

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairperson Bob Raney, on March 1, 1989, at
3:05 p.m.

ROLL CALL

Members Present: All present except:

Members Excused: Rep. Harper, Rep. Kadas, and Rep. Hannah

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Hugh Zackheim,
Staff Researcher, Environmental Quality Council

Announcements/Discussion: REP. RANEY announced that Janelle
Fallan of the Montana Petroleum Association had arranged a
field trip to an oil drilling rig on the Sieben Ranch at
Canyon Creek on March 7.

REP. O'KEEFE announced that the HB 143 subcommittee would meet to
bring the bill in by Friday, 3/3/89.

HEARING ON SB 8

Presentation and Opening Statement by Sponsor:

SEN. DOROTHY ECK, Senate District 40, opened on the bill. She
said it was necessary to comply with the Supreme Court
decision on the Blackfoot Tribe vs Montana, which said that
the state could not tax the oil and gas production on
royalties. She said Gerry Foster, Department of Revenue,
was available to answer questions about the decision.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

REP. O'KEEFE asked the sponsor asked why the bill was in Natural Resources rather than Taxation Committee. SEN. ECK replied that she did not know, and that the bill was heard in Judiciary in the Senate.

REP. RANEY asked if this decision affected coal production. MR. FOSTER replied that it was premature at this time to include coal. He said they were still investigating the leases under which coal was mined, and anticipated that there would be a bill next session addressing coal. He said this bill extended the oil and gas Blackfoot decision to other reservations, whereas there was coal only on the Crow reservation. REP. RANEY asked if the state could then have a severance tax on coal royalties on Indian land at this time. MR. FOSTER said no, and that the producer could not be taxed either according to his interpretation.

Closing by Sponsor:

SEN. ECK closed and said that on this issue the department tended to be very conservative, and expected additional legislation next session. She urged the committee to concur on the bill.

DISPOSITION OF SB 8

Motion: REP. BROOKE moved SB 8 BE CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED unanimously.

HEARING ON SB 91

Presentation and Opening Statement by Sponsor:

SEN. RICHARD MANNING, Senate District 18, opened on the bill which he said was long needed. He said it provided for sale of state lands comprising leased cabin or home sites or city or town lots upon request of the lessees thereof, and exempted existing sales from subdivision laws.

Testifying Proponents and Who They Represent:

Kent Brown, Montana State Leaseholders Association
Dan Mizner, Montana Leaseholders Association
Mona Jamison, Montana Association of Planners
Chris Kaufmann, Montana Environmental Information Center

Proponent Testimony:

KENT BROWN, Vice President of his organization's Legislative Committee, said the membership was made up of people who held cabin site/home site leases on School Trust Fund Land. He said 3.5% of the appraised value was the lease fee, paid annually. He said the new lease fee system was started in 1988, to be carried out over a five year period. He said that by 1992, the average return to the School Trust Fund would be \$200 per acre for these leases.

MR. BROWN said the bill would benefit the trust fund, local school districts, all taxpayers and the leaseholders. If the leases were sold, the monies could draw up to 12%. He said the local school district would benefit due to the improvements which would be made on the properties once sold. He said general funds would be saved on the administration of the leases, and the leaseholders would benefit by being able to plan for the future. The bill would also provide an incentive to make improvements.

MR. BROWN said the association had some concerns. He said they questioned the ability of retirees and persons on fixed incomes to pay the purchase costs, but the bill did have a provision allowing for 10 up to 20 years to make plans to buy the property. Also an individual could continue to lease. The land must be sold at public auction, but the leaseholder did have the right to trigger the sale, and had the preference right to match the highest bid. Also, the purchaser would have to pay the former leaseholder for the costs of improvements. Another concern was the restriction of public access to lakes and waterways. He said research had shown that there were no waterways cut off from access. Additionally, the Land Board could hold any of these lots from sale, as it could now.

MR. BROWN said the bill created a win-win situation for everyone, and urged the committee concur on the bill.

DAN MIZNER introduced some amendments (EXHIBIT 1) for the committee's consideration. One was to clear up some problems with surveys. The other amendment corrected an incorrect cite of state law. With those amendments, he asked for a favorable recommendation from the committee. He also introduced a number of leaseholders present at the hearing who were also in support of the bill.

MONA JAMISON said she was in support of the bill with the amendments offered by Mr. Mizner as well as an additional amendment which deleted the applicability section.

CHRIS KAUFMANN said she supported the bill with the amendment referred to by Ms Jamison. She said the intent of the amendment was to say that any currently existing lease could be sold. She said MEIC's interest was not to give DSL free rein for a lot of future leases and selling of those leases. She said the bill actually addressed 30, perhaps up to 60 cabin sites. She distributed a copy of the amendment, EXHIBIT 2.

MS KAUFMANN spoke of another amendment regarding the state exempting itself from subdivision review. She said MEIC had received input from Ed Zulinger of the Missoula County Health Department about the same concern. He would also like to see that provision for exemption from subdivision review removed from the bill. He said this would in effect take away from the county the ability to require an upgrading of inadequate sewage systems. She also submitted a letter from the Missoula County Commissioners (EXHIBIT 3), as well as a letter from Joe Gutkoski (EXHIBIT 4).

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

REP. ROTH asked if these amendments had been proposed in the Senate. MS KAUFMANN replied that they had been proposed on the floor of the Senate, and were defeated.

REP. O'KEEFE asked Mr. Brown about the "considerable savings" to be made with this bill. MR. BROWN said he meant there were some savings, and cited the position of a full time appraiser. He said the leases needed to be re-appraised every five years. Inspections of leases by foresters, and the time in administering the leases would be areas of savings as well.

REP. O'KEEFE asked if these people he mentioned did not have the money to pay the leases, how could they afford to buy the site. MR. BROWN said that was an association concern, and that some of the people would continue to lease. However this bill would provide the ability for some persons to buy the property, which could then be refinanced.

- REP. OWENS asked if it would be safe to assume that hardly any of these lots had met the subdivision rules and regulations. He asked if this bill would cause the value of the property to go up as well as create problems with the subdivision law. MR. BROWN said most of the improvements on most of the leases were permanent. For the person on fixed income who could not afford to buy, there would be the option to continue to lease.
- REP. BROOKE asked Mr. North if it would be feasible to have a situation in which a person who had no financial limit could purchase contiguous lots. MR. NORTH said this could happen, since the board had to receive the greatest return it could for the land. With regards to the fiscal note, REP. BROOKE asked if it referred to the present fiscal impact of expenditures or the FTE for the current administration of leases, and if it could be projected ahead into the biennium with the sale of lots. MR. NORTH said he could provide that for the committee. He said there was another factor in the form of a bill to be introduced by Senator Himsl, which would limit the amount to be charged for the leases, 2% of the full market value.
- REP. MOORE asked about the constitutional concerns regarding the bidding process. MR. BROWN said only one lot had been bid against in the past, and that the Land Board would require a minimum bid. He admitted that that situation could change when the leases came up for sale. REP. MOORE asked who would pay for the improvements on the property if the purchaser was just bidding on the land. MR. BROWN said the purchaser would have to pay the former lessee for the improvements.
- REP. O'KEEFE asked at which rate the former lessee would be paid for the improvements--the rate on deeded land, or what they would be appraised for on the lease. MR. BROWN said the law provided that if the ex lessee and the purchaser could not agree within 60 days, it would go to arbitration.
- REP. COHEN asked if there was anything to prevent people from subdividing the lots in reference to an area in his district, Beaver Lake, and asked about access. MR. NORTH said once the Land Board sold the land, it no longer had any jurisdiction. Regarding a road coming in to lots, there was a provision in the bill that the state was to provide access in the form of an easement across state lands for any of these lots sold. MR. NORTH said the intent with regards to subdivision laws was that existing leases could be sold without complying with the subdivision law, but any others would have to comply.
- MS JAMISON, in response to the same question by Rep. Cohen, explained the error made in the Senate on the bill. The bill as corrected would require any future leases sold would be subject to subdivision review. The reason for the

exemption for existing leases was that there was already a provision in law exempting them from the Subdivision and Platting Act.

REP. COHEN used the example of Echo Lake, and asked what would happen if a purchaser, upon purchasing a lease, decided to put in a motel, marina and restaurant. MS JAMISON said the purchaser would have to meet potability requirements under state restaurant law. She said if the future activity represented a division of land, it would fall under subdivision review.

Closing by Sponsor:

SEN. MANNING closed, stating that this bill would not work unless one of the applicants requested a review by the State Land Board. He said the Land Board could say no to the request. He said the amendments offered by Ms Kaufmann did not apply to the bill, were unnecessary and were rejected by the Senate. He said that if the land could be sold, the money could be put in the coffers and could draw interest. He reminded the committee that the Land Board was conservative with regards to selling land.

HEARING ON SB 154

Presentation and Opening Statement by Sponsor:

SEN. DENNIS NATHE, Senate District 10, opened on the bill which provided the Department of State Lands may keep confidential certain geologic information received from lessees. He said the bill was introduced at the request of the department in response to a problem in getting certain seismographic information for necessary review.

Testifying Proponents and Who They Represent:

John North, Department of State Lands
John Fitzpatrick, Pegasus Gold Corporation and the Montana Mining Association

Proponent Testimony:

JOHN NORTH testified in support of the bill as set forth in EXHIBIT 5.

JOHN FITZPATRICK testified that the bill would allow DSL to have information it needed to determine mineral royalties. He said the bill was important to a mineral operator for two reasons. The bill would also protect the integrity of the geologic information, and would provide protection for modern day claim jumping.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

REP. RANEY asked how this bill related to information on groundwater, water quality, or aquifers. MR. NORTH said anything along those lines that would be needed to ensure the environmental laws were complied with would not fall under this confidentiality provision.

Closing by Sponsor:

SEN. NATHE said the bill provided for a necessary tool for DSL to adequately manage all of the mineral interests they had in Montana.

DISPOSITION OF SB 154

Motion: REP. ROTH moved the bill BE CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED unanimously.

HEARING ON SB 161

Presentation and Opening Statement by Sponsor:

SEN. JOHN HARP, Senate District 4, said the bill allowed the department to determine exactly what was the potential loss on a timber sale in determining the performance bond. He said some of the larger timber companies had gotten out of the logging business, and smaller operators were having difficulties coming up with the 20% of the performance bond. The department had recognized that the smaller operator was not financially capable of picking up these bonds and may not come to bid state timber sales. He said that 20% performance bond was high, and suggested that there would be a lot more activity with many more small contractors with such a change in the law.

Testifying Proponents and Who They Represent:

Randy Mosley, Department of State Lands
Don Allen, Montana Wood Products Association

Proponent Testimony:

RANDY MOSLEY testified as set forth in EXHIBIT 6.

DON ALLEN testified that his organization was contacted about this in the past year, and that they did not object to the bill.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

REP. ROTH asked what was meant by "potential loss", and if that meant loss due to non performance or to the detrimental effects on an area. MR. MOSLEY said the loss related to non-compliance with stipulations of whatever was written in the timber sale agreement or contract stipulations for the particular timber sale. REP. ROTH asked if the loss could be higher than the 20% value of the timber. MR. MOSLEY said that had not been the department's experience to date.

REP. MOORE asked how low that percentage could go. MR. MOSLEY said that would be determined by the department based upon potential loss.

REP. OWENS commented that the department had said it had experienced no problems with the bonding on timber sales. MR. MOSLEY said not to his recollection, and that the purpose of the bill was to correct the situation with small contractors not being able to bid on additional timber sales because their capital was tied up. He said the department still had the flexibility to lower or not lower the rate, based on what the potential loss was determined to be. REP. OWENS asked if the department would object to a minimum rate of 5%. MR. MOSLEY said the department would not object.

Closing by Sponsor:

SEN. HARP closed, and encouraged the concurrence of the committee.

DISPOSITION OF SB 161

Motion: REP. COHEN moved the bill BE CONCURRED IN.

HOUSE COMMITTEE ON NATURAL RESOURCES

March 1, 1989

Page 9 of 9

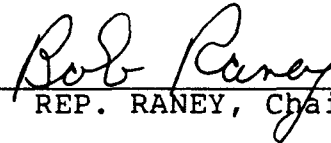
Discussion: None

Amendments, Discussion, and Votes: REP. OWENS moved an amendment to set a 5% minimum. The motion CARRIED unanimously.

Recommendation and Vote: REP. COHEN moved the bill BE CONCURRED IN AS AMENDED. The motion CARRIED unanimously.

ADJOURNMENT

Adjournment At: 4:35 p.m.



REP. RANEY, Chairperson

BR/cm

4812.min

DAILY ROLL CALL

HOUSE NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-1-89

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bob Raney, Chairman	✓		
Rep. Ben Cohen, Vice-Chairman	✓		
Rep. Kelly Addy	✓		
Rep. Vivian Brooke	✓		
Rep. Hal Harper			✓
Rep. Mike Kadas			✓
Rep. Mary McDonough	✓		
Rep. Janet Moore	✓		
Rep. Mark O'Keefe	✓		
Rep. Robert Clark	✓		
Rep. Leo Giacometto	✓		
Rep. Bob Gilbert	✓		
Rep. Tom Hannah			✓
Rep. Lum Owens	✓		
Rep. Rande Roth	✓		
Rep. Clyde Smith	✓		

STANDING COMMITTEE REPORT

March 2, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report that SENATE BILL 8 (first reading reference copy -- blue) be concurred in.

Signed: _____
Bob Raney, Chairman

[REP. BROOKE WILL CARRY THIS BILL ON THE HOUSE FLOOR]

STANDING COMMITTEE REPORT

March 2, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report that SENATE BILL 154 (first reading reference copy -- blue) be concurred in .

Signed: _____
Bob Raney, Chairman

[REP. COBB WILL CARRY THIS BILL ON THE HOUSE FLOOR]

AT

STANDING COMMITTEE REPORT

March 2, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report that SENATE BILL 161 (first reading reference copy -- blue) be concurred in as amended .

Signed: _____
Bob Raney, Chairman

[REP. OWENS WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Title, lines 7 and 8.

Following: "STATE"

Strike: "RATHER" on line 7 through "VALUE" on line 8

Insert: ", EXCEPT THAT THE BOND MUST BE IN AN AMOUNT EQUAL TO AT LEAST 5% OF THE ESTIMATED VALUE OF THE TIMBER SOLD"

2. Page 1, line 25.

Following: "(2)"

Strike: "As"

Insert: "(a) Except as provided in subsection (2)(b), as"

3. Page 2, line 5.

Following: "department."

Insert: "(b) The bond required under this section must be in an amount equal to at least 5% of the estimated value of the timber sold."

DATE 3-1-89
SB 91
Rep. Dickman

Amendments to Senate Bill No. 91
Third Reading Copy

For the House Committee on Natural Resources

Prepared by Eddy McClure
January 27, 1989

1. Page 3, line 19.

Following: "LAWS"

Strike: "."

Insert: ", except for surveying requirements. The buyer shall
have prepared a current certificate of survey for the
property."

2. Page 4, line 4.

Following: "WITH"

Strike: "77-3-101"

Insert: "77-2-101"

Following: "THROUGH"

Strike: "77-3-106"

Insert: "77-2-106"

EXHIBIT 2
DATE 3-1-89
HB. SB-91

SENATE COMMITTEE OF THE WHOLE AMENDMENT

January 25, 1989 2:42 pm

Mr. President: I move to amend SB 91 (second reading copy -- yellow) as follows:

1. Title, lines 8 and 9.

Strike: "EXEMPTING EXISTING SALES FROM SUBDIVISION LAWS;"

2. Page 3, lines 17 through 20.

Strike: subsection (2) in its entirety

Renumber: subsequent subsections

3. Page 4, lines 22 through 25.

Strike: section 7 in its entirety

32-17

ADOPT

REJECT

Signed: _____
Senator Eck

MISSOULA COUNTY

BOARD OF COUNTY COMMISSIONERS

• Missoula County Courthouse • Missoula, Montana 59802
(406) 721-5700

BCC-89-030
January 13, 1988

EXHIBIT 3
DATE 3-1-89
HB SB-91

Bill Farrell, Chair
State Administration Committee
Montana State Senate
Capitol Station
Helena, MT 59624

Dear Senator Farrell and Committee Members:

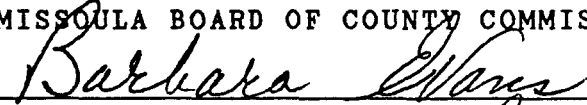
We have reviewed the position of the Montana State Leaseholders Association on SB-91 and concur with and support the intent of the bill. We see the possibility of positive impacts for both management of school trust lands as well as for current leaseholders.

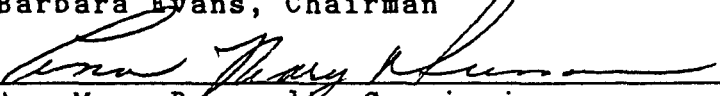
However, we have the following concerns, the first of which is about the subsequent subdivision of these parcels after the leases have been purchased and the process that would be involved. The second involves both awareness and assurance that the resource management efforts currently mandated and administered by the Department of State Lands are continued. This concern arises primarily because many times these state lease lands are adjacent to significant resource areas such as lakes, rivers, ungulant winter range and other significant ecological habitats. If the leases are sold, the Department would no longer be administering these lands. Our main concern is ensuring that the new private landowners are made aware of how these resources have been managed in the past so that they can continue to protect and enhance our valued resources.

We would request that the Committee, the Montana State Leaseholders Association and the County work together to come up with mutually acceptable language to address these concerns.

Sincerely,

MISSOULA BOARD OF COUNTY COMMISSIONERS


Barbara Evans, Chairman


Ann Mary Dussault, Commissioner


Janet L. Stevens, Commissioner

BCC/lm

cc: Montana State Leaseholders Association
Missoula Legislators

JAN 20 1989

EXHIBIT 4
DATE 3-1-89
HB SB91

Please consider this as input

for → Senate Bill 91

Introduced by Jerry Manning, State Administration Committee

To enable the selling of a cabin, home sites or town lots on request of lessees is a step in the wrong direction.

This bill will begin to erode a strong
Not one acre should be lost to the state school trust land system.

Most of the cabin and home sites leases are on quality recreation waterfront land, highly valuable for public recreation than for individual recreation residences.

These high value public recreation lands should be retained in public ownership with the occupying private residences phased out over a 20 year period or life tenure non-transferable permits.

City or town lots can be sold to lessees if the money is then used to add acreage to the state school trust land system.

A stronger Montana State Land System is a goal that is possible to achieve with emphasis on conservation and managed under multiple use and sustained yield of products and income for the school foundation program.

A lands adjustment program is needed to solve the problem of widely separate state land sections that are difficult, if not impossible to manage for public purposes.

A proper land consolidation program through exchange with private land owners, Forest Service, Bureau of Land Management and Burlington Northern Railroad could increase the multiple use value and productivity of state lands.

Intense land uses such as agricultural cropland belongs in the private sector. If the soil and moisture on cropland is productive enough for a farmer to justify a long range investment, then such land should be in private ownership. The intensive use lands could be exchanged for other resource lands that could be consolidated into a state public lands system managed by professional natural resource managers with no political influence.

file: SB91

*Joe Gutkoski Pres.
Gallatin Wild Life Assoc.
304 N. 18th Av.
Bozeman MT. 59715*

SB 91

3-1-89

WITNESS STATEMENT

NAME Sam Mezner BUDGET _____

ADDRESS Seelye Lake, VT

WHOM DO YOU REPRESENT? Lance Haldors Assoc

SUPPORT SB-91 OPPOSE _____ AMEND _____

COMMENTS: Request support as amended

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

SB 91
3-1-89

WITNESS STATEMENT

NAME Inga Ann Jorg BUDGET _____

ADDRESS 2505 Glen Dr. Mslk. Mt. 59801

WHOM DO YOU REPRESENT? _____

SUPPORT SB 91 OPPOSE _____ AMEND _____

COMMENTS: I feel this would be -
- good thing for both the
state and the honey holder -

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

SB 91

3-1-89

WITNESS STATEMENT

NAME John P. Goodheart BUDGET _____

ADDRESS 1112 Wilbur St. St. Falls, Me.

WHOM DO YOU REPRESENT? 5/ed. Household Assoc.

SUPPORT B. 91 OPPOSE _____ AMEND _____

COMMENTS: This bill will help everyone involved.
And is a very fair bill.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

SB 91

3-1-89

WITNESS STATEMENT

NAME Jim Trainer BUDGET _____

ADDRESS 8525 Green meadow Drive itelean, mt

WHOM DO YOU REPRESENT? Self

SUPPORT X OPPOSE _____ AMEND _____

COMMENTS: Senate Bill 91

I feel this is an excellent bill benefiting both
the state of Montana and the lease holders. It establishes
economic stability to both parties.

The state benefits greatly if the purchase money is
invested plus there is little reduction due to administration
and inspection cost related to leasing.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXHIBIT 5
DATE 3-1-89
HB SB 154

Senate Bill 154
Testimony of John F. North
House Natural Resources Committee
March 1, 1989

The Department of State Lands has requested introduction of and supports the passage of Senate Bill No. 154. This bill would allow the Department of State Lands to keep confidential certain geologic information. This bill applies to all types of Department mineral leases. The bill has four major provisions, all of which are basically identical, because it places the same confidentiality provision in each of the four chapters in the code dealing with mineral leasing. Those chapters deal with metalliferous mineral, non-metalliferous minerals, coal, and oil and gas.

The Department of State Lands manages the mineral estate on school trust and endowment lands held by the State of Montana. In certain situations the Department's geologist needs to review geologic data acquired by the lessee in order to assure that the state and the lessee are being treated fairly under the lease provisions. If the information that the geologist reviews in making critical decisions is made public, other competitors could use the information to their advantage, the state lessee would suffer and the State, whose income rises and falls with the income of its lessee, would also suffer. As a result of this problem, the lessee is justifiably reluctant to expose this information to the Department without a guarantee that it will be held confidential. This puts the Department at a disadvantage as it attempts to manage trust lands.

The mineral leasing statutes contain no authorization for the Department to keep this information confidential. Given the broad right-to-know provisions of the Montana Constitution, the Department feels that it needs statutory authorization from the Legislature to maintain confidentiality. There is precedent for such an authorization. The Montana Hard Rock Act, a mined-land

EX #5

3-1-85

reclamation statute, currently requires the Department's Reclamation Division to keep confidential certain information obtained under that statute.

The passage of this bill will help the Department in making critical decisions on its mineral leases without divulging any proprietary or confidential information to the public. This makes good business sense and will enhance the Department's working relationship with its lessees.

I respectfully request that you give this bill a do pass recommendation.

EXHIBIT 6
DATE 3-1-89
HB SB 161

DEPARTMENT OF STATE LANDS
Testimony in Support of Senate Bill 161

The Department of State Lands requests your support on Senate Bill 161. This bill provides the Department with more flexibility in setting the amount of bond required for faithful performance of contracts involving the sale of timber from state owned lands.

Section 77-5-202 MCA requires performance bonds on state timber sales to be a minimum of 20 percent of the value of the timber sold. The intent of the law is to provide to protection for the State against costs that might arise if the timber sale purchaser defaults on the timber sale agreement. This performance bond is held by the State until satisfactory completion of the timber sale agreement. The bonding amount of 20% or more is often appropriate at the start of the timber sale when all of the sale development costs (roads, culverts, bridges, etc.) have yet to be completed. As a sale proceeds, however, the development work is mostly completed and the potential risk to the state declines and a bond of 20% or more may be greater than necessary to cover the risk.

The need for the flexibility to reduce the performance bond of 20 percent or more to an amount equivalent to the potential risk is particularly important in helping smaller logging companies to bid on state timber sales. In many cases smaller loggers do not have the financial backing of large sawmills and do not have access to needed financial markets to secure needed performance bonds. If the amount of the performance bond required on state timber sales could be decreased as the risk of loss decreases during the course of sale, the timber sale purchaser would find it easier to get an additional line of credit to pursue other state timber sales.

This bill, by amending the present law to allow for more flexibility in setting the performance bond, would benefit the school trusts by reducing the financial load on purchasers of state timber sales, allowing them to bid on more sales and to bid higher prices. It will benefit the small loggers by giving them the opportunity to competitively bid on more timber sales. This in turn should help to promote a stronger forest products industry and be beneficial to the state's economy.

VISITORS' REGISTER

Natural Resources COMMITTEE

BILL NO. SB 91

DATE 3-8-89

SPONSOR Sen Manning

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Kent A. Brown	Secker Lake	X	
Nyren C. Hedrick	Great Falls	X	
Mark W. Mynior	Sagehen Lake	X	
Inga Ann Shroy	Msela, MT	X	
Kella J. Smart	Missoula, MT	X	
Gene W. Shoch	Lincoln, MT	X	
Malita Goodrich	Big Falls, ID	X	
James Keiner	Helena, MT	X	
Richard E. Manning	Sponsor G. J.	X	
Mona Gardner	MAP	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

