

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON NATURAL RESOURCES**

**Call to Order:** By CHAIRMAN DICK KNOX, on January 29, 1993, at 3:00 p.m.

#### **ROLL CALL**

##### **Members Present:**

Rep. Dick Knox, Chairman (R)  
Rep. Rolph Tunby, Vice Chairman (R)  
Rep. Jody Bird (D)  
Rep. Vivian Brooke (D)  
Rep. Russ Fagg (R)  
Rep. Gary Feland (R)  
Rep. Mike Foster (R)  
Rep. Bob Gilbert (R)  
Rep. Hal Harper (D)  
Rep. Scott Orr (R)  
Rep. Bob Raney (D)  
Rep. Dore Schwinden (D)  
Rep. Jay Stovall (R)  
Rep. Emily Swanson (D)  
Rep. Howard Toole (D)  
Rep. Doug Wagner (R)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Todd Everts, Environmental Quality Council  
Michael Kakuk, Environmental Quality Council  
Roberta Opel, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: HB 288  
Executive Action: HB 205 and HB 192

#### **HEARING ON HB 288**

##### **Opening Statement by Sponsor:**

REP. GARY FELAND, HD 12, Shelby, stated HB 288 was drafted at the request of the Department of Natural Resources (DNRC). The bill revises the requirements for oil and gas operations. REP. FELAND presented proposed amendments to HB 288. EXHIBIT 1

**Proponents' Testimony:**

Tom Richmond, Northern Montana Board of Oil and Gas, said HB 288 would allow for better assessment of the idle well fee and closer controls on the damage and litigation account.

Kneelon Teague, Northern Montana Oil & Gas Association, said the Association favored the bill as amended. The amendment provides for an idle well fee in lieu of a bond. He said reports are presently done on shut-in wells in anticipation of a bond change following this legislation.

Janelle Fallan, Montana Petroleum Association, said the Association supports HB 288 with or without amendments.

Doug Abelin, lobbyist, Northern Montana Oil & Gas, supported the bill as amended.

**Opponents' Testimony:** None

**Questions From Committee Members and Responses:**

REP. FOSTER said there needed to be flexibility in the financial responsibility of DNRC. There should be no more than 10 wells on a blanket bond. He stated the amendment takes away flexibility when the purpose of HB 288 is to provide flexibility.

REP. WAGNER asked if there would be a fiscal note. Mr. Richmond stated a fiscal note would not be necessary.

**Closing by Sponsor:**

REP. FELAND urged passage of HB 288. He said placing fees on the wells will not solve anything. The purpose of HB 288 is to take care of wells that haven't been bonded.

**EXECUTIVE ACTION ON HB 205**

**Motion:** REP. FAGG MOVED HB 205 DO NOT PASS.

**Motion:** REP. GILBERT MADE A SUBSTITUTE MOTION THAT HB 205 DO PASS.

**Discussion:** REP. GILBERT said he was opposed to a bill which now charged people to hunt and fish on land they previously had access to at no charge. He said he felt the argument to charge a \$5 recreational license fee was weak.

REP. SWANSON asked REP. GILBERT how he would respond to the school trust fund issue? REP. GILBERT said the answer could be found in a contract between the state and the individual leasing the land.

REP. TUNBY said he opposed HB 205 since one year is not sufficient time to determine if the recreational license fee is justified or not.

REP. FOSTER suggested that rather than eliminating HB 205, the \$5 fee could be changed. He suggested this may be a fairer approach.

REP. RANEY said he supported HB 205 saying he did not believe there was a need to maximize the return of money to the land. There hasn't been a fee for hunting and fishing on state lands for the past 100 years.

REP. WAGNER said the legislature is not bound by the constitution to charge the \$5 fee.

REP. FAGG stated he opposed the bill for three reasons: the Department of State Lands (DSL) forged a compromise; state trust lands asked that the legislature enforce charging a recreational use license fee; and it is not a good idea to undermine through compromise.

REP. STOVALL said he supported REP. FAGG and believed more time was needed to see if current legislation would work.

REP. HARPER noted there was a study currently underway to determine if grazing and leasing fees should be raised. He said allowing public use of the land without a fee is for the benefit of the trust.

REP. TOOLE said he favors a do not pass for HB 205 and stated what is the purpose of the fee if not to improve general government functions.

REP. RANEY asked if the constitution uses the word maximize when talking of school trust fund?

REP. TUNBY said a lessee is now responsible for weed control.

REP. ORR said the first issue his constituents addressed was the recreational license fee which they felt offered them nothing and had been arbitrarily assigned. He said his constituents did not mind paying the state park fee but were opposed to the recreational license fee.

REP. FELAND said he agreed with REP. GILBERT and REP. ORR since sportsmen are upset with the license.

REP. SCHWINDEN said the compelling argument to favor eliminating the \$5 fee is that constituents in House District 20, and neighboring district constituents, oppose the fee.

REP. WAGNER stated the recreational license fee was not as simple as fixing fences.

REP. BROOKE noted strong sentiment both for and against HB 288. Charging a fee for hunting and fishing on leased land is too narrow in scope, she said. She did not think the state had the right to charge a recreational license fee.

REP. SWANSON said the answer was not to cancel this recreational fee.

REP. GILBERT said the fee had nothing to do with schools.

REP. STOVALL noted 32,000 licenses had been sold thus far with only 16 complaints registered.

REP. RANEY asked staff attorney, Michael Kakuk to check in Montana codes to see if a maximum return is required. Mr. Kakuk said there was nothing in the constitution requiring a maximum return from school trust lands.

Motion/Vote: REP. FOSTER MOVED HB 205 BE TABLED. Motion carried 9 to 7. EXHIBIT 2

REP. RANEY reminded CHAIRMAN KNOX that the only way to get HB 205 onto the floor would be through a motion.

#### EXECUTIVE ACTION ON HB 192

Motion: REP. FOSTER MOVED HB 192 DO PASS.

Motion/Vote: REP. FOSTER moved to adopt amendments to HB 192. EXHIBIT 3

Discussion: REP. RANEY urged the committee not to throw away HB 192.

REP. FOSTER noted the purpose of the amendments is to further define justifiable direct and indirect costs and to give DNRC ability to refuse to conduct a high hazard dam inspection if resources to do so aren't available.

REP. FAGG said he supported the amendments.

REP. RANEY said if one favored DNRC doing the dam inspections, then the amendments were good.

Vote: TO ADOPT AMENDMENTS TO HB 192. Motion carried with REPS. RANEY, BIRD, BROOKE, FELAND and HARPER opposing the motion.

REP. FOSTER said this issue has been talked to the point of disbelief.

REP. FAGG said he agreed with the intent of the bill but added he could foresee DNRC sending people to dam school to learn

inspection.

REP. FOSTER reminded the committee that not all state employees were qualified to be dam inspectors. He said he likes privatization, but when talking about private engineers doing dam inspections, he is opposed.

REP. HARPER said he would favor an amendment allowing for the responsible parties to be sued.

REP. BROOKE said she opposed the bill.

REP. SWANSON asked if there was a way to limit state responsibility?

REP. FAGG replied he did not believe so. He said he opposed the bill because of state liability, the tremendous pressure put on DNRC and the fact that HB 192 would take work away from the private sector.

REP. STOVALL said ranchers could not afford the liability cost for a private inspector.

REP. FOSTER asked what the state will gain by having DNRC do these inspections?

REP. RANEY said if the legislature wants the state to do these inspections, there should be an FTE (full time employee) hired, like the air quality bureau. He said as much as REP. FOSTER wants to offer relief, there is no real relief as the bill is written.

REP. HARPER said dams and water storage are a huge problem in Montana and there is insufficient funding for inspection. If one wants to be serious about this issue, REP. HARPER suggested looking at the water user fee. He said the full spectrum of need should be analyzed.

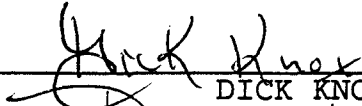
Motion/Vote: REP. FAGG MOVED HB 192 BE TABLED. Motion carried unanimously.

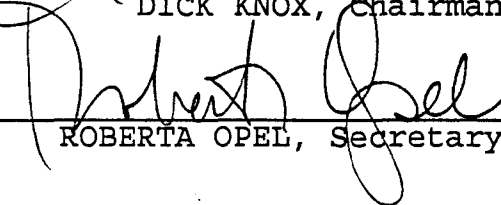
January 29, 1993

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ADJOURNMENT

Adjournment: 6:30

  
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DICK KNOX, Chairman

  
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ROBERTA OPEL, Secretary

DK/ro

HOUSE OF REPRESENTATIVES  
53RD LEGISLATURE - 1993  
NATURAL RESOURCES COMMITTEE

ROLL CALL

DATE

1/29/93

NAME	PRESENT	ABSENT	EXCUSED
REP. DICK KNOX, CHAIRMAN	✓		
REP. ROLPH TUNBY, VICE CHAIRMAN	✓		
REP. JODY BIRD	✓		
REP. VIVIAN BROOKE	✓		
REP. RUSS FAGG	✓		
REP. GARY FELAND	✓		
REP. MIKE FOSTER	✓		
REP. BOB GILBERT	✓		
REP. HAL HARPER	✓		
REP. SCOTT ORR	✓		
REP. BOB RANEY	✓		
REP. DORE SCHWINDEN	✓		
REP. JAY STOVALL	✓		
REP. EMILY SWANSON	✓		
REP. HOWARD TOOLE	✓		
REP. DOUG WAGNER	✓		

HR:1993  
wp.rollcall.man  
CS-09

## TABLED BILL

Natural Resources

2-1-93

93

Name of Committee

Date

, 19

HB 205

The following bill

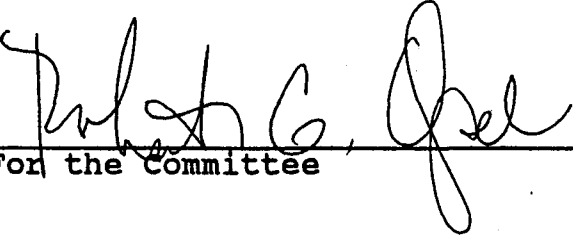
Friday, January 29, 1993

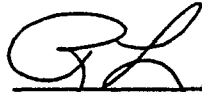
93

was TABLED, by motion, on

, 19

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For the Committee

  
For the Chief Clerk

Time

10:28AM

Date

2/1/93

CS-04  
1991



# TABLED BILL

Natural Resources

2-1-93

93

Name of Committee

Date

, 19

HB 192

The following bill

Friday, January 29, 1993

93

was TABLED, by motion, on

, 19

  
For the Committee

  
For the Chief Clerk

Time

10:28 AM

Date

2/1/93

CS-04  
1991

EXHIBIT 1  
DATE -29-93  
HB 288

Amendments to House Bill No. 288  
First Reading Copy

Requested by Rep. Feland  
For the Committee on Natural Resources

Prepared by Todd Everts, Committee Staff  
January 28, 1993

1. Title, line 9.  
Following: "REPORTS;"  
Strike: "PROVIDING FOR AN IDLE WELL FEE IN LIEU OF A BOND;"
2. Page 3, line 4.  
Following: "or"  
Insert: "or"
3. Page 3, line 5.  
Following: "or"  
Strike: "(iii) as provided under rules adopted by the board, an annual idle well fee in lieu of a bond has been paid; or"

EXHIBIT 2  
 DATE 1-29-93  
 HB 205

HOUSE OF REPRESENTATIVES

Natural Resources COMMITTEE

BILL NO. 205

ROLL CALL VOTE TD Table

DATE 1-29-93

NAME	AYE	NO	
Jody Bird	2		
Vivian Brooke	2		
Rugg Fagg	2		
Gary Feland	0		
Mike Foster		2	
Bob Gilbert		2	
Hal Harper	2		
Scott Orr		2	
Bob Raney		2	
Dore Schwinden		2	
Jay Stovall	2		
Emily Swanson		2	
Howard Toole	2		
Doug Wagner	2		
Rolph Tunby, Vice Chairman	2		
Dick Knox, Chairman		2	

Amendments to House Bill No. 192  
First Reading Copy

Requested by Rep. Foster  
For the Committee on Natural Resources

Prepared by Michael S. Kakuk  
January 25, 1993

1. Page 2, line 3.

Following: "the"

Strike: "full"

Insert: "justifiable direct and indirect"

2. Page 2, line 7.

Following: "section."

Insert: "The department may decline to conduct an inspection required under this chapter based on available department resources or other reasonable considerations. A department decision not to conduct an inspection does not relieve a dam owner from the responsibility to complete the periodic dam inspections required under this chapter."

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

Natural Resources

COMMITTEE

BILL NO. KB 288

DATE 1-29-93

SPONSOR(S)

REP. FELAND

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Doug Abelin	N. MONTANA OIL & GAS	As Amended X	
Kneelon Teague	No. Mont. OGG Association	As Amended X	
Tom Richmond	MT. BOARD OF OIL & GAS	X	
Monte Mason	DEPT. OF STATE LANDS		
Janelle Fallon	MT Petroleum Ass'n	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.