$150,000.

Senator Keating: Mr. Bibler and Harington are oil men. They do their fair share for the state of Montana. I would hate to have them penalized by our tax laws.

Senator Hims1: He is a workaholic. When he took charge of the Conrad mansion he really made it work.

DISPOSITION OF HOUSE BILL 261: Motion by Senator Dover that House Bill 261 be concurred in. Voted, unanimous of those present. Senator Dover to carry the bill.

DISPOSITION OF HOUSE BILL 460: Motion by Senator Dover that House Bill 460 be concurred in. Voted, unanimous of those present. Senator Hims1 to carry the bill.

CONSIDERATION OF HOUSE BILL 871: Representative Moore, Chief sponsor of House Bill 871 said that House Bill 550 of the previous Legislative Assembly 2 1/2% of the Coal Tax money is for Capitol Building projects and other cultural asthetics projects. 2/3 park aquisition and the Parks are allowed a date they are to present their plans to the LRB. The 2/3 was set aside for parks and the same procedure is true. We took all the Parks proposals and had hearings and the best design, which by our judgment and formulations used, the best buys out of the money available.

Representative Moore gave the formula and the reasons for the choices made by the LRB.

Robert Vandevere spoke in favor of the section of the bill which had chosen Spring Meadow Lake in the Helena area as a choice.

There were no further proponents, no opponents, and the Chairman asked if there were questions from the committee.

Senator Keating: I would like to know about the coal tax fund. Is the percentage of the coal tax set aside for this purpose?

Moore: In House Bill 550 of the last Legislative session it set up 2 1/2% of the coal tax and only used for this purpose.

Senator Keating: What is the share of the fund? Moore: Park portion \$110,000, cultural and asthetics, \$28,000 cash and assets. Since this was the first time we had tried this we did give them some guidelines. Real estate people are involved in these projects. The parks Department will require an appraisal with each one coming in and they are reviewed with the appraisals there.

Senator Dover: How many acres in the Eagle River project. There is 3 miles of river shore. Dover: Doden: 200 acres.

Senator Dover: How far from the city? Moore: Right on the edge of the city. There is 20 some acres and water.

Senator Smith: I have a question in regard to Spring Meadow. I was out there taking a look at it. If it is purchased, what additional cost will it be to haul in earth to get the grass to grow, etc.? Moore: The county has written a letter that they will put in a road. The Audibon Society will take care of 100% of the fund raising to put into the area. Trout Unlimited have dedicated the time and money to improve the area.

Senator Keating: I know that we are defending our coal tax to the utmost and it will possibly not be reduced, but if we are giving away \$1 1/2 million and keeping \$150,000 in reserve and something should happen that we would have to give back a lot of money, then what happens? Moore: Not with this money. These monies are dedicated to a trust fund for this purpose.

Senator Keating: We are talking about giving all this money away and we will be short when it has to be paid back. Bob Robinson, LFA: This is taxes that are collected. The trust is in doubt. The trust fund will have a balance 6 and \$9 million in the trust fund over the next biennium. Moore: This is interest money only.

Senator Story: Is there a way for water to come into this? Robinson: It is spring fed and it goes out to Ten Mile Creek. Vandevere: There are 7 springs in it. There are arms coming into the lake and is areated by the springs and the fish don't get muddy. The pools in the back are spawning bools.

Senator Dover: Is this money just for purchase or is some of it for improvement? Moore: Purchase. Improvement and maintenance is not in this.

Senator Dover: How much is the purchase? Moore: These monies are the purchase price.

Senator Dover: That is \$5,000 an acre. Is it worth that? Moore: The land and the surrounding land at one time they were going to build a bunch of High-Rise condominiums out there. We will try to keep the land and preserve it.

Senator Keating: This land is privately owned? Al Dourgherty: I represent the owner. Mr. Reber. Ron Holliday could tell you more about it. We have been dealing with him.

Senator Keating: Do you know what the tax rate is on this land? Dougherty: I can't answer that. The Spring Meadow Property is one of the few that had an appraisal and was confirmed.

Senator Keating: It is subject to county tax now and if it becomes state property there will be no county tax collected on it. Moore: The county commissioners were the foremost ram-rods for the park.

Holliday: We have obviously zeroed in on some of the weak places. We will have more detail for next year. As far as these three properties are concerned, the Legislature is well covered on the Engle property; whichever is less--no problem there. Doeden Island property there is no appraisal, and it seems reasonable with this road thrown in. In this particular property, in March of last year an MAI appraisal said the fair market value was \$268,000. That was revised by a Highway appraisal and the difference between that and the \$300,000 is the amount the owner wanted for the appreciation value.

Senator Keating: I am concerned that the fact that the state is acquiring more and more acreage. We have about 40% of the state in a non-tax base. The more land that is taken out of the private sector, the more land is taken out of the tax base to the county.

Senator Smith: I guess this will be a comment. We should drive out and look at the property. It is an abandoned gravel pit. It was purchased to put condominiums on and the water table was too high. Some of the questions that Senator Keating is talking about is something we should take a good look at.

Senator Aklestad: I agree with what was said here. I disagree that the land has appreciated. Some land has come down, not up.

Senator Johnson: I share the concerns. If we lose the coal tax and have to pay the money back. If we appropriate money for a lobbyist to keep the money and then throw it away on something we may be sorry for, it isn't right.

Senator Himsl: This money is only the interest of the portion that goes into trust. Furthermore, it is earmarked for these particular purposes. Right now that is what we are committed to.

Senator Story: I agree with the thrust of the bill. In some small areas where a lot of recreation and a lot of people can enjoy it. It is the opposite of Wild Horse Island and some of the big sites. This is a good example of a good bill. It is a few acres instead of trying to buy up game ranges, etc.

Senator Etchart: I agree with Senator Story. These developments make sense economically and let a lot of people enjoy them.

Senator Thomas: I think when the committee heard these, there was a lot of public interest for it. We tried to balance it off. We are lacking in the Eastern part of the state and we put some there. There was nothing in the center of the state. The committee was trying to be fair in the distribution of the lands. A great deal of public opinion was involved. The coal tax, if it should get cut in 1/2 we just won't be able to buy next time. If federal legislation is passed, we won't

have to revert money to it. If the Supreme rules against us, we will just take the interest from this and return it for what was used in the past. It is no problem here.

Senator Smith: This is a very small part of it. It would take 50 years to make the interest used for other purposes. If the Supreme Court ruled against Montana, we will have to re-examine everything.

Senator Thomas: We will still have money coming in and may not be able to get lands for another 4 years. We are not jeopardizing general fund here. This is just a percentage of the tax.

Senator Smith: My concern is if there is a pay back. If that was a chance. What would we do while paying it back?

Senator Aklestad: Had there been an appraisal of any of the properties? Moore: Spring Meadow was the last year appraisal at \$268,000 by MIA. Engle River Bottom is going to be appraised. A road of about \$35,000 and the amount seems reasonable in that area.

Senator Smith: Where are the funds coming for for upkeep of these parks? Holliday: The law sets aside money for the aquisition, maintenance, etc. In House Bill 500 there is an amount of--in the neighborhood of \$25,000 for the "winners of this project".

Senator Himsl: Is there any consideration that the users of the parks somehow contribute services or something? We are getting so many parks, it is getting to be a problem. Is there any consideration given to exploring that possibility in other areas? Lone Pine Park will do it.

Holliday: Yes, we have. We have raised camping site fees and are looking at the use of day-use fees, etc. Moore: These were picked on the basis of input from local communities. They intend to contribute help developing it. That was one of the criteria of the picked areas. Those that did not intend to contribute local support we put aside.

Senator Himsl declared the hearing closed.

The hearing was closed and Senator Himsl said the committee would meet Monday morning at 9 a.m.

Senator Himsl, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 4-17-81

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	✓		

STANDING COMMITTEE REPORT

April 28 17

19 81

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 261

(Dover)

Respectfully report as follows: That House Bill No. 261

He
BE CONCURRED IN

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~~DO PASS~~

STANDING COMMITTEE REPORT

April 17 1981

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 460

(Hims1)

Respectfully report as follows: That House Bill No. 460

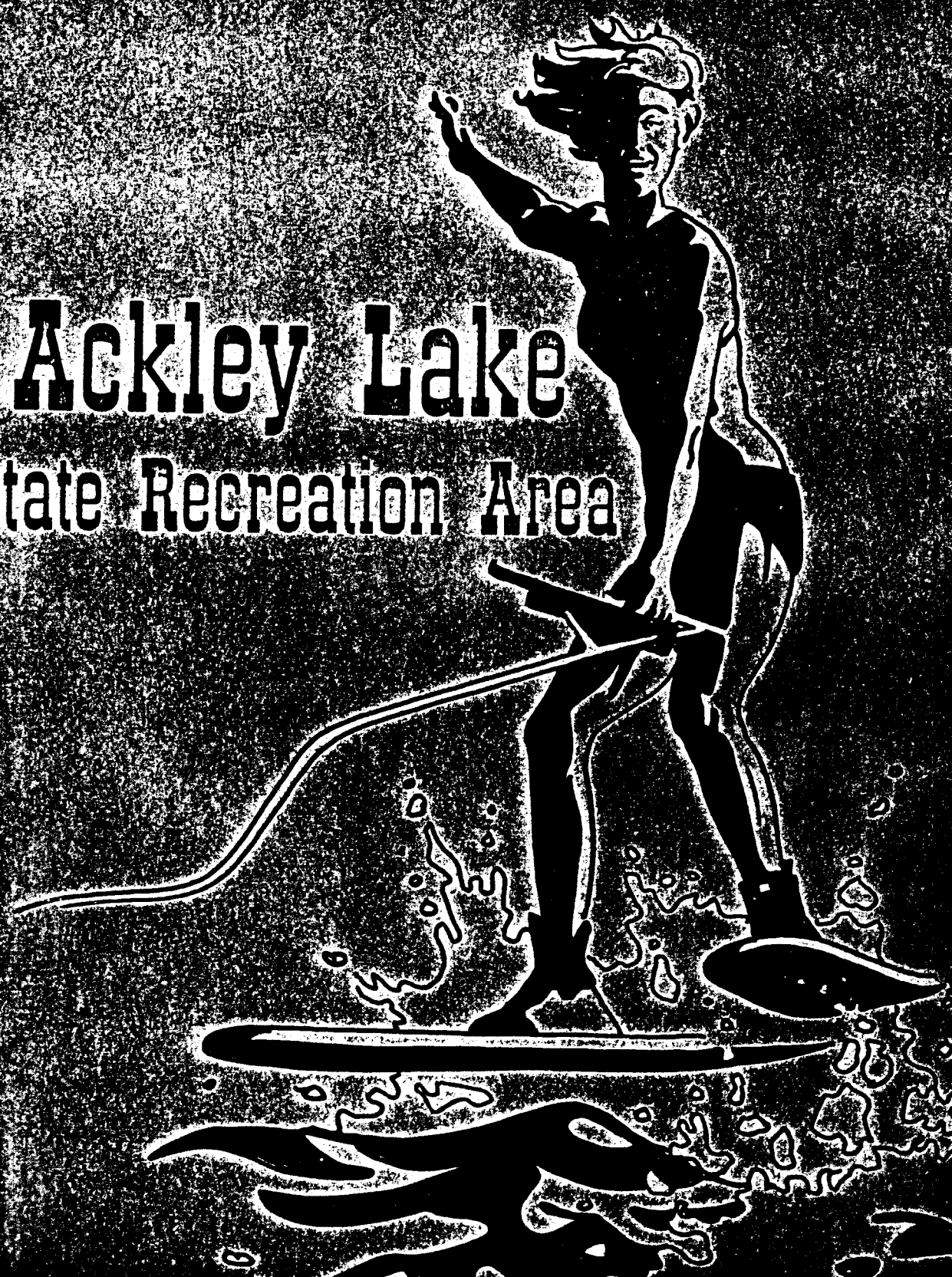
BE CONCURRED IN

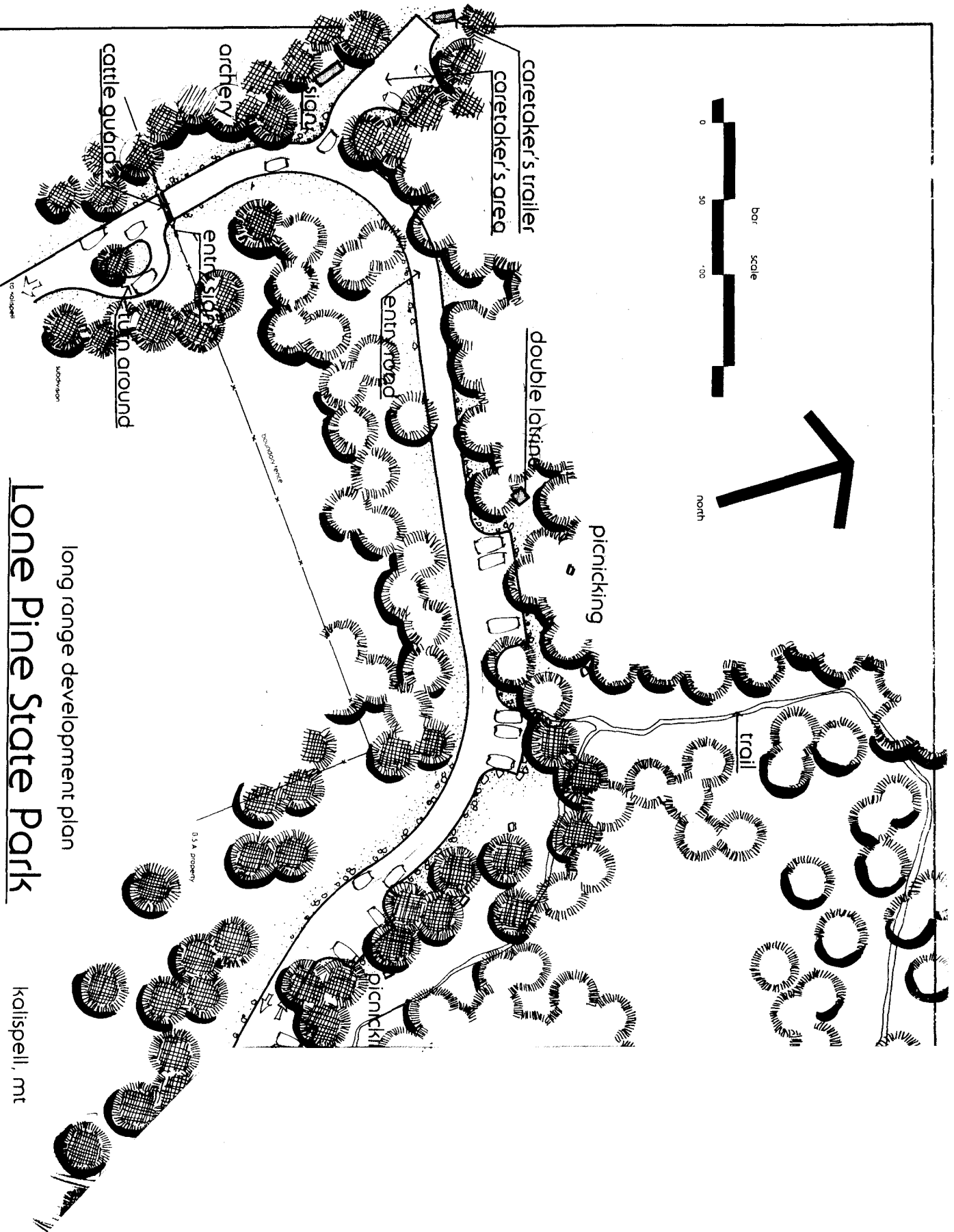
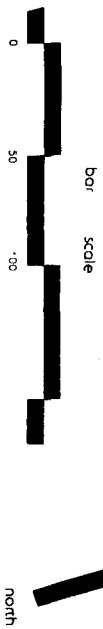
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4-17-

Ackley Lake

State Recreation Area





long range development plan
Lone Pine State Park

Kalispell, mt

Drawn By R. Meyer	Date 6-30	Approved By	Date
Checked By	Date	Approved By	Date



lone pine state

867 See Original



4/17

Ted Schwinden
Governor

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE
DIRECTOR'S OFFICE
Agriculture/Livestock Building
Capitol Station
Helena, MT 59620
(406)-449-3144

W. Gordon McOmber
Director

January 29, 1981

MEMORANDUM

TO: 47th Legislative Session
State of Montana

FROM: W. Gordon McOmber, Director *WGM*
Montana Department of Agriculture

RE: Railbanking The Abandoned Milwaukee Right-Of-Way.

At the request of Governor Ted Schwinden, this report has been prepared by the Department of Agriculture for use by the Legislature in its deliberation in regard to railbanking the abandoned Milwaukee right-of-way.

Loss of the Milwaukee as an operating railroad was a tragedy for Montana - loss of the right-of-way for possible future transportation needs of the State will compound that tragedy.

In the preceding ten years, this State has suffered the elimination of two major competing railroads, plus serious highway system deterioration.

Montana economic health is dependent on the export of raw bulk materials. We are now faced with transportation dominance by one railroad.

One potential means of providing competition and adequate service in the future is preservation of the Milwaukee right-of-way by the State...an opinion shared by many concerned Montana citizens.

We are well aware and supportive of the need to preserve the right-of-way. The Department of Agriculture as lead agency in the State's unsuccessful effort to preserve the railroad as an operating railroad is also painfully aware that many of the obstacles which prevented our success in the that venture are still to be overcome in preserving the right-of-way.

To name a few:

1. The mainline has been severed by sales of segments to Potlatch Lumber in Idaho and authorization to sell segments to the Burlington Northern in Montana.