

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Lawrence Stimatz, on February 4, 1991, at 3:00 p.m.

ROLL CALL

Members Present:

Lawrence Stimatz, Chairman (D)
Cecil Weeding, Vice Chairman (D)
John Jr. Anderson (R)
Don Bianchi (D)
Steve Doherty (D)
Lorents Grosfield (R)
Bob Hockett (D)
Thomas Keating (R)
John Jr. Kennedy (D)
Larry Tveit (R)

Members Excused: Esther Bengtson (D)

Staff Present: Michael Kakuk, (EQC).
Roberta Opel, Secretary

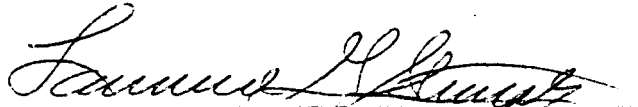
Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: Chairman Stimatz told committee members that at his request, Karen Barclay, Director, Department of Natural Resources and Conservation, and her staff were present to give a presentation on the R.I.T. (Resource Indemnity Trust). DNRC staff included Ray Beck, Division Administrator responsible for grant and loan programs, John Tubbs, Bureau Chief and Anna Miller, financial adviser.

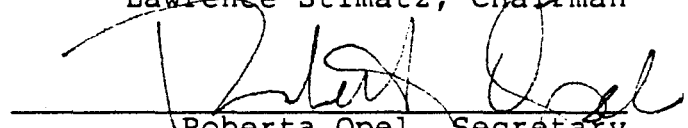
(See exhibits on R.I.T.)

ADJOURNMENT

Adjournment At: 5:00 p.m.



Lawrence Stimatz, Chairman



Roberta Opel, Secretary

LS/ro

2-4-91

Natural Resources

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

ROLL CALL

Natural Resources COMMITTEE

DATE 2-4-91

52nd

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
Senator Anderson	✓		
Senator Bengtson			✓
Senator Bianchi	✓		
Senator Doherty	✓		
Senator Grosfield	✓		
Senator Hockett	✓		
Senator Keating	✓		
Senator Kennedy	✓		
Senator Tveit	✓		
Vice Chairman, Weeding	✓		
Chairman, Stimatz	✓		

Each day attach to minutes.

SENATE NATURAL RESOURCES

EXHIBIT NO.

DATE

FILE NO.

RESOURCE INDEMNITY TRUST FUND

The Resource Indemnity Trust Fund (RIT) was established in 1973. Earnings from the RIT are to be used to "improve the total environment and rectify damage thereto" pursuant to 15-38-203, MCA. Funding to implement this policy is derived from a tax on mineral production and interest earnings to the established trust fund.

When the trust fund reached \$10 million in 1978, all earnings on the trust began to be appropriated in accord with 15-38-202, MCA. Once the trust reaches \$100 million, both the interest and tax proceeds can be appropriated.

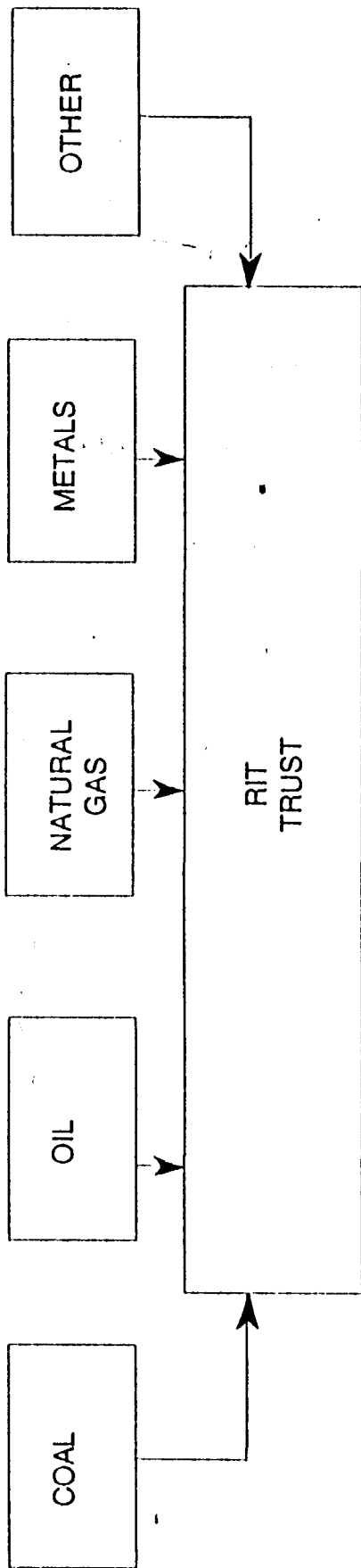
Trust fund earnings are earmarked for a number of different programs. Statutorily \$175,000 per biennium is allocated to the Governor's environmental contingency fund which must be used to meet unanticipated public needs when the public welfare and/or natural environment is threatened, in accord with 75-1-1101, MCA. Second, up to \$50,000 per biennium is appropriated to the oil and gas production damage mitigation account pursuant to 82-11-161, MCA. The remaining trust fund earnings have been allocated to five programs in accord with current law since FY90 as follows: Water Development 30%; Renewable Resources 8%; Reclamation and Development 46%; Hazardous Waste/CERCLA 12%; and Environmental Quality Protection (Non-Super Fund) 4%. Table 1 shows the history of the trust fund since its inception. The table provides historical data on tax collections, interest earnings, and trust fund balances. Estimates for fiscal years 1991, 1992, and 1993 are provided.

Table 1
Resource Indemnity Trust Fund
Collections and Trust Fund Balance
Fiscal Years 1974-1991

Fiscal Year	Tax Collections	Interest Earnings	Total Revenue	Trust Fund Balance
FY74	\$1,137,902	\$3,483	\$1,141,385	\$1,141,385
FY75	2,050,037	96,031	2,146,068	3,287,456
FY76	1,981,363	283,377	2,264,740	5,552,291
FY77	2,209,719	475,082	2,684,801	8,232,247
FY78	2,246,415	696,050	2,942,465	10,646,851
FY79	2,107,358	908,982	3,016,340	12,574,209
FY80	3,630,322	1,175,530	4,805,852	16,204,531
FY81	4,956,025	1,607,567	6,563,692	21,165,464
FY82	7,159,153	2,294,265	9,453,418	28,328,946
FY83	7,822,036	3,789,855	11,611,891	36,181,889
FY84	6,716,089	4,225,130	10,941,219	42,986,128
FY85	6,278,740	5,526,373	11,805,113	47,396,179
FY86	5,992,270	6,487,967	12,480,237	53,039,675
FY87	3,821,952	7,208,545	11,030,497	56,861,627
FY88	4,979,333	6,149,783	11,129,116	61,750,961
FY89	4,782,041	6,858,164	11,772,203	66,665,000
FY90	6,037,436	7,472,755	13,510,194	72,811,618
FY91 est	4,971,697	7,612,666	12,584,363	77,783,315
FY92 est	5,377,173	7,952,931	13,330,104✓	83,160,488
FY93 est	4,893,590	8,604,746	13,498,336✓	88,054,078

The last four legislative sessions also have appropriated some of the RIT monies to fund programs in DNRE, DSL, and other departments that are consistent with the purpose for which the funds may be spent. The executive budget proposes to continue the funding of comparable programs for which RIT monies were appropriated during the 1991 biennium. The amount remaining for grants increases by \$248,292 over the 1991 biennium appropriated level to \$4,986,516 for the 1993 biennium. In addition, there is \$599,649, which is equal to 25% of the recommended water development and renewable resource development grant levels, included for water storage projects based on the recommendation of the State Water Plan Advisory Committee. The committee will recommend legislation during the 1991 Legislative Session to earmark 25% of these funds for water storage purposes. Table 2 presents the 1993 RIT

RESOURCE INDEMNITY TRUST



SENATE NATURAL RESOURCES
 EXHIBIT NO. 2-4-91
 DATE 2
 BILL NO. NR-211

INTEREST

ENVIRONMENTAL CONTINGENCY ACCOUNT
 (UP TO \$175,000/BIENNIUM)
 75-1-1101

OIL & GAS PRODUCTION DAMAGE MITIGATION ACCOUNT
 (UP TO \$50,000/BIENNIUM)
 82-11-161

<div>46%</div> <div>ENVIRONMENTAL QUALITY PROTECTION FUND 75-10-704</div>	<div>8%</div> <div>RENEWABLE RESOURCE DEVELOPMENT PROGRAM (RRD) Title 90, Chapter 2</div>	<div>12%</div> <div>DHES - HAZARDOUS WASTE/ CERCLA ACCOUNT 75-10-821</div>	<div>30%</div> <div>WATER DEVELOPMENT PROGRAM (WDP) SPECIAL REVENUE ACCOUNT 85-1-604</div>
---	---	--	--

SENATE NATURAL RESOURCES

EXHIBIT NO. 3

DATE

2-4-91

BILL NO.

DOLEC-217

DECREASE IN GRANT FUNDS AVAILABLE

	Water Development		Renewable Resources		Reclamation & Development	
	Grants	Water Storage	Grants	Water Storage	Grants	Grants
Subcommittee Decisions to date:						
1. Water Courts (38,960 over E.B.)	957,461	319,154	NA	NA	NA	NA
2. DSL Reclamation						
Pay Exceptions (50,000 over E.B.)	NA	NA	NA	NA	2,625,797	
Proposed Legislation						
1. HB 199 (242,000)	932,231	310,744	562,976	187,659	2,564,477	
2. HB 215 (75,000)	969,806	323,269	572,996	190,999	2,641,297	

Copy

OTHER BILLS ?

STATE NATURAL RES RES
 EXHIBIT NO 4
 DATE 2-6-91
 SHEET NO DANC-217

RESOURCE INDEMNITY TAX RECEIPTS
 Source: Department of Revenue

FY	COAL	OIL	NATURAL GAS	METALS	OTHER	TOTAL
74	\$ 61,687	\$ 640,771	\$ 44,475	\$ 352,960	\$ 38,009	\$ 1,137,902
75	239,391	1,201,125	49,861	513,940	45,722	2,050,039
76	409,810	1,294,364	82,754	130,632	63,804	1,981,364
77	496,340	1,399,698	74,268	160,104	79,309	2,209,719
78	522,333	1,316,917	165,348	145,173	96,644	2,246,415
79	225,681	1,434,472	231,530	93,872	121,803	2,107,358
80	928,798	1,828,947	355,054	353,130	164,393	3,630,322
81	825,496	3,328,426	419,647	238,595	146,861	4,959,025
82	1,000,195	5,308,525	491,832	215,776	142,825	7,159,153
83	1,892,248	4,768,072	552,396	442,858	212,162	7,837,736
84	1,300,665	4,279,714	589,348	399,704	146,659	6,716,090
85	1,095,522	4,204,763	627,504	229,464	121,487	6,278,740
86	1,171,480	3,913,955	583,961	152,833	170,041	5,992,270
87	1,090,324	1,859,932	538,251	170,345	163,101	3,821,953
88	1,224,129	2,033,646	484,537	745,412	214,263	4,701,987
89	1,356,240	1,627,445	539,442	909,244	349,671	4,782,042
90	2,540,363	1,795,586	453,052	1,091,128	157,307	6,037,436
Total	\$16,380,702	\$42,236,352	\$6,253,260	\$6,345,170	\$2,434,061	\$73,649,551
% of Total	22.2	57.4	8.5	8.6	3.3	100.0

Resource Indemnity Trust Fund
 Tax Collection
 Interest Earnings

BILL NO. SNRC-RIT

Fiscal Year	Trust Balance per year	Interest Earnings per year
Actual		
1980	\$16,204,531	\$1,175,530
1981	21,165,464	1,607,667
1982	28,328,946	2,294,265
1983	36,181,889	3,789,855
1984	42,986,128	4,225,130
1985	47,396,179	5,526,373
1986	53,039,675	6,487,967
1987	56,861,627	7,208,545
1988	61,750,961	6,149,783
1989	66,665,000	6,858,164
1990	72,811,618	7,472,755
Projected		
*1991	77,783,315	7,612,666
*1992	83,160,488	7,952,931**
*1993	88,054,078	8,604,746**

* Projected balance figures using the Office of Budget and Program Planning revenue projections.

** Revenue of RIT Interest for the 1993 Biennium to be distributed.

\$7,952,931
8,604,746
 \$16,557,677

The trust is projected under current law to reach its cap of \$100 million in fiscal year 1995

This information taken from the Office of Budget and Program Planning revenue projections.

Summary Section (Gray Pages) p. 29

