

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

March 13, 1987

The meeting of the Natural Resources Committee was called to order by Chairman Tom Jones on March 13, 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. Harp and Miles who were excused.

SENATE BILL NO. 373: Senator Chet Blaylock, District #43, sponsor, stated SB 373 was in the Resource Indemnity Trust Fund bill and set up ways in which the Resource Indemnity Trust Fund monies would be used and thus form programs. With that, he turned the meeting over to Larry Fasbender, and reserved the right to close.

PROPOSERS: Larry Fasbender, Director, Department of Natural Resources and Conservation, stated the bill, as they may recall last session, generated a considerable amount of disagreement as to how the money would be spent and how programs would be set up. Before the bill was introduced this time, a number of people sat down and worked on the piece of legislation and came up with an equitable distribution of funds. Thus, giving them a compromise and the best method in which to proceed with the legislation. Finally, statutorily, they created programs worked on for some time, and actually funding projects from the program, without any statutory language allowing them to do fund programs or directed them on how it should be done. SB 373 sets up another program that is split, which includes the reclamation development grant program set up in the first part of the legislation. The reclamation development grant program would receive 56% of the funds coming from the RIT interest monies.

The distribution for the rest of those funds were as follows: \$175,000 would go into the Environmental Contingency Account, under the call of the Governor, which would grow to \$750,000 and at that point, the money would not continue to go in. Additionally, 30% of the money of the RIT interest would go to the water development projects a DNRC which is currently the situation. Another 6% would go to the Department of Health and Environmental Sciences for hazardous waste. Mr. Fasbender stated there is legislation pending that would apply the backup bonds to be sold for super-fund projects, and if that passed, the working language in the bill would accommodate that. Renewable Resource Development

Program and projects are also being allocated 8% of the money. When adding all of these percentages, it resulted in 100% of the monies in RIT. The had gained some of the eligibility criteria as to what would be eligible under those projects, and in so doing, had broadened the ability to use those funds on certain projects. There was some disagreement as to whether or not they would be eligible for it. The projects with water concept identification that expanded it to include some projects that were not considered, definitely strictly reclamations. One of the areas considered was if legislation found there was a critical need for something over and above reclamation and development, they could make that finding recommendation to the department and could allocate those funds to other uses if they so chose. Mr. Fasbender pointed out that one thing it would require, and made very clear, was if monies were taken from any of those projects and diverted for use by the administration or by the legislature for operations, which generally might be considered operations of state government, it had to specifically show where that money came from and what it was going to be used for.

REP. DAVE BROWN, District #72, stated he was in strong support of SB 373. He commended the Governor's office and DNRC for putting substantial time and effort into it in trying to resolve the problem. He stated it was still not what he would like to see; however, it was a long way from where the Governor's office was two years ago. It was a very reasonable compromise, and most likely, the best they could possibly get, and in many ways, far more than they could have hoped for as a legislature and administration. The bill had set up the four categories that Mr. Fasbender described, either by legislation or administration for taking any of those funds and putting them anywhere else. It recognized the water development funds that the legislature had already set up in the past out of the program, it added a new RRD effort, and set it up in this manner. However, retained a base of at least 50% of the funds to be used for mineral reclamation programs, but did not mean it was not available to use for other programs. This gave them all an opportunity to see how the money was being spent and how it was suppose to be spent. With this, he urged the committee's approval of SB 373.

BRACE HAYDEN, from the Office of the Governor submitted testimony (Exhibit 1). He stated SB 373 represented a reasonable and equitable method for apportioning Resource Indemnity Trust Tax interest monies. It provided clear directions to the Department of Natural Resources as to how to solicit and rank reclamation and other mineral-related projects for legislative decision making. Last session's fight over the legacy program resulted in there being no

program put in place as to how unappropriated RIT monies should be spent. SB 373 came about because both sides in the 1985 debate recognized the issue had to be resolved. The bill was a result of considerable work by Senator Blaylock, Rep. Brown, the Environmental Quality Council, the Department of Natural Resources and many others. SB 373 clearly reflects a spirit of compromise, and he urged the committee's favorable support.

GEORGE OCHENSKI, representing the Montana Environmental Information Center stated, this is what you call a compromise. He pointed out, there are technical amendments which directly relate to coordinating instructions, for HB 718, that had been passed out of the committee and out of the House, which reallocated funds from the Environmental Contingency account to the Environmental Quality Protection Fund. He stated he had talked extensively with Hugh Zackheim to draft the technical coordinating instructions. He urged the committee to look favorably on SB 373, and stated he would appreciate the committee directing Mr. Zackheim to draft the technical amendments.

NO OPPONENTS

REP. COBB asked Rep. Brown what were the differences between Section 5 and Section 15 regarding grants to state and local government. Rep. Brown directed this to Larry Fasbender. Larry stated Section 5 dealt with the reclamation grants program and Section 15 dealt with the renewable resource development program. There are two different programs that are funded under the legislation.

REP. COBB stated Section 15 intended that the legislature could use these monies for other projects if a higher priority was decided upon; however, Section 5 states the legislature can look over projects, but could not move around or pick up new projects, if they so decide, and wondered just what the intent of the legislature was regarding the two conflicting sections.

MR. FASBENDER stated it was always an option of the legislature; however, DNRC can make recommendations, but the legislature still had to dispose of those any way they chose fit. Other projects that came in, which they felt were of a higher priority, could then be dealt with and decided upon.

REP. COBB had concerns with the language being clear, because it was different in both sections about legislative review; whereby one section said they can do what they want to do, and the other said they cannot, and he wondered how it could be clarified.

MR. FASBENDER clarified by stating there was no intent to restrict the legislative review at all.

REP. HARPER asked Mr. Fasbender to explain the effective date setup.

MR. FASBENDER stated Sections 1 through 15 were effective July 1, 1987. He was unsure of the repealers and asked Hugh Zackheim to explain.


HUGH ZACKHEIM, Researcher, stated the staggered repealer was in place because the three sections that were being repealed under Section 16, Subsection 1, were the current language that set up the authority for the existing RIT allocations under HB 6, and was currently called the Environmental Contingency Grants Program. In the earlier sections, the revised allocations in the bill for the reclamation and development program begin during the next biennium. They felt it made sense to keep the current statutory authority for the grants program in place for this biennium, at which time it would drop off next biennium when the new programs come into place.

Hearing closed on SB 373.

EXECUTIVE SESSION

SENATE BILL NO. 373: Rep. Cobb moved SB BE CONCURRED IN. There was a question regarding the technical amendments. Hugh Zackheim explained to the committee the technical amendments were needed in order to use as a coordinating tool. Question being called, on the amendment, the motion CARRIED unanimously. See Standing Committee Report. Rep. Cobb moved SB 373 BE CONCURRED IN AS AMENDED. Question being called, the motion CARRIED unanimously.

ADJOURNMENT: There being no further business to come before the committee, the meeting was adjourned at 1:28 p.m.



TOM JONES, Chairman

DAILY ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 13, 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			

COMMENTS ON SB 373

EXHIBIT (1)
DATE 3 13 87
SB 373

BY

BRACE HAYDEN
OFFICE OF THE GOVERNOR

Mr. Chairman, Members of the Committee, my name is Brace Hayden from the Office of the Governor.

SB 373 represents a reasonable and equitable method for apportioning Resource Indemnity Trust Tax interest monies. It provides clear directions to the Department of Natural Resources and Conservation as to how to solicit and rank reclamation and other mineral-related projects for legislative decision making.

Last session's fight over the legacy program resulted in there being no program put in place as to how unappropriated RITT monies should be spent. SB 373 came about because both sides in the 1985 debate recognized this issue had to be resolved.

The bill is a result of considerable work by Senator Blaylock, Representative Brown, the Environmental Quality Council, the Department of Natural Resources and Conservation and many others. SB 373 clearly reflects a spirit of compromise.

I would be happy to answer any of the Committee's questions.

