

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON FISH & GAME

Call to Order: By Bob Williams, on January 15, 1991, at 1:00 P.M.

ROLL CALL

Members Present:

Bob Williams, Chairman (D)
Don Bianchi, Vice Chairman (D)
John Jr. Anderson (R)
Eve Franklin (D)
Lorents Grosfield (R)
Greg Jergeson (D)
Dick Pinsoneault (D)
David Rye (R)
Bernie Swift (R)

Members Excused: Senator Svrcek

Staff Present: Andrea Merrill (Legislative Council).

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

Announcements/Discussion: Chairman Williams brought the meeting to order and advised the Members that it would be an informational meeting only as the Fish, Wildlife and Parks Department (Department) put together new information regarding the request for permanent wildlife funding.

Chairman Williams excused himself and turned the meeting over to Vice-Chairman Bianchi.

Members representing the Department were Errol Galt, Chairman of the Montana Fish and Game Commission (Commission); Don Childress, Administrator, Wildlife Division; K.L. Cool, Director of the Department; and David Mott, Administrator, Management Services Division.

The floor was given to Director Cool for the presentation. See exhibit No. 1. Cool explained that the interest earned on the habitat funding was earmarked to pay for the management of the lands acquired under HB 526 (Chapter 598, 1987). The interest earned amounts to a quarter of a million dollars available to pay for the management of the specific properties acquired with the revenue generated. House Bill 526 contained a caveat that any increase in specified license fees will put 20% of the license

fee increase into the annual revenue. Therefore, any fee bills that the Department deals with this year would impact this earmarked set-aside. Example: for each \$10.00 on a non-resident elk license, \$2.00 of it would be earmarked.

Director Cool provided a copy of the 1991 report "Wildlife Habitat Protection, An Interim Report". This will be the first time that the Department reported to the Legislature. This report covers the biennial period 1987 through 1989.

When HB 526 was passed, the intent of the legislation was to provide through conservation easements, leases, or acquisitions the ability to control critical or threatened wildlife properties. The first income of \$2,100,000 was collected in 1989. Figures through FY90 are actual; however, figures from '91 through '93 are estimated or projected.

Authority to acquire land and to manage this land for the Department is a Commission duty. The Department acts as staff to the Commission in the area of land acquisition. In addition, any acquisition that is in excess of \$100,000 or 1,000 acres must go through administrative review of the State Land Board. All three acquisitions in 1989 exceeded those restrictions and they were all approved by the Board unanimously. When the Department acquires land, it is required by law to pay no more than appraised value.

Senator Jergeson questioned Director Cool on the possibility of controlling the knapweed problem on the Thompson Falls property that the Department had acquired. Cool admitted that the Department did not have the ability to deal with the short-term emergencies in this area or to provide enough monies for management of the area. Cool stated that the knapweed problem had been taken into account when negotiating the purchase price. The landowner provided a tax advantage to himself, and the Department was able to acquire the land at below appraised value. Because of the location of the property, it provided economical development or subdivision qualities; thus, it may have had an inflated value beyond what it would have been if it had been viewed as only agricultural land. See Exhibit No. 2.

Senator Anderson stated he had property adjoining the Robb Creek property and was concerned about the lack of noxious weed control. Cool commented they were doing their best to control the weeds as it interfered with the vegetative needs of wildlife species, as well as cattle. Cool commented that the Department does not have the monies available for effective weed control on their properties.

Vice-Chairman Bianchi requested Cool to briefly explain the socio-economic analysis on the Brewer property which was the first land the Department acquired. Cool stated that the

analysis was done by John Duffield who is a PHD in economics at the University of Montana. See Page 2 in "Wildlife Habitat Protection." The Wilson property was done in house with FWP's own economists. Any larger acquisitions must be done by outside experts. The Nelson property is the Yellowstone acquisition and when data for congressional review was needed, FWP once again used Duffield to provide an assessment.

Vice-Chairman Bianchi questioned the fact the present value of the land was \$320,000, but after purchase the socio-economic value is basically \$29,000,000. Cool stated that more than that was paid for the property, but this reflected the net social and public benefits for the Nelson property over a period of years. He commented that the purchase price was the appraised value or less. This area is critical winter range for the migratory elk herd in Yellowstone and the value of Yellowstone elk to the public and to America as a whole greatly increases the value of the critical habitat for the herd. The techniques that Duffield used to determine the value of this property were reliable and have been accepted. As Senator Swift said, the correct value of an animal is not the actual value but what a person would be willing to spend if he had the money to hunt.

Senator Swift questioned Mr. Galt on the 160 acres of total acquisition in conservation easements and questioned if this was following the purpose of the HB 526. That bill was for the purpose of conservation usage. Mr. Galt stated that it had been very difficult to convince landholders to put their land in conservation. Cool commented that the Department was disappointed that more conservation easements were not acquired. It is easier to buy land in terms of administrative energy and the time it takes than it is to achieve a conservation easement. Conservation easements create a great unknown and landowners are hesitant to sign.

Director Cool also commented that they are not land buyers and do not have the credentials to do so. House Bill 526 has put them into an entirely new realm. Conservation easements take a tremendous amount of staff time and a significant body of dollars. When this legislation was given to the Department, no administration relief was given. The Department was told that "You have a \$3 million acquisition program, accomplish this program with the same number of personnel that you have, embody it in your program, re-evaluate it, and redesign your priorities to accomplish it." The number of employees have only increased by 17 FTE's from a decade ago. The Department has reached a point where it will not be able to continue major initiatives without administrative relief.

Senator Swift questioned the fact that if the Department does not have a means of handling conservation easement, raw land purchases does not fall under the realm of management. He questioned the fact that there are future plans for land acquisition by the Department and asked what they intended to do.

Cool stated that each property has a management plan .

Senator Swift stated that the future management of each of these properties is critical and the impact that it is going to be made to the tax base. Cool commented that the Department's plan is to look at the program as it is currently delivered within the time frames. He promised to return to the Fish and Game Committee with a format for that in the very near future.

Bianchi stated that the FWP does pay taxes on all lands that they purchase. Where the counties do lose monies is from taxing equipment and personal property. The Department does not pay any personal property tax. The Department does allow a private party to run livestock on these lands, which allows a person to run more livestock and thereby pay more personal property tax.

Senator Anderson stated that the Robb Creek area farm owners had irrigated farming, hay land, etc. When the Department revalues this land will it be classed as grazing land or what loss is expected? Mr. Childress commented that there has not any reclassification of any of the properties.

Vice-Chairman Bianchi stated the Department does manage the land as it had previously been used.

In closing, Cool stated that as a wildlife manager and representative of the Department, there is no doubt in his mind that the acquisition of critical or threatened habitat is an important component of the Department's missions.

ADJOURNMENT

Adjournment At: 2:05 P.M.

SENATE FISH & GAME COMMITTEE

January 15, 1991

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BOB WILLIAMS, Chairman


JULIA LEVENS, Secretary

BW/jl

Opening Remarks for Senate Fish and Game Committee Meeting
January 15, 1991

By K. L. Cool, Director
Montana Department of Fish, Wildlife & Parks

Mr. Chairman, Members of the Committee:

The acquisition of threatened wildlife habitat is an important tool for an effective wildlife management program. Our ability to acquire critical wildlife habitat complements our on-going habitat management and conservation law enforcement programs. Combining these programs with our biological determination of surplus game animals, our commission can provide opportunities for sportsmen to assist in the management of wildlife species through regulated harvest. Each component of a good wildlife management program is important to its success.

Our department owns and manages approximately 400,000 acres of land. Of that, about 340,000 acres are wildlife management areas. Last year we paid \$226,000 in lieu of taxes to Montana counties on these lands. While we are a small landowner in relation to other government land managing agencies in Montana, the lands we hold in trust for wildlife and for sportsmen are key areas: critical winter ranges - strategically important wildlife habitat.

In 1987, the legislature, through the passage of HB 526, provided our agency a short-term (6 year) threatened wildlife habitat program. This program was funded by a significant increase in license fees - mostly from nonresidents. The characteristics of the legislated program encompass the following:

CURRENT LAW - HB 526

| | | |
|--------------------|-------|--------------|
| Annual Revenue | | \$ 2,900,000 |
| 80% to Acquisition | | \$ 2,300,000 |
| 20% to Trust | | 600,000 |
| Interest | FY 90 | \$ 99,000 |
| | FY 91 | 147,000 |
| | FY 92 | 196,000 |
| | FY 93 | 247,000 |

Sunsets in 1994

20% of future increases to HB 526

The legislation authorizing this program also included a sunset date which terminates the current short-term program in March 1994. The legislation also requires reports to each session of the legislature. This is a copy of last year's report.

In addition, the 1989 legislature passed into law the requirement that our department conduct a socioeconomic analysis of each acquisition to determine the effect of department ownership on the local area from both economic and social perspectives. This legislation has proven to be important in providing answers needed by local government, adjacent landowners and sportsmen in assessing whether government should acquire a specific property.

Today our department will provide you a summary of our conservation easement leases and acquisitions utilizing HB 526 monies over the past 2 years. We are not prepared to provide specific guidance for program improvements at this time.

HB526 - RELATED WILDLIFE HABITAT ACQUISITIONS

DATE

1/15/91

BILL NO.

INFO

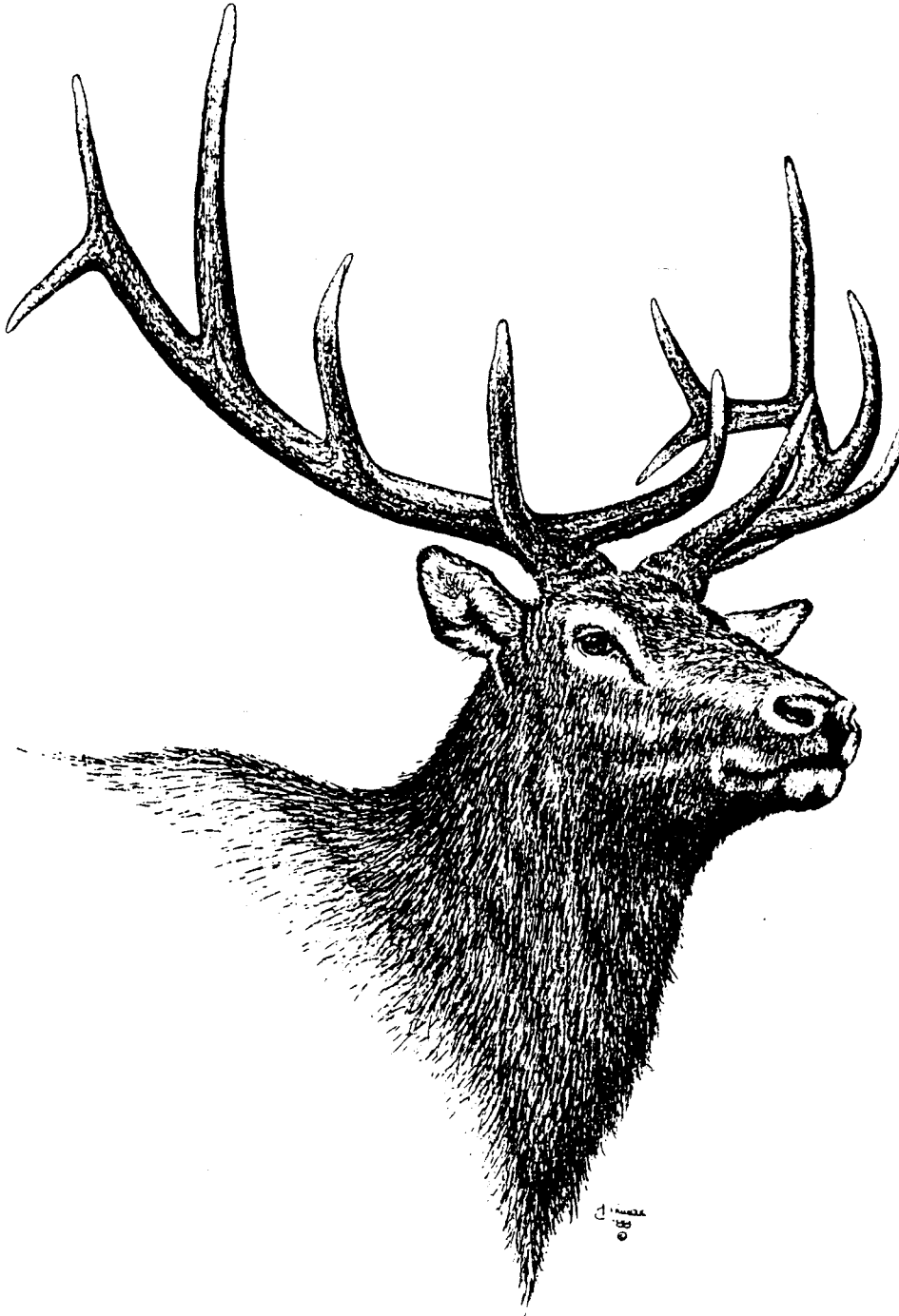
Projects using Appropriations from 1987 and 1989

| <u>PROJECT</u> | <u>LOCATION</u> | <u>COST</u> | <u>ACRES</u> | <u>METHOD</u> |
|-------------------------------|------------------------|---------------|------------------|--|
| Robb Creek WMA | Sheridan | \$2,010,000 | 17,170.66 | Fee Title |
| | | \$ 12,020 | 10,657.69 | Lease(State Lands) |
| Blackfoot - Clearwater WMA | Ovando | \$1,468,401 | 2,960.00 | Fee Title |
| | | \$ 9,877 | 14,582.00 | Lease (State Lands & Champion Int'l) |
| Brewer WMA | Powderville | \$1,114,600 | 17,845.50 | Fee Title 1 |
| | | 4,506 | 4,265.65 | Lease(State Lands) |
| | | 0 | 12,151.00 | Lease(BLM)2 |
| Mt. Silcox WMA | Thompson Falls | \$ 687,465 | 1,552.30 | Fee Title |
| Dome Mtn. WMA | Gardiner | \$1,540,299 | 2,098.05 | Fee Title |
| | | 90,011 | 160.00 | Conservation Easement (from landowner) |
| Subtotals: | | | | |
| | Fee Title Acquisitions | \$6,820,765 | 41,626.51 | |
| | Conservation Easements | 90,011 | 160.00 | |
| | <u>Leases</u> | <u>26,403</u> | <u>41,656.34</u> | |
| TOTAL | | \$6,937,179 | 83,442.85 | |

Notes

1. To be exchanged for easements on additional land.
2. This is paid by the private landowner who leases the Bureau of Land Management properties directly.

WILDLIFE HABITAT PROTECTION AN INTERIM REPORT



Prepared by:

**Montana Department of
Fish, Wildlife & Parks**

Prepared for:

**House and Senate
Fish and Game Committees
1989 Montana State Legislature**