

MINUTES OF THE MEETING
SENATE NATURAL RESOURCES COMMITTEE
MONTANA STATE SENATE
February 22, 1985

The thirteenth meeting of the Senate Natural Resources Committee was called to order at 6:07 p.m., February 22, 1985, by Chairman Dorothy Eck, Room 405, State Capitol Building.

ROLL CALL: All members of the Senate Natural Resources Committee were present.

FURTHER CONSIDERATION OF SB444: Chairman Eck stated four minutes would be allotted for testimony from the proponents and another four minutes for testimony from the opponents.

OPPONENTS: Mr. Jim Hughes, representing Mountain Bell, stated the increased postage due to the inserts in Mountain Bell's monthly bills would cost Mountain Bell an additional \$44,500 per month. Mr. Hughes informed the committee Montana ranks third only to Wyoming and Alaska in having the most expensive residential telephone service in the United States. Mr. Hughes believes the formation of CUB will cause Montana's telephone rates to increase.

Mr. Gene Phillips, representing Pacific Power and Light Company, stated it is not his position there should not be a CUB, only that CUB should not be allowed access to utilities' envelopes. Mr. Phillips feels if CUB is allowed to use the envelopes, many organizations will also feel they are entitled to the same privilege. Mr. Phillips is concerned as to where to draw the line.

Mr. Russ Ritter, representing the City of Helena, stated he is concerned only if the definition of "utility" includes the City of Helena Water Department. The City of Helena Water Department has 76,000 pre-printed bills that would have to be torn apart to accommodate an insert. Mr. Ritter estimated if these bills were placed in another envelope for mailing, the City of Helena would incur an additional charge of \$8,000.

PROPONENTS: Mr. Tom Lonsway, President of the Wisconsin CUB, stated the Wisconsin CUB has never caused an increase in postage for Wisconsin utilities. In Wisconsin, city utilities are not included, so city water departments are not affected by CUB. Mr. Lonsway feels if other organizations wanted to use the utilities' envelopes, they would have to join CUB.

Mr. Jon Motl, representing Common Cause, stated Section 13 of SB444 limits the bill's scope and excludes city utilities.

Mr. Motl stated SB444 does not violate the First Amendment of the Constitution; rather, it expands the public's freedom of speech.

Upon question from Senator Mohar, Mr. Ellis explained that although the Public Service Commission spent one year considering the organization of CUB, the Commission was not united in its decision. Any testimony before the committee by Public Service Commission members was given as individuals and not as representatives of the Public Service Commission.

Senator Christiaens questioned what CUB members would do with billings that were sent on postcards like those used by co-ops. Senator Halligan explained that page 2, line 20, exempts co-ops.

Senator Halligan closed the hearing by stating the consumer is the person who will pay for the envelope stuffing, since it is the consumer who pays for the bill itself through the rate base. CUB will be required to reimburse the utilities for any additional postage expenses. This is a consumer piece of legislation that will benefit everyone, since everyone is a residential consumer. Since residential consumers are the greatest users of utilities, they should have the means to organize. Senator Halligan reminded the committee the bill contains its own system of checks and balances, and neither the opponents nor the proponents stated there was not a need for this legislation.

ACTION ON SB444: Senator Halligan moved SB444 DO PASS. The motion carried by roll call vote (Exhibit 1).

CONSIDERATION OF SB277: Chairman Eck reminded the committee Senator Shaw had a motion on the floor that the proposed amendments to SB277 BE ADOPTED with the exceptions of proposed amendments 3, 14 and 15. The motion carried with Senators Daniels and Gage voting in opposition.

Mr. Bob Thompson submitted a new proposed amendment 16 (Exhibit 2) provided by the Governor's Office. This amendment was modified such that the last line of subsection (3), page 8, following line three, reads "are" instead of "shall be."

Senator Fuller moved the proposed amendment No. 16 BE ADOPTED. The motion carried with Senator Shaw and Daniels voting in opposition.

Senator Fuller moved the Statement of Intent BE ADOPTED. The motion carried.

Senator Halligan submitted a proposed amendment to page 6 of SB277 (Exhibit 3) providing for an allocation of 3.5 percent of the funds to provide a Groundwater Information Center. Senator Halligan explained this 3.5 percent will come right off the top of the money provided for the Legacy Program by the Resource Indemnity Trust Fund Interest Account.

Senator Halligan moved the amendment BE ADOPTED. The motion carried with Senators Shaw, Gage and Daniels voting in opposition.

Senator Fuller moved SB277 DO PASS AS AMENDED. The motion carried by roll call vote (Exhibit 4).

ACTION ON SB347: Senator Shaw moved SB347 BE TABLED. The motion carried with Senator Daniels voting in opposition.

ACTION ON SB348: Senator Christiaens moved SB348 DO NOT PASS. The motion carried by roll call vote (Exhibit 5).

FURTHER CONSIDERATION OF SB410: The following persons representing Bridger Watch, Inc., submitted written testimony in opposition to SB410: Mr. Scott Ramsay, Mary Ann Kelly, Nancy Davis and Philip W. Davis (Exhibit 6).

ACTION ON SB410: Senator Tveit moved SB410 DO PASS. Senator Mohar made a substitute motion SB410 DO NOT PASS. The motion carried by roll call vote (Exhibit 7).

FURTHER CONSIDERATION OF SB435: Upon question from Chairman Eck, Mr. Bob Thompson explained the major differences between SB435 and HB911 are the posting requirements. Under HB911, if the land is not posted, a person may go on the land. Under SB435, if the land is posted, a person must first obtain permission before going onto the land.

Senator Halligan inquired whether trespassing was a major problem for landowners. Senator Shaw stated this bill is a defense mechanism to stop trespassing from becoming a major problem.

Senator Anderson stated although he has never believed in posting his land, he believes SB435 is a good bill.

Senator Weeding reminded the committee SB435 is merely an extension of the big game laws and only requires the recreationist to first obtain permission before going on to private land.

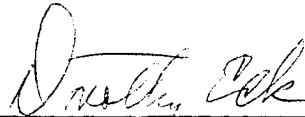
Senator Mohar expressed concerns about the person who is simply unaware of property boundaries. This person may be subject to a \$500 penalty and six months in jail. Senator Mohar feels the minimum posting requirements are not too much to ask of the landowners.

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Senator Shaw stated that on his ranch it is difficult to determine when a person is on his property, because the public seems to think cattle guards represent boundary lines.

ACTION ON SB435: Senator Shaw moved SB435 DO PASS. The motion carried unanimously.

There being no further business to come before the committee, the meeting was adjourned at 7:08 p.m.



Senator Dorothy Eck, Chairman

ROLL CALL

Natural Resources

COMMITTEE

48th LEGISLATIVE SESSION -- 1985

Date 6-22-85
EVENING

SENATE
SEAT

#

NAME	PRESENT	ABSENT	EXCUSED
<u>ECK, Dorothy (Chairman</u>	✓		
<u>HALLIGAN, Mike (Vice Chairman)</u>	✓		
<u>WHEELING, Cecil</u>	✓		
<u>MOHAR, John</u>	✓		
<u>DANIELS, M. K.</u>	✓		
<u>FULLER, David</u>	✓		
<u>CHRISTIAENS, Chris</u>	✓		
<u>TVEIT, Larry</u>	✓		
<u>GAGE, Delwyn</u>	✓		
<u>ANDERSON, John</u>	✓		
<u>SHAW, James</u>	✓		
<u>HARDING, Ethel</u>	✓		

Each day attach to minutes.

ROLL CALL VOTE

SENATE COMMITTEE Natural Resources

Date 022285 Senate Bill No. 444 Time 6:34 p.m.

NAME	YES	NO
ANDERSON, John		X
CHRISTAENS, Chris	X	
DANIELS, M. K.	X	
FULLER, David	X	
GAGE, Delwyn		X
HALLIGAN, Mike (Vice Chairman)	X	
HARDING, Ethel		X
MOHAR, John	X	
SHAW, Jim		X
TVEIT, Larry		X
WEEDING, Cecil	X	
ECK, Dorothy (Chairman)	X	

Cynthia A. Peterson
Secretary, Cynthia A. Peterson

Dorothy Eck
Chairman Senator Dorothy Eck

Motion: SB444 DO PASS

16. Page 8, following line 3

Insert: "(3) Proposed projects are not eligible for funding under the legacy program if the projects are eligible for funding from other state or federal reclamation programs or any other program that provides funding to remediate environmental damage or if the projects are permitted under Title 82, chapters 4 or 11. However, projects that fulfill federal matching fund requirements ~~shall be~~ are eligible."

SENATE NATURAL RESOURCES COMMITTEE

EXHIBIT NO. 2

DATE 022285

BILL NO. SB277

Proposed amendment to SB277:

1. Page 6, following line 4

Insert: "(6) An allocation of 3½% of the funds available for grants in the legacy account is designated for research and data management by the Montana water resources research center and the Montana groundwater information center. This money must be apportioned by the department according to the criteria in [section 7]."

SENATE NATURAL RESOURCES COMMITTEE
EXHIBIT NO. 3
DATE 022285
BILL NO. SB277

ROLL CALL VOTE

SENATE COMMITTEE Natural Resources

Date 022285 Senate Bill No. 277 Time 6:50

NAME	YES	NO
ANDERSON, John	X	
CHRISTAENS, Chris	X	
DANIELS, M. K.		X
FULLER, David	X	
GAGE, Delwyn		X
HALLIGAN, Mike (Vice Chairman)	X	
HARDING, Ethel		X
MOHAR, John	X	
SHAW, Jim		X
TVEIT, Larry	X	
WEEDING, Cecil	X	
ECK, Dorothy (Chairman)	X	

Cynthia A. Peterson
Secretary, Cynthia A. Peterson

Dorothy Eck
Chairman Senator Dorothy Eck

Motion: SB277 DO PASS AS AMENDED

ROLL CALL VOTE

SENATE COMMITTEE Natural Resources

Date 022285 Senate Bill No. 348 Time 6:55

NAME	YES	NO
ANDERSON, John		X
CHRISTAENS, Chris	X	
DANIELS, M. K.	X	
FULLER, David	X	
GAGE, Delwyn		X
HALLIGAN, Mike (Vice Chairman)	X	
HARDING, Ethel		X
MOHAR, John	X	
SHAW, Jim		X
TVEIT, Larry		X
WEEDING, Cecil	X	
ECK, Dorothy (Chairman)	X	

Cynthia A. Peterson
Secretary, Cynthia A. Peterson

Dorothy Eck
Chairman, Senator Dorothy Eck

Motion: SB348 DO NOT PASS

February 18, 1985

Scott Ramsay
14848 Kelly Cyn. Rd.
Bozeman, Montana 59715

Dorthy Eck
Chairperson Natural Resource Committee
State Capital Building
Helena, Montana

Dear Mrs. Eck:

I want to thank you for the opportunity given me
this date to express my opposition to Senate Bill 410.

As I mentioned in my testimony I am an example of an
unwilling party affected by oil and gas development.
Some of my neighbors did decide to lease their lands,
I agree with their right to do so. However, their
rights end where my property begins. I feel my position
will be shared by more and more people as drilling
comes in off the range and starts happening in more
residential areas.

This bill has clearly been drafted to side-step M.E.P.A.'s
intentions of studying the impacts of drilling prior to
starting. Please do not take away that measure of protection
that M.E.P.A. now offers the private individual.

Once again I ask for your opposition to Senate Bill 410.

Thank you.

Sincerely,

Scott Ramsay
Scott Ramsay

cc Natural Resource Committee Members

SENATE NATURAL RESOURCES COMMITTEE
EXHIBIT NO. 6
DATE 022285
BILL NO. SB410

February 19, 1985

Senator Dorothy Eck, Chair
Senate Natural Resources Committee
Capitol Station
Helena, MT 59620

Dear Senator Eck:

I am writing to express my opposition to Senate Bill 410. As I testified on Monday, February 1, 1985, I am a homeowner in a subdivision 3/4 mile from a proposed oil/gas well site by SOHIO. This is a residential and agricultural community and a group of families in Bridger Canyon and Gallatin County at large are justifiably concerned. The impacts of traffic, air pollution, noise, water use and contamination could destroy the quiet canyon community that has become so well known for its scenic and recreational values. As explained in the testimony of my neighbor, Philip Davis, we requested an EIS from the Oil and Gas Commission under MEPA. MEPA as it stands assures the impartial, third party assessment of impacts by generating an EIS in sensitive situations. I believe that the health and safety of families in the area, the investment in land and homes, and the pristine environment of Bridger Canyon qualify this site as requiring an EIS before a permit to drill is issued. As the search for oil and gas extends into residential areas, the people who live in these areas need the protection of MEPA so that the impacts of development can be clearly and impartially identified. The value of energy development must be weighed carefully with the value and quality of human life.

I have enclosed two newspaper clippings that detail some of the possible negative impacts from oil/gas exploration in the Overthrust Belt. Dr. Sindelar of Belgrade suffered damage to his home and lost his water well. At great personal expense of time and money, he settled these impacts. The article from the Winnipeg Free Press gives some details of a sour gas well "blowout" which would seriously endanger the health, safety and lives of local residents. With the possibility of extreme danger and property damage, citizens rely on an EIS to assess the dangers. Please assure the people of this state protection under the law.

Thank you for your consideration and time.

Sincerely,



MARY ANN KELLY
Bozeman, MT

SENATE NATURAL RESOURCES COMMITTEE
EXHIBIT NO. 6
DATE 022285
BILL NO. SB410

Report on well ready

EDMONTON (CP) — A long-awaited report on a sour-gas well blowout near Lodgepole, Alta., is to be released tomorrow, almost two years after the runaway well was capped.

The Energy Resources Conservation Board prepared the report after a lengthy series of public hearings into the accident and the whole sour-gas industry in Alberta.

Sour gas is natural gas contaminated with hydrogen sulphide, a poisonous compound that is deadly in tiny concentrations. Much of Alberta's natural gas is sour and has to be processed, stripped of the poisonous hydrogen sulphide, before it is marketed.

Toxic

The Amoco Canada Petroleum Ltd. well near Lodgepole, about 130 kilometres southwest of Edmonton, blew out Oct. 17, 1982. For 68 days, it alternately spewed a cloud of toxic fumes and spouted a roaring geyser of flame. Two men died trying to cap the rogue well, felled by hydrogen sulphide.

A teenager became lost in the bush near the well and died of exposure, prompting a lawsuit against Amoco.

Winnipeg FREE PRESS

DECEMBER 17, 1984

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SENATE NATURAL RESOURCES COMMITTEE

EXHIBIT NO. 6

DATE 022285

BILL NO. SB410

February 19, 1985

Senator Dorothy Eck, Chair
Senate Natural Resources Committee
Capitol Station
Helena, MT 59620

Dear Senator Eck:

I was dismayed to hear that in testimony on February 18th regarding SB410, Jim Moore characterized the report generated by SOHIO on the Bridger Canyon well as an EIS. I would like to point out to you and your Committee several reasons why this report is not an EIS.

1. Both Joel Shouse and John Montagne have stated that the report is NOT an EIS.
2. Bridger Watch has found that the report raises more questions than it answers about the environmental impacts.
3. Enclosed is a preliminary list of questions which were not addressed by the Shouse report and would be by an EIS.
4. Traditionally an EIS is done by an independent agency. The Shouse report was paid for and reviewed by SOHIO. Mr. Shouse has had no previous experience doing research on oil and gas impacts.
5. If the Oil and Gas Commission had complied with MEPA in October, much of the cost and time delay involved in the Shouse report could have been avoided.

I urge you to give SB 410 a "DO NOT PASS" vote.

Sincerely,

Nancy Davis

Nancy Davis
15037 Kelly Canyon Road
Bozeman, MT 59715

SENATE NATURAL RESOURCES COMMITTEE
EXHIBIT NO. 6
DATE 02.22.85
BILL NO. SB410

BRIDGER WATCH INC.

1. WATER USE AND SOURCE

- a. Hauling water to drill site is the only realistic protection for local wells and springs.
- b. Existing water data is incomplete. The primary reference is to a student's thesis which conflicts with drillers' reports (Pg. B-11).
- c. It is unfair to place burden of proof and legal recourse for damages on property owner.

2. RESERVE PIT

Bridger Canyon is not the location for long-term storage of admittedly hazardous waste (Pg. B-20,21). Therefore the reserve pit must:

1. Be fiberglass reinforced per Fish, Wildlife & Parks' recommendation (Pg. C-1).
2. Be fenced per Fish, Wildlife & Parks (Pg. C-1).
3. Be inspected for leakage on a regular basis.
4. Be of adequate size to accommodate maximum rainfall and runoff.
5. Be constructed per John Montagne's procedures to prevent adjacent spring damage.
6. Be completely removed and all waste hauled to a predetermined disposal site; this includes liquid and solid.

3. H₂S

It is unacceptable to allow Sohio to dictate "reasonable levels of risk" for the families living in the area.

We strongly doubt the feasibility of an evacuation plan for this area, due to existing traffic volume and flow and to weather conditions.

Procedures recommended in the report represent a serious intrusion into our rural lifestyle and peace of mind.

• The following points need clarification:

1. Who will the safety company be?
2. What are their detailed contingency plans for:
 - a. Day or night inside or outside alarms.
 - b. What type of alarm system in our homes.
 - c. Evacuation of invalids, babies, elderly and animals.
 - d. Evacuation routes allowing for seasonal

SENATE NATURAL RESOURCES COMMITTEE

EXHIBIT NO. 6

DATE 022285

3. H₂S, continued

- e. Securing our homes during the evacuation period.
 - f. What are safety procedures for area visitors, including tourist and recreational traffic?
3. Number and availability of local emergency officials and facilities.
 4. Why is blowout preventer not installed till 2000' depth? Once installed, who confirms proper installation and usage?
 5. When will conditions merit the need for a safety engineer?
 6. Where on the site will the blowout preventers be vented? Where is the flare pit?

4. AIR QUALITY

The pristine air quality of Bridger Canyon should not be jeopardized. Any incineration of garbage and waste is not acceptable.

Questions remain regarding:

1. Baseline data on present air quality.
2. Effect of increased traffic, especially diesel emissions.
3. Possible odors resulting from oil/gas development & production facilities such as tank or sweetening plants.

5. NOISE

We agree with the Shouse report's finding that the residential area within 4000' of the well site is very quiet and we would like it to remain as quiet as possible!

The following concerns need further discussion:

1. The report states that "Method 3" is the most effective at noise reduction, yet it recommends "Method 2" which is less effective (Pg. E-22; 5.8).
2. The effect of increased diesel traffic noise during drilling and production should be calculated into the noise level impacts and reduction plans. "Suggesting" driving practices for truck drivers (Pg. E-19) is not a viable means of noise control.
3. What are the probable effects of increased traffic noise and drilling/production noise in relation to amplification of sound in the canyon structure?
4. Data from other well sites may not be applicable due to extreme differences between geographic structures of the well sites and this proposed well site.

SENATE NATURAL RESOURCES COMMITTEE

EXHIBIT NO. 6

DATE 022289

BILL NO. SB-110

6. TRAFFIC & ROADS

It is our conclusion that the proposed access road to the drill site, being situated on a blind curve at the base of a hill, is not the best possible location. We strongly recommend routing the drill-site access road directly off Bridger Canyon Road for the safety of residents who must travel Kelly Canyon Road daily. We also would like further data and discussion on the following points:

1. Data collected from Mr Richard Miller at the Montana Dept of Highways Maintenance Division indicates that an increase of 20 vehicles would represent a 20% increase in traffic, over-pickup size. This is 10 times the Shouse report's finding. More complete research is necessary to clarify the impact of increased heavy-vehicle traffic.
2. Personnel and support service vehicles must be scheduled around school bus pickup & deliveries, including the kindergarten bus (Pg. 42). The suggested delivery times of 10 a.m. to 2 p.m. are therefore not acceptable.
3. We request that all drilling personnel that commute to the drill site be bussed or otherwise carpool to & from the site.
4. We request that Sohio keep a log of all drivers to aid in enforcement of traffic laws and possible infractions.
5. What are the probable impacts on local residents during road construction periods?
6. What are the probable impacts on local residents during construction of pipeline connections. What is the specific route of the gas pipeline connection and expected construction timetable?

7. RIDGE STABILITY

There still remains concern for the stability of the ridge near the well site due to previous damage on both sides. More baseline data is necessary to clarify this issue.

8. SEWAGE & WASTE

All waste and sewage should be removed from the well site to a predetermined approved waste disposal site. Burning waste is not an acceptable procedure. Efforts should be made to control litter. All on-site holdings of waste should be adequate capacity so that no runoff occurs.

9. ECONOMICS & IMPACT

We feel that there is a sensitive balance between economic benefits and negative impacts from drilling and production. The following questions relate to this concern and are of great importance to us.

1. What would be the procedures to shut down the well operations in the case of violation of agreements until grievances were aired? Who will represent the community in monitoring these agreements? What recourse will local residents have?

SENATE NATURAL RESOURCES COMMITTEE
EXHIBIT NO. 022285
DATE 5/34/0
BILL NO.

9. ECONOMICS & IMPACT, continued

2. We are interested in the possible proliferation of future wells. Where is the probable next well site in relation to:
 - a. dry hole,
 - b. moderate pay zone, and
 - c. a "discovery" pay zone?
3. What are some possible pay zone-production schedules for oil and/or gas development? Can a guaranteed production schedule be presented upon identification of the pay zone?
4. What are the probable sites for a sweetening plant and/or tank plant? What are the probable effects of such a plant on water, air, noise and other impacts to residents?
5. Identify the route necessary to connect with the gas line. At what point will the issue of eminent domain for access become a concern for the landowner?
6. The question of property values needs to be discussed in detail. What are the impacts and benefits to the small landowner in the area. This is of particular relevance because the well site is in close proximity to the Snowline subdivision.
7. What effect will oil and gas development have on the recreational and tourist use of Bridger Canyon (i.e., Bridger Bowl)?

LINEBERGER & DAVIS, P.C.

ATTORNEYS

**100 EAST MAIN STREET SUITE 1
BOZEMAN, MONTANA 59715**

**586-4994
AREA CODE 406**

**PETER S. LINEBERGER
PHILIP WINSHIP DAVIS**

February 19, 1985

Senator Dorothy Eck, Chair
Senate Natural Resources Committee
Capitol Station
Helena, MT 59620

RE: SB 410

Dear Senator Eck:

After Monday's hearing on SB 410, I am concerned that the Natural Resources Committee may have been left with a number of misconceptions regarding the impact of the Montana Environmental Policy Act on the Oil and Gas Commission.

The Water Resources Bureau handles far more permit requests than does the Oil and Gas Commission and subjects them all to MEPA review. The Oil and Gas Commission could easily adopt the kind of checklist that the Water Resources Bureau uses. In this way they can comply with MEPA and be assured that the vast majority of wells does not present environmental hazards, and avoid undue fiscal and paperwork impact on the agency.

Such a review will not adversely affect the budget of the Oil and Gas Commission. There is statutory authority for the agency to pass along whatever cost is incurred to the applicants in the form of a permit fee. A slight increase in permit fees should not significantly affect an applicant who intends to sink over a million dollars in a hole in the ground.

I think the testimony of SOHIO's attorney supported those of us opposed to this Legislation. If SOHIO is so eager to do environmental analysis and to assure us that no harm will result, it should not object to MEPA review. He stated the area of the proposed well is an agricultural area and later acknowledged that it is zoned. It is zoned because it is a residential area. It is true the County must permit this well, but it has only very limited fact finding capabilities and requires the results of a MEPA review to have an adequate basis for its decision.

The testimony of proponents of SB 410 demonstrated no actual knowledge of how MEPA might apply to the Oil and Gas Commission. It was, and this bill represents, a fear in the oil industry of having to comply with any kind of environmental regulation. There is simply no legitimate basis for SB 410 and it sets a dangerous precedent. I strongly urge a no-pass vote on this bill.

Sincerely,

PHILIP W. DAVIS

SENATE NATURAL RESOURCES COMMITTEE

EXHIBIT NO. 6

DATE 022285

BILL NO. SB410

ROLL CALL VOTE

SENATE COMMITTEE Natural Resources

Date 022285 Senate Bill No. 410 Time 6:59

NAME	YES	NO
ANDERSON, John		X
CHRISTAENS, Chris	X	
DANIELS, M. K.	X	
FULLER, David	X	
GAGE, Delwyn		X
HALLIGAN, Mike (Vice Chairman)	X	
HARDING, Ethel		X
MOHAR, John	X	
SHAW, Jim		X
TVEIT, Larry		X
WEEDING, Cecil	X	
ECK, Dorothy (Chairman)	X	

Cynthia A. Peterson
Secretary, Cynthia A. Peterson

Dorothy Eck
Chairman Senator Dorothy Eck

Motion: SB410 DO NOT PASS

STANDING COMMITTEE REPORT

FEBRUARY 23,

1985

MR. PRESIDENT

We, your committee on **NATURAL RESOURCES**

having had under consideration **SENATE BILL**

No. **277**

FIRST reading copy (**white**)
color

LEGACY PROGRAM

SENATE BILL

277

Respectfully report as follows: That.....

No.....

be amended as follows:

1. TITLE, line 7.

Following: "SECTIONS"

Insert: "15-35-188,"

2. Page 2, line 3.

Following: "resources."

Insert: "it is not the intent of this state, however, to compensate for the loss or damage to the environment from the extraction of nonrenewable resources if remedial funding from other sources exists."

3. Page 2, lines 12 and 13.

Strike: "(d) promote economic development based on natural resources;"

Reletter: subsequent subsections

4. Page 4, line 6.

Following: "money"

Strike: "available"

Insert: "allocated"

(continued)

XXXXXXXX

XXXXXXXXXX

FEBRUARY 23, 19...85..

5. Page 4, line 7.

Following: "trust"

Insert: "interest"

6. Page 5, lines 10 and 11.

Following: "subbit" on line 10

Strike: "the proposals having his approval"

Insert: "all proposals with his recommended priorities"

7. Page 5, line 11.

Following: "any"

Insert: "regular"

8. Page 6, line 4.

Following: "sponsor."

Insert: "Emergency projects funded under this provision must also be consistent with the policy and purposes stated in [section 2]."

(6) An allocation of 3 1/2% of the funds available for grants in the legacy program special revenue account is designated for research and data management by the Montana water resources research center and the Montana groundwater information center. This money must be apportioned by the department according to the criteria in [section 7]."

9. Page 6, lines 9 through 13.

Following: "land reclamation"

Insert: ";

Strike: "remainder of line 9 through "available;" on line 13

10. Page 6, lines 15 and 16.

Following: "processing"

Strike: "when no liable party can be identified"

11. Page 6, lines 18 and 19.

Following: "activities" on line 18

Strike: "for which a liable party cannot be identified"

12. Page 6, lines 24 and 25.

Following: "development" on line 24

Strike: "that is consistent with but"

(continued)

FEBRUARY 23, 1985

13. Page 8, line 4.

Following: line 3

Insert: "(3) Proposed projects are not eligible for funding under the legacy program if the projects are eligible for funding from other state or federal reclamation programs or any other program or act that provides funding to remediate environmental damage, or if the projects are permitted under Title 82, chapters 4 or 11. However, projects that fulfill federal matching fund requirements are eligible for legacy program funding."

14. Page 8, line 17.

Following: "will"

Strike: "be an efficient use"

Insert: "minimize misuse"

15. Page 8, lines 20 and 21.

Following: "resources" on line 20

Strike: "(as used in this subsection (1)(d), an efficient use is one that minimizes waste)"

16. Page 8, line 24.

Following: "project"

Insert: "or is generating additional non-state funds"

Strike: "and"

17. Page 8, line 25.

Following: line 24

Insert: "(g) the degree to which jobs are created for persons who need job training, receive public assistance, or are chronically unemployed; and"

Relatter: subsequent subsection

18. Page 10, line 10.

Following: line 9

Insert: "Section 11. Section 15-35-108, MCA, is amended to read:
"15-35-108. Disposal of severance taxes. Severance taxes collected under the provisions of this chapter are allocated as follows:

(continued)

FEBRUARY 23, 1985

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 25% of total collections a year. After December 31, 1979, 50% of coal severance tax collections are allocated to this trust fund. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Starting July 1, 1986, and ending June 30, 1987, 6% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund. Starting July 1, 1987, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) to the county in which coal is mined, 2% of the severance tax paid on the coal mined in that county until January 1, 1980, for such purposes as the governing body of the county may determine;

(b) 2 1/2% until December 31, 1979, and thereafter 4 1/2% to the state special revenue fund to the credit of the alternative energy research development and demonstration account;

(c) 26 1/2% until July 1, 1979, and thereafter 37 1/2% to the state special revenue fund to the credit of the local impact and education trust fund account;

(d) for each of the 2 fiscal years following June 30, 1977, 13% to the state special revenue fund to the credit of the coal area highway improvement account;

(e) 10% to the state special revenue fund for state equalization aid to public schools of the state;

(f) 1% to the state special revenue fund to the credit of the county land planning account;

(g) 1 1/4% to the credit of the renewable resource development bond fund, until July 1, 1987;

(h) 5% to a nonexpendable trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol, and other cultural and aesthetic projects. Income from this trust fund shall be appropriated as follows:

(i) 1/3 for protection of works of art in the state capitol and other cultural and aesthetic projects; and

(continued)

FEBRUARY 23,

1985

(ii) 2/3 for the acquisition of sites and areas described in 23-1-102 and the operation and maintenance of sites so acquired;

(i) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(j) 1/2 of 1% to the state special revenue fund for conservation districts;

(k) 1 1/4% ~~to the debt service fund type~~ until July 1, 1987; and 2.3125% thereafter until July 1, 1989; and thereafter 2.5% to the credit of the water development debt service fund;

(l) for the fiscal years following June 30, 1987, until July 1, 1989, 0.1875% to the rangeland improvement loan special revenue account;

(1) ~~(m)~~ all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state."

Renumber: subsequent sections

AND, AS AMENDED

DO PASS

SENATOR DOROTHY ECK

FEBRUARY 23, 1985

MR. PRESIDENT,

WE, YOUR COMMITTEE ON NATURAL RESOURCES HAVING HAD UNDER
CONSIDERATION SENATE BILL NO. 277, ATTACH THE FOLLOWING
STATEMENT OF INTENT:

49th Legislature

STATEMENT OF INTENT

SENATE BILL NO. 277

Montana Legacy Program

A statement of intent is required for this bill because it delegates rulemaking authority in section 9 to the board of natural resources and conservation for the establishment and administration of the Montana legacy program.

The intent is to provide the board with the authority to adopt those rules necessary to administer the Montana legacy program. The authority as described in section 9 includes establishing rules:

(1) prescribing the form and content of applications for grants;

(2) describing the terms and conditions for making grants;

(3) prescribing a monitoring program to evaluate the effectiveness of funded projects and activities; and

(4) any other rules the board considers necessary to accomplish the purposes and objectives of this act.

FEBRUARY 23, 1985

MR. PRESIDENT,

WE, YOUR COMMITTEE ON NATURAL RESOURCES HAVING HAD UNDER
CONSIDERATION SENATE BILL NO. 277, ATTACH THE FOLLOWING
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- (3) prescribing a monitoring program to evaluate the effectiveness of funded projects and activities; and
- (4) any other rules the board considers necessary to accomplish the purposes and objectives of this act.

STANDING COMMITTEE REPORT

FEBRUARY 23, 19 85

MR. PRESIDENT

We, your committee on..... **NATURAL RESOURCES**

having had under consideration..... **SENATE BILL** No. **435**

FIRST reading copy (**WHITE**)
color

PRIOR PERMISSION WHEN USING PRIVATE LAND FOR RECREATIONAL PURPOSES

Respectfully report as follows: That..... **SENATE BILL** No. **435**

DO PASS

~~DO NOT PASS~~

.....
SENATOR DOROTHY ECK

Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 23

1985

MR. PRESIDENT

We, your committee on **NATURAL RESOURCES**

having had under consideration **SENATE BILL**

No. **444**

FIRST reading copy (**white**)
color

REQUIRE PSC TO ADOPT RULES TO RECOGNIZE A CITIZENS' UTILITY ORGANIZATION

Respectfully report as follows: That **SENATE BILL**

No. **444**

DO PASS

~~DO NOT PASS~~

SENATOR DOROTHY ECK

Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 23

1985

MR. PRESIDENT

We, your committee on NATURAL RESOURCEShaving had under consideration SENATE BILL No. 258FIRST reading copy (WHITE)
color**SURFACE DAMAGES IN OIL AND GAS DEVELOPMENT**Respectfully report as follows: That SENATE BILL No. 258

be amended as follows:

1. Title, lines 6 through 7.

Strike: "PROVIDING A PENALTY FOR FAILURE TO GIVE NOTICE OF
PLANNED DRILLING OPERATIONS;"

2. Title, line 7.

Strike: "TRIPLE"

Insert: "DOUBLE"

3. Title, line 8.

Following: "PAYMENTS;"

Insert: "REQUIRING AN OIL AND GAS DEVELOPER OR OPERATOR
TO NOTIFY THE SURFACE OWNER OF HIS SPECIFIC INTENTIONS BEFORE
COMMENCING DRILLING OPERATIONS;"

4. Title, line 9.

Strike: "82-10-502 AND"

Following: "82-10-504"

Insert: "AND 82-11-122"

5. Page 1, line 12 through line 7, page 2.

Strike: section 1 in its entirety

ReNUMBER: subsequent sections

6. Page 3, line 7.

Strike: "triple"

Insert: "double"

~~XXXXXXXX~~ (continued)~~XXXXXXXXXX~~

SENATOR DOROTHY ECK

Chairman.

FEBRUARY 23 1985....

7. Page 3, lines 8 through 11.

Strike: "(1) An oil and gas developer or operator who fails to provide notice as required by 82-10-503 is guilty of a misdemeanor and is punishable by a fine of not more than \$500."

8. Page 3, line 12.

Strike: "(2)"

9. Page 3, line 13.

Strike: "make"

Insert: "timely pay an installment under"

Following: "damage"

Strike: "payment as required by any damage"

10. Page 3, line 15.

Following: "owner of"

Strike: "three times"

Insert: "twice"

11. Page 3, line 16.

Strike: "such payment"

Insert: "the unpaid installment if the installment payment is not paid within 60 days of receipt of notice of failure to pay from the surface owner"

12. Page 3, following line 16.

Insert: "Section 3. Section 82-11-122, MCA, is amended to read:

"82-11-122. Notice of intention to drill or conduct seismic operations -- notice to surface owner. It is unlawful to commence the drilling of a well for oil or gas without first filing with the board written notice of intention to drill and obtaining a drilling permit as provided in 82-11-134. After the permit is issued, an oil and gas developer or operator as defined under 82-10-503 shall notify the surface owner of his specific intentions before commencing drilling operations. It is unlawful to conduct seismic explorations with explosives without first giving the board a copy of the notice of intention to explore filed with the county under 82-1-103."

NEW SECTION. Section 4. Codification instruction. Section 2 is intended to be codified as an integral part of Title 82, chapter 10, part 5, and the provisions of Title 82, chapter 10, part 5, apply to section 2.

NEW SECTION. Section 5. Extension of authority. Any existing authority of the board of oil and gas conservation to make rules on the subject of the provisions of this act is extended to the provisions of this act."

AND AS AMENDED,

SENATOR DOROTHY ECK

STANDING COMMITTEE REPORT

FEBRUARY 23, 1985

MR. PRESIDENT

THE MAJORITY OF

We, your committee on NATURAL RESOURCES

having had under consideration SENATE BILL No. 348

FIRST reading copy (WHITE color)

SITING ACT REVISIONS; DEFINITION OF UTILITY; NEED FOR FACILITY

Respectfully report as follows: That SENATE BILL No. 348

SENATOR DOROTHY ECK, CHAIRMAN

SENATOR CHRIS CHRISTIAENS

SENATOR M. K. DANIELS

SENATOR DAVID FULLER

SENATOR MIKE HALLIGAN

SENATOR JOHN MOHAR

SENATOR CECIL WREEDING

XXXXXX

DO NOT PASS

Result

SENATOR DOROTHY ECK

Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 23, 1985.....

MR. PRESIDENT

THE MINORITY OF

We, your committee on NATURAL RESOURCES.....

having had under consideration..... SENATE BILL..... No. 348.....

FIRST reading copy (WHITE)
color

SITING ACT REVISIONS; DEFINITION OF UTILITY; NEED FOR FACILITY

Respectfully report as follows: That..... SENATE BILL..... No. 348.....

SENATOR JOHN ANDERSON

SENATOR DELWYN GAGE

SENATOR ETHEL HARDING

SENATOR JAMES SHAW

SENATOR LARRY TVEIT

DO PASS

~~XXXXXXXXXX~~

.....
Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 23, 1985

MR. PRESIDENT
THE MINORITY OF
We, your committee on NATURAL RESOURCES

having had under consideration SENATE BILL No. 410

FIRST reading copy (WHITE)
color

EXEMPT BOARD OF OIL AND GAS CONSERVATION FROM MEPA

Respectfully report as follows: That SENATE BILL No. 410

SENATOR JOHN ANDERSON

SENATOR DELWYN GAGE

SENATOR ETHEL HARDING

SENATOR JAMES SHAW

SENATOR LARRY TVEIT

DO PASS

DO NOT PASS
XXXXXXXXXX

Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 23, 19 85

MR. PRESIDENT

THE MAJORITY OF
We, your committee on NATURAL RESOURCES

having had under consideration SENATE BILL No. 410

FIRST reading copy (WHITE)
color

EXEMPT BOARD OF OIL AND GAS CONSERVATION FROM MEPA

Respectfully report as follows: That SENATE BILL No. 410

SENATOR DOROTHY ECK, CHAIRMAN

SENATOR CECIL WEEDING

SENATOR JOHN MOHAR

SENATOR MIKE HALLIGAN

SENATOR DAVID FULLER

SENATOR M. K. DANIELS

SENATOR CHRIS CHRISTAENS

DO PASS
XXXXXX

DO NOT PASS

Report adopted

SENATOR DOROTHY ECK

Chairman.