

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on February 3, 1989, at 8:10 a.m.

#### ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Carroll South, Legislative Fiscal Analyst's Office

Announcements/Discussion: REP. CONNELLY (32:A:181) said that she had spoken with Gary Spaeth regarding a subcommittee of the two subcommittees, Long Range Planning and Natural Resources, on the Parks Division's Capital program, and appointed SEN. MANNING and REP. THOFT to the subcommittee. She also told the committee that Ken Cottrill, Montana National Guard, had a video of the Rail Link explosion of February 2, 1989, and wanted to show it to the committee, and it was decided to have the National Guard schedule a viewing for some time convenient for all at the capital.

LAKE COUNTY/BIG ARM SEWER DISTRICT, Big Arm Sewer District, Coal Severance Tax Loan, (32:A:003).

KELLY BLAKE, Lands Division Administrator for the Department of State Lands (DSL), addressed the committee regarding the proposal by the Big Arm Sewer District. He specifically commented on the committee's concern about whether a long term lease could be issued to the district for the purposes of sprinkling treated water on the soils. In reviewing the statutes, he discovered that DSL would have the ability to issue long term leases, such as commercial leases for up to 40 years.

MR. BLAKE said that they could also issue a land use license, which would not have a particular term, and would be issued in situations in which the use was for other than the land's primary classification. For these licenses, the competitive bid process was bypassed.

MR. BLAKE said that the department's field office in the area of Big Arm had not been contacted, and that prior to any issuance of license or lease, there would have to be a field examination to determine the soils capability and any potential adverse effects. MR. BLAKE said that there were several tracts of land in the

area and that the department would be able to work with the district.

REP. THOFT asked if they would be able to sublease for crop harvest. MR. BLAKE said that if the department allowed them to irrigate, that would be a separate issue from any crop harvest. He said that the department would have an agreement with the lessee and the irrigator for maintenance of the irrigation system.

RECLAMATION AND DEVELOPMENT GRANT PROGRAM

Tape 32:A:100

CARALEE CHENEY, DNRC, Water Resources Division, reviewed the Reclamation and Development Grant Program, as set forth in the book, Reclamation and Development Grants Program (EXHIBIT 1). She gave a history of the program, stating that it used the Resource Indemnity Trust (RIT) interest income for projects related to reclamation and renewable resource development. MS CHENEY said the interest became available for appropriation when the interest in the account reached \$10,000,000, and the first large grants were authorized in 1985, albeit without a program. She said that 46% of the interest in the RIT was earmarked for this program at the present time. MS CHENEY referred the committee to the flow chart on the RIT and the Coal Severance Tax, EXHIBIT 2. The grant program was administered by DNRC as set forth in the book, EXHIBIT 1.

MS CHENEY (32:A:170) went through the eligibility stipulations and added that there had not been many non-reclamation projects in the top rankings, due to the stringent definition of the word "crucial" for the second tier of projects. She said that the grants were awarded to public entities, with a ceiling of \$300,000. MS CHENEY said that during the last session, projects totaling \$3,500,000 had been allocated. With the amount of grant money available diminishing, the ceiling may be lowered. She said that \$2,100,000 would be available during this biennium.

MS CHENEY (32:A:240) continued with a description of the method of review and ranking of applications. She noted that the Department of Health and Environmental Sciences (DHES) had two projects ranked 29 and 30 which were originally ranked 4 and 8 or 9 respectively. MS CHENEY said that the rationale used by the governor's office in lowering the rankings was inaccurate, and that the projects did not have any other source of monies from DHES. The fund at DHES envisioned by the governor's office to cover these projects was in fact being allowed to build so that the monies in it could be used for the state match for Superfund.

REP. THOFT (32:A:290) asked how many projects could be funded if there was \$2,100,000 available, and MS CHENEY said that projects through ranking 9 could be funded if the rankings were maintained. She added that there was still some discussion with the LFA regarding the exact fund amounts.

MS CHENEY (32:A:335) presented a slide show on completed and proposed projects.

MR. SOUTH (32:B:300) said that there had been 8-10 applicants for Renewable Resource Grants who had not been able to come due to the weather. He suggested a method of hearing those applicants.

Motion: SEN MCLANE (32:B:314) moved that the committee hear the remaining grant applicants for the Renewable Resource Grant Program on February 10 or after that date.

Vote: The motion CARRIED unanimously.

MR. SOUTH stated, as he had previously, that what was in the bill before them required different levels of approval, ranging from a simple majority vote requirement on the grants to a 3/4 vote requirement of each house on the appropriation of money from the Coal Trust itself for the subsidy portions of the coal bond grants. He suggested three separate committee bills: one for the Reclamation and Development Grants, another for the coal tax bond issues, which would create the \$25,000,000 in debt, and a third for the smaller Water Development loans, and Water Development/Renewable Resource Development grants, parts of which would require a 2/3 vote.

Motion: REP. THOFT moved to split up the bill as Mr. South suggested.

Vote: The motion CARRIED unanimously.

ADJOURNMENT

Adjournment At: 9:56 a.m.

  
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( REP. CONNELLY, Chairperson

MEC/CM

2925.MIN

EXHIBIT 1  
DATE 2-3-1989  
HB R&D Program

REGISTRATION  
AND  
ELECTRONIC  
CIRCUITS

# DAILY ROLL CALL

## Long Range Planning

SUBCOMMITTEE

DATE \_\_\_\_\_

2-3-89

[illegible]



## VISITOR'S REGISTER

AGENCY(S)

DEPARTMENT

SUBCOMMITTEE

DATE

2-3-89

NAME	REPRESENTING	SUP- PORT	OP- POSE
Kelly Blake	Dept. of State Lands		
Kati Williams <sup>for</sup> Game Warden	MT Salinity Control 17554.		

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