

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

The meeting of the Natural Resources Subcommittee was called to order by Chairman Swift on February 5, 1987, at 8:10 a.m. in room 317 of the State Capitol.

ROLL CALL: Present: Sen. Boylan, Rep. Manuel, Sen. Smith, Rep. Spaeth, and Rep. Swift. Excused: Rep. Devlin and Sen. Story. Also present were Carl Schweitzer, Senior Fiscal Analyst, from the Office of the Legislative Fiscal Analyst (LFA) and Karen Vollstedt, Budget Analyst, from the Office of Budget and Program Planning (OBPP).

DEPARTMENT OF FISH, WILDLIFE, AND PARKS

Mr. Flynn, Director, Department of Fish, Wildlife, and Parks (FW&P), introduced Ron Aasheim, Administrator of the Conservation Education Division of Fish, Wildlife, and Parks. Mr. Aasheim presented a 20 minutes video produced by the department on the use of goats against leafy spurge. The subcommittee also saw a short video of a variety of FW&P public service announcements.

Tape 61:510

Mr. Flynn continued his presentation on division budgets (EXHIBIT 1).

Enforcement

Budget Modifications

(1) increased warden support in Region 5 to address needs of the department, and (2) increase the boat safety program, Chairman Swift asked if the program had increased enough to anticipate the higher level of funding. Mr. Flynn replied that the department has workload problems in the Billings area with enforcement people. That metropolitan area is very time consuming and demanding on the staff. Also, Canyon Ferry area is the heaviest used recreation area in the state.

Sen. Smith said his concern is that some contracted services are moving into the department's operational budget. He asked if federal funds should be cut, would state funds be obligated to operate that function? Mr. Flynn replied that it is a possibility, but the department would probably not be obligated to support the function. Mr. Flynn said he wasn't aware of any chance of losing the Pittman/Robertson or the Dingell/Johnson funds.

Carl asked if the funds could be used for search and rescue. Mr. Flynn said that his understanding is that the money is to be used for education, water and boat safety, and enforcement of boating laws.

Mr. Flynn distributed several handouts answering various questions from yesterday, 2/5/87:

EXHIBIT 2: Block Management Participants

EXHIBIT 3: Report of Liability Question/  
Insurance/Self Insurance

EXHIBIT 4: The Medicine Lake Sandhills  
Special Management Area

EXHIBIT 5: Block Management Program 1987 &  
1988

Mr. Flynn said he talked to people in Kalispell following yesterday's meeting and asked about the \$10 a square foot rental for headquarters. The \$10 seems to be average for newer buildings in that area. Also the department needs a short-term lease which probably locks them into the \$10 price.

Rep. Devlin asked how many square feet are in the old building and how many square feet will be rented. Mr. Flynn said he would get those figures.

Mr. Flynn continued his presentation on division budgets.

### Wildlife

(1) Laboratory testing for black bears and endrin, Rep. Devlin asked about the laboratory bear tooth testing. Mr. Flynn said the testing is done at Montana State University at the Veterinary Research Lab. The lab is paid on a per sample basis.

In answer to questions from Rep. Devlin, Mr. Flynn said endrin testing is being done in eastern Montana. This is a program done with the Department of Agriculture.

Sen. Smith asked if the endrin testing would end soon. Mr. Flynn explained that the endrin levels are going down. The purpose is to document the time when endrin is gone.

Chairman Swift asked why the requested expenditure for bear and endrin testing is three times beyond last year's figure. Mr. Flynn said the department plans to continue the program for at least the next two years.

Sen. Boylan asked if the new facilities contained labs. Mr. Flynn replied that there is one wildlife lab in operation and it is Bozeman.

#### Tape 62A

(7) contracted pilot, Sen. Smith asked if the department planned on doing more flying? Mr. Flynn said that the department is trying to do more flying and charges are increasing. This will assist the department in game count.

Rep. Devlin questioned whether an accurate count could be made from an airplane. He asked why the department didn't ask the landowner to assist in the survey. Mr. Flynn said that the department is not to the point of surveying land owners for an annual count, but they have made some movement in that direction. Rep. Devlin asked why the landowner could not have input into the survey formula. Sen. Smith agreed with Rep. Devlin.

(9) increased costs with the hunter surveys, Carl asked if this survey is done on site or by letter. Mr. Flynn explained that the survey is conducted in two ways. The principle way is a phone survey. Carl said if the department survey could ask some of the same questions as the Montana promotion telephone survey which is done by the Department of Commerce.

(4) revised hunting map, Chairman Swift asked if this would be a continued increase. The present hunting map, Mr. Flynn explained, is a newspaper style, and which would be replaced with a booklet, that would be concise and easier to handle. To answer subcommittee member's questions, Mr. Flynn will bring in a sample of the new hunting map booklet and one of the old maps.

(10) Student stipends for graduate programs at MSU and UofM, Rep. Devlin asked how much the present stipend is. Mr. Flynn answered that the present stipend is \$25,00 a year. The department proposes to increase it to \$30,000.

#### Adjustments

3A Taxes on wildlife management areas, members asked how many acres the department owned and how much they pay in taxes. Mr. Flynn agreed to provide more information on taxes.

## Budget Modifications

(1) Establish permanent hunter check stations, Sen. Smith suggested increasing the duties of biologists and using them to man check stations in order to avoid more hiring. Mr. Flynn said that if that was done, they would have to take people out of the field to man those check points.

## Tape 62B

(2) Improve capability to increase hunter opportunity and alleviate game damage in R-3, in answer to a question from Sen. Story, Mr. Flynn said that 40% of Montana's total elk harvest comes out of Region 3.

(4) Evaluate effects of archery hunting on elk statewide, Mr. Flynn said the department feels it is time to spend some effort on assessing what is actually happening out there with respect to archery season.

Chairman Swift stated that much of the concern is coming out of southwestern Montana. He said that archery hunting is controversial in the Bitterroot Valley, particularly with the Bitterroot stock farmers.

(6) Statewide nongame program, Mr. Flynn said that the department would like to have a nongame program that can be relied on from year to year, and that will be constant. Sen. Smith asked what the present money was being used for. Mr. Flynn said he would provide more information at tomorrow's meeting.

## Conservation Education

### Budget Modifications

(1) Project Wild facilitators workshop, Sen. Smith asked what were some of the programs in the workshops. Mr. Flynn said he would bring in a workbook and a manual tomorrow.

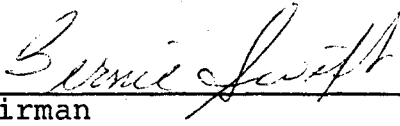
(2) Bear hunter education program, Carl requested for more specific information on the program.

Carl handed out for the record:

EXHIBIT 6: A letter from Rep. Winslow to the 50th Legislature, stating that the Legislative Finance Committee reviewed the PSC fiscal 1987 budget and has no significant findings to report as a result of the review.

EXHIBIT 7: A letter from Rep. Swift to Rep.  
Donaldson recommending to the full  
appropriations committee that language  
be added to the fiscal 1987 supplemental  
bill as stated in the letter.

The meeting adjourned at 11:20 a.m.

  
\_\_\_\_\_  
Chairman  
Natural Resources Subcommittee

DAILY ROLL CALL

## NATURAL RESOURCES

SUBCOMMITTEE

DATE \_\_\_\_\_

2-5-87

[illegible]

CENTRALIZED SERVICES

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	47.43	46.83
Appropriations	\$7,806,763	\$7,399,576
Funding Sources		
Snowmobile Fuel Tax	\$ 143,062	\$ 101,126
Coal Tax Interest	164,445	313,546
License Account	2,666,599	2,602,482
Parks Miscellaneous	133,260	128,800
Motorboat Fuel Tax	252,446	182,192
Motorboat Registration	13,188	12,366
Snowmobile Registration	11,474	10,030
Federal Overhead	584,603	428,056
Printshop - Office Supply R/A	273,333	335,111
Vehicle R/A	3,110,208	2,865,925
Warehouse R/A	<u>454,145</u>	<u>419,942</u>
Total	\$7,806,763	\$7,399,576

Differences with LFA	<u>FY-88</u>	<u>FY-89</u>
1. Gasoline LFA used a deflation factor of 6.4%. OBPP inflated the base by 1.01%	\$26,000	\$14,000
2. DofA computer charges increased. Documentation available.	-	\$7,800
3. Transfer of travel from Wildlife for the Federal Aid Coordinator. Wildlife base reduced.	\$4,100	\$4,100
4. Equipment		
4 replacement vehicles		\$53,000
Partenavia and helicopter engine rebuilds		\$99,000
Master maker for the printshop.		\$22,400

ADJUSTMENTS

1. Transfer of all insurance costs to Centralized Services. (\$9,682 per year).
2. Appropriation authority to allow for deposits of indirect cost reimbursements to the General Fund. (\$85,000 per year).

# BUDGET MODIFICATIONS

	<u>FTE</u>	<u>FY-88</u>	<u>FY-89</u>
1. Staff for earlier moose, sheep and goat drawing. License Account - 75,774	1.0	\$38,062	\$37,712
2. Vehicle Account funding transfer. License Account - \$268,987	-0-	\$118,327	\$150,660
3. Vehicles for new programs. Vehicle Revolving Account - \$385,365	-0-	\$187,554	\$197,811

121/18/2



# FIELD SERVICES

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	32.15	31.40
Appropriations	\$2,907,900	\$3,089,855
Funding Sources		
Insurance Proceeds	\$ 50,000	\$
License Account	2,110,426	2,463,262
Federal Overhead	<u>747,474</u>	<u>626,593</u>
Total	\$2,907,900	\$3,089,855

Differences with LFA	<u>FY-88</u>	<u>FY-89</u>
1. DofA maintenance on personal computers (new service).	\$8,880	\$9,840
2. Security Services transferred from Wildlife. Wildlife base reduced.	\$2,000	\$2,000
3. Travel costs for the Data Processing Coordinator. Position vacant during portion of FY-86.	\$5,219	\$5,219
4. Repair and maintenance costs on regional headquarters were miscoded. The costs were transferred from capital outlay to this category.	\$4,700	\$4,700
5. Capital outlay remodeling the Kalispell headquarters (\$5,000) and landscaping and paving at R-4 (\$7,500)	<del>\$12,500</del> 7,500	
6. Equipment		
All computer purchases were eliminated by LFA. These costs were transferred from Administration. Spent \$176,000 in FY-86 and 87.	\$102,500	\$28,000
Copy machines in R-1, R-3, R-5 and R-6. Purchased in FY-81.	\$17,800	
Game Damage Equipment		
Electric Fence	\$1,500	\$1,500
Scare devices and guns	\$1,500	\$1,000
Culvert trap for bears	\$1,000	

## ADJUSTMENTS

1. Transfer all personal computer repair and maintenance to Field Services. (\$14,019 for FY-88 and \$14,419 for FY-89).
2. Parks transfer of functions.
3. Kalispell Headquarters rent while the new building is being constructed. (\$72,000 in a biennial appropriation).

## BUDGET MODIFICATIONS

	<u>FTE</u>	<u>FY-88</u>	<u>FY-89</u>
1. Provide for increased O&M in new R-3, R-4 and proposed headquarters. License Account - 78,754	-0-	\$30,959	\$47,795
2. R-4, 5, 6 and 7 office staff support due to increased workload. License Account - \$27,675	0.50/1.00	\$10,269	\$17,406
3. Assist landowners in distributing hunters on private lands. License Account - \$15,000	-0-	\$7,500	\$7,500

121/18/4

# FISHERIES

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	100.54	97.33
Appropriations	\$10,304,531	\$9,547,351
Funding Sources		
License Account	\$5,793,268	\$5,416,294
Federal - DJ	1,830,905	2,061,057
Federal - Other	<u>2,680,358</u>	<u>2,070,000</u>
Total	\$10,304,531	\$9,547,351

Differences with LFA	<u>FY-88</u>	<u>FY-89</u>
1. Instream Flow Reservation. LFA explains as a 2 year project.	\$24,400 1.25 FTE	\$24,400 1.25 FTE
2. Fisheries co-op grants at MSU.	\$2,500	\$2,500

## ADJUSTMENTS

1. In the current level budget, there is a request for a \$16,000 hatchery truck at Lewistown. The cost is estimated at \$20,000.	\$4,000
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## BUDGET MODIFICATIONS

	<u>FTE</u>	<u>FY-88</u>	<u>FY-89</u>
1. Increase effort on data collection on lower Missouri River Basin streams. License Account - 12,000 D.J. Account - \$36,000	0.25	\$24,000	\$24,000
2. Added funding for operations and salary to handle increased production from new hatchery facilities. License Account - \$42,014	0.75	\$20,868	\$21,146
3. Increase central Montana fish management program. License Account - \$16,077 D.J. Account - \$48,232	1.00	\$33,158	\$31,151

	<u>FTE</u>	<u>FY-88</u>	<u>FY-89</u>
4. Fish disease prevention. License Account - \$14,172	-0-	\$6,925	\$7,247
5. Flathead River Basin co-op monitoring program. License Account - \$64,570	0.50/0.75	\$22,931	\$41,639
6. Convert LCA to DJ Funding for the Fort Peck Commercial fish operation. D.J. Account - \$44,161	1.15	\$20,050	\$20,111

121/18/6

# ENFORCEMENT

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	87.50	87.17
Expenditures/Appropriations	\$7,853,769	\$7,383,505
Funding Sources		
Coal Tax Interest	\$ 61,994	\$ 64,480
License Account	6,577,538	6,925,827
Parks Miscellaneous	107,057	112,000
Motorboat Fuel Tax	254,749	164,000
Motorboat Registration	68,421	82,046
Snowmobile Registration	36,010	35,152
Warden Retirement Fines	580,000	
Federal - Coast Guard	<u>168,000</u>	
Total	\$7,853,769	\$7,383,505

	<u>FY-88</u>	<u>FY-89</u>
Differences with LFA		
1. Base adjustment in travel. Travel was understated in FY-86 because of vacant positions and the 40 hour work week.	\$50,277	\$50,449
2. TIP MONT. Rewards. The program was new in FY-86 and not fully operational during the base period.	\$8,439	\$8,439

## ADJUSTMENTS

None

## BUDGET MODIFICATIONS

	<u>FTE</u>	<u>FY-88</u>	<u>FY-89</u>
1. Increased warden support in R-5 to address needs of Wildlife and Parks. License Account - \$31,989 Federal Coast Guard - \$31,989	1.00	\$32,294*	\$31,684*
2. Increased law enforcement in the Thompson Falls area. License Account - \$33,132	.50	\$16,570	\$16,562
3. Increase the Boat Safety Program Federal Coast Guard - \$277,264	2.00	\$138,474*	\$138,790*

\* The federal funds associated with Items 1 and 3 above are current programs using LCA. FWP wants to convert to the base as these appear to be ongoing programs.

121/18/7

# WILDLIFE

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	93.51	90.31
Appropriations	\$11,751,935	\$11,745,628
Funding Sources		
Nongame Wildlife	\$ 90,000	\$ 55,312
Waterfowl Stamp		130,000
Mountain Sheep		27,000
License Account	5,290,027	4,689,552
Federal - PR	4,378,908	4,513,764
Federal - Other	<u>1,993,000</u>	<u>2,330,000</u>
Total	\$11,751,935	\$11,745,628

Differences with LFA	<u>FY-88</u>	<u>FY-89</u>
1. Laboratory testing for black bears and endrin.	\$20,700	\$19,500
2. Increased computer charges by MSU.	-0-	\$3,200
3. Contracted secretarial help for special projects.	\$2,400	\$2,900
4. Revised hunting map.	\$16,000	\$18,700
5. Appraisal fees for sale or purchase of department lands.	-0-	\$1,500
6. Non-game adjustment currently using LCA. FWP wants to convert to the base.	\$21,000	\$21,000
7. Contracted pilot.	-0-	\$3,500
8. Minor tools for the waterfowl program.	\$14,000	\$14,000
9. Increased costs with the hunter surveys.	\$8,000	\$8,000
10. Student stipends for graduate programs at MSU and UofM.	\$30,000	\$30,000

ADJUSTMENTS	<u>FY-88</u>	<u>FY-89</u>
1. Adding more dollars into Bighorn Sheep program to agree to the revised revenue estimate.	\$7,900	\$7,900
2. Adding back .20 FTE inadvertently cut in the non-game program.	.20 FTE (no additional funding)	.20 FTE (no additional funding )
3A. Taxes on Wildlife Management areas. Increase in taxes greater than expected.	\$12,500	\$12,500
3B. Some Wildlife Management Areas are not being taxed by counties.	\$3,500	\$3,500

#### BUDGET MODIFICATIONS

	<u>FTE</u>	<u>FY-88</u>	<u>FY-89</u>
1. Establish permanent hunter check stations. License Account - \$98,983	1.05	\$49,470	\$49,573
2. Improve capability to increase hunter opportunity and alleviate game damage in R-3. License Account - \$82,080	1.00	\$41,040	\$41,040
3. Recover wildlife losses by implementing mitigation plans at Hungry Horse and Libby Dams. License Account - \$49,005	0.50	\$24,502	\$24,503
4. Evaluate effects of archery hunting on elk statewide. License Account - \$46,900	-0-	\$27,900	\$19,000
5. Minimize grizzly bear-human conflicts along Rocky Mtn. Front by hiring a coordinator. Currently authroized by budget amendment. License Account - \$89,157	1.00	\$44,563	\$44,594
6. Statewide nongame program. Nongame Account - \$14,000	-0-	\$7,000	\$7,000

		<u>FY-88</u>	<u>FY-89</u>
7. Providing landowner/hunter assistance in western portion of R-1. License Account - \$32,506	0.50	\$16,230	\$16,276
8. Intensify weed control effort on department lands. License Account - \$20,000	-0-	\$10,000	\$10,000

121/18/10



# PARKS

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	98.14	95.12
Appropriations	\$8,121,421	\$7,650,484
Funding Sources		
General Fund	\$ 866,636	\$
Snowmobile Fuel Tax	718,402	529,460
Coal Tax Interest	1,236,853	2,010,347
License Account	1,875,301	1,594,117
Parks Miscellaneous	636,399	764,294
Motorboat Fuel Tax	1,072,391	1,102,170
Snowmobile Registration	28,012	35,152
Fishing Access Site	158,835	192,500
Federal - LWCF	1,000,000	890,000
Federal and Private	3,000	
Snowgroomer Replacement R/A	200,000	200,000
Grounds Maintenance R/A	<u>325,592</u>	<u>332,444</u>
Total	\$8,121,421	\$7,650,484

Differences with LFA	<u>FY-88</u>	<u>FY-89</u>
1. Overtime for seasonal positions (Garcia Decision)	\$12,000	\$12,000
2. Contingency for snow removal at the Capital Complex.	\$8,000	\$8,000
3. Weed control on Department owned lands.	\$21,200	\$21,200
4. Canyon Ferry road maintenance.	\$5,000	\$5,000
5. Film processing costs for educational video tapes about the State Park System.	\$1,000	\$1,000
6. Slash disposal at park site to prevent injury to the public. Two lawsuits currently filed against department due to falling branches.	\$13,500	\$12,300
7. Due to increasing burglaries and vandalism security services are increased.	\$20,000	\$21,000

	<u>FY-88</u>	<u>FY-89</u>
8. Reimbursements to county fire districts for fire protection on park sites.	\$2,500	\$2,750
9. Printing of the SCORP, computer aided graphics for the Design and Construction Bureau, and the continuation of our signing program.	\$40,000	\$22,500
10. Increase in utilities, especially in NW Montana.	\$7,370	\$7,370
11. Increase in taxes due to recent statewide reappraisals.	\$4,100	\$4,100
12. Equipment		
Snowgroomers (1 machine per year).	\$100,000	\$100,000
Compaction Meter		\$4,700

#### MODIFICATIONS

Improve snowmobile trail grooming. Depends upon the revenue estimate.	\$61,000	\$61,000
Snowmobile Fuel Tax - \$122,000		

#### ADJUSTMENTS

1. OBPP agreed to a \$8,000 per year snow removal contingency. However, it was all included in FY-88 and funded from the license account. If the committee approves of the concept the staff can work out the details.	\$16,000 -8,000	\$ +8,000
2. Some counties are not submitting tax notices on fishing access sites.	\$18,500	\$18,500
3. Transfer functions to Field Services. Several functions in Parks support other programs. With the deemphasis on acquisition and development of Parks, and an increasing program for boat facilities and sheep and waterfowl habitat, it is recommended to transfer these support services to the Field Services Division.		

	<u>FY-88</u>	<u>FY-89</u>
Sign Shop	\$49,321 1.50 FTE	\$49,321 1.50 FTE
Land Agent Unit	\$123,181 3.00 FTE	\$123,181 3.00 FTE
Design and Construction Bureau	\$267,162 8.00 FTE	\$267,162 8.00 FTE
Administrative and Secretarial	\$43,517 1.50 FTE	\$43,517 1.50 FTE
4. As a result of the refunding of the functions listed in 3 above, Parks funding sources will be freed up for increased operations and maintenance support.	\$111,645 2.00 FTE	\$111,645 2.00 FTE

121/18/13

# CONSERVATION EDUCATION

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	22.05	22.05
Appropriations	\$2,380,904	\$2,348,554
Funding Sources		
Snowmobile Fuel Tax	\$ 58,461	\$ 63,486
Coal Tax Interest	19,339	52,556
License Account	2,047,551	2,013,462
Motorboat Fuel Tax	32,819	
Motorboat Registration	5,152	
Federal - PR	<u>217,582</u>	<u>219,050</u>
Total	\$2,380,904	\$2,348,554

Differences with LFA	<u>FY-88</u>	<u>FY-89</u>
1. The Hunter Safety program was partially funded using LCA appropriation authority. FWP wants to convert to the BASE as this appears to be an ongoing program.	\$26,000	\$26,500
2. Equipment Replace video films for educational presentations at schools, sportsmens clubs, and civic organizations.	\$4,500	\$4,500

## ADJUSTMENTS

None

## BUDGET MODIFICATIONS

	<u>FTE</u>	<u>FY-88</u>	<u>FY-89</u>
1. Project Wild facilitators workshop. License Account - \$10,000	-0-	\$5,000	\$5,000
2. Bear hunter education program. License Account - \$15,000	-0-	\$7,500	\$7,500
3. Federal Boat Safety Program. Federal Coast Guard - \$60,000	-0-	\$30,000	\$30,000

121/18/14

# ADMINISTRATION

	<u>Present Biennium</u>	<u>1987 Session</u>
Current Level FTE	13.46	13.01
Appropriations	\$2,041,450	\$1,810,795
Funding Sources		
License Account	\$1,644,467	\$1,455,912
Federal Overhead	<u>396,983</u>	<u>354,883</u>
Total	\$2,041,450	\$1,810,795

Differences with LFA

None

ADJUSTMENTS

None

BUDGET MODIFICATIONS

None

121/18/15

BLOCK MANAGEMENT PARTICIPANTS

1. Dale Kreiman                      584-7557  
Lindsay, MT
2. Ben Minow                        554-3540  
Olive, MT
3. Duane Richards                775-6480  
Hammond, MT
4. Lyle Tauck                      775-6356  
Hammond, MT



# FBS Insurance Montana International

Natural Resources Subcommittee  
Exhibit 3

1200 North Montana Avenue  
P.O. Box 6127  
Helena, Montana 59601-6127  
406 442-5360

## REPORT OF LIABILITY QUESTION/INSURANCE/SELF INSURANCE

The enclosed information is a report of our findings for a group of landowners, sportsmen and the Fish and Game Department under a consulting contract with this group. The primary purpose of our research was to study the liability issue as it relates to sportsmen's access of private land. In so doing, we investigated the feasibility of an insurance program which could be purchased by the sportsmen to protect landowners who permitted free access to their property; and a self-insurance program which could bypass the standard insurance mechanism.

### Part I -- Insurance Coverage

In the first task of determining the feasibility of an insurance policy written on behalf of landowners in Montana who would allow free access to their property for sportsmen, we contacted a number of national and international markets to see if there would be interest in providing such a policy. A number of hurdles began to appear on the horizon in this investigation. The conclusion to the question of availability of an insurance policy written on behalf of the landowners was not positive. The six primary reasons for our recommendation that insurance would be difficult if not impossible to arrange are as follows:

(1) The desired limit of coverage (5 to 10 million dollars) is difficult to arrange in the current tight commercial liability market. Most companies wish to limit their obligation to a much lower amount. Layering of limits was discussed, but other problems enumerated below made this option not appear viable.

(2) Most companies contacted would want to have such a policy structured so there would be a limit placed on each claim. This sublimit would be much lower than the annual aggregate limit. Therefore if it were possible to write a 5 or 10 million dollar aggregate coverage, the sublimit would probably have to be somewhere around \$500,000 to \$1,000,000 in order to reasonably insure maintenance of the annual aggregate if more than one claim occurred during the year. This defeats the concept of having high limits in excess of 5 million dollars available to the landowner should a claim arise.





# FBS Insurance Montana International

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Report of Liability  
October 6, 1986  
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(3) The companies would want defense costs included in the sublimit and in the aggregate limit. This would reduce the total amounts available to pay actual claims. This trend of including defense costs within the policy limits is a new one which would almost certainly be insisted upon in a program such as the one we investigated.

(4) Another concern was a legal entity to be the named insured of the policy. We would want to cover all landowners who would participate in the program. The policy would have to be purchased by the legal entity covered. There seems to be no easy way to define this group providing everyone allowing free access to their property the insurance coverage while not applying to those charging for access. Creating and naming the legal entity to be insured would be difficult.

(5) In order to gain support of the sportsmen for an increase in licenses to pay for this insurance, much publication of the program would be necessary. It is feared that an increase in publication would entice the professional claims makers to file claims for anything that happens. These frivolous claims could quickly destroy the whole program.

(6) It would be desirable to have landowner participation in the premium payment. In our discussion with landowners, it was determined that this would not be an easy hurdle to overcome. In addition, defining the exact territory to be covered for each landowner would be difficult. There would have to be very strict and specific territory definitions in the policy coverage.

In addition to these hurdles, we feel the question of administration would be a big one. There would undoubtedly have to be a landowner record keeping system of those allowed on the property, a way to determine whether or not a fee was charged, and then a way to verify coverage for each landowner. This could be a monumental task eating up a great deal of the fees paid to administer the program. For these reasons, it is our conclusion that at this time insurance would be extremely difficult, if not impossible, to obtain.







# FBS Insurance Montana International

1200 North Montana Avenue  
P.O. Box 6127  
Helena, Montana 59601-6127  
406 442-5360

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## Part II -- Self-Insurance

From follow-up meetings with the landowners, sportsmen, and Fish and Game people we were also asked to study the question of Self-Insurance. In theory it is often times advantageous with a large premium base to self-insure and by-pass the traditional insurance markets. Many times the administrative costs are lower; loss prevention and loss control measures are more strictly adhered to, and premiums and limits are more within the control of the group.

In checking the self-insurance possibility, our primary contact was with a group in California, Marsh and McLennan Insurance Brokers, who successfully set-up the self-insurance program for the League of City and Towns in the state of Montana. This group knows the politics of the state, having successfully put together a self-insurance program. In our discussions with Marsh and McLennan, it appears that self-insurance is not as bright a prospect as it first appeared.

The first obstacle in the self-insurance program would be the availability of statistics to determine exactly what types of losses occur with public access on private ground, as well as frequency and severity of these losses. Unfortunately, in our checking with major industry representatives within the state and outside of Montana, there does not seem to be a refined coding system for this information. Whereas, it is possible to determine how many liability claims were filed with a particular company and what amounts were paid out, this is not broken down specifically enough to lend credence to the statistical base. The insurance companies simply do not keep the statistics on claims in a form that would make formulating credible data on the number and size of claims possible. The legal system also does not have data available in a form allowing inferences to be made as to frequency, severity and numbers of losses.

A second major hurdle would be that landowners are not subject to the same 1.5 million dollar total liability limit that municipalities are subject to. Therefore the limits of coverage required in the self-insurance pool would be significantly higher than 1.5 million dollars.





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A third issue is to determine how to replenish the pool of funds if the claims exhausted them during a given year. We are doubtful that the state of Montana or any other governing group would step in to replenish this fund. Where would additional monies come from?

The fourth issue regarding self-insurance would be to define covered activities. It is extremely difficult to limit the exposures in such a way that loss potential would be minimized. For example, use of 4-wheel drives, snowmobiles, motorcycles, and horses would be much more hazardous than just allowing foot traffic access to private ground.

The fifth issue would be that the limits and potential costs would probably not satisfy your requirements. For example, the broker has indicated that funding would have to be approximately 2 million dollars to be able to provide a \$300,000 or \$500,000 per claim limit. This would require a fee of approximately \$10 per license. It is doubtful that sportsmen would be willing to pay such a surcharge on their licenses. Even if hunters would pay the additional fee, the limits of \$500,000 would not be sufficient to assure the landowner of adequate protection. There may also be a legal question as to whether or not the licenses could be assessed an additional fee to provide insurance.

## Conclusion

With the conclusion that insurance and/or self-insurance availability is highly unlikely due to low limits and prohibitive costs, it is our recommendation that perhaps an educational program be promoted to illustrate both the advantages of free access and the disadvantages of some type of fee access.

In most farm and ranch owners' insurance policies, liability coverage applies without a deductible if the guest has not paid a fee. The critical difference is that fee access can be interpreted as a business. Many policies contain a business liability exclusion for businesses not incidental to the operation of the farm or ranch. Strict interpretation of this limitation could rule out any coverage for a fee access activity.





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In our checking with various insurance carriers in the state, it was determined that there is not a liability exclusion relative to allowing individuals on the property where no fee is charged. In addition, the companies surveyed were not in support of allowing the farmowners' policies to be extended to provide coverage where the landowner charges a fee and in effect has a business exposure relative to the access of the sportsmen on his property. We feel that a landowner would be in a much better position with his own insurance coverage by allowing free access to the property.

Submitted by:

Thomas J. Downey, CIC, CPCU  
and Patrice Downey - Commerical Lines Marketer  
FBS Insurance, Montana International

TD/km



EXHIBIT "A"

BLACKFOOT SPECIAL MANAGEMENT AREA

By order of the Montana Fish and Game Commission, the following rules and regulations shall govern the hunting and fishing use in the designated Blackfoot Special Management Area in Missoula and Powell Counties (a portion of hunting area 292) during grouse, deer, and elk seasons for the purpose of preventing vehicular damage to soils and vegetation, gaining hunting privileges on private land, and improving the quality of hunting.

Beginning at the junction of Missoula County Road #63 and the Elk Creek Road, thence along Road #63 in a northeasterly direction to Highway 200, thence easterly along Highway 200 to the State Forest Headquarters and the Blackfoot River, thence southerly along the Blackfoot River to the Bear Creek Bridge, thence easterly along the Blackfoot River-West Fork Chamberlain Creek Divide over Blacktail Mountain to Chamberlain Creek Road, thence easterly along the Chamberlain Creek Road to the East Fork Chamberlain Creek-Pearson Creek Divide, thence southerly along said divide to the Chamberlain Creek-Wales Creek Divide, thence southerly along said divide to the Kennedy Creek Road, thence southwesterly along said road to the Elk Creek Road, thence northwesterly along said road to Missoula County Road #63, the point of beginning.

Whereas, the full public enjoyment of the hunting and fishing facilities of these lands necessitates regulation and enforcement of certain protection of property requirements for persons using these facilities for hunting and fishing purposes, now therefore, pursuant to the provisions of Section 87-1-303 MCA,

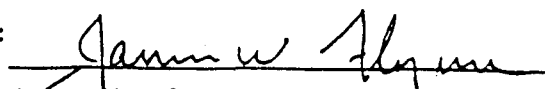
It is ordered that it shall be unlawful for any person to:

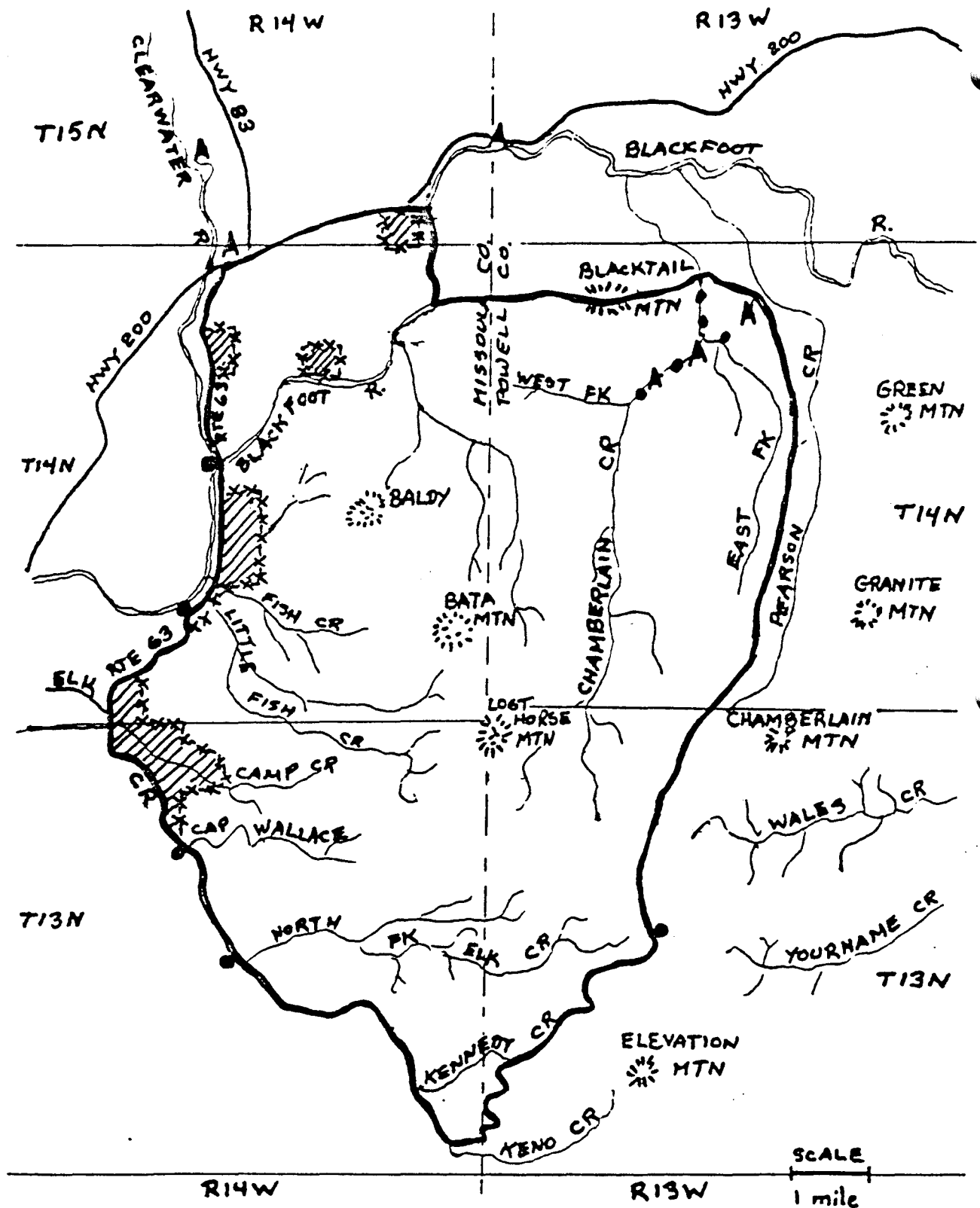
1. Drive any motorized vehicle in the above described area except in designated parking and camping areas in Lower Chamberlain Creek as posted. Landowners in the course of administrative work and federal, state, and county officials in the course of their official duties will be exempt from these vehicular restrictions.
2. Park any vehicle in such a manner as to obstruct traffic or block any gate.
3. Trespass, hunt, or discharge a firearm within areas posted as safety zones.
4. Remain in the above described area when ordered to leave for cause by a landowner or law enforcement officer.

It is further ordered that no licensed outfitter or guide shall conduct a commercial operation in the above described area.

MONTANA FISH AND GAME COMMISSION

By:

  
James W. Flynn, Secretary



BLACKFOOT SPECIAL MANAGEMENT AREA

*Blackfoot River Recreation Corridor*

AREA BOUNDARY

SAFETY ZONE - POSTED "NO TRESPASSING"

DESIGNATED PARKING

DESIGNATED CAMPING

RECEIVED

SEP 14 1984

REGION 6 FWP

DEPARTMENT OF FISH, WILDLIFE AND PARKS

ORDER OF THE MONTANA FISH AND GAME COMMISSION ESTABLISHING  
THE MEDICINE LAKE SANDHILLS SPECIAL MANAGEMENT AREA

By order of the Montana Fish and Game Commission pursuant to agreement with land-owners of hereinafter described lands, under authority vested in it by laws of the state of Montana, in the interest of public health, public safety and protection of property, and to promote public enjoyment of hunting upon these lands, rules are hereby adopted for the use of lands as the Medicine Lake Sandhills Special Management Area.

The Medicine Lake Sandhills Special Management Area is described as those portions of Sheridan County within the following described boundary:

Beginning at the junction of the road demarcating the boundary between Sheridan and Roosevelt Counties and the Dagmar-Sand Creek road, thence along the latter road northerly, easterly then northerly to the Torgerson access road, thence westerly and northerly along said road to the Smith Grade Road, thence westerly along said road to the Medicine Lake National Wildlife Refuge boundary, thence southerly and westerly along said boundary to the junction with the Refuge access road, thence southerly along said road to the Sheridan-Roosevelt Counties boundary road, thence easterly along said road to the Dagmar-Sand Creek road, the point of beginning.

It is further ordered that it shall be unlawful for any person while engaged in hunting during a legally established big game hunting season set by the Fish and Game Commission to:

1. Except upon legal access roads, drive any motorized vehicle into or upon the above designated area from or off the following specified roads:
  - a. All boundary roads (see attached map of Special Management Area).
2. Drive a vehicle beyond a point posted against such travel.
3. Discharge a firearm within 1/4 mile of an occupied building.
4. Construct an open fire.

EXCEPTIONS: Landowners in the course of ranch administrative work and federal, state, and county officials in the course of their official duties will be exempt from these regulations.

This order will be in effect for three years from the date of its enactment unless otherwise modified by the Commission.

MONTANA FISH AND GAME COMMISSION

By: Spencer S. Heston

August 8, 1984

Date

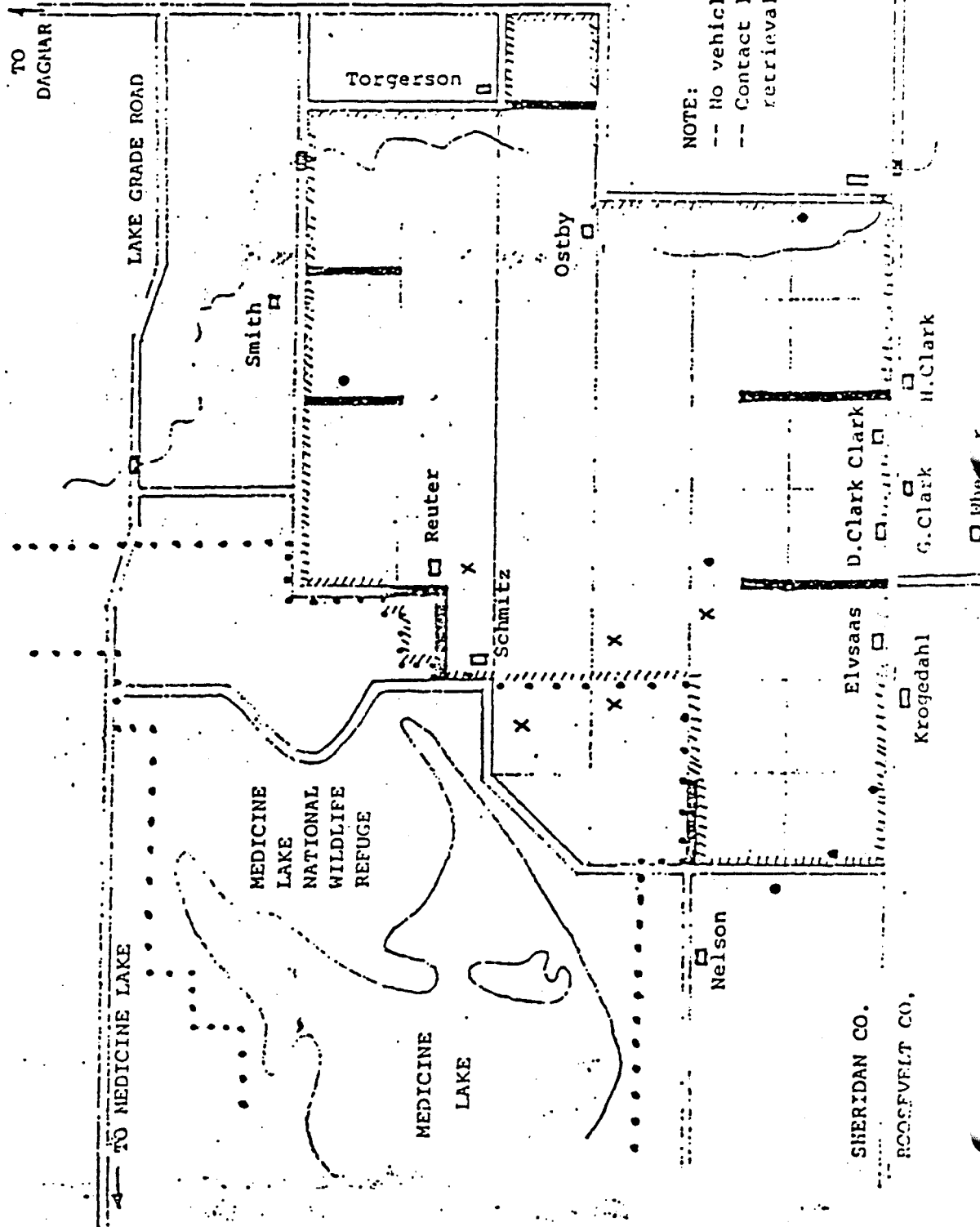
ATTEST

Shirley A. Heston  
Secretary

MEDICINE LAKE SANDHILLS SPECIAL MANAGEMENT AREA

# SANDHILLS SPECIAL MANAGEMENT AREA

N



## LEGEND

Management Area Boundary	----
Refuge Boundary	.....
Access Roads (Travel Permitted)	----
Landowners	□
Unoccupied Buildings	•
Windmills	X
Scale	1 Mile

## NOTE:

- No vehicles beyond specified points.
- Contact landowners concerning game retrieval.

SHERIDAN CO.

ROOSEVELT CO.

## RINGLING RANCH BLOCK MANAGEMENT UNIT

Location: Carter County ( Paul Ringling Ranch) 35 sq. mi.

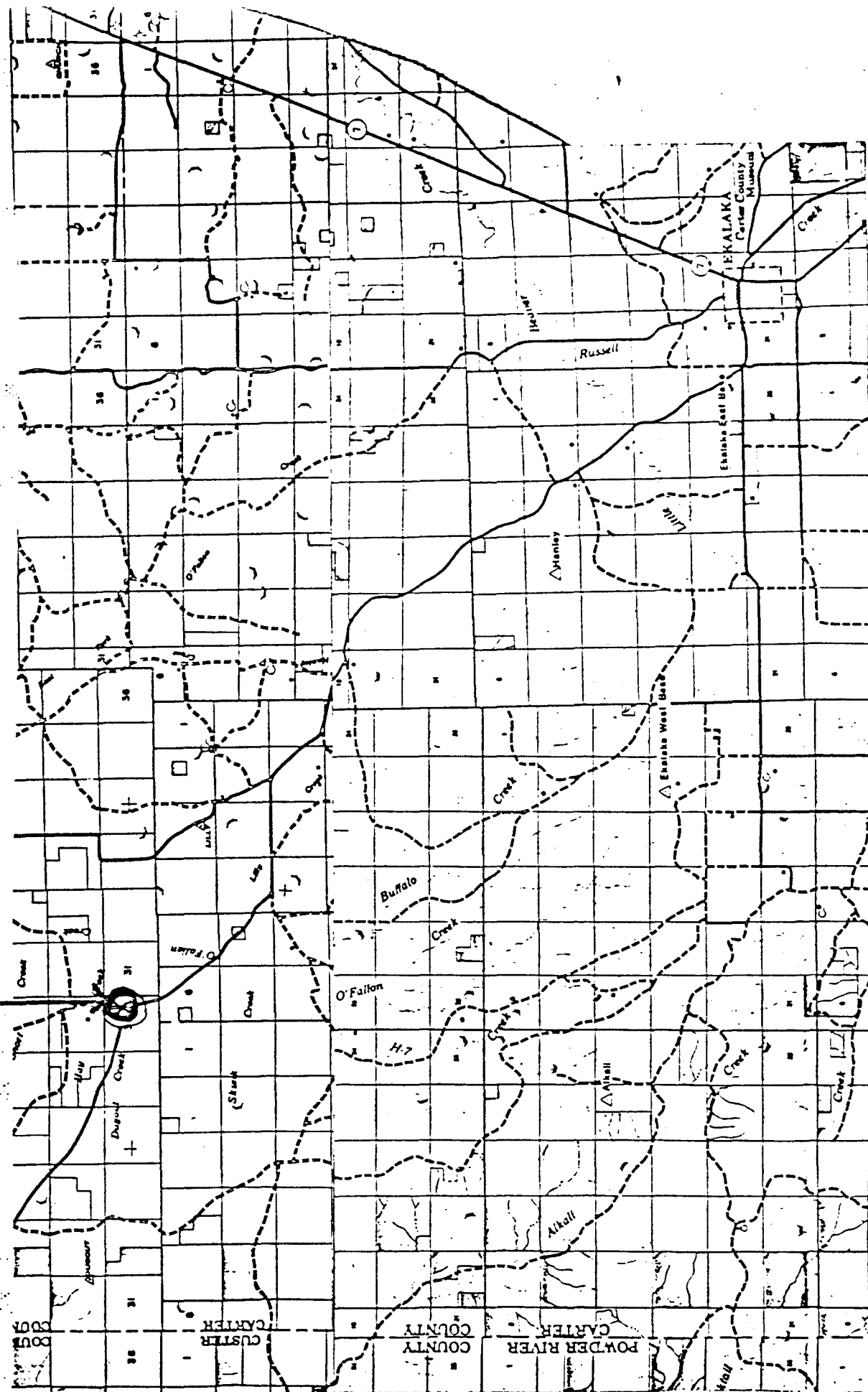
Hunting Opportunities: Big Game - Antelope (H.D. 709) and Mule Deer (H.D. 705)

### Contact Person

- A. Mark Schlepp (Resource Manager) (No Phone). See Attached map.
- B. Permission slip required - may be obtained from resource manager at trailer site (see attached location map) A map of the hunting unit will be provided by the manager at the check-in point.
- C. Hunting dates: October 12 - November 30.



Check-in point at trailer site.  
Contact person is Mark Schlepp



## HOOK RANCH BLOCK MANAGEMENT UNIT

Location: Custer County (450 sections)

### Hunting Opportunities:

- A. Big Game - antelope (HD. 713)
- B. Upland Game Birds - Sage grouse
- C. Waterfowl - scattered reservoirs allow for duck and goose hunting.

### Contact Person:

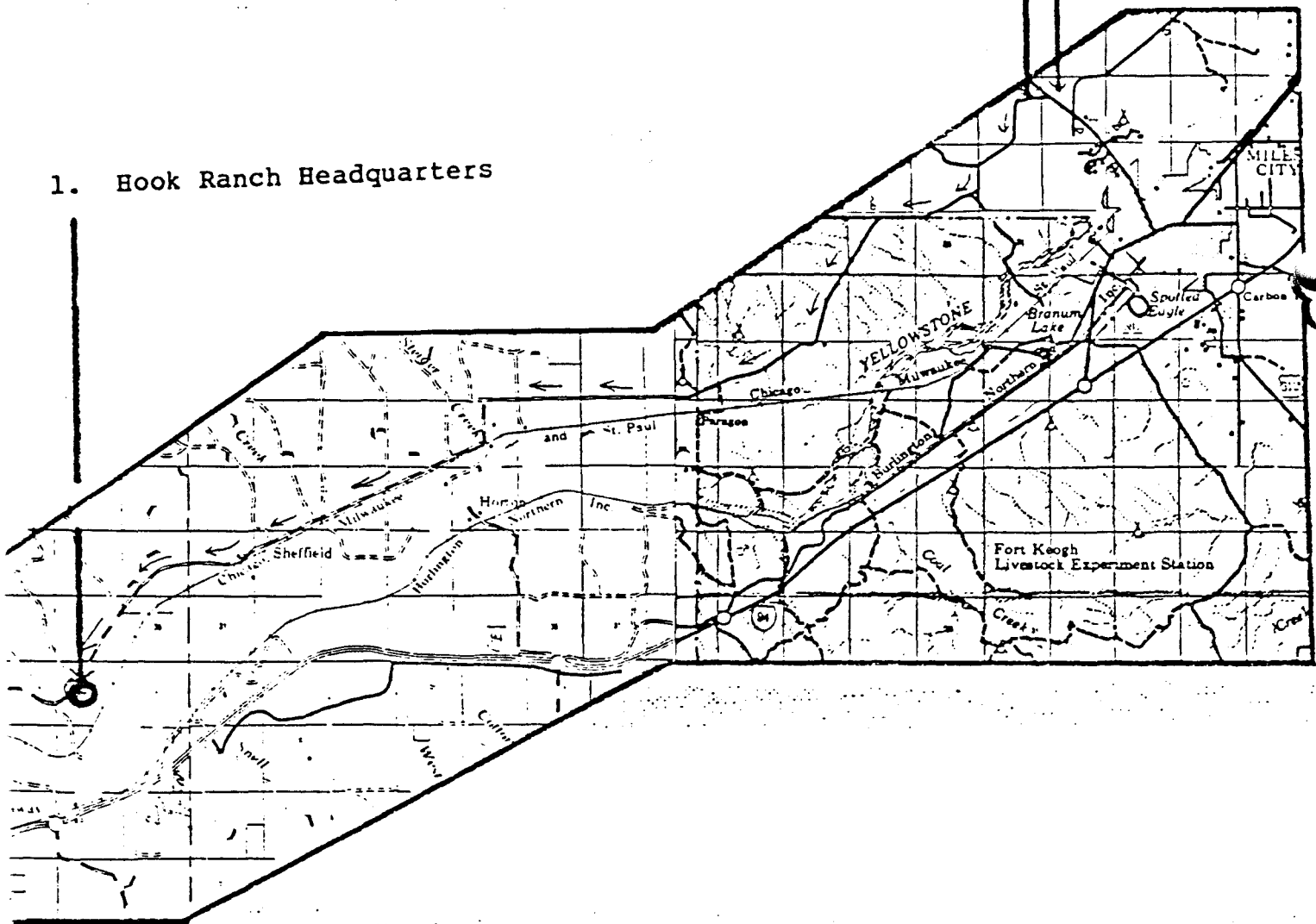
- A. Audrey Brandvik - Tel 347-5533.
- B. Permission slip required - may be obtained from manager's ranch located approximately 17 miles west of Highway 22 on Sheffield Road. A map of the block management unit will be provided at the Brandvik residence.

Hunting Dates: October 12 - November 30

1. Hook Ranch Headquarters

2. Sheffield Road

3. Highway 22



## BLOOMFIELD-LINDSAY BLOCK MANAGEMENT UNIT

Location: Bloomfield-Lindsay Divide (Dawson Co.) Approximately 5,000 acres.

Hunting Opportunities: Big Game - Whitetail Deer and Mule Deer  
H.D. 703

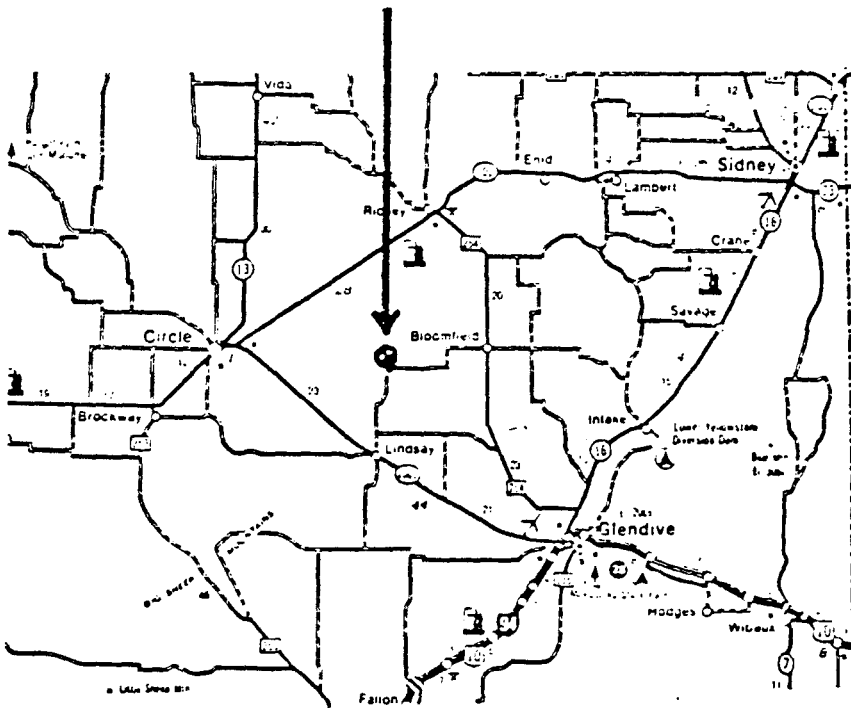
Contact Person:

A. Dale Kreiman (Tel 584-7557)

B. Permission slip required - may be obtained at Kreiman Ranch (see attached map for ranch location. A map of the block management unit will be provided at the Kreiman residence. Walk-in only.

Hunting Dates: October 26 - November 30

Dale Kreiman Residence



**Montana Department  
of  
Fish, Wildlife & Parks**



January 29, 1987

TO: Ron Marcoux  
FROM: Rich Clough *Rich*  
RE: Block Management Program - 1987 & 1988

The following are program statements, guidelines and estimated funding needs for 1987 and 1988.

Also attached is a summary of 1986 Block Management areas.

- A. Cooperative block management may still be an appropriate name for the program for the next two years. Although block management is ambiguous, it is becoming a recognized term.
- B. Goal statement of program must be clearly conveyed to sportsmen, landowners and Department personnel.

Goal of program is to retain free public access to private lands by assisting landowners with management of sportsmen. Assistance shall be aimed at relieving interruptions to normal farm and ranch operations associated with providing sportsmen opportunities.

- C. Methods of achieving the goal shall include:
  - 1. Establish walk-in areas, signed and possibly patrolled by Department employees, with permission implied instead of required.
  - 2. Hire personnel or landowner on contract to issue permits, direct sportsmen, patrol area, and collect harvest data for landowners.
  - 3. Provide game damage materials in lieu of personal service contracts to landowners preferring this option.
  - 4. Provide signs, gates, cattle guards, phone answering services, parking areas, etc. in lieu of direct payments.

- D. Payments for personal service contracts and game damage prevention materials shall be computed by multiplying the estimated number of hours required to deal with historic sportsmen numbers times the hourly rate for grade 5, step 1 Check Station Attendant. (Current rate is \$4.915 per hour.) Mileage shall be computed by multiplying estimated miles required for patrolling time \$.21.
- E. Priority and selection criteria shall be developed at regional level to assure their needs are met. Criteria should include at a minimum the following:
1. Regional goals established in the Strategic Plan.
  2. Amount of potential use and variety of sportsmen opportunities.
  3. Potential for long-term access agreements, such as conservation easements or purchase.
  4. History of access granted by landowner.
  5. Other opportunity for access in immediate area.
- Criteria will not necessarily be in this order. Regional goals will determine such order as well as the need for additional or more specific standards.
- F. Program will not be advertised statewide until an adequate funding base is identified. Landowners will be added to the program based upon regional priorities and available funds. A waiting list may be required.
- G. Areas will not be advertised statewide until it is felt enough land is available to accommodate potential numbers. The regional office controlling a specific area will be responsible for directing sportsmen to their areas.
- H. Estimated total funding needs for 1987 and 1988:

	<u>1987</u>	<u>1988</u>
Region 1	\$ 1,000 (Excludes Pablo)	\$ 1,500
Region 2	7,500	7,500
Region 4	10,000	15,000
Region 5	10,000	10,000
Region 6	5,000	5,000
Region 7	<u>\$60,000</u>	<u>\$ 75,000</u>
	\$94,000	\$114,000

These estimates are based on landowner interest expressed to Department employees following successes on neighboring lands. Regions 5 and 6 are expecting a spill-over effect from Region 7's program. Region 4 is experiencing increased interest also.

- I. Committee felt that success of program to date warrants expansion and should become a priority to assure credibility with the landowner community.
- J. Funding is crucial - A potential exists for some funding to be generated through the proposed Habitat Protection Fund legislation. Support for this source of revenue was expressed by the Landowner-Sportsmen Steering Committee.
- K. The current Request for Funding form for Block Management Areas was considered adequate.
- L. The current Block Management Evaluation form should allow for reporting hunter days. In addition, more time is required to gather harvest data for the evaluation forms.
- M. Signs used for areas will continue to be determined by field personnel and landowners, reflecting individual and regional needs.
- N. A self sign-in procedure, similar to the Forest Service's method used at wilderness trail heads, may be feasible in some walk-in areas to gather usage data. This system is used in the State of Washington.
- O. Each region should designate a person to coordinate the program. This individual will be responsible for answering inquiries, assuring paper work is completed and meeting time lines for submission of application forms.

CRC/bfs

Attachment



# BLOCK MANAGEMENT AREAS - 1986

<u>REGION</u>	<u>NAME</u>	<u>ACRES</u>	<u>COST</u>
1	Tobacco Plains	2,000	\$ 7,00
	Pablo (Waterfowl)	-	1,500
	REGION 1 TOTAL	2,000	\$2,200
2	Morrison Peak (Walk-in)	22,400	\$ 1,248
	Blackfoot (Walk-in)	48,000	1,554
	Modesty (Walk-in)	11,000	350
	Warm Springs (Walk-in)	30,000	1,300
	Eight Mile (Walk-in)	3,000	515
	Markum Mountaina (Walk-in)	6,840	137
	REGION 2 TOTAL	121,240	\$ 5,204
4	Gilpatrick	8,200	\$ 1,500
	Bair Ranch	100,000	1,000
	Cady	9,000	500
	Crabtree	10,000	500
	Moe	20,000	500
	Zehntner	3,200	300
	REGION 4 TOTAL	150,000	\$ 4,300
5	Pole Creek Walk-in	18,880	\$ 197
	Gage Dome Walk-in	8,640	140
	REGION 5 TOTAL	27,520	\$ 337
6	Medicine Lake Walk-in	26,000	\$ 235
	REGION 6 TOTAL	26,000	\$ 235

<u>REGION</u>	<u>NAME</u>	<u>ACRES</u>	<u>COST</u>
7	Minnow	16,000	\$ 1,000
	Brewer	32,000	\$ 2,150
	Bruski	16,000	1,500
	Hook	288,000	3,225
	Ft. Keogh	32,000	1,820
	Schieffer	6,000	900
	Kreiman	5,000	800
	Kubesh	4,000	1,000
	Ringling	22,400	4,333
	Coffee	32,000	150
	Tauck	16,000	638
	Richards	32,000	626
	REGION 7 TOTAL	472,600	\$18,142
	STATE TOTAL	799,360	\$30,418

Hunter numbers on formal Block Management Areas exceeded 3000 and provided substantially more recreation days since many returned to the area throughout the season. The cost per hunter was approximately \$7.75 on these areas.

No number is available for walk-in areas, but we know usage was high. Walk-ins, once established, represent the most cost-effective hunter management program and cost probably less than \$2.00 per hunter.



STATE OF MONTANA  
LEGISLATIVE FINANCE COMMITTEE

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986

SENATORS

JACK HAFEEY  
VICE CHAIRMAN  
DELWYN GAGE  
MATT HIMSL  
GEORGE McCALLUM  
PAT REGAN  
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REPRESENTATIVES

CALVIN WINSLOW  
CHAIRMAN  
FRANCIS BARDANOUE  
GENE DONALDSON  
RON MILLER  
RAY L. PECK  
TED SCHYE

50TH LEGISLATURE

The Legislative Finance Committee on November 13, 1986 reviewed the Public Service Commission's fiscal 1987 budget and the calculation procedures used by the Department of Revenue to compute the fee established by Chapter 32 Special Laws of June 1986. The committee has no significant findings to report as a result of this review. The committee makes no recommendation concerning future funding of the department.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cal Winslow".

Representative Cal Winslow  
Chairman

*The Big Sky Country*



MONTANA STATE HOUSE OF REPRESENTATIVES

January 30, 1987

Representative Gene Donaldson  
Chairman  
House Appropriations Committee  
Seat #5  
Montana House of Representatives

Dear Mr. Chairman:

During the Natural Resources Subcommittee's deliberations on the Department of Commerce budget the issue of resolving the court judgment against the state in Lewis and Clark County was discussed. The subcommittee was particularly concerned about the financial obligation of the state for fiscal years 1982-1987. The subcommittee voted to recommend to the full appropriations committee that language be added to the fiscal 1987 supplemental bill which directs the Department of Commerce to pay the financial obligation to Lewis and Clark County from the existing revenues for the Local Government Block Grant Program. We understand that this would lower the fund distributed to the other 55 counties; but the committee felt given the state's financial situation, this was the best solution.

Perhaps the following language would accomplish the subcommittee's intent.

"Funds available within the Local Government Block Grant account shall be distributed in the following priority.

First, the state's financial obligation to Lewis and Clark County for fiscal years 1982 through 1986 shall be paid.

Second, the remaining funds in the account should be distributed according to Section 7-6-303, MCA."

Respectfully,

A handwritten signature in cursive script, appearing to read "Bernie Swift".

Representative Bernie Swift

CS1:kj:rgd.

## VISITOR'S REGISTER

SUBCOMMITTEE

AGENCY(S) EP, Fish, Wildlife + Parks DATE 2-5-87

DEPARTMENT \_\_\_\_\_

NAME	REPRESENTING	SUP- PORT	OP- POSE
Tom FLYNN	FWP		
DAVE MALT	"		
Don CHILDRESS	"		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.  
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.