

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairperson BOB RANEY, on January 14, 1991, at 3:00 p.m.

ROLL CALL

Members Present:

Bob Raney, Chair (D)
Mark O'Keefe, Vice-Chair (D)
Vivian Brooke (D)
Ben Cohen (D)
Ed Dolezal (D)
Orval Ellison (R)
Russell Fagg (R)
Mike Foster (R)
Bob Gilbert (R)
David Hoffman (R)
Dick Knox (R)
Bruce Measure (D)
Tom Nelson (R)
Bob Ream (D)
Jim Southworth (D)
Howard Toole (D)
Dave Wanzenried (D)

Members Excused: Beverly Barnhart (D)

Staff Present: Gail Kuntz, Environmental Quality Council
Paul Sihler, Environmental Quality Council
Lisa Fairman, Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: CHAIR RANEY announced that the committee will first hear HB 126 followed by an informational presentation by Montana Department of State Lands (DSL).

HEARING ON HOUSE BILL 126

Presentation and Opening Statement by Sponsor:

REP. DICK SIMPKINS, House District 39, explained that the governor's authority to implement energy supply emergency powers

expired on July 1, 1985 due to a sunset clause. The law allows for the establishment of a committee of 8 individuals, essentially comprised of the legislative committee, to advise the governor in matters of emergency energy management. The law, in effect, enables the governor to devise a plan in advance to address potential energy shortages and limitations of distribution. **REP. SIMPKINS** emphasized that the law defining the energy supply emergency powers of the governor is current, however, the authority for the governor to enact the law expired under the sunset provision in 1985. HB 126 would delete the existing sunset provision therefore enabling the governor to implement energy emergency powers as defined.

Proponents' Testimony:

Allen Davis, Department of Natural Resources and Conservation supported and encouraged passage of HB 126. The State of Montana is currently operating as if the powers were still in effect. Passage of HB 126 would not change present operating procedures.

Jim Jensen, Montana Environmental Information Center, stated support for HB 126.

Opponents' Testimony: none

Questions From Committee Members: none

Closing by Sponsor:

REP. SIMPKINS emphasized the law is currently enforced and HB 126 would repeal the sunset clause retroactive to June 30, 1985. He recommended this bill be placed on the Consent Calendar. **CHAIR RANEY** closed hearing for HB 126.

Informational Presentation:

Dennis Casey, Commissioner, Department of State Lands (DSL), presented a brief overview of the structure and functions of DSL EXHIBIT 1 and introduced staff members:

Randy Mosley, Administrator, Field Operations Division
EXHIBIT 2;

Gary Brown, State Forester, Forestry Division
EXHIBIT 3;

Jeff Hagener, Administrator, Administration Division
EXHIBIT 4;

Gary Amestoy, Administrator, Reclamation Division.

Several issues pertinent to the Legislature were presented. **Mr. Brown** suggested review of current laws on the authority to provide fire protection and prevention in trailer court subdivisions that interface with wildlands. **Mr. Casey** explained the need for an environmental impact statement (EIS) addressing

land management on state lands and the subsequent need for additional monies to complete the EIS. Mr. Amestoy emphasized the difficulty his division is experiencing recruiting and retaining qualified specialists such as hydrologists and engineers, citing lack of competitive salaries as the primary cause.

CHAIR RANEY called for executive action on HB 126. He clarified the process of voting absentee suggesting that Republicans send proxy votes through REP. BOB GILBERT and Democrats through REP. MARK O'KEEFE.

EXECUTIVE ACTION ON HB 126

Motion: REP. BOB GILBERT moved HB 126 DO PASS.

Discussion: CHAIR RANEY stated the Natural Resources Committee was informed by John Augustine, Conoco, that it is illegal to retroactively instate a law back to 1985. However, the Natural Resources Committee was informed by the Code Commissioner, Greg Petesch, that it was legal. CHAIR RANEY indicated this was not the first time this point of contention had been raised and anticipates future arguments.

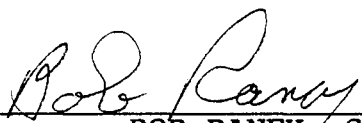
Recommendation and Vote: HB 126 DO PASS unanimously.

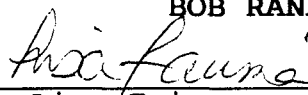
Motion: REP. DAVID HOFFMAN moved HB 126 be placed on the Consent Calendar.

Vote: Motion to place HB 126 on the consent calendar carried unanimously.

ADJOURNMENT

Adjournment: 4:50 p.m.



BOB RANEY, Chair


Lisa Fairman, Secretary

BR/lf

HOUSE OF REPRESENTATIVES
NATURAL RESOURCES COMMITTEE

ROLL CALL

DATE Jan 14, 1991

NAME	PRESENT	ABSENT	EXCUSED
REP. MARK O'KEEFE, VICE-CHAIRMAN	✓		
REP. BOB GILBERT	✓		
REP. BEN COHEN	✓		
REP. ORVAL ELLISON	✓		
REP. BOB REAM	✓		
REP. TOM NELSON	✓		
REP. VIVIAN BROOKE	✓		
REP. BEVERLY BARNHART			✓
REP. ED DOLEZAL	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER	✓		
REP. DAVID HOFFMAN	✓		
REP. DICK KNOX	✓		
REP. BRUCE MEASURE	✓		
REP. JIM SOUTHWORTH	✓		
REP. HOWARD TOOLE	✓		
REP. DAVE WANZENRIED	✓		
REP. BOB RANEY, CHAIRMAN	✓		

HOUSE STANDING COMMITTEE REPORT

January 14, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report that House Bill 126 (first reading copy -- white) do pass and be placed on consent calendar.

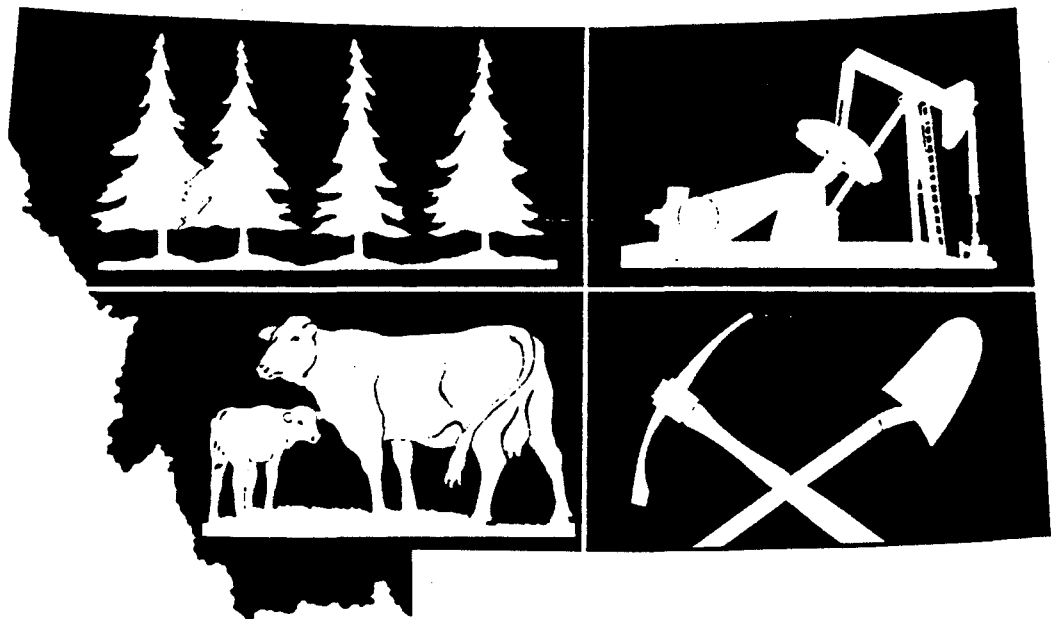
Signed: _____
Bob Raney, Chairman

EXHIBIT 1

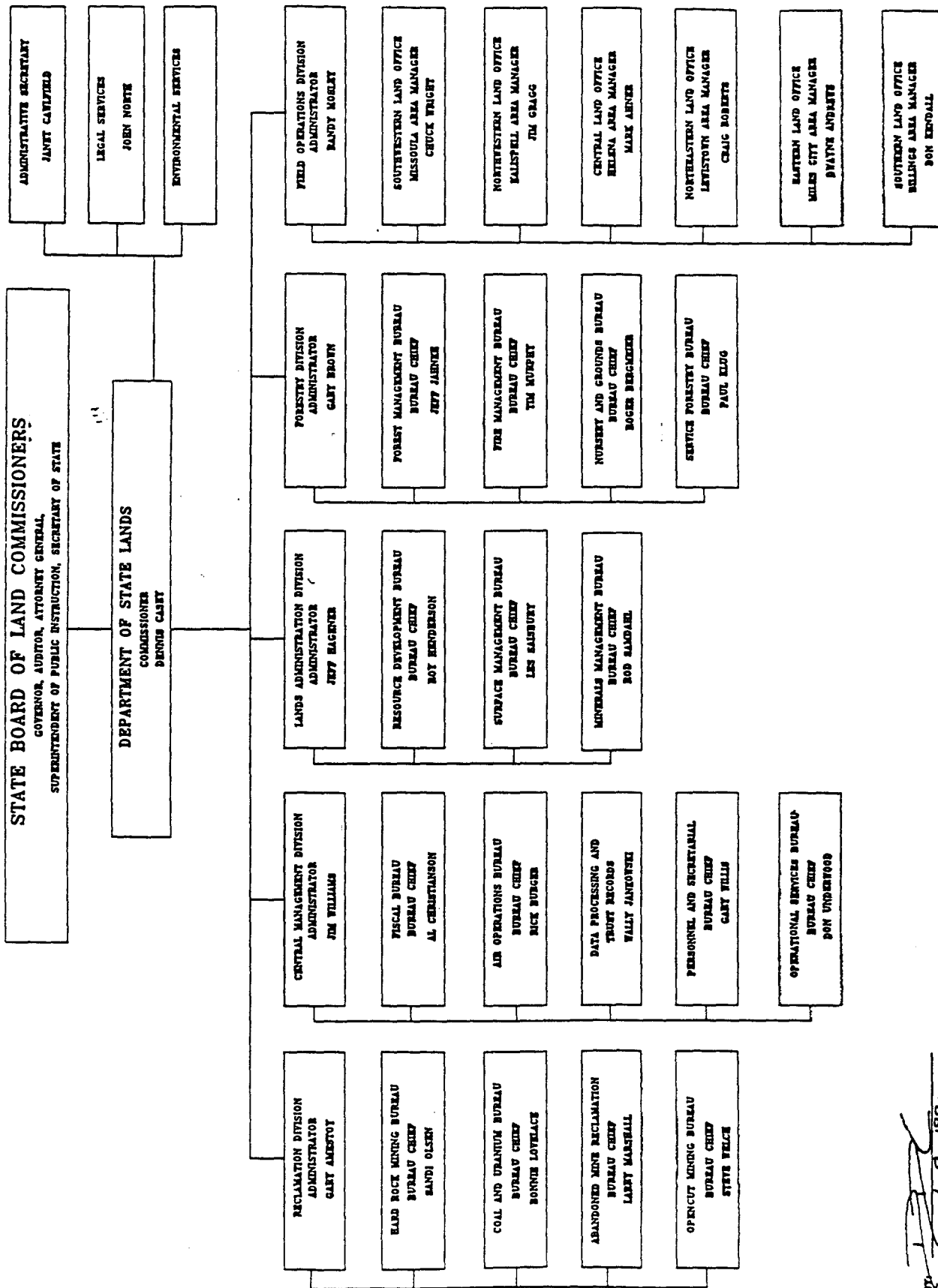
DATE 1-14-91

~~info presentation~~

MONTANA DEPARTMENT



OF STATE LANDS



APPROVED BY: *[Signature]*
APPROVAL DATE: 1-9-1990
DRAFTING DATE: 1/9/1990

DEPARTMENT OF STATE LANDS

MISSIONS

TRUST LAND MANAGEMENT

WILDFIRE SUPPRESSION

MINED LAND RECLAMATION

FORESTRY ASSISTANCE

STATE TRUST LAND SURFACE ACREAGE BY GRANT
1989

<u>GRANT</u>	<u>NET ACREAGE</u>
COMMON SCHOOLS	4,624,679
UNIVERSITY OF MONTANA	18,991
MSU - MORRILL	62,925
MSU - 2ND GRANT	31,058
SCHOOL OF MINES	59,123
STATE NORMAL SCHOOL	62,936
DEAF AND BLIND	35,837
SRS	68,153
PUBLIC BUILDINGS	186,948
SOLDIERS HOME	1,435
CHILDRENS HOME	320
AG EXPERIMENT STATION	<u>1,920</u>
<u>TOTAL</u>	5,154,330

DEPARTMENT OF STATE LANDS
FIVE-YEAR COMPARISON OF
DISTRIBUTABLE AND NONDISTRIBUTABLE
INCOME EARNED ON STATE LANDS

Distributable

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
Grazing	3,262,417	3,234,765	3,557,287	4,120,289	4,133,290
Agricultural Rentals	4,393,681	7,229,903	8,892,079	4,939,512	7,350,754
State Forest Collections	101,306	96,523	32,521	1,487	1,275
Oil & Gas Leases	4,179,648	2,853,173	2,315,606	1,756,757	1,561,866
Oil & Gas Penalties	3,238,254	2,025,767	1,504,349	942,806	712,388
Oil & Gas Bonus Payments	771,130	225,750	179,449	136,062	225,303
Interest on CP's	43,537	22,105	19,333	17,697	16,551
<u>T & L Interest</u>	24,139,563	23,715,161	20,637,391	22,918,121	23,423,134
Other Revenues	180,062	119,968	248,960	319,133	290,448
Transaction Fees	<u>142,480</u>	<u>145,003</u>	<u>133,276</u>	<u>129,152</u>	<u>174,195</u>
Total Distrib. Income	\$40,452,078	\$39,668,118	\$37,520,251	\$35,281,016	\$37,889,204

Nondistributable

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
Install. on Land Sales	86,315	75,322	51,532	53,711	52,481
5% of Annual School Interest Income	1,963,215	1,869,981	1,793,610	1,692,917	1,826,685
Timber Sales	1,105,621	1,812,832	3,890,958	4,495,427	6,642,118
Rights-of-Way	171,210	102,552	101,315	84,673	105,350
Oil Royalties	4,193,476	2,373,093	2,593,297	2,334,140	2,597,544
Gas Royalties	1,248,139	910,782	873,331	1,270,379	1,115,172
Coal Royalties	617,726	2,191,325	2,534,516	4,121,503	2,302,504
Sand & Gravel	129,763	163,851	225,922	53,486	108,725
Miscellaneous	<u>36,746</u>	<u>38,338</u>	<u>44,901</u>	<u>48,164</u>	<u>39,659</u>
Total Nondistrib. Income	<u>\$9,552,211</u>	<u>\$9,538,076</u>	<u>\$12,109,382</u>	<u>\$14,154,400</u>	<u>\$14,790,238</u>

DEPARTMENT OF STATE LANDS

BUDGET BREAKDOWN FY 90-91

2nd review 5/20/91 2/10/91

	<u>FY90</u>	<u>FY91</u>
TOTAL FTE <i>100-180 5/20/91</i>	328.92	336.69
TOTAL BUDGET	\$22,669,126	\$22,370,673

FUNDING:

GENERAL FUND	\$8,202,944	\$8,225,776
STATE SPECIAL	\$4,968,077	\$4,778,556
FEDERAL REVENUE	\$9,498,105	\$9,424,990

DEPARTMENT OF STATE LANDS
FIELD OPERATIONS ORGANIZATION
JANUARY 1990

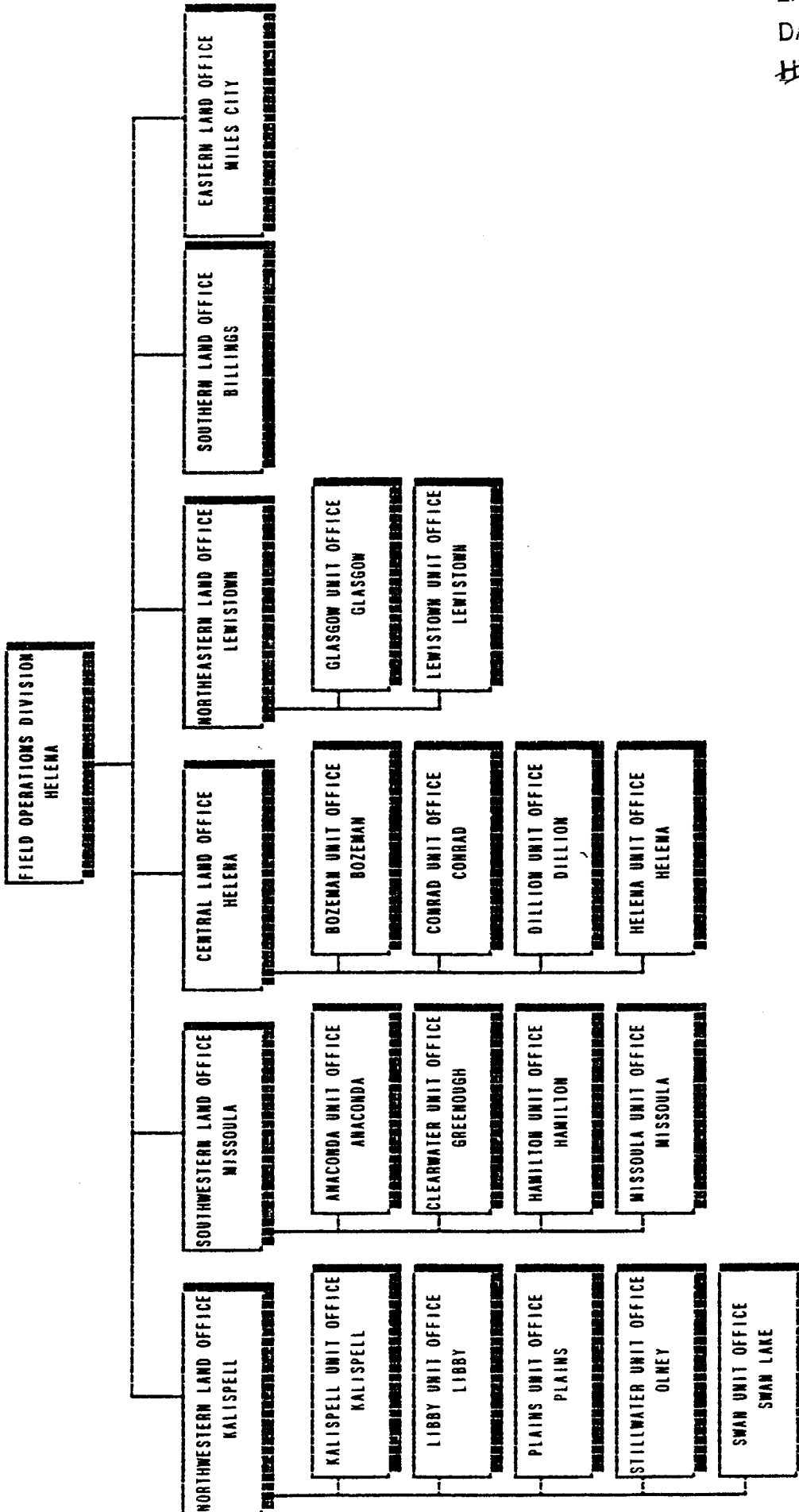
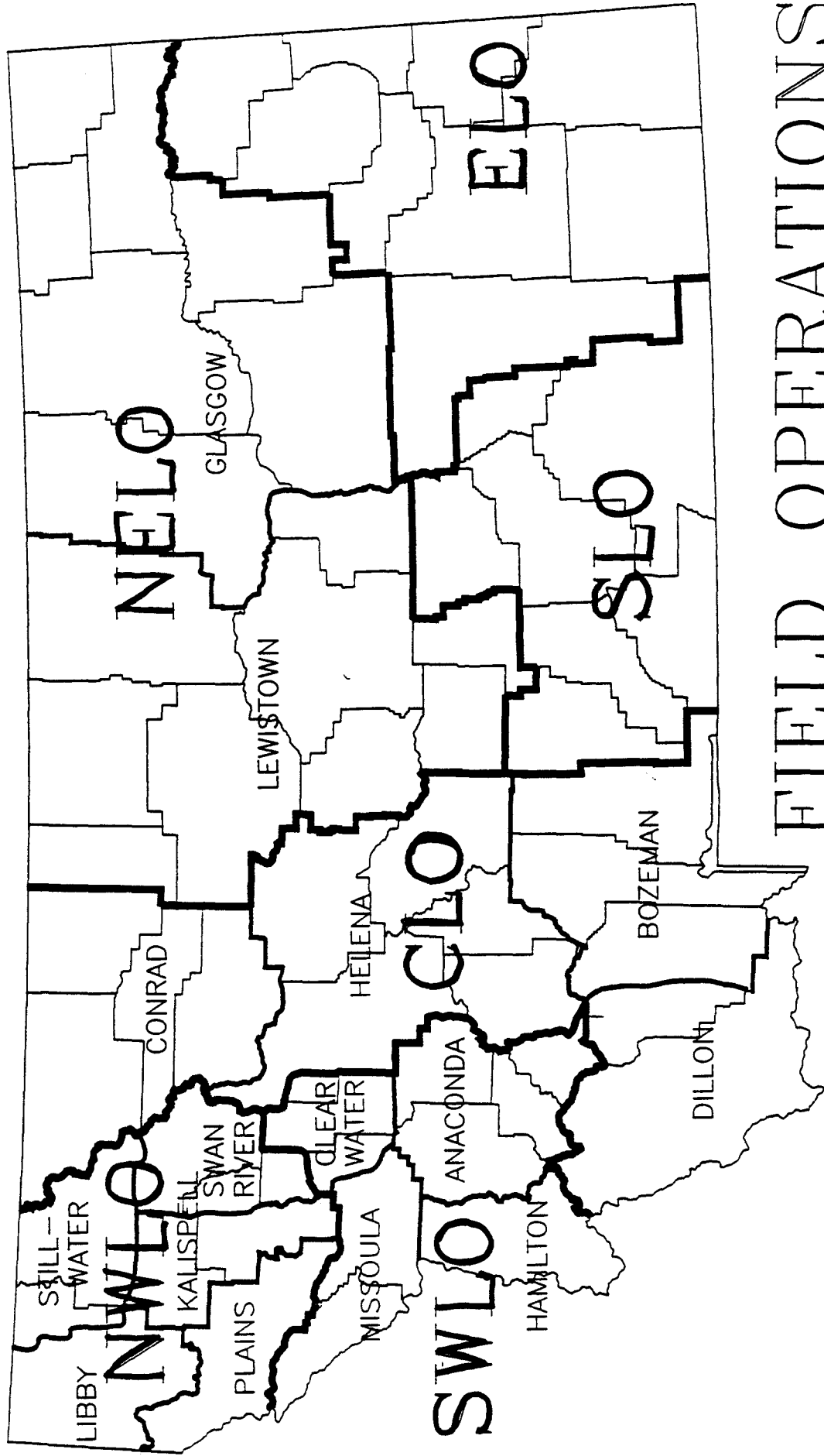


EXHIBIT 2
DATE 1-14-91
HB info. presentation



FIELD OPERATIONS

DRAFTED: 10/24/90

FIELD OPERATIONS DIVISION ROLE AND PURPOSE

The Field Operations Division is responsible for the on-the-ground implementation of the Department's programs and policies. These programs are administered through 26 field offices which have been established to serve the public and to implement the programs and activities required in state land management, wild-fire suppression, and assistance to public and private land owners.

The Department has six land offices which oversee the implementation of all activities in the six DSL major administrative regions of the state. Fifteen additional satellite unit offices serve as a base for the personnel and equipment assigned within each region to carry out the Department's programs. During the summer months an additional five wildfire initial attack stations are operable to further augment the unit offices capability to respond to wildland fire suppression.

Field offices are located in the following communities: Helena, Missoula, Kalispell, Olney, Libby, Plains, Swan Lake, Greenough, Anaconda, Hamilton, Conrad, Bozeman, Dillon, Lewistown, Glasgow, Billings, Miles City, Lima, Marion, Condon, Lincoln, and Garrison.

DEPARTMENT OF STATE LANDS

FIELD OFFICES

ANACONDA

Anaconda Unit Office, 7916 Highway 10A West 563-6078
Unit Manager, Fred Staedler

BILLINGS

Southern Land Office, 528 South Moore Lane 259-3264
Area Manager, Don Kendall

BOZEMAN

Bozeman Unit Office, 611 N. Wallace, Suite 2 586-5243
Unit Manager, Jim Kalitowski

CLEARWATER

Clearwater State Forest Unit Office, Hwy 200 793-5757
Unit Manager, Steve Wallace

CONDON

Condon Wildfire Attack Station, USFS Condon Work Ctr 754-2800
(June 15 - Sept 15 Only)

CONRAD

Conrad Unit Office, One 4th Ave., S.E., Suite 203 278-7869
Unit Manager, Russ Offerdahl

GARRISON

Garrison Wildfire Attack Station, 321 Highway 12 E 846-1950
(June 15 - Sept 15 Only)

GLASGOW

Glasgow Unit Office, RR #1 - 4212 228-2430
Unit Manager, Robert Putzker

HAMILTON

Hamilton Unit Office, Box 713 363-1585
Unit Manager, Mark Lewing

KALISPELL

Northwestern Land Office, 2250 Highway 93 North 752-7994
Area Manager, Jim Gragg
Kalispell Unit Office, 2250 Highway 93 North 752-7994
Unit Manager, Bill Wright

LEWISTOWN

Northeastern Land Office, 613 N.E. Main St. 538-5989
Area Manager, Craig Roberts
Lewistown Unit Office, 613 N.E. Main St. 538-5989
Unit Manager

LIBBY

Libby Unit Office, 14 Miles East of Libby, Hwy 37 293-2711
Unit Manager, Bill Caldwell

LIMA

Lima Wildfire Attack Station 276-3492
(June 15 - Sept 15 Only)

LINCOLN

Lincoln Wildfire Attack Station 362-4999
Forester, Greg Leritz

MARION

Boorman Wildfire Attack Station 854-2942
(June 15 - Sept 15 Only)

MILES CITY

Eastern Land Office, 321 Main St. 232-2034
Area Manager, Dwayne Andrews

MISSOULA

Forestry Division, 2705 Spurgin Road
State Forester, Gary Brown 542-4300
Southwestern Land Office, 1401 27th Ave. 542-4200
Area Manager, Charles Wright
Missoula Unit Office, 1500 Tower St. 542-4201
Unit Manager, Ray Erickson

OLNEY

Stillwater State Forest Unit Office, Box 164 881-2371
Unit Manager, Tom Vars

PLAINS

Plains Unit Office, Plains Airport off Hwy 200 826-3791
Unit Manager, Marvin Miller

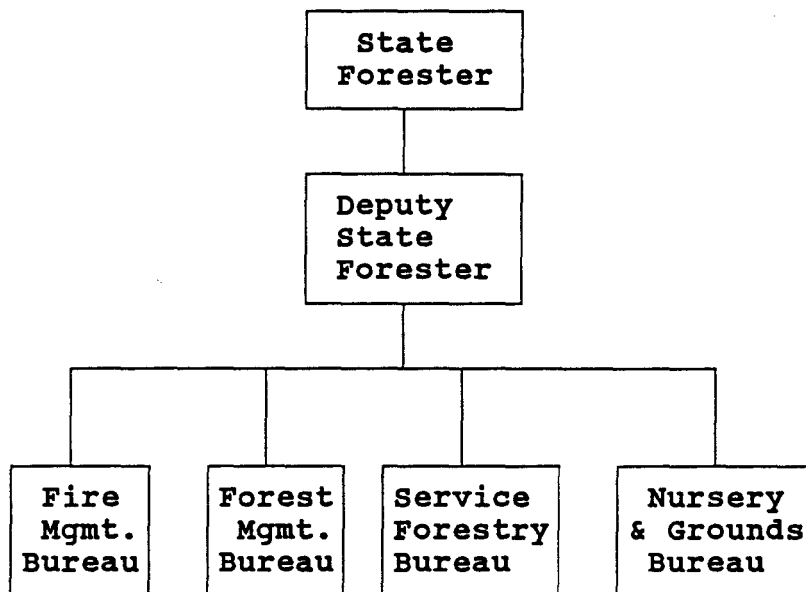
SWAN LAKE

Swan State Forest Unit Office 754-2301
Unit Manager, Glen Gray

FORESTRY DIVISION

LOCATION: MISSOULA

FTE: 65.72



MISSION: PROVIDE LEADERSHIP FOR THE PROTECTION AND MANAGEMENT OF MONTANA'S FOREST RESOURCES CONSISTENT WITH THE PUBLIC INTEREST.

RESPONSIBILITIES

FIRE MANAGEMENT:

Protect over 50 million acres of forest and rangeland from wildfire, through:

- Direct Protection 4.7 million acres.
- Subcontract Protection 1.8 million acres.
- County Co-op Protection 44.3 million acres.

FOREST MANAGEMENT:

Manage 500,000 acres of forested Trust land to provide long-term income to the School Trust, through:

- Forest product sales.
- Leases and licenses.
- Forest development and stand improvement.

SERVICE FORESTRY:

- Help private landowners and operators improve the management and productivity of private forest lands.
- Provide information on "Best Management Practices" (BMPs).
- Enforce the State slash law.

NURSERY & GROUNDS

- Manage the facilities on the 185-acre Missoula complex.
- Manage the tree nursery.
- Manage the program at the Swan River Forest Camp.

FORESTRY PROGRAM

FY91

TOTAL FTE	234.62
TOTAL BUDGET	\$9,443.381
FUNDING:	
GENERAL FUND	\$5,819,646
STATE SPECIAL	\$3,002,391
FEDERAL REVENUE	\$ 621,344

FIRE MANAGEMENT PROGRAM (FY90)

FIRE PREVENTION:

- The primary goal of the fire prevention program is to suppress 95% of all direct protection fires at 10 acres or less. In 1990, DSL achieved 96%.
- 2,350 burning permits were issued to the public.
- 260 miles of railroad and powerlines were inspected for fire hazard.
- 14 fairs and 12 parades had fire prevention displays.
- 34 workshops were conducted on the Wildland/Residential Interface problem.

FIRE PRESUPPRESSION:

- Added 637,000 acres of protection to DSL's direct protection in the Dillon area through Block IV of the U.S. Forest Service contract reduction program.
- Formed the 120,000-acre Philipsburg Forest Fire Protection District was formed and added to DSL's direct fire protection.
- Participated in 43 fire training courses for permanent and seasonal firefighters.

FIRE MANAGEMENT PROGRAM (FY90) (CONT.)

FIRE SUPPRESSION:

<u>Calendar Year</u>	<u>Number of Fires</u>			<u>Number of Acres Burned</u>		
	<u>Person</u>	<u>Natural</u>	<u>Total</u>	<u>Person</u>	<u>Natural</u>	<u>Total</u>
1989	160	214	374	1,421	1,492	2,913
1990	229	196	425	48,584	4,935	53,519
*Avg.	174	163	337	45,950	6,436	52,386

* Based on a seven-year average (1983-89), removing the high and low years.

COUNTY FIRE MANAGEMENT:

- Flathead, Ravalli and Deer Lodge Counties joined the State/County Cooperative Fire Program; this brings a total of 49 counties into the program.
- Prepared entry request plans for Lake, Lincoln and Sanders Counties for the 1991 Legislature.
- 62 local government fire agencies in 42 counties were awarded a Rural Community Fire Protection Grant. \$58,000 was distributed through these grants.
- 39 Rural Wildland Firefighting training courses were conducted for local government fire forces.

EQUIPMENT DEVELOPMENT & SUPPORT:

- \$1,056,517 worth of Federal Excess Property was acquired on 33 trips.
- 27 new vehicles and 12 new tool caches were developed and placed into service.
- Inspected approximately 300 County Cooperative Program vehicles.

FOREST MANAGEMENT PROGRAM (FY90)

FOREST PRODUCT SALES:

	<u>FY90</u>
Million Board Feet (MMBF) of <u>Forest Products Sold</u> by Contract from State lands	36,730 MMBF
<u>Value of Forest Products</u> Sold by Contract from State Lands	\$6,164,267
Number of Acres of State <u>Land Treated for Fire</u> <u>Hazard Reduction</u>	3,297 Acres
Number of Acres of State Land <u>Prepared</u> <u>for Regeneration</u>	3,178 Acres
Number of Acres of State Lands <u>Planted</u> <u>to Tree Seedlings</u>	1,357 Acres
Number of <u>Seedlings</u> <u>Planted</u> on State Lands	524,384 Seedlings

FOREST MANAGEMENT PROGRAM (FY90) (CONT.)

SPECIAL USES:

Conducted activities necessary to administer the various leases, licenses and special uses (including cabinsites) on forested State Lands.

	<u>FY90</u>
Number of <u>Leases/Licenses Billed</u> (est.)	1,100
Number of Cabinsite <u>Renewal Inspections</u> Conducted	115
Number of <u>Rights-of-Way</u> Appraised	15
Number of <u>Temporary Use Permits</u> Issued	16

Completed one land exchange and actively pursued six other possible exchanges that would improve the ability of the Department to carry out its responsibilities on State Trust Land.

MONITORING AND INVENTORY EFFORTS:

Water quality was monitored on 13 occasions, at 8 stations, with 93 samples taken.

Soil properties were monitored at 12 locations.

Detailed forest stand characteristics were recorded and updated for 139,000 acres of Trust Land.

NURSERY PROGRAM (FY90)

STATE FOREST TREE NURSERY:

- Sold 942,000 seedlings for conservation plantings State-wide.
- Grew 515,000 seedlings for reforesting State Lands.
- Introduced several species for wildlife habitat improvement.

SWAN RIVER FOREST CAMP:

<u>CATEGORY</u>	<u>FY 1990</u>
CAMP RESIDENTS	135
TREES PLANTED	8,375
ACRES THINNED	390
LUMBER SAWN (BDFT)	30,000
TOTAL PROJECT VALUE	\$163,000

**NOTE: 12% OF THE AVAILABLE RESIDENT MAN-DAYS
WERE SPENT ON FIRE SUPPRESSION RELATED
WORK IN 1990.**

SERVICE FORESTRY PROGRAM (FY90)

TIMBER SLASH:

recreation private lands

	<u>FY90</u>
• New Hazard Reduction Agreements (HRAs)	1,050
• HRA Inspections	645
• Master HRA Inspection Units	1,328
• Slash Project Takeovers	86
• Non-compliance Enforcement Actions	16
• Training Sessions for Industry Foresters	3
• Operator/Landowner Workshops	1

FORESTRY ASSISTANCE:

• Total Landowners Served	620
• Pre-Harvest Assists	128
• Forest Management Plans	46
• Urban Area Assists	41
• Insect or Disease Assists	106
• Tree Farms Certified/Recertified.	46
• Arbor Day Activities	31 Cities

FOREST PRACTICES (BMPs):

• Forest Practices Notifications Serviced	598*
• Field Consultations on BMPs	53*

* These amounts are for 6 months only--program became operational Jan. 1.

SERVICE FORESTRY PROGRAM (FY90) (CONT.)

FOREST PRODUCTS:

	<u>FY90</u>
• Sawmill Efficiency Studies	4
• Forest Products Marketing Bulletins	4
• Information Requests Serviced	204
• Harvest Practice Studies	6

FOREST PEST MANAGEMENT (FPM):

• Training Sessions	4
• Aerial Surveys Completed	1
• Timber Sales Evaluated	4
• Pest Samples Evaluated	48
• Traps Placed/Retrieved	166

FUTURE DIRECTION

FIRE MANAGEMENT:

- **Block #5.**
- **Add remaining counties to co-op program (7).**
- **Expand Federal Excess Property program.**
- **Form additional fire protection districts.**
- **Structural fire protection in remote areas.**
- **Consolidate the Fire Services Structural Training School with DSL.**

FOREST MANAGEMENT:

- **Maintain 41 million board foot sale program.**
- **Develop and implement Integrated Resource Information System (IRIS).**
- **Evaluate alternative income-producing uses of State Forest Lands.**
- **Continue to develop management standards and guidelines.**
- **Develop long-range management plan and programmatic EIS for forested State Lands.**

NURSERY:

- **Increase seedling production to meet demand.**
- **Improve seedling quality through tree improvement.**
- **Build additional greenhouse(s).**

FUTURE DIRECTION (CONT.)

SERVICE FORESTRY:

- **BMP education and monitoring.**
- **Provide services that are attractive and useful to the full range of non-industrial private forest landowners.**
- **Develop strategy for servicing demand for urban forestry assistance.**

BUDGET:

- **Need budget language to allow budget amendments for spending earmarked revenue.**
- **Need capital equipment replacement program.**

MONTANA DEPARTMENT OF STATE LANDS
LAND ADMINISTRATION DIVISION

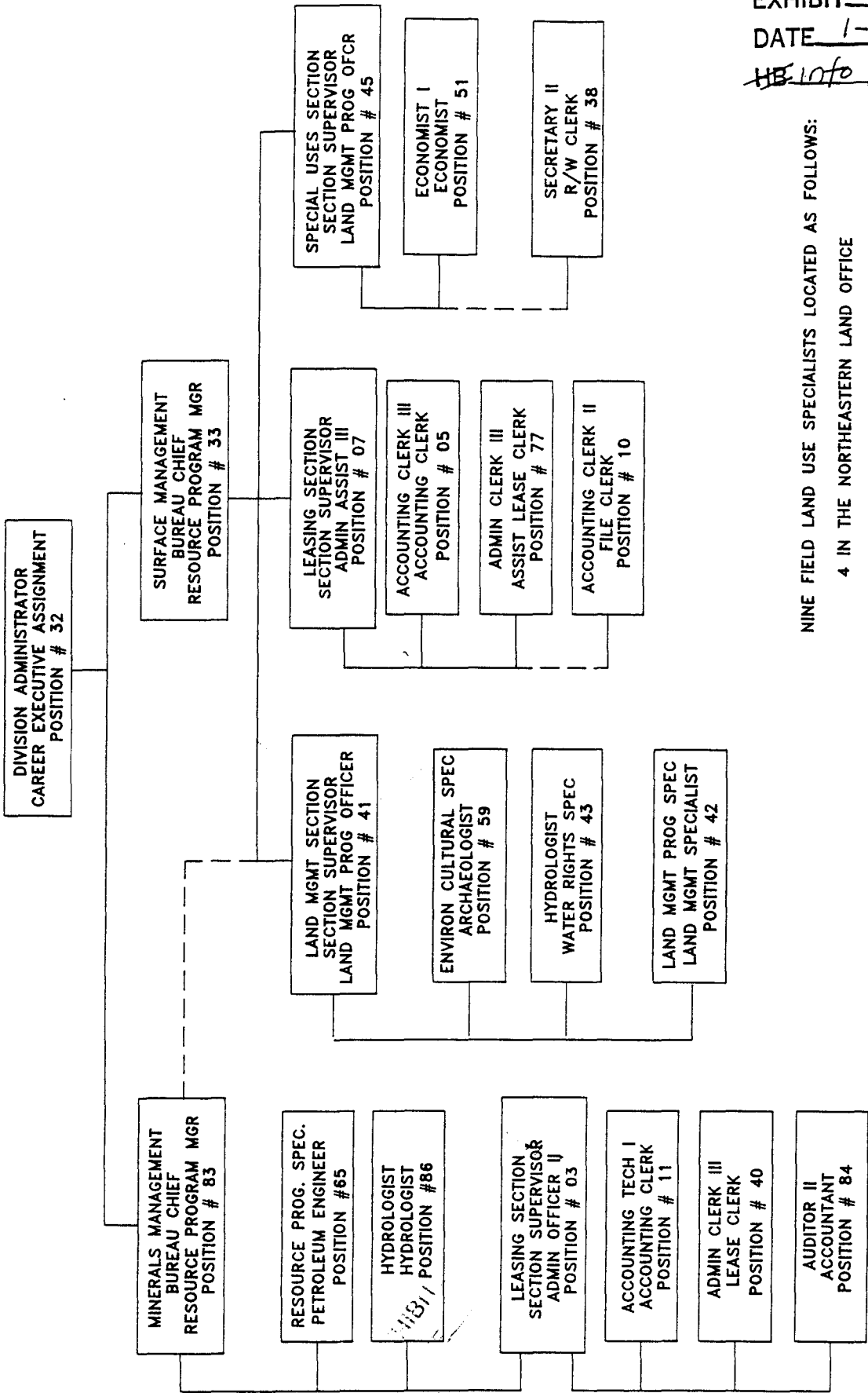


EXHIBIT 4
DATE 1-14-91
HB info presentation

NINE FIELD LAND USE SPECIALISTS LOCATED AS FOLLOWS:
4 IN THE NORTHEASTERN LAND OFFICE
2 IN THE CENTRAL LAND OFFICE
2 IN THE EASTERN LAND OFFICE
1 IN THE SOUTHERN LAND OFFICE

APPROVAL BY: m. Jeff R. [Signature]
DATE: 1/13/91
DRAFTING DATE 12/27/90
FILE: LAND2.DWG

LANDS ADMINISTRATION PROGRAM

The primary goal of the Lands Administration Program is to generate the highest income from the leasing of the natural resources on the surface and mineral estates for the greatest benefit of the Common Schools and the Endowed Institutions in the State of Montana. The highest income from a specific use must be weighed against the long term productivity of the land to ensure future returns to the school trusts.

SURFACE MANAGEMENT PROGRAM RESPONSIBILITIES

Conduct the orderly leasing, renewal, recording and assignment of grazing, agricultural and special leases for the benefit of the trusts. The surface trust estate includes 4.1 million acres of grazing land, 550,000 acres of agricultural land and 18,000 acres of special use land.

Inspect and review the current status of approximately 9500 grazing, agricultural, and special leases.

Develop and implement management plans on trust lands as necessary to improve the land capability and long term productivity.

Maintain State and lessee compliance with the Federal Farm Programs.

Record all agreements and resource information within the Trust Land Management System for the orderly retrieval and use of resource information in making management decisions for the benefit of the trusts.

MINERALS MANAGEMENT PROGRAM RESPONSIBILITIES

Conduct the orderly leasing, permitting, evaluating and recording of approximately 3,500 oil and gas, metalliferous and non metalliferous, coal, and sand and gravel agreements for the benefit of the trusts on a mineral estate of 6.2 million acres.

Call for the review and inspection of pre-development plans and operations by the Area Land Offices to assure protection and wise use of natural resources on trust lands.

Record all agreements and resource information in the Trust Land Management System for the orderly retrieval and use of resource information in making management decisions for the benefit of the trusts.

RESOURCE DEVELOPMENT PROGRAM

The goal of the Resource Development Program is to develop, conserve and improve state trust lands to increase the revenue generation to the Common School and Endowed Institutions and to perfect title of state lands in the State of Montana.

RESOURCE DEVELOPMENT PROGRAM RESPONSIBILITIES

Develop new projects in the areas of stockwater development, irrigation, commercial development and resource protection which will enhance the value of trust lands for the benefit of the trusts.

Conduct the orderly review and evaluation on existing development projects to assure proper maintenance and protection.

Conduct the appropriate Environmental reviews on proposed new uses of trust land to insure compliance with MEPA and other environmental regulations.

Continue the water adjudication process on all state trust lands.

Evaluate the title question of state ownership on the beds of the navigable rivers and islands within those rivers.

Evaluate potential Federal and Private land exchange proposals for the benefit of the trusts.

Evaluate and process applications for R/W easements and Land Use Licenses for secondary uses of trust lands.

Evaluate and process applications for the purchase of trust lands.

LAND ADMINISTRATION FY 90 INCOME EARNED

DISTRIBUTABLE INCOME

Grazing rentals	4,133,290
Agricultural rentals (inc. Fed. Farm Prog.)	7,350,753
Oil and Gas Lease rentals	1,561,866
Oil and Gas penalties	712,388
Oil and Gas Bonus payments	225,303
Other revenues (special leases, licenses, etc)	200,000*
Transaction fees (assignments, subleases, etc)	125,000*
DISTRIBUTABLE SUBTOTAL	14,308,600

NONDISTRIBUTABLE INCOME

Rights-of-way	105,350
Oil Royalties	2,597,544
Gas Royalties	1,115,172
Coal Royalties	2,302,504
Sand & Gravel	108,725
Miscellaneous (other royalties)	39,659
NONDISTRIBUTABLE SUBTOTAL	6,268,954

TOTAL INCOME	20,577,554
--------------	------------

* these figures are estimates as the exact break down within these categories between Lands and Forestry Division are not compiled.

BUDGET BREAKDOWN FOR LANDS DIVISION

LANDS PROGRAM

	<u>FY90</u>	<u>FY91</u>
TOTAL FTE	21.12	21.62
TOTAL BUDGET	\$726,289	\$709,155
FUNDING:		
GENERAL FUND	\$726,289	\$709,155

RESOURCE DEVELOPMENT PROGRAM

TOTAL FTE	7.00	7.00
TOTAL BUDGET	\$290,646	\$295,484
FUNDING:		
STATE SPECIAL	\$290,646	\$295,484

LANDS PROGRAM ACCOMPLISHMENTS

- Annually collected over 20 million dollars of distributable and nondistributable income from management of state trust lands on.
- Collected 11 million dollars of income from state's share of federal farm program payments over the past five years.
- Collected over one million dollars of royalties owed from mineral leasing through the Royalty Audit Program.
- Revised regulations pertaining to surface management of school trust lands.

In FY 90:

- Processed over 120 right of way applications on state trust land.
- Reviewed over 10 applications for land exchanges.
- Issued 85 land use licenses for supplementary uses of state land.
- Conducted lease renewal inspections on over 1200 tracts of state agricultural or grazing land.
- Conducted 150 supplemental lease inspections on state agricultural or grazing land at request of lessee or because of management concerns.
- Instituted 85 management actions to improve condition of surface lease.
- Authorized 100 improvement requests on state owned land.
- Conducted 75 mineral lease and/or bond release inspections.
- Issued or renewed 24 sand and gravel permits.
- Issued 405 new oil and gas leases.

FUTURE CONCERNS OF LANDS DIVISION

Recreational use of and access to and through state lands are currently issues driving a lawsuit against the Department and the Land Board. Regardless of the outcome of the lawsuit, recreational use is a potential source of revenue to the school trusts which must be considered. In order to effectively administer a recreational leasing program, additional funding and staff would be required.

Administration of Navigable rivers is in the initial stages at present. The Department has developed a list of those rivers deemed to be navigable and therefore owned by the state. This list is currently disputed by various groups and individuals.

Noxious weed control is an ever increasing problem throughout the entire state. Currently the Department requires the lessee to control noxious weeds. The cost of this control is becoming a major problem for many lessees and may result in termination of many leases. The resulting vacant tracts will be very difficult to lease to anyone else because of the existing noxious weed problems.

State liability from landfill sites, producing and abandoned oil and gas wells, and other potential environmental hazards existing on trust lands may become an issue.

Increased Environmental restrictions may greatly effect the revenue potentials from state lands. There is an ever increasing concern over protection of and enhancement of wildlife habitat for many species. Threatened and Endangered species are known to exist on or may potentially exist on trust lands. Cultural/-historical concerns are also appearing more often on trust lands.

Compliance with the Federal Farm Program is difficult at present and can be expected to become more difficult in the future with program changes and restrictions.

VISITOR'S REGISTER

Natural Resources

AGENCY(S) _____

DATE

1-14-91

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
Shirley Fallon	NPA	H3126	
Jim Jensen	MEIC	4	

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