

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on March 13, 1989, at
7:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

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

Announcements/Discussion: None

HEARING ON HB 563

Tape 51:A:000

Presentation and Opening Statement by Sponsor:

REP. GARY SPAETH, House District 84, presented the bill, stating that it provided for the distribution of Oil Overcharge monies. He said that there would be three amendments that he wanted inserted into the bill, as well as an amendment submitted by Rep. Thoft. He distributed an overview prepared by Van Jamison of the Department of Natural Resources and Conservation (DNRC), EXHIBIT 1. REP. SPAETH went through the exhibit, stating that the four major changes were:

- 1) Rep. Thoft's amendment for the addition of the Biological Weed Control Project at \$150,000, as set forth in EXHIBIT 2.
- 2) The addition of attorney's fees in the amount of \$35,000 as set forth in EXHIBIT 3.
- 3) Increase in the Low Income Weatherization to \$900,000 from \$500,000 as set forth in EXHIBIT 4.
- 4) The increase in Local Governments to \$235,000 from \$100,000 as set forth in EXHIBIT 4.

REP. SPAETH said any money left over, or money unable to be spent (such as the money for the Biological Weed Control Project or the Trans Load Facility in Shelby for which acceptance by the Department of Energy was in question) would move down into the Institutional Conservation Program.

DISPOSITION OF HB 563

Motion: REP. THOFT moved HB 563.

Discussion: None

Amendments, Discussion, and Votes: REP. THOFT (51:A:067) moved the Spaeth amendments (EXHIBITS 3 and 4), and the motion CARRIED unanimously. REP. THOFT moved the Thoft amendments. REP. THOFT stated that the \$150,000 in his amendment was to support the state's biological control effort, which had proved to be a worthwhile project. He stated that in the last session there had been approximately \$136,000 put into the program from the Oil Overcharge account, and that Mr. Jamison had been able to get that money approved by the Department of Energy (DOE). MR. JAMISON added that there was some question regarding whether or not the DOE would approve the continuation of this program. He said that there were now a number of precedents that would be useful in marketing the proposal, and that there was more likelihood of approval at this time. SEN. MANNING seconded the motion. SEN. HIMSL asked who would run the project, and REP. THOFT said that the money would go into a fund established in the Department of Agriculture, with priorities of the grant applications set by a committee. The motion CARRIED unanimously.

Motion: REP. THOFT (51:A:141) moved that HB 563 DO PASS AS AMENDED.

Discussion: REP. THOFT asked if the priorities were in the correct order as set forth on EXHIBIT 1. MR. JAMISON replied that having the Institutional Conservation Program was very appropriate as the last priority, since it was the only program on the list that could operate at a low funding level for one year, with immediate response to additional monies. REP. BARDANOUE asked how much money there would be in 1991, and MR. JAMISON said there would be some monies left, since the settlement agreement required companies to make initial payments, with subsequent payments at 18 month and 12 month intervals. He did add that the total amount of money available was steadily declining, and that ultimately the fund would come to an end. He stated that the priorities in the bill were as set forth on EXHIBIT 1, with the exception of the Biological Weed Control Program, which should have appeared as priority 4 instead of 3.

Vote: The motion CARRIED unanimously.

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Page 3 of 3

ADJOURNMENT

Adjournment At: 7:20 a.m.

A handwritten signature in cursive script, reading "M. E. Connelly".

REP. CONNELLY, Chairman

MEC/cm

5825.min

Long Range Planning

DATE _____

[illegible]

EXHIBIT 1DATE 3-13-89HB 563

OIL OVERCHARGE ESTIMATES

Prepared 3/10/89

Oil Overcharge Revenues		Oil Overcharge Appropriations HB563	
Unappropriated Balance of funds and interest earned as of 3/9/89	1,326,776	Attorney Fees and Costs	35,000
		Low-income Home Weatherization	900,000
Unspent Project Funds and interest from HB621	76,009	Biological Weed Control	150,000
Getty Oil Payment (late spring 1989)	357,570	Low-income Energy Assistance	100,000
Texaco Payment (late summer, early fall 1989)	412,790	Transloading Facility	300,000
		State Building Energy Bond Program	550,000
Getty Oil Payment (late spring 1990)	178,785	Local Governments	235,000
TOTAL	2,351,930		2,270,000
		Institutional Conservation Program	950,000

PROPOSED AMENDMENTS
HOUSE BILL 563
Introduced Bill

EXHIBIT 2
DATE 3-13-89 AM
HB 563 1000

1. Page 4, line 4.

Following: "energy needs"

Insert: NEW SECTION. Section 6. Biological agents for weed control -- appropriation. There is appropriated \$150,000 from the stripper well payments contained in the federal special revenue fund to the department of agriculture to continue the collection and distribution of biological agents to control leafy spurge and spotted knapweed. The project will reduce energy consumption by reducing the need for repeated chemical applications and will build upon the accomplishments derived from the funding provided in Section 8, House Bill 621, Laws of 1987.

Renumber: subsequent sections

2. Page 6, line 12.

Following: "through"

Strike: "9"

Insert: "10"

3. Page 6, line 14.

Following: "section"

Strike: "9"

Insert: "10"

4. Page 7, line 3.

Following: "prioritized."

Insert: "In order to provide continuity for the programs when establishing the appropriations for the 90-91 biennium, anticipated Getty Oil and Texaco Oil payments that will be received under the terms of the agreements during the biennium may be considered to establish appropriations to fund the activities. The appropriation provided for in Section 10 shall not be made until the state has actually received payments that are sufficient to fund all higher ranked programs approved for funding by the U.S. Department of Energy."

EXHIBIT 3
DATE 3-13-89
HB 563
THREE

Proposed Amendment to House Bill 563
Introduced Bill

Prepared by Clay R. Smith
Assistant Attorney General
Department of Justice
February 22, 1989

1. New Section. Section 4. Payment of attorney's fees and costs--appropriation. There is appropriated \$35,000 from the stripper well payments contained in the federal special revenue fund to the department of justice to pay attorney's fees and costs incurred in connection with recovering such payments.

2. Sections 4 through 12 of the unamended bill shall be renumbered, respectively, sections 5 through 13.

3. The internal reference to section 5 on page 6, line 8 shall be revised to section 6.

4. The internal reference to sections 4 through 9 on page 6, line 12 shall be revised to sections 4 through 10.

5. The internal reference to section 9 on page 6, line 14 shall be revised to section 10.

PROPOSED AMENDMENTS
HOUSE BILL 563
Introduced Bill

1. Page 1, line 23.

Following: "following definitions apply:"

Insert: "(1) "Cities Services payments" means the oil overcharge payments made to the U.S. treasury for distribution to the State of Montana pursuant to the consent agreement between Cities Service Oil and Gas and the U.S. Department of Energy as affirmed by the Federal Energy Regulatory Commission and any interest accrued on the payments.

(2) "Getty Oil payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action No. 77-434 (MMS) in the United States District Court for the District of Delaware and any interest accrued on the payments."

Renumber: subsequent subsections.

2. Page 2, line 5.

Following: "not limited to"

Insert: "Cities Service payments, as defined in subsection (1), Getty Oil payments, as defined in subsection (2),"

3. Page 2, lines 5 and 6.

Following: "subsection"

Strike: "(2)"

Insert: "(4)"

4. Page 2, line 7.

Following: "subsection"

Strike: "(3)"

Insert: "(5)"

5. Page 3, line 7.

Following: "appropriated"

Strike: "\$500,000"

Insert: "\$900,000"

6. Page 5, line 16.

Following: "appropriated"

Strike: "\$100,000"

Insert: "\$235,000"

HOUSE BILL 563
INTRODUCED BILL
SECTION 2 INCORPORATING AMENDMENTS

NEW SECTION. Section 2. Definitions. As used in [this act], the following definitions apply:

(1) "Cities Services payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the consent agreement between Cities Service Oil and Gas and the U.S. Department of Energy as affirmed by the Federal Energy Regulatory Commission and any interest accrued on the payments.

(2) "Getty Oil payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action N. 77-434 (MMS) in the United States District Court for the District of Delaware and any interest accrued on the payments."

~~(1)~~(3) (a) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court for the district of Kansas, Cause No. M.D.L. 378, and any interest accrued on the payments. The term also includes but is not limited to Cities Service payments, as defined in subsection (1), Getty Oil payments, as defined in subsection (2), Texaco payments, as defined in subsection ~~(2)~~(4), and any unspent project funds, as defined in subsection ~~(3)~~(5).

(b) The term does not include stripper well payments that have been expended or legally obligated or have been incorporated into any of the existing federal energy programs as the result of prior appropriations by the legislature.

~~(2)~~(4) "Texaco payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the Texaco final consent order, 53 Fed. Reg. 32929, August 29, 1988, and any interest accrued on the payments.

~~(3)~~(5) "Unspent project funds" means stripper well payments that were not expended or otherwise legally obligated during the 1989 biennium but were appropriated for the 1989 biennium in House Bill 621, Laws of 1987, in:

- (a) section 4, subsection (5));
- (b) section 9, subsections (8) and (9); and
- (c) section 10.