

MINUTES OF THE MEETING
NATURAL RESOURCES COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

March 9, 1987

The meeting of the Natural Resources Committee was called to order by Chairman Tom Jones on March 9, 1987, at 1:00 p.m. in Room 312 of the State Capitol.

ROLL CALL: All committee members were present with the exception of Reps. Asay, Kadas and Peterson who were excused.

SENATE BILL NO. 262: Senator Delwyn Gage, District 5, stated SB 262 comes about as a result of action on SB 390, which is a bill that results in a statewide severance and proceeds tax on new production of oil and gas. He stated in the course of working with the Department of Revenue in setting this up, they ran into some difficulties with regard to unitized and pooled areas. The problem arose during discussion on SB 390 regarding pooled and unitized areas which had not entered into the discussion in any of the committee hearings. On second reading, when the minutes were referred to, there was no way of determining exactly what the considerations were in regard to pooled and unitized areas. They realized something had to be done to solve this. They then put those areas into what they felt the spirit of SB 390 was which was to open up as much leasing in the State of Montana as possible and to renew oil and gas exploration. He reviewed a rough drawn map of the areas emphasizing SB 262 says if you have a lease, a portion of which is in or outside a unitized or pooled area, that portion outside the unitized or pooled area will be considered a lease for purposes of determining status. Also a unitized area would be considered a lease for purposes of determining old or new status. He noted this act applied retroactively to July 1, 1985, which is the date that SB 390 became effective in order to cover all those properties that had been drilled since July 1, 1985, and have them all effective and effected the same way by SB 390. Therefore, they have made the act effective upon passage and approval, but it is retroactive to revert back to July 1, 1985. He stated SB 383 coordinates with this bill with some of the same provisions. The coordination part of that bill states, if SB 383, SB 262, and SB 66 are passed, SB 262 and SB 66 will be void because the contents of those bills are also in SB 383.

PROPOSERS: JEROME ANDERSON, representing Shell Oil in Billings, stated they supported the bill and felt it was

necessary to straighten out in review of SB 390 from last session.

DOUG APLIN, representing the Montana Oil and Gas Association, stated they supported SB 262.

KEN WILLIAMS, appeared on behalf of Entech, an oil and gas distributor in ARCO, stated they felt the bill was necessary to straighten this out and they did support the bill.

NO OPPONENTS:

REP. COBB stated regarding the retroactive date of July 1, 1985, he wondered if there were any back taxes involved on some of the wells already paid for.

SEN. GAGE stated one of the things they discussed when they made that retroactive, was whether or not they should go back and put a section in to indicate those wells that were drilled prior to July 1, 1985, on which tax returns had been filed. They were determined to have full production on them and would not have to go back in and refile their return. They would stand up to July 1. However, they were not sure there were any wells that would be affected, and would be classed as old oil that had been drilled since July 1, 1985, that would otherwise qualify.

SENATOR GAGE closed by stating SB 262 was a good bill and a needed bill. He further stated if SB 383 does pass, this will be a void anyway. He urged the committee to look favorably on SB 262.

HEARING CLOSED ON SB 262.

SENATE BILL NO. 85: Senator Delywn Gage, District #5, stated SB 85 is at the request of the Department of Natural Resources. He stated when it was introduced in the Senate, it went through the hearing process, and on to second reading where the Rules Committee determined that perhaps this may be an appropriation measure and if so, would have to start in the House. Therefore, they had a Rules Committee hearing on the bill and determined that as it was introduced, it would have been an appropriation bill. So rather than go back and get the bill re-drafted, and have it start in the House being it had already gone through a Senate hearing, it was decided the best thing to do was to amend the appropriation part out of the bill in the Senate and move it back in once they got it to the House. He then distributed prepared amendments to the committee explaining what they actually did was put the bill into the same condition it was when it was originally reduced in the Senate (Exhibit 1). He stated the part regarding the

appropriation measure that dealt with providing a statutory appropriation for funds received from bonds for the proper plugging of abandoned or dry wells was in accordance with the Board of Oil and Gas. Those bonds are noncancellable, and without permission from the State of Montana, cannot be cancelled. Once an insurance company issues that bond, it is issued until such time that Montana laws release it making it quite difficult to get. This bill, with the amendments submitted, would make that forfeiture of bonds a statutory appropriation to the Oil and Gas Board for use of plugging abandoned wells that are covered by the bond. There is also a section in the bill that allows the Oil and Gas Board to spend their budgeted amounts without authorization from the Department of Administration.

PROPOSERS: DOUG APLIN, representing the Montana Oil and Gas Board, stated they felt it was a good improvement, and supported the bill sponsored by Senator Gage.

NO FURTHER PROPOSERS

NO OPPOSERS

NO QUESTIONS FROM THE COMMITTEE

SENATOR GAGE closed by thanking the committee for their time and consideration for these two bills, and hoped the committee would give SB 85 passage.

HEARING CLOSED ON SB 85.

EXECUTIVE SESSION:

SENATE BILL NO. 262: Rep. Harp moved SB 262 BE CONCURRED IN. Question being called, the motion CARRIED with Rep. Raney voting NO.

HOUSE BILL NO. 781: Rep. Cohen moved HB 781 DO PASS, and moved the amendments to HB 781. It was suggested that perhaps they segregate the amendments, before voting on them. Rep. Cohen had no objections to this, and explained amendments No. 1-6. Question was then called on the amendments 1-6, the motion CARRIED unanimously. Question on Amendment #7 was then called, the motion CARRIED, with Reps. Asay, Harp, Smith, Jones, Grady and Peterson voting NO.

REP. COHEN then moved the #8 amendment and explained it to the committee. Question was then called, the motion CARRIED unanimously. Rep. Cohen went over the #9 amendment, explaining it does delete some of the existing language to help clarify the bill. He then moved the #9 amendment. Question being called, the motion CARRIED unanimously. Rep.

Cohen explained the #10 amendment which would help direct the Department of State Lands regarding the operation of the department. He then moved the #10 amendment. Question was called, the motion CARRIED, with Reps. Asay, Cobb, Smith and Jones voting NO. Rep. Cohen moved the #11 amendment on page 6, line 19 which included striking the word "labor". He stated this is merely another point of clarification. Question was then called, the motion CARRIED unanimously. Rep. Cohen then moved the #12 amendment which is New Section 7. Question was then called, the motion CARRIED unanimously. Rep. Cohen moved his last amendment that dealt with New Section 11 and the Extension of Authority. Question being called, the motion CARRIED unanimously.

REP. COHEN moved HB 781 DO PASS AS AMENDED. He stated it was a much better bill now with the amendments than when it was first drafted and it has had a lot of valuable input from the Society of American Foresters. He stated, he knows the handwriting on the wall; however, he felt they at last were having something proposed to prevent the bill from dying.

QUESTIONS (OR DISCUSSION) ON HOUSE BILL NO. 781: REP. SIMON stated that according to the Fiscal Note, local governments would lose approximately \$610,000 with the bill. He asked Rep. Cohen if he had specifically noted which counties it would be used in due to the fact that forestry is different in different counties.

REP. COHEN stated that in the eastern part of the state, it would most likely be a mistake for a landowner who had timber in this part of the state to enter into this agreement because the grazing values were higher than the timber values.

REP. SIMON asked Rep. Cohen if he could supply a list of these counties that would be affected by the legislation and exactly how much they would be affected.

REP. COHEN stated he believed the Department of Revenue could get a list of these counties for him. However, he pointed out to Rep. Simon that they would have to delay executive action another day on this bill until the list could be obtained. He knew it would affect the eastern counties, but could not tell him how it would specifically affect each individual county.

REP. SIMON had concerns, and felt there should be a statement of intent for the bill due to the fact that it does direct the Department of State Lands to adopt rules to implement the provisions of the act.

REP. COHEN stated there is a statement of intent to the bill. He then moved the statement of intent to HB 781 which makes it much more explicit to the Department of State Lands. (Exhibit 2).

Question being called on the statement of intent, the motion CARRIED with Rep. Simon voting NO.

REP. SMITH stated he felt there was a lot of merit with this concept, however, he felt due to the fact that he himself had been in some of these areas. He stated another problem he sees, is that if you get too involved, and you tie something like these areas up for two or three years, it gets to be a problem. Rep. Smith stated that on the basis of his objections, he moved to TABLE HB 781. Question being called, a roll call vote was taken. The motion CARRIED 10-8.

REP. MILES then made a motion to possibly draft a committee resolution to request an ongoing study be done on this whole question, stating she thinks this is an extremely important issue, having heard from the people in the timber industry and the foresters, that it is an important issue and they are trying to deal with it. She stated they should at least recognize that it would be directed as progress that was started there, and they could all agree they would like to continue and work together to come up with some sort of solution.

REP. SMITH stated as surprised as Ben Cohen would be, he would support the motion made by Rep. Miles.

REP. GRADY also supported the motion stating he though it does have some merit and felt the resolution was the approach that should be taken.

REP. JONES stated he would support Rep. Miles' motion also, and his main reason for voting to table the bill was because the industries were brought into it only the day before the hearing and at no time prior to that.

Question was then called on the motion to draft a Committee Resolution. The motion CARRIED, with Rep. Peterson voting NO.

SENATE BILL NO. 85: Rep. Harp moved SB 85 BE CONCURRED IN. He then moved the amendments to the bill. Hugh Zackheim, Staff Researcher, explained the reason for Senator Gage's amendments on SB 85 is the fact that the bill as drafted, contains statutory appropriation, so the Board of Oil and Gas when they were able to recover bonded money, could use that money to actually fund their abandoned oil wells.

HUGH ZACKHEIM stated since the bill did start in the Senate, it would be a violation of rules for a bill that does have an appropriation, even if it is simply a statutory appropriation, and as a result of that, the Senate committee did strip that language setting up the statutory appropriation with the understanding that if the House did approve it, it would then be re-inserted.

Question being called on the amendments, the motion CARRIED unanimously. Hugh then explained that John McMaster, attorney for the Administrative Code Committee, would ultimately review rules adopted under this bill. He made two suggestions, one of which would be at the end of Section No. 1 to add a specific statement that the Department of Revenue may adopt the rules to implement this section, and second, in the Extension of Authority it was suggested to add the Board of Oil and Gas Conservation because the statute is being amended and he felt it should be extended over these amendments.

REP. HARPER moved the technical amendments. Question was then called, the motion CARRIED unanimously.

REP. HARPER stated that the constitution requires that all appropriation bills originate in the House, and wondered how the committee could pass this bill, when this is the case. It seems like they are trying to do something that they just cannot do.

REP. JONES stated they could send the bill to the Rules Committee, and let them deal with it.

REP. HARPER then moved that SB 85 BE CONCURRED IN AS AMENDED in order to have a final committee action on it before they moved the bill to the Rules Committee. Question being called on the bill as amended, the motion CARRIED with Rep. Cobb voting NO. See Standing Committee Report Pages 1-3.

SENATE JOINT RESOLUTION 9: Rep. Harper moved SJR 9 BE CONCURRED IN. He then moved the amendments and distributed copies to the committee. (Exhibit 3). He stated what the amendments do is limit the appropriation to a two year period and say the appropriation has to be used for the test that they want to perform. If the test does work out, and they feel they can use the water in the long term, then they must come back to the Legislature and they will have the whole thing played over again, only this time it would be for real.

REP. MEYERS spoke against the amendments because he felt the people have had water rights since the beginning of time, and believed this would interfere with those water rights.

Until such time they know for sure that it would not happen, he opposed the bill.


REP. RANEY stated the bottom line was that one group of landowners were trying to steal the rights from another group of landowners and felt this would make it easier and alleviate some of the conflicts that may occur.

REP. SMITH supported the amendments stating that with them on the bill, it would give them a chance to take a good, hard look at it, and then they would get another shot as to whether they get to do it or not. Question was then called on the amendments. The motion CARRIED unanimously.

REP. HARPER stated Rep. Kadas' amendments were the way to go. However, if it was felt it should be tightened down a bit more, he suggested another amendment to do this. Rep. Harper then moved that an amendment be drafted to further limit this and tighten it down. Question being called on the Harper amendment, the motion CARRIED unanimously.

REP. HARPER moved SB 151 BE CONCURRED AS AMENDED. Question was then called, the motion CARRIED, with Reps. Miles, Cohen, Cobb and Simon voting NO. See Standing Committee Report Nos. 1-5.

ADJOURNMENT: There being no further business to come before the committee, the hearing was adjourned at 2:25 p.m.



TOM JONES, CHAIRMAN

DAILY ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 9, 1987

NAME	PRESENT	ABSENT	EXCUSED
TOM JONES, CHAIRMAN	X		
CLYDE SMITH, VICE CHAIRMAN	X		
KELLY ADDY	X		
TOM ASAY			X
JOHN COBB	X		
BEN COHEN	X		
ED GRADY	X		
JOHN HARP	X		
HAL HARPER	X		
MIKE KADAS			X
AL MEYERS	X		
JOAN MILES	X		
MARY LOU PETERSON			X
BOB RANEY	X		
RANDE ROTH	X		
ANGELA RUSSELL	X		
BRUCE SIMON	X		
BILL STRIZICH	X		
STAFF: EQC HUGH ZACKHEIM			

STANDING COMMITTEE REPORT

MARCH 9

19 87

Mr. Speaker: We, the committee on NATURAL RESOURCES

report SB 262

- do pass
- do not pass

- be concurred in
- be not concurred in

- as amended
- statement of intent attached

TOM JONES

Chairman

TMS

THIRD

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REP. COMB WILL CARRY

ROLL CALL VOTE

NATURAL RESOURCES

COMMITTEE

DATE 3/9/87

BILL NO. HB 781

NUMBER TIME: 1:55 p.m

NAME	AYE	NAY
TOM JONES, CHAIRMAN	X	
CLYDE SMITH, VICE CHAIRMAN	X	
KELLY ADDY		X
TOM ASAY	X	
JOHN COBB	X	
BEN COHEN		X
ED GRADY	X	
JOHN HARP	X	
HAL HARPER		X
MIKE KADAS		X
AL MEYERS	X	
JOAN MILES		X
MARY LOU PETERSON	X	
BOB RANEY		X
RANDE ROTH	X	
ANGELA RUSSELL		X
BRUCE SIMON	X	
BILL STRIZICH		X
STAFF: HUGH ZACKHEIM		

TALLY

10 8

Lisa Roubal
Secretary

Chairman

MOTION: Rep. Smith moved to TABLE HB 781. Question being called,
the motion carried 10-8.

STANDING COMMITTEE REPORT

MARCH 2

19 37

Mr. Speaker: We, the committee on NATURAL RESOURCES

report SENATE BILL NO. 35

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

TOM JONES

Chairman

AMENDMENTS AS FOLLOWS

1) Statutes of Intent: page 1, lines 17 through 20
Insert: lines 17 through 20 in their entirety

Insert: "A statement of intent is provided for this bill in order to describe the need for a statutory appropriation and relative to current reporting requirements. In the absence of a statutory appropriation ~~and due to the appropriation~~ authorizing the board of oil and gas conservation to accept and expend funds received from bonds for the proper plugging of abandoned or dry wells, the board must receive separate authorization for this purpose each biennium through the appropriation process. As a result, the board is unable to correct problems resulting from improperly plugged wells for up to 2 years or until it receives authorization to expend the necessary funds received from restricted bonds."

2) Title, line 8

Following: "FEEES;"

Insert: "PROVIDING A STATUTORY APPROPRIATION FOR FUNDS

RECEIVED FROM BONDS FOR THE PROPER PLUGGING OF ABANDONED OR DRY WELLS;"

3) Title, line 14

Following: "17-7-502;"

Insert: "17-7-502;"

Following: "81-11-1314;"

Insert: "17-7-502;"

4) Page 4, following line 1

Insert: "Section 1. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriation -- definition --
requirements for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment."


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(3) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations:

- (a) 2-9-202;
- (b) 2-17-195;
- (c) 2-18-812;
- (d) 10-3-203;
- (e) 10-3-312;
- (f) 10-3-314;
- (g) 10-4-301;
- (h) 13-37-304;
- (i) 15-31-702;
- (j) 15-36-112;
- (k) 15-70-181;
- (l) 16-1-404;
- (m) 16-1-410;
- (n) 16-1-411;
- (o) 17-3-212;
- (p) 17-5-404;
- (q) 17-5-424;
- (r) 17-5-504;
- (s) 19-3-504;
- (t) 19-9-702;
- (u) 19-9-1007;
- (v) 19-10-205;
- (w) 19-10-305;
- (x) 19-10-506;
- (y) 19-11-512;
- (z) 19-11-513;
- (aa) 19-11-606;
- (bb) 19-12-301;
- (cc) 19-13-604;
- (dd) 20-6-406;
- (ee) 20-8-111;
- (ff) 23-5-612;
- (gg) 37-51-501;
- (hh) 53-24-306;
- (ii) 75-1-1101;
- (jj) 75-7-305;
- (kk) 80-2-103;

Page 3

- (ll) 40-2-229;
- (mm) 90-3-301
- (nn) 90-3-302;
- (oo) 90-15-103; and
- (pp) Sec. 13, HB 861, L. 1985, and
- (qq) (section 4).

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments."

Re-number: subsequent sections.

5) Page 5

Following: line 15

Insert: (5) The department of revenue may adopt rules to implement this section."

6) Page 6

Following: line 14

Insert: NEW SECTION. Section 4. Expenditure of funds from bonds for plugging wells. The board may accept and expend all funds received by it from bonds for properly plugging dry or abandoned wells as authorized in 81-11-123(5). These funds are statutorily appropriated as provided in 17-7-501.

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

NEW SECTION. Section 6. Codification instruction. Section 4 is intended to be codified as an integral part of Title 21, chapter 11, part 1, and the provisions of Title 22, chapter 11, part 1, apply to section 4."

Re-number: subsequent section

STANDING COMMITTEE REPORT

MARCH 9

19 37

Mr. Speaker: We, the committee on NATURAL RESOURCES
report SJR 9

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

TOM JONES

Chairman

MS
THIRD

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color

REP. HARPER WILL CARRY

STANDING COMMITTEE REPORT

MARCH 9

19 97

Mr. Speaker: We, the committee on NATURAL RESOURCES

report SB 151

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

TOM JONES

Chairman

1. Title, line 5.
Strike: "A"
Insert: "AN INTERIM"
2. Page 2, line 3.
Strike: "a"
Insert: "an interim"
3. Page 2, line 9.
Following: "permit"
Insert: "for a period ending June 30, 1999,"
4. Page 2, line 11.
Following: "51473-9400"
Insert: "for the purpose of conducting and evaluating a project to pump ground water from abandoned mine workings along the lower Hesselshell River"
5. Page 2, line 13.
Following: "3."
Insert: "Any party whose water rights are shown to be adversely affected by the appropriation of water authorized in this section may recover damages from the Deadman Basin water users association."

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REP. HOLLIDAY WILL CARRY

EXHIBIT (U)
DATE 3.9.87
SB. 85

PROPOSED AMENDMENTS TO SENATE BILL 85, THIRD READING COPY (BLUE)

SENATOR GAGE

1. Statement of Intent: page 1, lines 17 through 20.
Strike: lines 17 through 20 in their entirety.
Insert: "A statement of intent is provided for this bill in order to describe the need for a statutory appropriation and deletion of current reporting requirements. In the absence of a statutory appropriation authorizing the board of oil and gas conservation to accept and expend funds received from bonds for the proper plugging of abandoned or dry wells, the board must receive separate authorization for this purpose each biennium through the appropriation process. As a result, the board is unable to correct problems resulting from improperly plugged wells for up to 2 years or until it receives authorization to expend the necessary funds received from forfeited bonds."

2. Title, line 8.
Following: "WELLS"
Insert: "PROVIDING A STATUTORY APPROPRIATION FOR FUNDS RECEIVED FROM BONDS FOR THE PROPER PLUGGING OF ABANDONED OR DRY WELLS;"

3. Title, line 14.
Following: "17-7-502"
Insert: "17-7-502,"
Following: "82-11-132"
Insert: ",,"

4. Page 4, following line 12.
Insert: "Section 1. Section 17-7-502, MCA, is amended to read:
"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.
(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:
(a) The law containing the statutory authority must be listed in subsection (3).
(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section."

(3) The following laws are the only laws containing statutory appropriations:

- (a) 2-9-202;
- (b) 2-17-105;
- (c) 2-18-812;
- (d) 10-3-203;
- (e) 10-3-312;
- (f) 10-3-314;
- (g) 10-4-301;
- (h) 13-37-304;
- (i) 15-31-702;
- (j) 15-36-112;
- (k) 15-70-101;
- (l) 16-1-404;
- (m) 16-1-410;
- (n) 16-1-411;
- (o) 17-3-212;
- (p) 17-5-404;
- (q) 17-5-424;
- (r) 17-5-804;
- (s) 19-8-504;
- (t) 19-9-702;
- (u) 19-9-1007;
- (v) 19-10-205;
- (w) 19-10-305;
- (x) 19-10-506;
- (y) 19-11-512;
- (z) 19-11-513;
- (aa) 19-11-606;
- (bb) 19-12-301;
- (cc) 19-13-604;
- (dd) 20-6-406;
- (ee) 20-8-111;
- (ff) 23-5-612;
- (gg) 37-51-501;
- (hh) 53-24-206;
- (ii) 75-1-1101;
- (jj) 75-7-305;
- (kk) 80-2-103;
- (ll) 80-2-228;
- (mm) 90-3-301;
- (nn) 90-3-302;
- (oo) 90-15-103; and
- (pp) Sec. 13, HB 861, L. 1985; and
- (qq) [section 4].

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments.""
Renumber: subsequent sections.

5. Page 6, following line 14.

Insert: "NEW SECTION. Section 4. Expenditure of funds from bonds for plugging wells. The board may accept and expend all funds received by it from bonds for properly plugging dry or abandoned wells as authorized in 82-11-123(5). These funds are statutorily appropriated as provided in 17-7-502.

NEW SECTION. Section 5. Codification instruction. Section 4 is intended to be codified as an integral part of Title 82, chapter 11, part 1, and the provisions of Title 82, chapter 11, part 1, apply to section 4."

Renumber: subsequent section.

SB85SC.HSE/SENATE AMEND XT

AMEND (2)
DATE 3-9-87
781

STATEMENT OF INTENT

House Bill 781

It is the intent of the legislature that the department of state lands adopt rules to implement the provisions of this act relating to binding cooperative agreements, notification for planned operations, exemption of forest land smaller than 40 acres, best management practices and compliance with same, civil penalties, and other subjects authorized for rulemaking under the provisions of section 5.

It is the intent of the legislature that public participation be encouraged in the rulemaking proceedings, but that the rules not provide for public participation in the consultation and negotiations between the department and individual landowners in establishing binding cooperative agreements.

It is the intent of the legislature that the department develop through rulemaking a comprehensive list of best management practices for operations, and that the department work with individual landowners to determine the appropriate elements of this list that should be applied in a specific binding cooperative agreement. It is further the intent of the legislature that rules provide for flexibility in the administration of binding cooperative agreements so that the department and the landowner can, by mutual consent, agree to practices that will benefit both an operation and the watershed resource.

(3)
3-9-87

S 151

Amendments to SB 151

1. Title, line 5.
Strike: "A"
Insert: "AN INTERIM"
2. Page 2, line 8.
Strike: "a"
Insert: "an interim"
3. Page 2, line 9.
Following: "permit"
Insert: "for a period ending June 30, 1989,"
4. Page 2, line 11.
Following: "61478-g40C"
Insert: "for the purpose of conducting and evaluating a project to pump ground water from abandoned mine workings along the lower Musselshell River"

