

HOUSE NATURAL RESOURCES COMMITTEE MINUTES  
April 15, 1983

The House Natural Resources Committee convened at 12:30 p.m., on April 15, 1983, in Room 224K of the State Capitol, with Chairman Hal Harper presiding and all members present except Representatives Bergene, Fagg, Nordtvedt, Quilici and Veleber. Chairman Harper opened the meeting to a hearing on HB 927.

HOUSE BILL 927

REPRESENTATIVE FRANCIS BARDANOUVE, District 6, chief sponsor, said it is almost a fiasco in Appropriation Committee when the water bills are heard as the material piles high and deep and it is almost impossible to wade through it. He said something is needed. Rep. Bardanouve said this amends the water development program laws to permit local or state government entities as well as private persons to apply for a loan or grant to finance a water development project. It also says that proposed projects or activities that can pay full market rate interest should be given preference.

LEO BERRY, Director, Department of Natural Resources and Conservation, said he supports what Rep. Bardanouve is saying and his concerns. He said we ought to get as many projects to pay full cost as we can. He mentioned the preferences on pages 4 and 5 of the bill. He questioned sub 9 and felt there could be a conflict between it and sub 7 when read together. He asked if someone comes in for a grant what do you do with the preference. Mr. Berry said some projects may not pay their way but still be desirable and have some public benefits.

KEN KELLY, Montana Water Development Association, said they are not opposed to the bill, but only wonder what will happen to some desirable projects if the bill is passed.

There were no opponents.

REPRESENTATIVE BARDANOUVE closed. He said he would support an amendment to allow those kinds of projects included. He said public benefit could be included as a preference.

Questions were asked by the committee.

Chairman Harper pointed out that criteria #1 on page 4 covers public benefit. He said sub 7 talks about loans and will be in conflict with sub 9. He suggested striking sub 9 and in sub 7 putting in something about loans. He asked Mr. Berry if the department needed sub 9, or if the criteria could be established by rule. Mr. Berry said with sub 9 those that meet the preference in sub 7 would be so high the other projects would not get close.

Rep. Bardanouve feared that the heart of the bill would go with sub 9.

Rep. Bertelsen said under this bill each preference is of an equivalent value where now they are not necessarily considered as equivalent in value. Mr. Berry said some projects might score a little higher in one area than another in the current system and under this they would be required to be all of equal value.

Chairman Harper said what we are doing is providing an arbitrary rating system that just says all these things listed are now going to be on an equal basis.

Mr. Berry suggested to accomplish what sub 9 was intended to do, criteria like being able to pay full market interest would be more heavily weighted.

Rep. Bardonoue said if this would enable the project of the family farmer who can pay without subsidy to come out on top of the system, he would have no objection to removing sub 9.

Chairman Harper suggested allowing a weighted preference to be adopted by the department and so state this in a statement of intent.

Rep. Bardonoue said there should also be a time factor. The project should be in early enough so the department has time to consider it; and if the project is determined unworthy, it won't be recommended.

Chairman Harper closed the hearing on this bill and opened the meeting to an executive session.

#### EXECUTIVE SESSION

HOUSE BILL 927 Rep. Brown moved to strike sub 9 in its entirety. He said in theory this will give the department flexibility to rank the projects. He said he is a little nervous about a bill in this sensitive area.

The motion carried unanimously with all present.

Rep. Metcalf moved to insert on page 3, line 4, following "activities" the words "applying for a loan." This motion carried unanimously with all present.

Rep. Jensen moved to strike "or" on page 4, line 3, and insert "and/or." Rep. Metcalf said we should just use "and." John Carter was requested for an opinion and said the acceptable practice is not to use and/or. He said drafters are instructed to use either "and" or "or" but not both. Rep. Jensen said he would still prefer the "and/or," and the motion to adopt did not carry. Rep. Metcalf moved to insert "and" on page 4, line 3, replacing the "or." This motion carried with Rep. Jensen voting no.

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Rep. Hand moved to strike sub 3 on page 6 and on page 5, line 25, following "for" to insert "evaluating applications for."  
The motion carried unanimously with those present.  
Included with this amendment was to strike "to private persons" on page 6, line 1.

Rep. Ream said he would like to amend by having Indian tribes inserted where necessary to have them included. After discussion that this might not be in the best interest of the bill, Rep. Ream withdrew his motion.

Rep. Addy moved that HB 927 AS AMENDED DO PASS. This motion carried with Rep. Brown voting no and absent were Reps. Bergene, Fagg, Nordtvedt and Quilici.

Rep. Bertelsen moved the Statement of Intent (Exhibit 1) and this motion carried unanimously with all present, same absent.

Meeting adjourned at 1:30 p.m.

Respectfully submitted,

  
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HAL HARPER, CHAIRMAN

Emelia A. Satre, Sec.

MEMORANDUM

TO: HOUSE NATURAL RESOURCES COMMITTEE MEMBERS  
FROM: JOHN CARTER  
RE: BILL SUMMARY FOR HB 927  
DATE: April 15, 1983

HB 927     This bill seeks to amend several code sections  
Bardanouve     that pertain to the Water Development Program.  
                 It would allow the state and local governments,  
                 not just private persons, to apply for grants  
                 and loans to finance water development projects  
                 and would establish a preference for projects  
                 that can pay interest at the full market rate.

# STANDING COMMITTEE REPORT

April 15,

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MR. **SPEAKER:**

We, your committee on **NATURAL RESOURCES**

having had under consideration **HOUSE** Bill No. **927**

**first** reading copy ( **white** )  
color

**A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE WATER DEVELOPMENT PROGRAM LAWS TO APPLY PROVISIONS RELATING TO LOAN AND GRANT APPLICATIONS, ELIGIBILITY, AND EVALUATION CRITERIA TO STATE AND LOCAL GOVERNMENT GRANT AND LOAN PROPOSALS; ESTABLISHING A PREFERENCE FOR PROJECTS THAT CAN PAY INTEREST AT MARKET RATES; CLARIFYING THE EVALUATION OF PREFERENCES AND CRITERIA; AND AMENDING SECTIONS 85-1-608 THROUGH 85-1-610 AND 85-1-612, MCA."**

Respectfully report as follows: That **HOUSE** Bill No. **927**

**be amended as follows:**

**1. Page 4, line 3.**

**Strike: "or"**  
**Insert: "and"**

**2. Page 5, line 4.**

**Following: "activities"**  
**Insert: "applying for a loan"**

**3. Page 5, lines 11 through 19.**

**Strike: subsection (9) in its entirety**

**4. Page 5, line 25.**

**Following: "for"**  
**Insert: "evaluating applications and"**

**5. Page 6, line 1.**

**Strike: "to private persons"**

**6. ~~XXXXX~~ Page 6, lines 2 through 4.**

**Strike: subsection (2) in its entirety**

**Subsequent subsections**

**AND IS AMENDED TO PASS**

**STATEMENT OF INTEREST ATTACHED**

**RAY HAMPER**

Chairman.

April 15,

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MR. SPEAKER:

WE, YOUR COMMITTEE ON NATURAL RESOURCES, HAVING UNDER  
CONSIDERATION HOUSE BILL 927, FIRST READING COPY (WHITE),  
ATTACH THE FOLLOWING STATEMENT OF INTENT:

**STATEMENT OF INTENT  
HOUSE BILL NO. 927**

It is the intent of the Legislature that the Department of Natural Resources and Conservation adopt rules that provide for the evaluation of proposals under Section 85-1-610, MCA, wherein the preferences provided for may be given appropriate weight for the purpose of ensuring a fair and reasonable selection of projects for funding. The Legislature further intends that the Department adopt a rule establishing time frames for the timely submission of applications in order that a careful evaluation of all eligible proposals may occur prior to each Legislative session.

HAL WARDEN

Chairman.

April 15,

19 83

MR. SPEAKER:

BY YOUR COMMITTEE ON NATURAL RESOURCES, HAVING UNDER  
CONSIDERATION HOUSE BILL 927, FIRST READING COPY (WHITE),  
ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT  
HOUSE BILL NO. 927

first

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