

MINUTES  
NATURAL RESOURCES SUBCOMMITTEE  
50TH LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

March 4, 1987

The meeting of the Natural Resources Subcommittee was called to order by Chairman Swift on March 4, 1987, at 8:30 a.m. in room 317 of the State Capitol.

ROLL CALL: All subcommittee members were present with the exception of Senator Story who was excused. 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).

Tape 83A

Fish, Wildlife, and Parks

EXHIBIT 1 Letter from Jim Flynn, Director, Fish, Wildlife, and Parks to Chairman Swift and  
Outline of tentative spending plan with additional fuel tax revenues

Chairman Swift explained that Fish, Wildlife, and Parks (FW&P) asked this subcommittee to consider some differences with their budget due to HB 136, fuel tax. Dick Johnson, deputy director of FW&P explained the tentative spending plan as outlined in EXHIBIT 1.

Don Hyypa, administrator, Parks Division, said that FW&P has a priority list for repair at park sites, and also a backlog of maintenance projects. He explained that because this is unanticipated money, it will be set aside in a separate account and devoted solely to maintenance such as road repair, building repair, water system repair in the highest priority sites. There would be no building of new facilities. The money would be used to construct new buildings.

Rep. Manuel explained for the subcommittee's information that for years FW&P didn't have money for maintenance and now they will be able to catch up. Rep. Manuel MOVED to accept the additional fuel tax revenue plan, and in two years, FW&P report to this subcommittee how this money was used. Motion passed unanimously.

HB 29 EXHIBIT 2  
EXHIBIT 3 Fiscal Note

Rep. Bardanouve presented his bill to transfer state land ownership records into the Department of State Lands. The bill requires no funding. If the Department of State Lands later determines that title work needs to be done, the Department can request a legislative subcommittee to provide some money for that task.

Dennis Hemmer, director, Department of State Lands, stated that the Department supports the bill. He agreed that there would be no cost involved in this bill. The Department will do the work as funds are available. Under this bill, people could come to one place to look at all lands owned by the state, with the exception of highway right-of-way.

Beate Galda, attorney, Legal Division, Department of Highways, said that the Highway Department neither supports or opposes this bill. The bill requires the Department of State Lands to transfer records of land held or administered by the Department of Highways for highway rights-of-way and maintenance to that department. Highways put in a fiscal note asking for two employees for four months, a fire proof vault and file cabinets. Ms. Galda said that if no money is appropriated, the job could still be done.

Wayne Guazzo from the Legislator Auditor's Office said his office was neither a proponent or opponent, but he is available to answer any questions. The audit did recommend that there be a consolidation of state land records for the state of Montana. The auditor's office believes that if consolidation takes place there will be a reduction in cost.

Rep. Devlin asked Dennis Hemmer how many parcels of land would be involved and could it be handled within the budget for this biennium. Mr. Hemmer replied that there would be four to five thousand parcels of land. He said they couldn't abstract all the titles within the budget. Mr. Hemmer said the files would be moved to state lands and put into a system where they could be located. For the majority of the tracts the title is in good condition. There are a number of titles that have some real problems. Mr. Hemmer proposes that as a problem arises, the department will work on that problem. He said that the original bill required a fiscal note. A fiscal note for the Department of State Lands is no longer needed.

Sen. Smith suggested ignoring the fiscal note for every department.

Rep. Manuel MOVED to recommend that HB 29 do pass.  
Motion passed unanimously.

HB 838 EXHIBIT 4

Rep. Dave Brown presented HB 838. The purpose of this bill is to make the Hard-Rock Mining Act and the operation of the hard-rock mining trust accounts consistent with state appropriation, budgeting, and accounting procedures.

Newell Anderson, administrator, Local Government Assistance Division of the Montana Department of Commerce, testified for the bill.

EXHIBIT 5 Testimony of Mr. Anderson  
EXHIBIT 6 Data on trust accounts

Gary Langley, executive director, Montana Mining Association, stated that he supported the bill.

Chairman Swift asked if that money would be part of the statutory appropriation. Rep. Brown said that is not the intent of this bill. The bill allows for this subcommittee to appropriate the funds required to operate that board at whatever level the subcommittee determines.

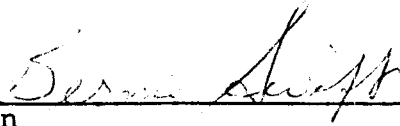
Rep. Brown closed on HB 838. He said that this bill does make the Hard-Rock metal mines license money and the Hard-Rock Mining Impact Board operations money consistent with state appropriation, budgeting, and accounting procedures.

Chairman Swift commented that if the subcommittee takes no action, the budgeting process would go on anyway and there would be problem with the funding. Rep. Brown said HB 838 would give this subcommittee more control over the Hard-Rock Mining Impact Board account.

Rep. Spaeth asked Carl to have someone from the Legislative Council's legal staff examine the statutory language of HB 838.

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Natural Resources Subcommittee  
March 4, 1987

The meeting adjourned at 10:00 a.m.

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



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



Helena, MT 59620  
March 2, 1987

Representative Bernie Swift, Chairman  
Appropriation Sub-Committee on Natural Resources  
Capitol Station  
Helena, MT 59620

Dear Representative Swift:


The Governor recently signed into law HB 136. This bill increased the tax on gasoline from 17¢ to 20¢ per gallon. According to Section 60-3-201 MCA, a percentage of the gasoline tax revenues attributable to snowmobiles and motorboats is allocated to the Department of Fish, Wildlife and Parks. We estimate the increase will amount to \$65,000 per year in the snowmobile program and \$117,000 per year in the motorboat program.

We would appreciate an opportunity to discuss how the department would spend the funds if approved by the sub-committee. Attached for your review is a tentative spending plan.

We can meet anytime that is convenient with the sub-committee.

Thank you.

Sincerely,

  
James W. Flynn  
Director

DM/bl  
cc: Carl Schweitzer, LFA  
Karen Vollstedt, OBPP

TENTATIVE SPENDING PLAN  
ADDITIONAL FUEL TAX REVENUES

	<u>FY 88</u>	<u>FY 89</u>
Snowmobile Program		
Additional Revenues	<u>\$65,000</u>	<u>\$65,000</u>
Uses of Revenues		
- Safety Education (Con Ed)	\$ 5,600	\$ 5,600
- Pass through to local snowmobile clubs (Parks)	42,000	42,000
- Overhead (Centralized Services)	8,900	8,900
- Accrue for future legislative appropriation	<u>8,500</u>	<u>8,500</u>
	<u>\$65,000</u>	<u>\$65,000</u>
Motorboat Program		
Additional Revenues	<u>\$117,000</u>	<u>\$117,000</u>
Uses of Revenues		
- Repair and maintenance at Park sites where motorboats are used (Parks)	\$ 85,000	\$ 85,000
- Overhead (Centralized Services)	16,000	16,000
- Accrue for future legislative appropriation	<u>16,000</u>	<u>16,000</u>
	<u>\$117,000</u>	<u>\$117,000</u>

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

1 STATEMENT OF INTENT

2 HOUSE BILL 29

3 House State Administration Committee

4  
5 A statement of intent is required for this bill because  
6 it grants rulemaking authority to the department of state  
7 lands to implement and administer the transfer and filing of  
8 ownership records of state lands.

9 Currently, certain records regarding state ownership of  
10 land are held by the secretary of state. This bill requires  
11 the secretary of state to transfer these records to the  
12 department of state lands by November 1, 1987. It further  
13 requires the department of state lands to transfer records  
14 of land held or administered by the department of highways  
15 for highway rights-of-way and maintenance to that  
16 department. Finally, the bill requires the department of  
17 state lands to transfer any remaining ownership records,  
18 other than those of state lands, to the state agency  
19 administering the interest or property described in such  
20 records.

21 The legislature intends that the department of state  
22 lands be the sole repository for records of all state lands  
23 owned by virtue of fee simple title, grant, or deed except  
24 for land specifically excluded under the bill. State land  
25 with buildings attached to it and used by the department of

1 highways for maintenance must be recorded on records  
2 maintained by the department of state lands.

3 It is intended that the department of state lands may  
4 adopt rules to specify which records will be kept by the  
5 department and which records will be transferred to other  
6 agencies, including records of lesser interests such as  
7 leases. In addition, it is intended that the rules clarify  
8 which records must be filed in the future with the  
9 department of state lands and specify the format that the  
10 records must follow to ensure a reliable and uniform body of  
11 records and index as required under section 5.



1 HOUSE BILL NO. 29  
2 INTRODUCED BY BARDANOUVE

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING STATE  
5 OWNERSHIP RECORDS OF STATE-BANDS FROM THE SECRETARY OF STATE  
6 AND OTHER--STATE-AGENCIES TO THE DEPARTMENT OF STATE LANDS;  
7 TRANSFERRING REQUIRING THE DEPARTMENT OF STATE LANDS TO  
8 TRANSFER RECORDS OF OTHER STATE PROPERTY INTERESTS FROM THE  
9 SECRETARY-OF-STATE TO THE STATE AGENCY ADMINISTERING THE  
10 PROPERTY; REQUIRING THE DEPARTMENT OF STATE LANDS TO  
11 MAINTAIN A REPOSITORY AND INDEX OF OWNERSHIP RECORDS OF  
12 STATE LANDS; PROVIDING--THAT--ACQUISITION-OF-STATE-BAND-IS  
13 VALID-UPON-PIPING REQUIRING STATE AGENCIES TO FILE OWNERSHIP  
14 RECORDS WITH THE DEPARTMENT OF STATE LANDS; GRANTING  
15 RULEMAKING AUTHORITY TO THE DEPARTMENT OF STATE LANDS;  
16 AMENDING SECTIONS 2-6-111, 2-15-401, AND 77-1-101, MCA; AND  
17 REPEALING SECTIONS 2-17-121 THROUGH 2-17-126, MCA."

18  
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
20 NEW SECTION. Section 1. Definitions. When used in  
21 [sections 1 through 6], unless a different meaning clearly  
22 appears from the context, the following definitions apply:  
23 {1}--"conveyance--record"--means--the--original---deed,  
24 abstract,--and--any--other--instrument--signifying--a--state  
25 interest--in--property--other--than--state--land;

1 {2}{1} "Ownership record" means the original deed,  
2 abstract, and any other instrument signifying STATE  
3 ownership of state-land OR OTHER INTEREST IN REAL PROPERTY.  
4 {3}{2} "State agency" means any board, bureau,  
5 department, commission, or officer of the state.  
6 {4}{3} "State land" means land held, possessed, or  
7 administered by the state by virtue of FEE SIMPLE title,  
8 grant, or deed. This term does not include:  
9 (a) land acquired through foreclosure of any  
10 investments purchased under the provisions of 17-6-211;  
11 (b) land used by virtue of an interest temporary in  
12 nature, such as a lease, license, or permit; or  
13 (c) land used for easements and rights-of-way.  
14 NEW SECTION. Section 2. Transfer of records held by  
15 secretary of state. By November 1, 1987, the secretary of  
16 state shall transfer:  
17 {1} ALL ownership records of state-lands ON FILE IN  
18 HIS OFFICE to the department of state lands;  
19 {2} THE DEPARTMENT OF STATE LANDS SHALL FURTHER  
20 TRANSFER THE records of land held or administered by the  
21 department of highways for highway or road-construction  
22 RIGHTS-OF-WAY AND MAINTENANCE to the department of highways;  
23 and  
24 {3} any remaining conveyance OWNERSHIP records, OTHER  
25 THAN THOSE OF STATE LANDS, to the state agency administering

1 the interest or property described in the conveyance SUCH  
2 RECORDS.

3 NEW SECTION. Section 3. Acquisition--of--state---land  
4 valid--only--upon-filing-with-department FILING OF OWNERSHIP  
5 RECORDS. Except as provided in [section 6], state agencies  
6 shall file with the department ownership records OF STATE  
7 LANDS held by the agency. Acquisition-of-state--land--after  
8 October--17--1986,--is---final-and-valid-only-upon-filing-the  
9 ownership-records-of-the-newly-acquired-state-land-with--the  
10 department.

11 NEW SECTION. Section 4. Department to maintain  
12 repository. The department shall provide a secure yet  
13 accessible repository for the ownership records of state  
14 land.

15 NEW SECTION. Section 5. Index and verification of  
16 ownership records. (1) The department shall:  
17 {1} establish and maintain a filing system and index  
18 of the following information on state land:  
19 (a) legal description of the land;  
20 (b) when the land was acquired or disposed of;  
21 (c) name of the state agency administering or  
22 disposing of the land; and  
23 (d) name of the grantor or grantee.

24 (2) TO THE EXTENT FEASIBLE WITHIN AVAILABLE FUNDING  
25 AND PERSONNEL, THE DEPARTMENT SHALL:

1 (A) verify the accuracy of information contained in  
2 the ownership records; and

3 {3}(B) perfect title to state land whenever necessary.  
4 NEW SECTION. Section 6. Treatment of highway lands.  
5 The department of highways is not required to file with the  
6 department of state lands records of land used for highway  
7 or-road-construction RIGHTS-OF-WAY AND MAINTENANCE but is  
8 required to file with the department of state lands  
9 ownership records of state land held on a--permanent--basis  
10 FOR ADMINISTRATIVE PURPOSES.

11 NEW SECTION. SECTION 7. RULES. THE DEPARTMENT OF  
12 STATE LANDS MAY ADOPT RULES FOR IMPLEMENTING AND  
13 ADMINISTERING [SECTIONS 1 THROUGH 6] CONCERNING TRANSFER AND  
14 FILING OF OWNERSHIP RECORDS.

15 Section 8. Section 2-6-111, MCA, is amended to read:  
16 "2-6-111. Custody and reproduction of records by  
17 secretary of state. (1) The secretary of state is charged  
18 with the custody of:

- 19 (a) the enrolled copy of the constitution;
- 20 (b) all the acts and resolutions passed by the  
21 legislature;
- 22 (c) the journals of the legislature;
- 23 (d) the great seal;
- 24 (e) all books, records, deeds, parchments, maps, and  
25 papers kept or deposited in his office pursuant to law.

1 (2) All records included in subsection (1) may be kept  
 2 and recorded by photostatic or microphotographic means,  
 3 microfilm, or any other mechanical process that produces a  
 4 clear, accurate, and permanent duplicate of the original  
 5 record in accordance with standards not less than those  
 6 approved for permanent records by the American national  
 7 standards institute.

8 (3) The state records committee created by 2-15-1013  
 9 may approve the disposal of original records once those  
 10 records are reproduced as provided for in subsection (2),  
 11 unless disposal takes the form of transfer of records; in  
 12 that case, reproduction will not be necessary. The  
 13 reproduction, or certified copy thereof, may be used in  
 14 place of the original for all purposes, including as  
 15 evidence in any court or proceeding, and shall have the same  
 16 force and effect as the original record.

17 (4) The secretary of state shall prepare enlarged  
 18 typed or photographic copies of the records whenever their  
 19 production is required by law.

20 (5) At least two copies shall be made of all records  
 21 reproduced as provided for in subsection (2). The secretary  
 22 of state shall place one copy in a fireproof storage place  
 23 and shall retain the other copy in his office with suitable  
 24 equipment for displaying such record by projection to not  
 25 less than its original size and for preparing, for persons

1 entitled thereto, copies of the record.

2 (6) All duplicates of all records shall be identified  
 3 and indexed."

4 Section 9. Section 2-15-401, MCA, is amended to read:  
 5 "2-15-401. Duties of secretary of state. In addition  
 6 to the duties prescribed by the constitution, it is the duty  
 7 of the secretary of state to:

8 (1) attend at every session of the legislature for the  
 9 purpose of receiving bills and resolutions and to perform  
 10 such other duties as may be devolved upon him by resolution  
 11 of the two houses or either of them;

12 (2) keep a register of and attest the official acts of  
 13 the governor, including all appointments made by him, with  
 14 date of commission and names of appointees and predecessors;  
 15 (3) affix the great seal, with his attestation, to  
 16 commissions, pardons, and other public instruments to which  
 17 the official signature of the governor is required;

18 (4) record in proper books ~~all conveyances made to the~~  
 19 ~~state~~ and all articles of incorporation filed in his office;  
 20 (5) take and file in his office receipts for all books  
 21 distributed by him and direct the county clerk of each  
 22 county to do the same;

23 (6) certify to the governor the names of those persons  
 24 who have received at any election the highest number of  
 25 votes for any office, the incumbent of which is commissioned

1 by the governor;

2 (7) furnish, on demand, to any person paying the fees  
3 therefor, a certified copy of all or any part of any law,  
4 record, or other instrument filed, deposited, or recorded in  
5 his office;

6 (8) keep a fee book in which must be entered all fees,  
7 commissions, and compensation of whatever nature or kind by  
8 him earned, collected, or charged, with the date, name of  
9 payer, paid or unpaid, and the nature of the service in each  
10 case, which book must be verified annually by his affidavit  
11 entered therein;

12 (9) file in his office descriptions of seals in use by  
13 the different state officers;

14 (10) discharge the duties of member of the board of  
15 examiners and of the board of land commissioners and all  
16 other duties required of him by law;

17 (11) register marks as provided in Title 30, chapter  
18 13, part 3;

19 (12) report annually to the legislative council all  
20 watercourse name changes received pursuant to 85-2-134 for  
21 publication in the Laws of Montana;

22 (13) keep a register of all applications for pardon or  
23 for commutation of any sentence, with a list of the official  
24 signatures and recommendations in favor of each  
25 application."

1 Section 10. Section 77-1-101, MCA, is amended to read:

2 "77-1-101. Definitions. Unless the context requires  
3 otherwise and except for the definition of state land in  
4 [section 1], in this title the following definitions apply:  
5 (1) "Department" means the department of state lands  
6 provided for in Title 2, chapter 15, part 32.  
7 (2) "Board" means the board of land commissioners  
8 provided for in Article X, section 4, of the constitution of  
9 this state.

10 (3) "Commissioner" means the commissioner of state  
11 lands provided for in 2-15-3202.

12 (4) "State land" or "lands" means lands granted to the  
13 state by the United States for any purpose, either directly  
14 or through exchange for other lands; lands deeded or devised  
15 to the state from any person; and lands that are the  
16 property of the state through the operation of law. The  
17 term does not include lands the state conveys through the  
18 issuance of patent; lands used for building sites, campus  
19 grounds, or experimental purposes by any state institution  
20 that are the property of that institution; or lands acquired  
21 through foreclosure of any investments purchased under the  
22 provisions of 17-6-211."

23 NEW SECTION. Section 11. Repealer. Sections 2-17-121  
24 through 2-17-126, MCA, are repealed.

25 NEW SECTION. Section 12. Severability. If a part of

1 this act is invalid, all valid parts that are severable from  
2 the invalid part remain in effect. If a part of this act is  
3 invalid in one or more of its applications, the part remains  
4 in effect in all valid applications that are severable from  
5 the invalid applications.

6 NEW SECTION. Section 13. Codification instruction.  
7 Sections 1 through 6 7 are intended to be codified as an  
8 integral part of Title 77, chapter 1, and the provisions of  
9 Title 77, chapter 1, apply to sections 1 through 6 7.

-End-

STATE OF MONTANA - FISCAL NOTE  
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB029, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The proposed legislation transfers all non-trust state land ownership records from the Secretary of State's Office to the Department of State Lands (DSL), with the exception of land ownership records that pertain to the Department of Highway's Rights-of-Way. The legislation requires that DSL maintain a repository and index of ownership records of non-trust state lands in a specified format and that all acquisition and transfers of non-trust state lands have to be filed with DSL before the transactions are valid.

ASSUMPTIONS:

1. That before the titles to non-trust state lands can be filed or indexed, all land ownership records will have to be abstracted by a qualified abstractor to satisfy the requirements of Section 5(2).
2. Ownership data will reside on the Department of Administration's computer and that the Department of State Lands will be responsible for establishing and maintaining the system. Original data entry to develop the index and updates will also be the responsibility of DSL.
3. The programs that operate the existing ownership system for trust lands will be used to index non-trust state-owned lands.
4. A storage facility and shelving will have to be acquired by DSL to file deeds and abstracts for approximately 4228 parcels of non-trust state-owned land.
5. Section 5(3) of the bill states that DSL shall perfect title to state land whenever necessary. DSL will only perform this function to the degree available by utilizing existing personnel and funds.
6. Ownership and conveyance records currently held by the Secretary of State are not filed in the separate categories spelled out in Section 2 of the bill. Therefore, individual records will need to be examined and categorized, prior to transfer to DSL.
7. In accordance with Section 2(2) of the bill, records of land held or administered by the Department of Highways for highway or road construction to the highways, shall be transferred to the Department of Highways. There are approximately 40,000 documents to be transferred.
8. The Department of Highways will provide the necessary and adequate storage area and cabinets to store the transferred documents.
9. There is no reduction in expenditures in the Secretary of State's Office because the office only serves as a storage area. The duties associated with this service are minimal.

*David L. Hunter* DATE 1/14/89  
DAVID L. HUNTER, BUDGET DIRECTOR

*Francis Bardanouve* DATE Jan. 15 89  
FRANCIS BARDANOUE, PRIMARY SPONSOR

Fiscal Note Request, HB029, as introduced.  
 Form BD-15  
 Page 2

FISCAL IMPACT:

Expenditures:

	Proposed Law	
	FY88	FY89
Department of Highways		
Personal Services (.66 FTE)	\$ 10,920	\$ 0
Equipment	15,675	0
TOTAL	\$ 26,595	\$ 0
Funding -		
State Special Revenue	\$ 26,595	\$ 0

Department of State Lands		
Personal Services (2 FTE)	\$ 47,056	\$ 47,056
Equipment	4,950	3,300
Operating Expenses	18,800	11,800
TOTAL	\$ 70,806	\$ 62,156
Funding -		
General Fund	\$ 70,806	\$ 62,156

Secretary of State		
Personal Services (.33 FTE)	\$ 5,667	\$ 0
Funding -		
General Fund	\$ 5,667	\$ 0

TOTAL GENERAL FUND	\$ 76,473	\$ 62,156
TOTAL STATE SPECIAL REVENUE	\$ 26,595	\$ 0

Revenues:

N/A

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

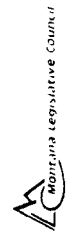
N/A

*House*  
*Bill No. 838*  
*Steve Berman*

1 (3) The following laws are the only laws containing  
 2 statutory appropriations:  
 3 (a) 2-9-202;  
 4 (b) 2-17-105;  
 5 (c) 2-18-812;  
 6 (d) 10-3-203;  
 7 (e) 10-3-312;  
 8 (f) 10-3-314;  
 9 (g) 10-4-301;  
 10 (h) 13-37-304;  
 11 (i) 15-31-702;  
 12 (j) 15-36-112;  
 13 (k) 15-70-101;  
 14 (l) 16-1-404;  
 15 (m) 16-1-410;  
 16 (n) 16-1-411;  
 17 (o) 17-3-212;  
 18 (p) 17-5-404;  
 19 (q) 17-5-424;  
 20 (r) 17-5-804;  
 21 (s) 19-8-504;  
 22 (t) 19-9-702;  
 23 (u) 19-9-1007;  
 24 (v) 19-10-205;  
 25 (w) 19-10-305;

1 INTRODUCED BY *Steve Berman*  
 2 BY REQUEST OF THE DEPARTMENT OF COMMERCE  
 3  
 4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE  
 6 STATUTORY APPROPRIATION AND PASS-THROUGH OF MONEY RECEIVED  
 7 BY THE HARD-ROCK MINING IMPACT BOARD FOR THE LOCAL IMPACT OF  
 8 MINERAL DEVELOPMENT; AMENDING SECTIONS 17-7-502 AND  
 9 90-6-304, MCA; AND PROVIDING AN EFFECTIVE DATE."  
 10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 12 Section 1. Section 17-7-502, MCA, is amended to read:  
 13 "17-7-502. Statutory appropriations -- definition --  
 14 requisites for validity. (1) A statutory appropriation is an  
 15 appropriation made by permanent law that authorizes spending  
 16 by a state agency without the need for a biennial  
 17 legislative appropriation or budget amendment.  
 18 (2) Except as provided in subsection (4), to be  
 19 effective, a statutory appropriation must comply with both  
 20 of the following provisions:  
 21 (a) The law containing the statutory authority must be  
 22 listed in subsection (3).  
 23 (b) The law or portion of the law making a statutory  
 24 appropriation must specifically state that a statutory  
 25 appropriation is made as provided in this section.





1 (x) 19-10-506;  
 2 (y) 19-11-512;  
 3 (z) 19-11-513;  
 4 (aa) 19-11-606;  
 5 (bb) 19-12-301;  
 6 (cc) 19-13-604;  
 7 (dd) 20-6-406;  
 8 (ee) 20-8-111;  
 9 (ff) 23-5-612;  
 10 (gg) 37-51-501;  
 11 (hh) 53-24-206;  
 12 (ii) 75-1-1101;  
 13 (jj) 75-7-305;  
 14 (kk) 80-2-103;  
 15 (ll) 80-2-228;  
 16 (mm) 90-3-301;  
 17 (nn) 90-3-302;  
 18 (oo) 90-6-304(2);  
 19 ~~foo~~ppj 90-15-103; and  
 20 ~~ppj~~ggj Sec. 13, HB 861, L. 1985.  
 21 (4) There is a statutory appropriation to pay the  
 22 principal, interest, premiums, and costs of issuing, paying,  
 23 and securing all bonds, notes, or other obligations, as due,  
 24 that have been authorized and issued pursuant to the laws of  
 25 Montana. Agencies that have entered into agreements

1 authorized by the laws of Montana to pay the state  
 2 treasurer, for deposit in accordance with 17-2-101 through  
 3 17-2-107, as determined by the state treasurer, an amount  
 4 sufficient to pay the principal and interest as due on the  
 5 bonds or notes have statutory appropriation authority for  
 6 such payments."  
 7 Section 2. Section 90-6-304, MCA, is amended to read:  
 8 "90-6-304. Accounts established. (1) There is within  
 9 the state ~~special-revenue--fund~~ agency fund a hard-rock  
 10 mining impact account. Moneys are payable into this account  
 11 from payments made by a mining developer in compliance with  
 12 the written guarantee from the developer to meet the  
 13 increased costs of public services and facilities as  
 14 specified in the impact plan provided for in 90-6-307. The  
 15 state treasurer shall draw warrants from this account upon  
 16 order of the hard-rock mining impact board.  
 17 (2) There is within the state special revenue fund a  
 18 hard-rock mining impact trust account. Money is payable  
 19 into this account under the provisions of 15-37-117. After  
 20 deducting the administrative and operating expenses of the  
 21 board as provided in 90-6-303, money must be segregated  
 22 within the account by county of origin. Money required to  
 23 enable the board to hold public hearings and arbitrate  
 24 disputes, as required by 90-6-307 and 90-6-311, is  
 25 statutorily appropriated to the board as provided in

1 17-7-502. Money allocated to the county subaccounts as  
2 provided by this section is statutorily appropriated to the  
3 board, as provided in 17-7-502, for the purposes of  
4 90-6-321. The state treasurer shall draw warrants from this  
5 the hard-rock mining impact trust account upon order of the  
6 hard-rock-mining-impact board."

7 NEW SECTION. Section 3. Effective date. This act is  
8 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB838, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide for the primary appropriation and pass-through of money received by the Hard-Rock Board for the local impact on mineral development.

ASSUMPTIONS:

1. Administrative and operating expenses will be appropriated through the budgeting process.
2. Monies for arbitrary allocations between local governments and the mining developer and for mitigation impacts of declining mineral production statutorily appropriated.
3. Should this act not pass, direct appropriation authority or budget amendment authority will be used in order to comply with existing statutes. This would amount to \$1,025,010 in FY88 and \$1,211,439 in FY89 - APPROPRIATION AUTHORITY ONLY. Budget amendments would have to meet the criteria for amendment of state special revenue funds specified in section 17-7-403(3), MCA.

FISCAL IMPACT:

None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

No change.

David L. Hunter DATE 2/23/87

DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

[Signature] DATE 2/24/87

PRIMARY SPONSOR

Fiscal Note for HB838, as introduced.

HB 838

MARCH 4, 1987

TESTIMONY BY NEWELL ANDERSON, ADMINISTRATOR  
LOCAL GOVERNMENT ASSISTANCE DIVISION OF THE MONTANA DEPARTMENT OF COMMERCE

TO THE JOINT APPROPRIATIONS SUBCOMMITTEE FOR NATURAL RESOURCES

AS A PROPONENT FOR HB 838

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, FOR THE RECORD MY NAME IS NEWELL ANDERSON AND I AM THE ADMINISTRATOR OF THE LOCAL GOVERNMENT ASSISTANCE DIVISION OF THE MONTANA DEPARTMENT OF COMMERCE.

HOUSE BILL 838, SPONSORED BY REPRESENTATIVE DAVE BROWN, IS A BILL REQUESTED BY THE DEPARTMENT OF COMMERCE AND IS INTENDED TO ACCOMPLISH THE VERY STRAIGHT FORWARD FUNCTIONS THAT HAVE BEEN DISCUSSED BY THE SPONSOR. IF THIS BILL IS PASSED, IT WILL SIMPLY SEPARATE THE ANNUAL ADMINISTRATIVE BUDGET OF THE HARD ROCK MINING IMPACT BOARD FROM THE TRUST ACCOUNT REVENUES DEDICATED TO DEAL WITH THE IMPACT OF DECLINE IN THOSE LOCATIONS WHERE HARD ROCK MINING IS NOW OPERATING. **IT WILL NOT CHANGE TOTAL DOLLAR AMOUNTS - IT WILL ONLY CHANGE APPROPRIATION METHODS.** WHEREAS IN THE '87 BIENNIUM, THE LEGISLATURE MADE AN AGENCY APPROPRIATION FOR THE ENTIRE AMOUNT TO THE HARD ROCK BOARD, HB 838 PROPOSES THAT THE TRUST ACCOUNTS BE APPROPRIATED FROM THIS POINT IN TIME FORWARD BY A STATUTORY APPROPRIATION, LEAVING THE ADMINISTRATIVE BUDGET TO BE MADE AS AN AGENCY APPROPRIATION.

THE DEPARTMENT BELIEVES THAT THE HARD ROCK MINING IMPACT ACT IS A VERY DELIBERATE AND THOROUGH ACT OF PUBLIC POLICY ESTABLISHED BY THE LEGISLATURE. THIS ACT DEALS NOT ONLY WITH THE MITIGATION OF LOCAL IMPACTS AS A RESULT OF THE DEVELOPMENT OF A MAJOR NEW MINE - BUT IT ALSO DEALS WITH THE FISCAL REALITIES OF THE IMPACT OF DECLINE. THE SETTING ASIDE OF A PORTION OF THE GROWTH REVENUES NOW - FOR THE USE BY AFFECTED LOCAL GOVERNMENTS WHEN THAT DECLINE HAPPENS - IS WHAT THE TRUST ACCOUNTS ARE ALL ABOUT.

THE DEPARTMENT BELIEVES THAT THE INTEGRITY OF THESE DEDICATED TRUST ACCOUNTS IS BEST SERVED BY ESTABLISHING THE STATUTORY APPROPRIATION THAT IS PROPOSED BY HB 838. WE URGE YOUR **POSITIVE** CONSIDERATION OF HB 838.

THANK YOU FOR THE OPPORTUNITY TO SPEAK FOR THIS BILL. I AM AVAILABLE TO ANSWER QUESTIONS THE COMMITTEE MAY HAVE ON THIS BILL.

####

DATA ON TRUST ACCOUNTS

15-37-117. MCA. Disposition of metalliferous mines licence taxes. Metalliferous mines licence taxes collected under the provisions of this part are allocated as follows:

(1) to the credit of the general fund of the state, 67% of total collections each year;

(2) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 33% of total collections each year.

FY '86 Trust Account Allocations: (Approximate)

Broadwater County	\$ 66.00
Fergus County	\$ 360.00
Granite County	\$ 3,800.00
Jefferson County	\$ 123,535.00
Lincoln County	\$ 196,790.00
Madison County	\$ 66.00
Phillips County	\$ 75,356.00
<u>TOTAL</u>	<u>\$ 399,973.00</u>

NOTE: TRUST FUNDS ARE ALLOCATED DIRECTLY TO THE COUNTIES FROM WHICH THOSE SAME REVENUES ARE DERIVED.

Projected FY'87 Allocations:

Equals an approximate doubling of each of FY '86 allocations.

Projected Hard-Rock Impact Trust Account Revenues for the '89 Biennium:

FY '88 = \$ 1,130,000

FY '89 = \$ 1,316,000

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SUBCOMMITTEE ACTION REPORT

THE FOLLOWING BILL WAS REFERRED TO MY SUBCOMMITTEE ON \_\_\_\_\_  
AND WAS HEARD ON March 4. THE RECOMMENDED ACTION FOLLOWS:

HB 838 HJR \_\_\_\_\_ HR \_\_\_\_\_ SB \_\_\_\_\_ SR \_\_\_\_\_ SJR \_\_\_\_\_ OTHER \_\_\_\_\_

THE SUBCOMMITTEE RECOMMENDED:

DO PASS \_\_\_\_\_ DO NOT PASS \_\_\_\_\_ DO PASS AS AMENDED \_\_\_\_\_

TABLED \_\_\_\_\_ POSTPONED \_\_\_\_\_

OTHER ACTION no action

Ellen Garity  
Secretary

3-4-87  
Date

SUBCOMMITTEE ACTION REPORT

THE FOLLOWING BILL WAS REFERRED TO MY SUBCOMMITTEE ON \_\_\_\_\_  
AND WAS HEARD ON March 4. THE RECOMMENDED ACTION FOLLOWS:

HB 29 HJR \_\_\_\_\_ HR \_\_\_\_\_ SB \_\_\_\_\_ SR \_\_\_\_\_ SJR \_\_\_\_\_ OTHER \_\_\_\_\_

THE SUBCOMMITTEE RECOMMENDED:

DO PASS  DO NOT PASS \_\_\_\_\_ DO PASS AS AMENDED \_\_\_\_\_

TABLED \_\_\_\_\_ POSTPONED \_\_\_\_\_

OTHER ACTION \_\_\_\_\_

Ellen Garity  
Secretary

Mar, 1987  
Date