

MINUTES

MONTANA SENATE 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Senator Thomas F. Keating, Chairman, on February 6, 1989, at 1:00 p.m., Room 405, of the State Capitol.

ROLL CALL

Members Present: Senators: Thomas Keating, Larry Tveit, Fred Van Valkenburg, Loren Jenkins, Darryl Meyer, Lawrence Stimatz, Bill Yellowtail, Elmer Severson, Cecil Weeding, and Jerry Noble.

Members Excused: None

Members Absent: Pete Story and Dorothy Eck

Staff Present: Bob Thompson and Helen McDonald

Announcements/Discussion: Vice-Chairman Larry Tveit conducted the meeting.

HEARING ON SB 224

Presentation and Opening Statement by Sponsor: Thomas Keating, District #44, sponsored this bill to de-earmark certain funds in coal tax distribution. It has nothing to do with a particular agency or department. The bill has an amendment to delay action until 1991 so as not to take 90-91 funds away from programs in this biennium. SB 224 deals with the coal severance tax as it is divided statutorily.

Senator Keating made a flow chart (Exhibit 14) to show how the coal severance tax provided in section 15-35-108 has been appropriated constitutionally. This bill will detach the statutory earmarks from certain accounts. For example, alternate energy research would be eliminated and the conservation district, the library commission, local impact, parks, county planning and growth in agriculture would be de-earmarked. The bill would also de-earmark cultural projects and parks management. However, an amendment will be submitted to restore cultural and park management so they can share in the interest income from the trust money that exists currently. There is

about 16 million dollars in the trust fund at this time. The intention of this bill is only to rescind the statutory appropriation to the trust fund.

The bill leaves untouched the 10% to the public school foundation program. This bill does not affect the foundation program.

Senator Keating also stated that he has an amendment to restore the renewal resource development program funding.

The bill does not touch the water development debt service.

The bill but does not affect the flow to the general fund and the balance of the money. It would not affect the flow from the education trust fund to the vo-techs, school equalization and Board of Regents. The local impact board money that isn't used during the year and any interest involved on the fund balance would flow in there.

Senator Keating summarized by stating that the study on better legislation determined by allowing revenue to flow to the general fund the legislature could look at the needs or priorities with a pool of revenue. The legislature could then do what they were elected to do and what the citizens are asking for in the best way possible.

General fund revenue forecasts are shown in Exhibit #7.

List of Testifying Proponents and What Group they Represent:

None

List of Testifying Opponents and What Group They Represent:

Hershel Robbins, Assn. of Oil, Gas & Coal Counties
Rep. Marian Hanson, House District #100
Rep. Robert Clark, House District #31
Rep. Roger Knapp, House District #27
Mark Racicot, Attorney General
Tom Asay, Chairman, Coal Tax Oversight Committee
Bob Dozier, Northern Plains Resource
Peggy Haaglund, Mont. Assn. of Conservation Districts
Jo Brunner, Montana Water Association
Rusty Rokita, Big Horn County Commissioner
Rep. Dave Brown, District #72
Harriet Meloy, Mont. League of Women Voters
Mona Jamison, Montana Assn. of Planners

Sandra Watts, Director Library Services, Big Horn Co.
Chris Kaufman, Mont. Environmental Information Center
Janet Ellis, Audubon Society
Gloria Hermanson, Montana Cultural Advocacy
Deborah Schlesinger, Montana Library Assn.

Testimony:

- Hershel Robbins submitted written testimony. (Exhibit #8)
- Rep. Marian Hanson stated her area has great uses for coal tax revenues and hopes the money isn't taken away.
- Rep. Robert Clark stated the people in Musselshell County oppose this measure because they feel it will have a negative impact on their area.
- Rep. Roger Knapp stated this bill would have great local impact on his district, noting that several programs would have to be eliminated. If these programs were kept, they would have to be picked up by local taxpayers.
- Marc Racicot informed the committee that he had a long history with the coal board and there was a need to provide proper drug enforcement within coal impact counties. An agreement between the Department of Justice and the Coal Board covers drug investigation in those counties covered by the impact funds. The attorney general's office has initiated 575 drug cases, seized property in excess of \$150,000, and seized 5.5 million dollars worth of drug and other commodities since 1982. The office has requested \$297,000 per year from the coal tax to fund projects. Mr. Racicot agrees with Sen. Keating that Montana should pool its funds and pay for needs as they arise, but unless, the attorney general's office can be guaranteed the same amount of funds from the legislature that it receives from the coal board, it must oppose the bill.
- Tom Asay stated that it was necessary to continue vital programs, not just drug task forces. This program is more than just paying to stop drugs and the peddling of drugs. It brings in high-profile people such as athletes for speakers. Another good program is monitoring water impacts in the coal area.
- Bob Dozier opposes this bill. (Exhibit #7a)
- Peggy Haagland submitted written testimony. (Exhibit #9)
- Jo Brunner opposed the bill. Jo Brunner is on the Growth through Agriculture committee and noted the committee was informed their budget would be reduced.
- Deborah Schlesinger submitted written testimony. (Exhibit #3)
- Rusty Rokita submitted written testimony. (Exhibit #1)
- Rep. Dave Brown, District #72, stated that it does not behoove Montanans to eliminate the coal board or the other activities that are necessary to help that area

of the state.

Harriet Meloy stated SB 224 breaks faith with those who plan for Montana's unmet needs such as energy research development, city-county planning, parks management, cultural projects and state-wide library services. The coal money is of tremendous importance to Montana.

Mona Jamison stated that county planning can actually reduce and prevent unnecessary taxes. Planning helps to establish a healthy business environment, unify communities and also protect public health.

Sandra Watts submitted written testimony. (Exhibit #5)

Chris Kaufman, Montana Environmental Center, stated she was concerned about the elimination of funds to the programs already mentioned.

Janet Ellis, Audubon Society, submitted written testimony. (Exhibit #11)

Gloria Hermansen submitted written testimony. (Exhibit 10)

Questions From Committee Members: Senator Yellowtail commented that he called the Department of Agriculture and the Department of Commerce to give the committee some information about activities of the Growth Through Agriculture program.

Jo Brunner stated that the Agriculture Development Council met with the department last week and the council addressed the request proposed for marketing, enhancement activities and rural programs. There were quite a few projects submitted in that two-day session. The council is now in place and legislation will be introduced this week. Mona Jamison has been working with Representative Swift on that part of the program. As far as funding was concerned, the council had not as of last week provided funds to the communities.

Senator Weeding asked Murdo Campbell, Department of Commerce, to comment on the projects that Tom Asay spoke about and how this bill would affect these projects.

Murdo Campbell stated the coal board has projects to evaluate at its next meeting amounting to 8.2 million dollars. The Big Horn County-Decker highway project is for 2.8 million dollars. To date the coal board has put \$195,000 in that project, which was matched by Big Horn County, for right-of-way, design and other preliminary engineering. Treasure County has requested 4.3 million dollars to complete a road and the Coal Board will put in \$240,000 for preliminary engineering design. Both of these projects are being monitored by the Coal Board. The conservation district ground water monitoring project has requested \$121,000. Rosebud

County has a need for a paving project near the plant site for \$191,000 and is considering submitting an application to the coal board for a medical clinic in Colstrip.

Sen Van Valkenburg stated that in Senator Keating's opening remarks he indicated the knife had gone too far in regard to the cultural projects portion of the allocation severance tax. Sen. Van Valkenburg didn't quite understand how it went too far or the amendment.

Senator Keating commented that there is a certain amount of money that flows through the trust fund. The bill drafter went too far and detached the cultural projects and parks management programs and sent the interest income for the parks trust fund to the general fund. That last change was not wanted.

Sen Van Valkenburg commented that in the last session and 1986 special session Senator Keating carried a bill that in essence capped temporarily the money that was going into those trust funds.

Senator Keating answered he only wanted to cap the parks trust fund.

Senator Van Valkenburg asked if it was a combination trust fund for parks, cultural and aesthetics projects.

Senator Keating projects that it's a single trust fund and those two projects draw from the interest earned.

Senator Yellowtail wanted to know the rationale to the selective de-earmarking that is represented in this bill.

Senator Keating answered that in his perception of public need, schools are of the utmost importance to the people in the state and a certain amount of coal money should flow to the education trust fund or the foundation program. Highway reconstruction is also a high priority. Other than that he wasn't selective.

Closing by Sponsor: Senator Keating closed by saying that the audit from last year indicated that there will be no coal impact and there is no reason for the coal board to exist. The coal board had a certain part of this money allocated and ended up losing it through the legislative process because the money had been appropriated to what the legislature perceived as a higher priority. Somehow all of the local impact money the coal board was supposed to expend disappeared and

those high priorities were not done. If these programs were part of the legislative process, they would have a much better chance of survival. The purpose of a tax is to provide the taxpayer with a service and this coal tax money is being distributed to recipients who really don't have any association with the coal industry. They are using somebody else's tax and labor to generate their income.

DISPOSITION OF SB 224

The hearing on this bill is closed.

HEARING ON SB 225

Presentation and Opening Statement by Sponsor: Senator Thomas Keating sponsored this de-earmarking bill. The effective date of the bill should be July 1, 1991 and not July 1, 1989. The Resource Indemnity Trust fund is 1/2 of %% tax on all minerals that are produced in the state (Exhibit #15). The RIT fund at the present time has a balance of about 63 million dollars. The interest income from that account is divided as you can see on the flow chart: 46% for the reclamation and development of grants programs, 30% for water development, 4% the for environmental quality protection fund and 8% for the renewable resource development program. That 8% amounts to about a million dollars.

Senator Keating stated that the DNRC's Water Development Bureau receives applications for grants and loans for particular projects, including some that are directly to the Renewable Resource Development Program for ranking by the department. Those projects can be rearranged by the long-range building subcommittee and by the subsequent legislative appropriation committees. After about eight years of water development programs and renewable resource programs, Montana has just about run out of decent projects. We have found out that tax money or interest income money has been given to individuals that improve their own homesteads. This money is being distributed for personal uses.

Senator Keating suggested that the legislature take a look at these expenditures and decide for itself if this a proper use of tax money. This would be an opportunity to divert 8% of RIT on a permanent basis to the general fund. There would still be plenty of money left for reclamation and development.

List of Testifying Proponents and What Group they Represent:

None

List of Testifying Opponents and What Group They Represent:

Bob Dozier, Northern Plains Resource Council
Richard Mueller, Montana State Library
Jim Jensen, Montana Environmental Information Council
Kim Wilson, Sierra Club
Stan Bradshaw, Trout Unlimited
Peggy Haaglund, Mont. Assn. Conservation District
Janet Ellis, Audubon Society

Testimony:

Bob Dozier submitted written testimony. (Exhibit 4)

Will Selser took exception to the inference that the majority of the Renewable Revenue Development Program money was spent on unimportant items. There is no more fragile or necessary renewable resource than ground water. Lewis & Clark County's grant proposal is \$100,000 that would be matched by a \$100,000 from other agencies. The money would help the county insure that it does not have to spend 25 million dollars to replace the drinking water supply in the Helena valley. Mr. Selser suggested that total funding not be wiped out because there are some very important priorities on the list.

Richard Miller, Montana State Library, stated that one of library programs is the Natural Resources Information System, which is an indexing process developed in cooperation with federal and state agencies and the private sector. This process is a valuable tool because it avoids duplication. Another project is the Heritage program which is a computer assisted inventory of rare animals in Montana. The Heritage program is collecting data and also information that has already been collected.

Jim Jensen opposes this bill and stated this bill double taxes the mining industry. Senator Keating suggested taking a percentage of RIT money and putting it in the general fund. The industry has supported this tax over the years for reclamation projects. It seemed to Mr. Jensen a more straight forward way would be to increase the taxes on the mining industry.

Kim Wilson doesn't feel the State Water Advisory Council has run out of decent projects. There is a shortage of money for the decent projects that are actually

submitted. In addition to as ground water protection and monitoring, other projects involve watershed management, river channel stabilization, waste water treatment, improvement projects and water storage, etc.

Stan Bradshaw stated that the list of RIT projects, documents very worthwhile projects that are for the public's benefit.

Peggy Haagland reaffirmed previous testimony.

Janet Ellis would encourage anyone to get the workbook put out by the Department of Natural Resources & Conservation to familiarize themselves with the projects.

Questions From Committee Members: None

Closing by Sponsor: Senator Keating stated that it was interesting that the MEIC representative said the mineral industries were being double taxed by this bill. Senator Keating stated that there is still a lot of money in water development grants and the legislature should take another look at its priorities. Are we spending our tax revenues in the wisest manner? Is the legislature doing what it is supposed to do when it is given the mandate by the public to arrange the tax structure and the expenditures in a manner that best serves the public.

DISPOSITION OF SB 225

Discussion: Hearing is closed on this bill

EXECUTIVE ACTION ON SB 243

Bill 243 as amended DO PASS. Amendment (Exhibit 2)

EXECUTIVE ACTION ON SB 211

Senator Keating passed out amendments. (Exhibit #17)

Senator Yellowtail asked where the sand and gravel crushing took place.

Senator Pinsoneault answered that crushing was done at the site where the materials were taken out of the ground.

Senator Jenkins asked what the effect would be on new contracts after the bill takes effect.

SENATE COMMITTEE ON NATURAL RESOURCES

February 6, 1989

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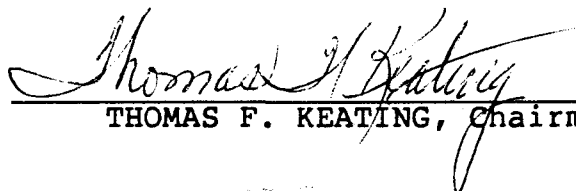
Senator Pinsonneault answered if the bill passes and American Asphalt needs a permit for additional acres, it would have to do their mining elsewhere.

Senator Keating stated that this bill would add another layer of regulations.

Senator Yellowtail made the motion the bill be passed with the amendments.

Roll Call Vote Senator Eck was absent during roll call vote but after her vote, the committee vote was a 6-6 tie.
(Exhibit 13)

Adjournment At: 2:55 p.m.


THOMAS F. KEATING, Chairman

TFK/hmc

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ROLL CALL

NATURAL RESOURCES COMMITTEE

50~~5~~th LEGISLATIVE SESSION -- 1989

Date 2-6-89

NAME	PRESENT	ABSENT	EXCUSED
Chairman Tom Keating	✓		
Vice-Chairman Larry Tveit	✓		
Senator Fred VanValkenburg	✓		
Senator Loren Jenkins	✓		
Senator Darryl Meyer	✓		
Senator Lawrence Stimatz	✓		
Senator Pete Story		✓	
Senator Bill Yellowtail	✓		
Senator Elmer Severson	✓		
Senator Cecil Weeding	✓		
Senator Dorothy Eck		✓	
Senator Jerry Noble	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

February 7, 1989

MR. PRESIDENT:

We, your committee on Natural Resources, having had under consideration SB 243 (first reading copy -- white), respectfully report that SB 243 be amended and as so amended do pass:

1. Page 2, line 13.

Following: "~~revenue~~"

Insert: "The department of revenue shall provide forms on which a taxpayer may apply for a tax credit under 15-32-109."

AND AS AMENDED DO PASS

Signed: 

Thomas F. Keating, Chairman

J.C.
2/8/89
7:47 a.m.

BIG HORN COUNTY



HARDIN, MONTANA 59034

February 5, 1989

Senator Keating
Chairman,
Senate Natural Resources Committee
State Capitol Building
Helena, Montana 59620

SENATE NATURAL RESOURCES

EXHIBIT NO. 1DATE 2-6-89BILL NO. 224

Reference: SB 224
Testimony (2/6/89 Hearing)

Dear Senator Keating
and Fellow Committee Members,

This is to advise the Senate Natural Resources Committee that the Big Horn County Board of Commissioners is very concerned about the implications of SB 224, which would reprogram or eliminate certain coal severance tax allocations. While we recognize there are many needs in the State, we must register our concerns as an "opponent" of this Bill in its present form.

Our position is based on the following:

1. The passage of this Bill would eliminate revenues essential for dealing with the wide range of local coal impacts with which the cities, towns, and counties in coal producing areas must face. SB 224 would effectively abolish the Montana Coal Board, and at the present time, the Montana Coal Board is the ONLY State sponsored agent specifically charged with the responsibility of addressing and acting upon local impact issues in a timely manner.

2. By eliminating local impact funding and other program categories, SB 224 severely erodes the basic premise on which the Coal Severance Tax was based. It has been argued in the court systems of this land, that the high level of the Montana Coal Severance Tax was justified because funds from those taxes are being used to mitigate the impacts of coal development.

3. Further, SB 224 has far reaching effects which are counter to previous Montana Legislative actions. Because SB 224 would eliminate the local impact and other funds, the Bill will have the inadvertent effect of increasing local taxes to meet impact related issues.

Without financial options provided by the local impact fund, coal impacted counties will eventually be required to raise local taxes even higher to cope with coal related impacts. Since coal producers in our County provide a significant portion of the tax base, an

Ex.#1

2-6-89

Pg. 2

increase in local taxes affects coal companies negatively at a disproportionately higher level. Such increases in local taxes upon coal producers could easily diminish the intent of legislative actions such as the "Window of Opportunity" and other long-term severance tax reduction plans designed to keep Montana coal producers competitive in a national market.

4. SB 224 is totally inconsistent with the December, 1988, Coal Tax Oversight Committee Report and related resolutions which were provided to the Revenue Oversight Committee.

If in fact, Montana intends to move forward in the energy field by responding to the Department of Energy's "Clean Coal" solicitation, which can create jobs and reduce the effects of "acid rain", or if in fact, we are to continue to build Montana's infrastructure, including transportation and communication systems to attract and retain industry, and if we are to maintain our current level of pro-active law enforcement through the Coal Counties Task Force, then the passage of SB 224 would be a counter-productive action.

5. Finally, we believe that reducing funds for library services, land use planning, the Growth Through Agriculture, and other programs targeted by SB 224 would destroy programs which provide services, options, and other essential tools for economic development in Montana. SB 224 does not provide long-term solutions, but merely reorganizes existing revenue to the detriment of these important programs.

Thank you for your time and attention to our concerns. Should you have any questions, please do not hesitate to contact us.

Sincerely,



Alvin Torske
Chairman
Big Horn County
Board of Commissioners



BIG HORN COUNTY

DRAWER H



HARDIN, MONTANA 59034

SENATE NATURAL RESOURCES

EXHIBIT NO. 22

DATE 2-6-82

BILL NO. SB 243

SENATOR KEATING AMENDMENTS TO SB 243

INTRODUCED BILL

1. Page 2, line 13.

Following: interlined material

Insert: "The department of revenue shall provide forms on which a taxpayer shall apply for a tax credit under 15-32-109."

-End-

SENATE NATURAL RESOURCES

EXHIBIT NO. 23DATE 2-6-89BILL NO. SB 224

February 6, 1989

SB 224 Testimony of Deborah Schlesinger, ~~Montana Library Association~~

Mr. Chairman and Members of the Committee:

My name is Deborah Schlesinger and I am Legislative Chair of the Montana Library Association. I speak in opposition to SB 224. Coal Severance monies are very important to Libraries, Library Federations, and the State Library. They represent the only monies that fund the six Federations in the State, and they are also a part of the Montana State Library Budget. Although Coal Severance Tax revenues have declined to each Federation, those monies still buy materials, services and staff that benefit all of the libraries in the State. Coal Severance tax monies are used to pay the costs of Statewide networking. This allows Montana Libraries to obtain needed materials from across the country and even internationally. This means that Montana citizens living in the most remote part of the State can have needed materials through inter-library loan paid for by Coal Severance tax money. The State Library uses approximately \$70,000 of Coal Severance Tax monies to fund its' networking costs. This service is essential for providing for the information needs of both State Government and local library patrons. It is for these compelling reasons, that I urge you to vote do not pass on SB 224.

NORTHERN PLAINS RESOURCE COUNCIL

Field Office
Box 858
Helena, MT 59624
(406) 443-4965

Main Office
419 Stapleton Building
Billings, MT 59101
(406) 248-1154

Field Office
Box 886
Glendive, MT 59330
(406) 365-2525

Bob Dozier, NPRC

In 1972, Montanans held a convention to redraft the state constitution, which voters approved in 1973. The constitution qualified the discussion of natural resources by confirming that "the state and each person shall maintain and improve a clean and healthful environment in Montana for present and future generations.

The constitution drafters also created a natural resource trust fund, called the Resource Indemnity Trust fund, to assure that "all lands disturbed by the taking of natural resources shall be reclaimed. The principal of the Resource Indemnity Trust shall forever remain inviolate in an amount of one hundred million dollars, guaranteed by the state against loss or diversion."

In 1973, the legislature enacted the resource indemnity Trust Tax to provide revenues to this fund. In establishing the Tax, the legislature declared, "It is the policy of the state of Montana to indemnify its citizens for the loss of long-term value resulting from the depletion of its mineral resource base and for environmental damage caused by mineral development."

The use of interest income generated by investment of the RIT has been a political sore-spot for quite some time, and even caused open political warfare during the 1983 legislature. The constitution and relevant statutes provide vague guidelines for legislative appropriation of RIT interest and income. Governor Schwinden began proposing to use RIT interest to fund day to day operations of several state agencies in 1981. Although many legislators considered such funding inappropriate, the legislature approved the appropriations in 1981. However, before the 1983 session, one legislator filed suit in District Court challenging the legality of the 1981 appropriation of RIT money for basic government business expenses. The upshot of the very heated legislative debate was a cessation of such funding. Look at section 2 on page 3 of your bill. The stricken language reads,

"(2) It is the intent of the legislature that future appropriations from the resource indemnity trust fund interest account not be made to fund general operating expenses of state agencies . "

Ex. #4

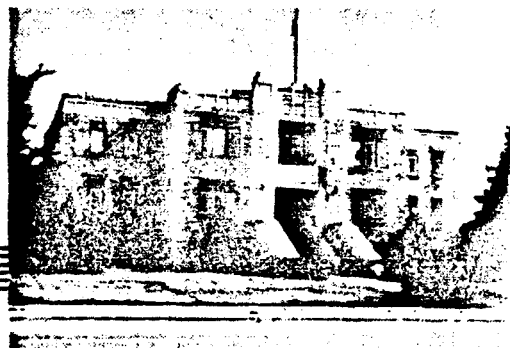
2-6-89

SB 225

The 1985 legislature directed that beginning in FY 1990, an 8 percent share should go to a program for renewable resource development. Renewable resource development can mean many things. Montana's range lands are a renewable resource that could use some improvement. Montana's timber industry is another renewable resource that could benefit from this. Erosion and weed control could be addressed through these grants. Wind energy conversion systems could apply. Even the tourist industry is a renewable resource.

If we are serious about lessening our dependence on mineral taxes we must continue to develop our renewable resources. The framers of our state constitution were very farsighted when they set these funds aside to insure Montana's future generations would not be left short. This session of the legislature is faced with a funding shortfall. Some hard decisions must be made, but taking from Montana's future is not a responsible way to balance today's budget.

BIG HORN COUNTY



HARDIN, MONTANA 59034

February 5, 1989

Senator Keating
Chairman
Senate Natural Resources Committee
State Capitol Building
Helena, Montana 59620

SENATE NATURAL RESOURCES
EXHIBIT NO. 35
DATE 2-6-89
BILL NO. 224

Dear Senator Keating,

I am opposed to the SB 224 proposal to amend Section 1, line 2 (g) of the 15-35-108 MCA.

This proposed legislation directly affects the ability of libraries in Montana to function effectively. Because most Montana libraries are small, we are dependent upon interlibrary loans to accommodate the varied needs of our patrons. Montana must have information access if we hope to keep pace in the coming years. According to the FINAL REPORT OF THE PROJECT ON ADULT LITERACY, there is no way in which Montana can maintain the health of its economy, fend-off competition, improve productivity, and, in general, maintain its standard of living unless we substantially increase the skills of our workforce.

In about the year 2010 we members of the "baby boom" generation will begin to retire. By all estimates supporting that enormous cohort of the population - approximately 75 million Americans - in its retirement years, will require an economic effort of unprecedented magnitude. The single most important factor that will determine whether we are able to shoulder this burden is how strong an economy we have in place by about 2010. Without strong libraries and information access for all Montanans we won't have a strong economy.

We cannot afford to fail. Senate Bill 224 conflicts with these State and national goals by depleting our library funds. I thank you for the opportunity to testify and I trust that you will protect our libraries and the future of Montana.

Respectfully Yours

Sandra Watts
Sandra Watts
Director of Library Services
Big Horn County

SENATE NATURAL RESOURCES
 EXHIBIT NO. 6
 DATE 2-6-89
 BILL NO. 225

Table 2
 Executive Proposal for RIT Interest Expenditures
 1991 Biennium

Agency/Program	FY90	FY91	1991 Biennium	Expenditure Category
DNRC				
Centralized Services	\$ 107,950	\$ 106,650	\$ 214,600	Agency Operations
Conservation Districts	373,176	372,952	746,128	Agency Operations
Water Resources Division				
- Water Management	373,100	385,622	758,722	Agency Operations
- Reserved Water Rights	108,074	108,316	216,390	Agency Operations
- Administration	90,000	90,000	180,000	Agency Operations
- New Water Rights	12,334	435	12,769	Agency Operations
- Dam Safety	135,366	136,025	271,391	Agency Operations
- Water Development Grants	2,005,200	2,173,200	4,178,400	Water Development
- Renewable Resource Dev. Grants	324,620	369,520	694,140	RRD
- RRD Grant Administration	210,100	210,000	420,100	RRD
- Reclamation & Dev. Grants	1,353,427	-0-	1,353,427	Reclamation & Development
- Reclamation Grant Administration	15,726	15,727	31,453	
Subtotal	\$5,109,073	\$3,968,447	\$ 9,077,520	
DHES				
Natural Resources Lawsuit	\$ 200,000	\$ 200,000	\$ 400,000	Hazardous Waste/CERCLA
Environmental Sciences Division				
- Administration	71,226	71,446	142,672	
- Hazardous Waste Bureau	119,872	116,370	236,242	Hazardous Waste/CERCLA
- Underground Storage Tanks	52,808	53,030	105,838	Hazardous Waste/CERCLA
- LUST	68,848	78,962	147,810	Hazardous Waste/CERCLA
- Hazardous Waste Minimization	23,593	22,462	46,055	Hazardous Waste/CERCLA
- Superfund Core	12,355	12,355	24,710	Hazardous Waste/CERCLA
- Asbestos	65,169	57,340	122,509	Agency Operations
- Water Quality Management	87,237	89,061	176,298	Agency Operations
- Water Pollution Control	85,386	85,386	170,772	Agency Operations
- Safe Drinking Water	123,838	124,079	247,917	Agency Operations
- Clark Fork Monitoring	110,903	110,177	221,080	Agency Operations
Env. Quality Protection Fund	225,956	258,062	484,018	Env. Quality Protection
Subtotal	\$1,247,191	\$1,278,730	\$ 2,525,921	
Governor's Office				
Clark Fork Coordination	\$ 39,206	\$ -0-	\$ 39,206	Agency Operations
Environmental Contingency Fund	175,000	-0-	175,000	Env. Contingency Fund
Subtotal	\$ 214,206	\$ -0-	\$ 214,206	
State Lands				
Administration	\$ 61,256	\$ 57,585	\$ 118,841	Agency Operations
Opencut Bureau	69,500	69,500	139,000	Agency Operations
Coal and Uranium Bureau	224,432	227,756	452,188	Agency Operations
Hard-Rock Bureau	244,812	245,160	489,972	Agency Operations
Subtotal	\$ 600,000	\$ 600,001	\$ 1,200,001	
Environmental Quality Council				
Water Policy Committee	\$ 26,200	\$ -0-	\$ 26,200	Agency Operations
Workers' Compensation				
Silicosis Benefits	\$ 495,949	\$ 480,347	\$ 976,296	Agency Operations
Agency Totals	\$7,692,612	\$6,327,525	\$14,020,144	

SENATE NATURAL RESOURCES
 EXHIBIT NO. 7
 DATE 2-6-89
 BILL NO. 224

triggered a reduction in the coal severance tax rate. The growth in fiscal 1991 is due to a projected increase in demand from mid-western utilities.

The fiscal 1988 average contract sales price of \$8.31 per ton is artificially high because it includes lump-sum payments made in fiscal 1988 on previous years' production. When these lump-sum payments are removed, the average contract sales price for fiscal 1988 production was \$7.27 per ton. Coal prices in fiscal years 1989 through 1991 are projected to increase with inflation. An inflation factor of 0.6 percent is applied for calendar 1989, 1.1 percent for calendar 1990, and 1.4 percent for calendar 1991. These projections are based on the assumption that coal prices "bottomed out" in fiscal 1988 and will climb slowly in fiscal years 1989 through 1991. The reduction in the average contract sales price in fiscal 1990 is explained by shifts in production among coal producers. In fiscal 1990, production by Decker Coal, one of Montana's highest-priced coals, is projected to decline causing the average contract sales price to fall despite the forecasted price increases.

The coal production incentive tax credit was extended by the 1987 legislature to apply to incremental production through June 30, 1991, which is the date when the coal severance tax rate will fall to 15 percent. The production tax credit, which was \$3.8 million in fiscal 1988, rises to \$4.9 million in fiscal 1989, peaks at \$6.0 million in fiscal 1990, and falls to \$4.5 million in fiscal 1991.

Table 6 shows the distribution of the coal severance tax in fiscal years 1990 and 1991.

Table 6
 Coal Severance Tax Allocations
 Fiscal Years 1990 and 1991

Category	----- Fiscal 1990 -----		----- Fiscal 1991 -----	
	Percent Allocation	Forecasted	Percent Allocation	Forecasted
Constitutional Trust	50.000	<u>\$26,746,111</u>	50.000	<u>\$24,101,041</u>
General Fund	13.680	7,317,736	13.680	6,594,045
Education Trust	7.600	4,065,409	7.600	3,663,358
Local Impact	6.650	3,557,233	6.650	3,205,438
Public School Equalization	3.800	2,032,704	3.800	1,831,679
Parks Acquisition Trust	1.900	1,016,352	1.910	915,840
Alternative Energy	1.710	914,717	1.710	824,256
Renewable Resources	0.475	254,088	0.475	228,960
Water Development	0.475	254,088	0.475	228,960
County Land Planning	0.380	203,270	0.380	183,168
Library Commission	0.380	203,270	0.380	183,168
Conservation Districts	0.190	101,635	0.190	91,584
Highway Reconstruction Trust	12.000	6,419,067	12.000	5,784,250
Montana Growth Through Agriculture	0.760	<u>406,541</u>	0.760	<u>366,336</u>
Total	<u>100.000</u>	<u>\$53,492,221</u>	<u>100.000</u>	<u>\$48,202,083</u>

NORTHERN PLAINS RESOURCE COUNCIL

SENATE NATURAL RESOURCES

EXHIBIT NO. 7a

DATE 2-6-89

BY 0224

2-6-89

Field Office
Box 858
Helena, MT 59624
(406) 443-4965

Main Office
419 Stapleton Building
Billings, MT 59101
(406) 248-1154

Field Office
Box 886
Glendive, MT 59330
(406) 365-2525

Bob Dozier N.P.R.C. SB224 oppose

SB224 in one broad stroke removes the funding for, Alternate energy reserch and development, County land planning, renewable resource development bond fund, parks aquisition, basic library services, conservation districts, Montana growth through agriculture, and the local impact account. We often hear about robbing peter to pay Paul. Well this is a classic example. The 1987 session of the legislature gave substantial tax breaks to the coal industry. Now that this legislature is suffering a short-fall in revenue they are attempting to raid every available dollar. Make no mistake the coal industry has made significant impacts on local governments. The coal board has worked hard to mitigate those impacts. But this has been an ongoing commitment. Many of the projects they have started have not reached completion. Many of the roads in eastern Montana have been studied . Now they are ready commence work on upgrading these vital links. The Yellowstone County jail received funding from the impact account. Many small scchools could never have been built without these funds. Water systems and sewer systems are being improved and this to is an ongoing process. The Eastern Montana Crime Control task force is working well. This bill will create many severe problems for Eastern Montana. With the drought conditions severly affecting their tax base this part of the state cannot be expected to pick up one more expense. I strongly urge you give SB224 a do not pass.

SENATE NATURAL RESOURCES

EXHIBIT NO. B 8

DATE 2-6-89

BILL NO. 224 PS 106 2

Testimony In Opposition to Senate Bill 224
Senate Natural Resources Committee Hearing
Room 405, State Capitol - 1:00 p.m.
Monday, February 6, 1989

For the Record my name is Hershel Robbins and I represent the Association of Oil, Gas and Coal Counties.

I speak today in opposition to Senate Bill 224 which seeks to eliminate the earmarking of coal severance tax funds and allocating them to the state general fund.

I am specifically concerned with the removal of coal severance tax funds from the local impact and county land planning accounts because the taxpaying residents of the counties I represent must make up this loss of revenue. But even more importantly, I strongly oppose this entire measure on the basis that this once again recycled legislative maneuver blatantly ignores the original concept for instigating the coal severance tax in the first place. I do speak with some authority as I was present when the original coal severance tax pie was cut up. The underlying reason the severance tax proposal passed was that those most affected by the large scale coal development would have a direct claim on a portion of the tax proceeds. Now ~~this ill conceived~~ act denies those residents of the coal impacted area their very right to this assistance.

This attempt to divert these funds to the general fund is once again a

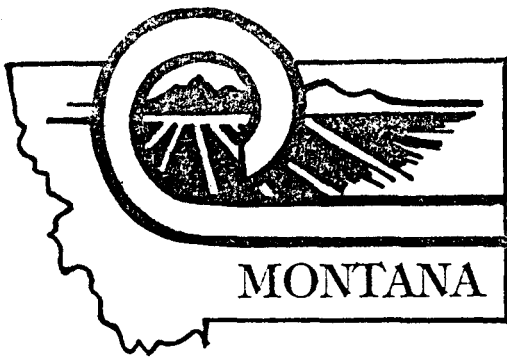
Ex. # 3
2-6-87
Pg 2 of 2

temporary, band-aid, stopgap approach that will not solve the problem of the state's need for additional revenue over the next biennium. The 6.5 million dollars that the general fund would receive from the Local Impact Account over the next two years as the result of this bill, would have a negligible effect on the state's financial needs but it would go far in funding some pressing projects now before the Montana Coal Board.

Yes, there are coal impact needs still unmet out there and with the glowing coal production predictions we have been hearing, more money and not less will be needed to rightfully address them. And while I am speaking about the Coal Board, I would be remiss if I didn't mention that as the former Chairman of that Board for eight years, I do understand how important these earmarked funds are to the local governments who must face the many problems associated with the coal development. I also must mention that the Coal Board already has a very workable mechanism for reverting any surplus funds, be it from its administrative budget or grant funds, directly to the Education Trust Fund. So far almost 7 million dollars has been placed in the Education Trust Fund under this provision.

In closing, let me urge this committee to defeat Senate Bill 224 on the grounds that this once rejected rehashed measure will not solve the state's general fund needs. This act, if successful, will not only alienate those residents of the coal impact area by denying their statutory right to these earmarked funds, but will also remove Montana's single most defensible position for defending our coal severance tax.

Thank You.



SENATE NATURAL RESOURCES

EXHIBIT NO. 9

DATE 2-6-89

224
1 of 2

MONTANA

Association of Conservation Districts

1 South Montana Avenue
Helena, MT 59601

(406) 443-5711

Testimony to the Senate Natural Resources Committee -- SB 224 58225

For the Record, my name is Peggy Haaglund and I am Executive Vice President to the Montana Association of Conservation Districts.

MACD is opposed to SB 224. The conservation districts receive 1/2 of 1 percent coal severance tax money for what we call 223 ~~money~~ grants. At the present time it amounts to \$120,000 per year.

The 59 conservation districts are sub-divisions of state law and are responsible under state law for the conservation of Montana's natural resources. The CD's are governed by a board of 5 elected supervisors and up to 2 appointed supervisors. The appointed supervisors are appointed from the incorporated cities that are within the CD's boundaries.

Designated agency for non point pollution in MT.
Under state law CD's administer SB-310 which is a tremendous workload for them. They are the agency designated by the State to mediate stream access issues.

The law allows conservation districts to levy 1.5 mills for the operation of the local conservation district. This mill levy for the CD's can best be compared to the funding problem schools have run into. In some areas 1.5 mills adequately funds the District. In many areas the Districts are operating on a 1.5 mill levy that brings in \$1,500, \$2,000.

Since the coal severance tax money was made available to the CD's 183 projects have been funded statewide. These projects address the weed, saline seep, streambank erosion, water reservation, youth education, soil surveys, forest management problems of Montana and the list goes on.

The natural resources of Montana are important. Most people living in Montana have placed a value on the natural resources of our state whether it be from a monetary standpoint or a visual standpoint and we cannot decide at this time that value is not important.

The District are a low keyed agency in Montana, but they are actively doing what they are suppose to do. They are to be admired for the work they get done with all Montanans--not just farmers and ranchers.

Ex #9

2-6-89

2062

SB 224 testimony -- Peggy Haaglund

How many agencies are able to work with a budget of \$2,000 and get the job done. CD's need 223 money to get projects on the land. They need water development money to get projects tried and tested so the rest of Montana is able to use the data collected.

We urge you to not take this 1/2 of 1 percent away from Conservation Districts. They need the money and Montana needs the projects that are done with the money.

TESTIMONY ON SB 224
to the
SENATE COMMITTEE ON NATURAL RESOURCES

SENATE NATURAL RESOURCES
EXHIBIT NO. 10
DATE 2-6-84
BILL NO. 224

by
Gloria Hermanson
Montana Cultural Advocacy

Chairman Keating, Members of the Committee --

I am Gloria Hermanson. I reside in Helena and I represent the Montana Cultural Advocacy, a broad cross-section of Montanans who are committed to the development of our state's cultural resources. High on the list of those cultural resources are our libraries.

Libraries currently receive less than one-half of one percent of coal tax monies. In FY 1988 that amounted to just under \$300,000. That may not sound like much, but in a time when every dime makes a difference it is crucial to the informational services rendered to the people across Montana. It provides monies for library staff training, shared planning, materials, and a multilibrary support system through the Federations. Information plays an integral role in our society today. In a state as geographically widespread as ours, an efficient system of information access is imperative. It can't be done without funding.

Without alternative funding in place, our libraries will suffer greatly if this bill passes.

We recommend a Do Not Pass on Senate Bill 224.

WITNESS STATEMENT

SENATE NATURAL RESOURCES

EXHIBIT 11

DATE 2-6-89

BILL NO. 224

NAME Janet Ellis BILL NO. SB 224

ADDRESS Helena DATE 2/6/89

WHOM DO YOU REPRESENT? Audubon Legislative Fund

SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The Audubon Fund opposes SB 224. We are particularly concerned about how this bill treats Montana's parks — and I will restrict our testimony to this one aspect of the bill.

The fiscal note for SB 224 disguises its impacts on the park program. It caps the amount of Coal Severance Tax going to the state park trust fund. This fund would be diminished by ~670,000 in FY 90 and ~580,000 in FY 91.

Over a decade ago, coal trust money was set aside for park acquisitions. At that time maintenance and operations of state parks was funded out of the general fund. In recent years, as general fund money has been harder to find, the coal tax began funding more and more of the operations of parks. The 1986 Special Legislative Session took all general fund money from parks and capped its coal tax. In July, 1989 the state park system is slated to begin to receive Coal Tax money for the first time since 1986.

Coal Tax money was intended for future generations. A state park system is a natural and perfect use of these funds — something present and future generations can enjoy.

We also support continued funding for county land



COLSTRIP PUBLIC SCHOOLS

SENATE NATURAL RESOURCES

EXHIBIT NO. 812 P51065

DATE 2-6-89

BILL NO. 224

TO: Eastern Montana Coal Counties Drug Task Force
FROM: Dave Shreeve, Activities Director *DS*
RE: Reggie Williams Presentation
DATE: June 2, 1988

On behalf of the Colstrip School District I would like to thank your organization and Reggie Williams for the excellent program presented at our high school on Monday, May 16, 1988.

Reggie Williams' enthusiasm and ability as a role model for leadership was excellent. The students enjoyed the program thoroughly. Any plans for future presentations will be very well received by this school district. We are looking forward to seeing other programs sponsored by your organization.

Again, thank you for your time and efforts.

Ex. #12 2065
2-6-89

Hysham, Montana 59038
June 7, 1988

Gary Fjelstad
Treasure County Sheriff
Hysham, Montana 59038

As an administrator of the Hysham School, I want to personally thank you and The Task Force for bringing Reggie Williams to our school for an evening.

With the problems our youth face today to have a personality the caliber of Reggie interested and willing to devote this time relating to America's most valuable resources, our youth, is commendable.

I feel this is a very worthwhile program and certainly hope that it continues and will return to our school again.

Thanks Gary!

Sincerely

Bob Miller

Bob Miller, Principal
Hysham Public School
Hysham, Montana 59038

Ex. #12 301-
2-6-89



P. O. Box 202
Hardin, Montana
59034

May 31, 1988

Gary Fjelstad
Sheriff of Treasure County
Treasure County Courthouse
Hysham, MT 59038

Dear Gary:

The CITE organization would like to let you know how impressed the Hardin students and faculty were with Reggie Williams and his presentation. The students felt he was the best presenter they had had in many years. Many of the students shared the information from the program with their parents and favorable comments were heard throughout the community. One comment heard many times was that "he had never done drugs" and the kids really were impressed by that information.

At our Just Say No presentation for the primary school the junior high students used the song Reggie had one at the assembly.

We hope you will pass our appreciation on to the Coal County Task Force for making this exceptional presentation possible in this community. If in the future you are in need of assistance in promoting this type of information, do not hesitate to contact the CITE organization. We are willing to help in any way.

Thank you again for the wonderful presentation.

Very truly yours,

ANN BULLIS
CITE

ex #2 405
2-6-89

**COMMUNITY
CRIME
PREVENTION
COUNCIL**

510 North Broadway
Billings, MT 59101
(406) 259-4869

June 8, 1988

EXECUTIVE BOARD

- CHAIRMAN**
Charlie Yegen
- FIRST VICE-CHAIRMAN**
Barbara Boe
- SECOND VICE-CHAIRMAN**
Mark Chaput
- SECRETARY**
Bonnie Conn
- TREASURER**
Joni Earl
- MEMBER-AT-LARGE**
Ron Nordlund
- IMMEDIATE PAST PRESIDENT**
Lucille Mills

BOARD MEMBERS

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- Mary Ann Andrews
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- Larry Bermes
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- Ralph Stone

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- Sgt. Norm Guy
- Deputy Al Oldham
- Officer Doug Nordlund
- Dr. Ruey-Lin Lin
- Pat George
- Dana Moss
- Ron Olson

EXECUTIVE DIRECTOR

Ruth Sumner

Sheriff Gary Fjelstad
Treasure County
P. O. Box 511
Hysham, MT 59038

Dear Gary:

The Community Crime Prevention Council and I would like to take this opportunity to thank you and the Eastern Coal Counties Task Force for the privilege of co-sponsoring the speaking tour of Reggie Williams in Eastern Montana.

We thought that Reggie did an excellent job speaking on the prevention of drug and alcohol abuse. His presentation comes across in a manner that catches the attention of the youths in the audience. His caring and dedication to helping these young people shines through his message and makes him a tremendous spokesman for this very important program.

We wish you the best in your planning of future educational programs and would be pleased to help you in any way we can.

Sincerely,
Cheryl Davis
Cheryl Davis
Programs Administrator

CD:js



Sheriff Don P. Pertuit

Ex. #12
2-6-89
5015

Powder River County
Broadus, Montana 59317

Phone: 406-436-2333
406-436-2866

Undersheriff Ken Rogge

Sgt. L. Brett Tabolt

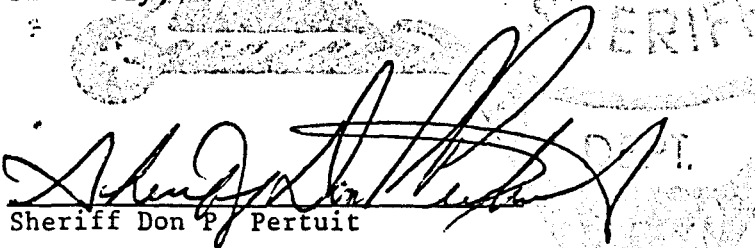
TO: TASK FORCE; EASTERN MONTANA COAL TASK FORCE
FROM: SHERIFF DON P. PERTUIT
DATE: JUNE 9, 1988
REF: LETTER OF SUPPORT FOR CONTINUING DRUG PREVENTION

It is a personal pleasure to write this letter for something I truly believe was effective and instrumental in making so many young people aware of their potentials.

The comments of the kids were that no one has ever talked to them about drugs in this matter. Role models, self-image and taking care of your academic skills impressed to the kids that they can "say No" to drugs. I was impressed how well he handled the questions he field and how extremely well he communicated with everyone. He unquestionably had an attentive audience. This man received high recommendations to return and to speak again from school officials, coaches, teachers, business people and especially from the kids.

Mr. Reggie Williams of the Cincinnati Bengals was superb as well as an exceptionally talented speaker. He can come back to Broadus, Montana, any day. We truly liked him!

Sincerely,



Sheriff Don P. Pertuit

ROLL CALL VOTE SENATE NATURAL RESOURCES¹³

SENATE COMMITTEE NATURAL RESOURCES

EMEND NO. 13
 DATE 2-6-89
 BILL NO. SB 211

Date 2-6-89 Bill No. SB 211 Time _____

NAME	YES	NO
Vice-Chairman Larry Tveit	✓	
Senator Fred VanValkenburg	✓	
Senator Loren Jenkins		✓
Senator Darryl Meyer		✓
Senator Lawrence Stimatz	✓	
Senator Pete Story		✓
Senator Bill Yellowtail	✓	
Senator Elmer Severson	✓	
Senator Cecil Weeding		✓
Senator Dorothy Eck	✓	
Senator Jerry Noble		✓
Chairman Tom Keating		✓

6 6

Secretary _____

Chairman _____

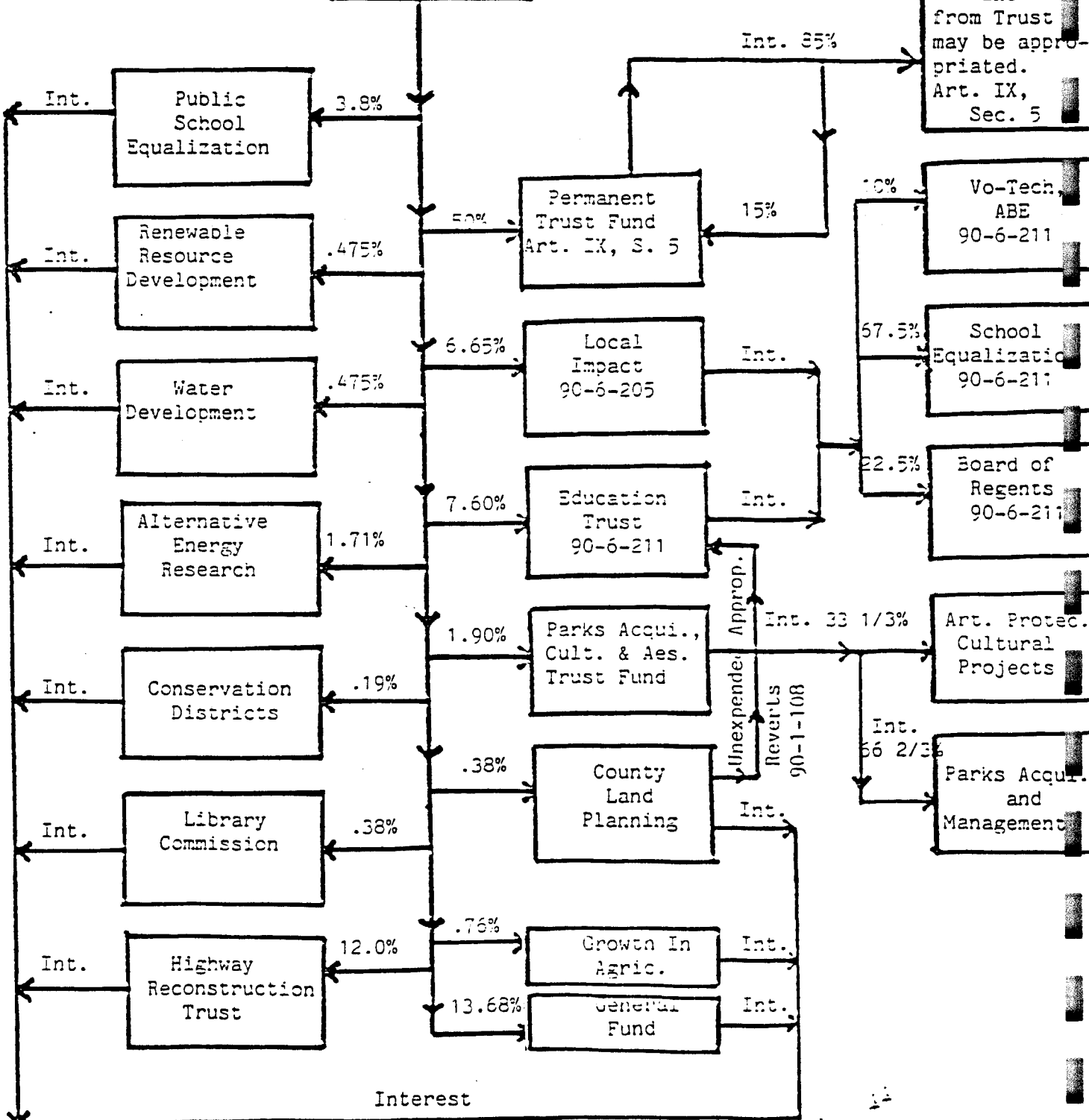
Motion: Yellowtail pass as amended 'fail

COAL SEVERANCE TAX DISTRIBUTION

Effective after June 30, 1989
 Prepared for the Coal Tax Oversight Subcommittee
 By Paul E. Verdon, Staff Researcher

SENATE NATURAL RESOURCES
 EXHIBIT NO. 14
 DATE 2-6-89
 BILL NO. 224

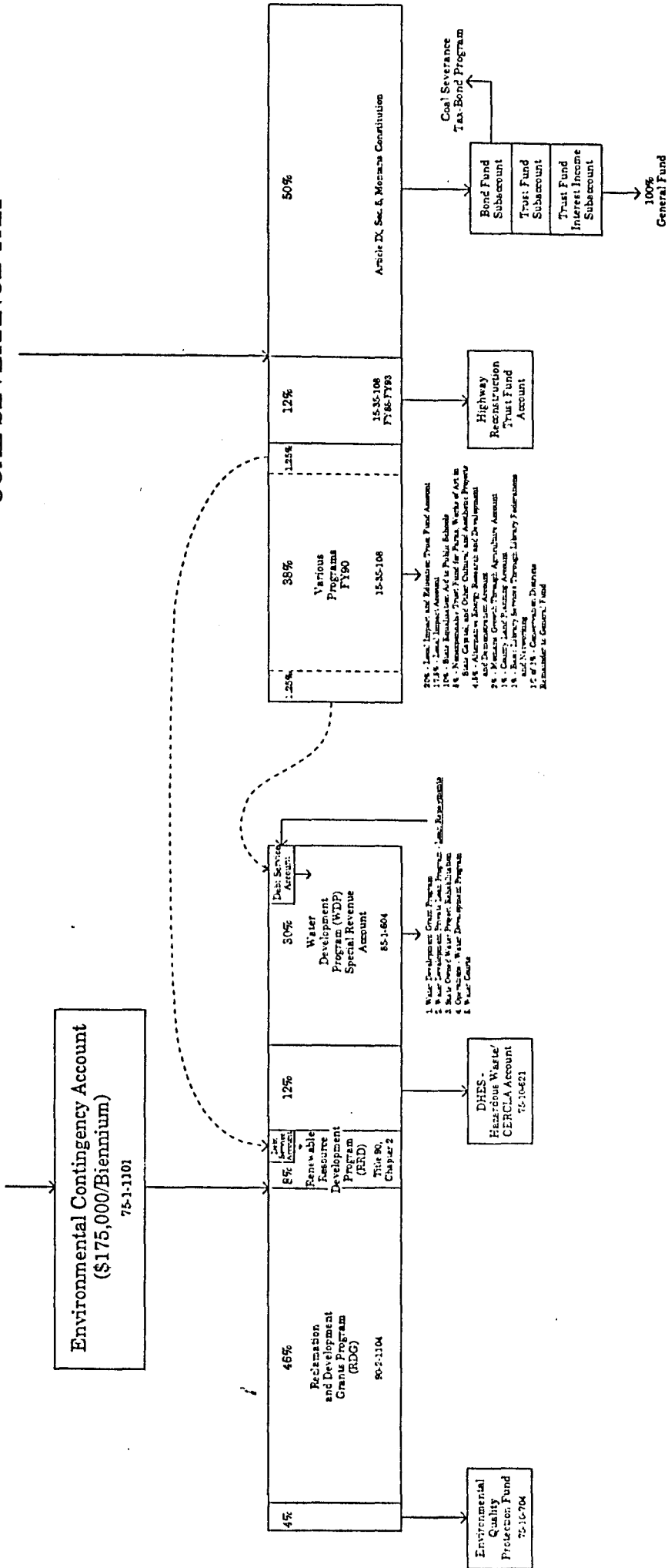
COAL SEVERANCE TAX
 15-35-108



Interest

RESOURCE INDEMNITY
TRUST INTEREST INCOME

COAL SEVERANCE TAX



RENEWABLE RESOURCE DEVELOPMENT PROGRAM 1990-1991
 PRIORITY RANKING AND FUNDING RECOMMENDATIONS

APPLICANT	PROJECT NAME	PUBLIC BENEFIT	NEED AND URGENCY	STATEWIDE APPLICATION	PREVIOUS FUNDING	RENEWABLE RESOURCE DEV TOTAL	RECOMMENDED GRANT	RECOMMENDED LOAN	ACCUMULATIVE GRANT TOTAL
GALLATIN CONSERVATION DISTRICT	E. GALLATIN STATE RECREATION AREA	26	10	2	5	43	\$100,000		\$100,000
FLATHEAD BASIN COMMISSION	FOREST PRACTICES/WATER QUALITY CNOP PROGRAM	26	8	4	5	43	\$25,000		\$125,000
MONTANA STATE LIBRARY	MT NATURAL RESOURCE INFORMATION SYSTEM	24	9	5	5	43	\$99,806		\$224,806
MONTANA STATE LIBRARY	MONTANA WATER INFORMATION SYSTEM	23	8	5	5	41	\$45,510		\$270,316
MONTANA STATE LIBRARY	MONTANA NATURAL HERITAGE PROGRAM	22	7	5	5	39	\$99,450		\$369,766
UNIVERSITY OF MONTANA	MANAGEMENT GUIDELINES/RIPARIAN SITE TYPES	23	8	4	2	37	\$41,733		\$411,499
AGRICULTURE, MONTANA DEPT OF	MONITOR AG CHEMICALS IN GROUNDWATER	16	10	5	5	36	\$93,550		\$505,049
FLATHEAD VALLEY COMMUNITY COLL.	OUTDOOR EDUCATION AND CONFERENCE CENTER	20	5	4	5	34	\$72,000		\$577,049
LEWIS AND CLARK COUNTY	HYDROGEOLOGIC EVALUATION OF HELENA VALLEY	16	10	2	5	33	\$100,000		\$577,049
STATE LANDS, DEPT OF	PILOT URBAN FORESTRY PROJECT	19	4	4	5	32	\$60,000		\$737,049
BELOGRADE, CITY OF	METER INSTALLATION & WATER MAIN REPLACEMENT	17	7	3	5	32	\$50,000	\$150,000	\$787,049
FISH, WILDLIFE & PARKS, DEPT. OF	WILDLIFE HABITAT/CONSERVATION RESERVE PROG	18	4	4	5	31	\$50,000	\$150,000	\$837,049
HYSHAM, TOWN OF	WYSHAM WATER SYSTEM IMPROVEMENT PROJECT	15	9	2	5	31	\$50,000	\$150,000	\$887,049
WHITEFISH CO. WATER & SEWER DIST	SWIFT CREEK CLAY BANKS STABILIZATION	16	6	2	5	29	\$73,440	\$150,000	\$937,049
MILES CITY, CITY OF	WATER DISTRIBUTION SYSTEM MASTER PLAN	15	7	2	5	29	\$16,500	\$150,000	\$987,049
EAST GLACIER WATER & SEWER DIST	MIDVALE CREEK DIVERSION	15	9	0	5	29	\$50,000	\$150,000	\$1,036,989
YELLOWSTONE COUNTY	VALLEY CREEK/CALAMITY JANE DAM FENS. STUDY	17	4	2	5	28	\$10,000	\$66,380	\$1,036,989
GLASSBORO, CITY OF	WATER & WASTEWATER MASTER PLAN	15	6	2	5	28	\$25,000		\$1,051,989
STATE LANDS, DEPT. OF	INTEGRATED FOREST RESOURCE INFO SYSTEM	15	5	3	5	28	\$89,121		\$1,151,110
COLUMBIA FALLS, CITY OF	WATER MASTER PLAN PHASE II	15	5	2	5	27	\$20,000		\$1,171,110
MISSOULA COUNTY	EMER RESPONSE/AQUIFER PROTECTION ENHANCEMENT	13	6	1	5	25	\$45,000		\$1,216,110
MID-EASTERN AG RESEARCH CENTER	GROUNDWATER NITRATES UNDER IRRIGATED AG	10	8	2	5	25	\$10,700		\$1,226,810
DRAC-CONSERVATION DISTRICTS DIV	WATER RESERVATION DEVELOPMENT PROGRAM	10	7	5	2	24	\$32,000		\$1,258,810
CASCADE COUNTY PARK BOARD	SILVER CREST CROSS COUNTRY SKI AREA	11	5	2	3	21	\$30,000		\$1,288,810
LEWIS AND CLARK COUNTY	VOLUNTARY AG LAND CONSERVATION PROGRAM	12	2	3	3	20	\$85,000		\$1,373,810
FLATHEAD CONSERVATION DISTRICT	FLATHEAD COUNTY GROUNDWATER STUDY	0	0	0	0	0	None		
MONTANA STATE UNIVERSITY	WATER QUALITY CRITERIA FOR RANGE WATERSHEDS	0	0	0	0	0	None		
MT BUREAU OF MINES & GEOLOGY	GROUNDWATER TRAINING CENTER	0	0	0	0	0	None		
STATE LANDS, DEPT OF	FORESTRY RMP EDUCATION PROJECT	0	0	0	0	0	None		
WHITEFISH CO WATER & SEWER DIST	GEOLOGY/GROUNDWATER RESOURCES	0	0	0	0	0	None		

DOC NAME PRI1RAD2

TOTAL REQUESTED GRANTS-----\$2,316,391
 TOTAL PROJECTED REVENUES-----\$1,138,700

Montana State Senate

SENATE NATURAL RESOURCES

ENRINT NO. 17 pg 1 of 2

2-6-89

BILL NO. SB 211



SENATOR R. J. "DICK" PINSONEAULT

SENATE DISTRICT 27

HOME ADDRESS:
BOX 250
ST. IGNATIUS, MONTANA 59865
HOME PHONE: (406) 745-4221
WORK PHONE: (406) 745-2711

COMMITTEES:
JUDICIARY
EDUCATION
LOCAL GOVERNMENT

The Big Sky Country

February 3, 1989

FROM: Senator R. J. Pinsoneault

TO: HONORABLE TOM KEATING, CHAIRMAN OF SENATE
NATURAL RESOURCES COMMITTEE

Dear Chairman Keating and Committee Members:

CONCERNING SB 201: I am not sure if it was brought out in Committee discussion, but there was conversation which suggested that SB201 would result in a "windfall" to those operators currently in place who would be in violation of this law were it passed today.

In this regard, I can only say that to those people who are affected by the sand and gravel operation, it was their collective opinion that although this law might not provide them relief, it would certainly provide those Montana residents who find themselves buying or living in an area that is zoned "residential" protection from what is currently happening in the sand and gravel operations in the cities of Bozeman, Missoula and Billings.

In the event the Committee should find that the bill restricts or prohibits one's development of private property within the broad scope of Section 76-1-113 and 76-2-209, then I would recommend that those two sections be amended to define what constitutes "recovery." Appropriate amendments to those two sections are proposed below.

Proposed Amendments to Senate Bill No. 211
First Reading Copy

Senator Pinsoneault

SENATE NATURAL RESOURCES

EXHIBIT NO. 18 pg 2 of 2

DATE 2-6-89

BILL NO. SB 211

1. Title, line 8.
Following: "IMMEDIATE"
Insert: "APPLICABILITY DATE AND"

2. Page 1, line 13.
Following: "Nothing"
Insert: "(1)"

3. Page 1.
Following: line 17
Insert: "(2) The complete use, development or recovery of a mineral by an operation that mines sand and gravel does not include the mixing of concrete or the batching of asphalt on a site that is located within a geographic area zoned residential."

4. Page 1, line 19
Following: "No"
Insert: "(1)"

5. Page 1.
Following: line 24
Insert: "(2) The complete use, development or recovery of a mineral by an operation that mines sand and gravel does not include the mixing of concrete or the batching of asphalt on a site that is located within a geographic area zoned residential."

6. Page 6.
Following: line 3
Insert: "NEW SECTION. Section 5. Applicability. [This act] applies to any opencut mine operated for the extraction of common varieties of sand and gravel for which a new contract or amended contract is entered into on or after [the effective date of this act]."
Renumber: subsequent section

DATE 2-6-89 102

COMMITTEE ON Natural Resources

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppo
Harold Roldans	R.F. Gas & Coal	SB 224		✓
DEBORAH SCHLESINGER	MT. LIBRARI ASSOC	SB 224		✓
Dave Nelson	MT. Arts Council	SB 224		✓
MARC RACIUST	AG	SB 224		
Rusty Rokita	Big Horn County	SB 224		✓
Lucia Nicks	Big Horn County Library	SB 224		✓
Bob Dozier	N.P.R.C.	SB 224 SB 225		✓
Stan Bradshaw	Trout Unlimited	SB 225		✓
Richard Miller	Montana State Library	SB 224 SB 225		✓
Shula Carter	State Library	SB 224 SB 225		✓
Alvin Hermanson	MT Cultural Advisory	SB 225 SB 224		✓
Janet Ellis	Audubon	SB 225 SB 224		✓
Jim Mackler	MT. Coal Council	SB 224		✓
Phil Campbell	Mont. Ed. Assoc.	SB 224		✓
LISA BAY	JEFFERSON COUNTY	SB 224		✓
Janette McLaughlin	MLWV	SB 224		✓
Chris Kurlan	MEIC	SB 224		✓
Tom Coon	Self	SB 224		✓
Regan Halagund	MT Assoc. Pers. Dist	SB 224 SB 225		✓
Carleen Lassie	MT Arts Council	SB 224		✓
Ralph Peck	MT Dept of Ag	SB 224		✓
Kim Wilson	Steno. Club	SB 224		✓
J. Brunner	MTWA - South	225 224		✓
Will F. Selser	L & E City Co. Health	224		✓
Regan Knapp	House District 27	225 224		✓
Linda Hayes		SB 225		✓

