MINUTES OF THE MEETING NATURAL RESOURCES SUBCOMMITTEE ON THE LEGACY PROGRAM SB277 and HB913 March 25, 1985

The second meeting of the Senate Natural Resources subcommittee on the Legacy Program was called to order by Chairman Mohar at 12:10 p.m., on March 25, 1985, Room 405, State Capitol Building.

ROLL CALL: The following Senators were present: Senator Mohar, Senator Eck, Senator Gage, Senator Harding, Senator Fuller, and Senator Weeding. Mr. Bob Thompson, staff researcher, was also present.

Chairman Mohar requested Bob Thompson to report on any amendments he had worked on since the last meeting. Mr. Thompson submitted proposed amendments drafted by himself and Senator Eck (Exhibit 1).

Senator Eck explained the first two amendments pertain to policy and purpose. The language in these amendments is taken from the Resource Indemnity Trust Act itself and is similar to the language contained in SB277.

Amendment seven provides for standing and interim committees to make recommendations for funding projects. Senator Eck is concerned about funding small projects that do not deal with any of the major natural resources issues. This amendment also pertains to providing funds for the groundwater information center and other programs pertaining to water reservation. Senator Eck explained that although water reservations have been recommended for ten years, the funding has never been allocated. Senator Eck also feels the information collected should be placed in a central location. This amendment will tie in with the Natural Heritage Program and the water reservation program in Bozeman by providing \$10,000 - \$15,000 for administration of these programs.

Chairman Mohar stated he believes the language contained in this amendment is too strong. Senator Gage stated he objects to the first amendment proposed by Senator Eck, since the RIT fund was originated to indemnify the people of Montana for mineral reclamation. Senator Eck reminded Senator Gage this language came directly from the Resource Indemnity Trust Act and is already contained in Montana's laws.

Senator Eck explained amendments three and four will make HB913 similar to SB277 by providing that projects funded be completed by the end of the biennium and requiring applicants for funding to be public entities. Mr. Gene Huntington, representing the Governor's Office, explained although a project may not be completed by the end of the biennium, an application for reauthorization could be submitted.

Senator Eck moved proposed amendment No. 3 be adopted. The motion carried.

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Mr. Huntington explained to Senator Mohar that SB277 provided funding for public entities only to alleviate the possibility of funding private research projects. Some areas which need to be cleaned up could be made into public property; however, some areas, Anaconda for instance, could never be made into public property.

Senator Gage stated some projects like the water and irrigation district in Conrad are private organizations but do receive some public funding. Mr. Huntington explained the water program does allow for grants to private individuals.

Senator Mohar suggested drafting an amendment which allows private individuals to apply for funds under the water development program. Senator Gage stated it should not make any difference who is doing the work and receiving funding as long as the work is beneficial. Senator Gage feels it doesn't make sense to say even though the project is beneficial, it will not receive funding because it is not a public program. Chairman Mohar suggested giving preference to those projects submitted by a public agency. Senator Eck showed concerns that some work done by private agencies may be better than that of public agencies.

Chairman Mohar feels the language on page 12, section 5, relates directly to MHD. Senator Christiaens inquired what other funds Butte was receiving. Mr. Thompson stated he would look into the matter and report back to the committee.

Senator Gage moved proposed amendment No. 4 be adopted. The motion carried.

Senator Eck stated HB913 should contain the same definition of "public benefit" as provided in SB277. Senator Eck moved this amendment be included in HB913. The motion carried.

Senator Eck explained amendment five provides for a prioritized list of projects eligible for funds to be submitted to the legislature. Senator Eck moved amendment No. 5 be adopted. The motion carried.

Chairman Mohar stated he has problems with Nos.6 and 7 of the proposed amendments because the new language will require these projects to be funded. Chairman Mohar feels this will only add to the bureaucracy.

Ms. Mary Linda Kemp stated the Heritage Program will place all information pertaining to weed control into a useable form. Ms. Kemp feels it would be appropriate for the funding to come from the Legacy Program. Minutes of the Meeting Subcommittee on the Legacy Program Page 3

Chairman Mohar stated the committee might not want to include the Natural Heritage Program in determining funding, since this program is also eligible for funding from private individuals and corporations. Chairman Mohar is concerned funding from the Legacy Program will discourage donations from other sources.

Chairman Mohar stated the language contained in proposed amendment seven, in particular (3), is too strong. Senator Eck stated the water marketing interim committee did excellent work, however, now it is questionable whether they will receive funding. Chairman Mohar replied all the programs are important. It is a matter of whether the legislature wants to let other people decide what is most important.

Mr. Thompson explained proposed amendments 8 - 13 implement more flexibility into the program by providing a range of percentages for each earmarked category. Amendments 14 - 20 broaden the program by implementing reclamation and research. Proposed amendment 21 will only need to be addressed by the subcommittee if amendment 7 is adopted, since this amendment addresses special projects.

The committee members agreed to meet again at 12:00 on March 27, 1985, to discuss the amendments proposed by Senator Eck and Representative Brown.

There being no further business to come before the subcommittee, the meeting was adjourned.

John Mohar, Chairman

Proposed Amendments to HB 913 (Senator Eck):

Insert the policy expressed in 15-38-102 (Resouce Indemnity Trust Tax) to insure that the policies do not conflict.

1. Page 1, line 25.

Following: "purpose."

Insert: "It is the policy of this state to provide security against loss or damage to our environment from the extraction of nonrenewable resources. Recognizing that the total environment consists of our air, water, soil, flora, fauna, and also of those social, economic, and cultural conditions that influence our communities and the lives of our individual citizens, it is necessary that this state be indemnified for the extraction of those resources."

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ou^{the will 2.} Page 2, line 12. Strike: "based on natural resource development"

The following amendments are proposed only for discussion.

3. Page 3, line 6. Following: "activities." Insert: "Projects must be completed by the end of the biennium for which they are funded."

4. Page 4, line 3. Strike: "person or" Not allopted

This amendment would insure that all eligible projects are submitted by the governor to the legislature.

5. Page 5, lines 10-11. Strike: "a prioritized list of projects that he recommends to receive grants or loans under the Montana mineral legacy program" Insert: "all projects determined eligible for grants or loans under the Montana mineral legacy program with his recommended priorities"

The following amendments are designed to insure funding for data resource collection systems and for implementing recommendations of standing and interim legislative committees.

6. Page 8, line 11. Strike: "may" Insert: "shall"

7. Page 8, following line 16.

Insert: "(2) The legislature shall appropriate funds it determines necessary for resource and data management by the Montana water resources research center, the Montana groundwater information center, the department of natural resources and conservation's water resource SENATE NATURAL RESOURCES COMMITTEE

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data collection system, and the state library's natural resource information system and natural heritage program."

(3) The legislature shall appropriate funds it determines necessary to implement recommendations of standing and interim legislative committees, provided the recommendations promote projects or activities consistent with the policy and purposes stated in [section 2]." Renumber: subsequent subsections.

A range of percentages is proposed to allow for the variety of projects that will be funded by the legacy program in future bienniums. These amendments allow an area to receive less funding if few quality projects are proposed in that area during a biennium and to receive more funding if several quality projects are proposed.

8. Page 8, line 18. Strike: "37%" Insert: "30 to 40%"

9. Page 8, line 20. Strike: "37%" Insert: "30 to 40%"

10. Page 8, line 22. Strike: "15%" Insert: "10 to 20%"

11. Page 8, line 24. Strike: "11% Insert: "6 to 12%"

12. Page 9, line 7 Strike: "5% of the total funds"

13. Page 9, line 8 Strike: "is" Insert: "are"

Amendments 14 through 20 change the name of the mineral reclamation and research program to the natural resource reclamation and research program.

14. Page 11, line 19. Strike: "Mineral" Insert: "Natural resource"

15. Page 11, line 20. Strike: "mineral" Insert: "natural resource"

16. Page 11, line 22.
Strike: "mineral"
Insert: "natural resource"

17. Page 12, line 2. Strike: "mineral" Insert: "natural resource"

18. Page 12, line 5.
Strike: "mineral"
Insert: "natural resource:

19. Page 12, line 6. Strike: "mineral" Insert: "natural resource"

20. Page 12, line 12. Following: "mineral" Insert: "or natural resource"

Amendment 21 allows further funding of the programs mentioned in amendment amendment 7 if the programs propose special data collection projects. These projects would compete with other projects for funding.

21. Page 13, lines 5-6. Strike: ", operation, and administration" Insert: "of special data collection projects proposed by the Montana water resources research center, the Montana groundwater information center, the department of natural resources and conservation's water resource data collection system, and the state library's natural resource information system and natural heritage program."

The following amendment is designed to decrease the weight given to previously funded projects in the application evaluation process.

22. Page 13, line 19. Strike: "promote" Insert: "consider"
23. Page 17, line 18 Following: "million" Insert: "in [1980] dollars"
24. Page 26, line 22 Following: "status" Insert: "of the state water plan, the water reservation process, and"
Additional amendments proposed by Representative Dave Brown:
1. Severability section.
2. An addition of a "jobs" criterion for unemployed persons.