

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By CHAIRMAN ERNEST BERGSAGEL, on January 17, 1997, at 8:00 A.M., in Room 317 of the State Capitol.

ROLL CALL

Members Present:

Rep. Ernest Bergsagel, Chairman (R)
Sen. Thomas A. "Tom" Beck, Vice-Chairman (R)
Sen. John "J.D." Lynch (D)
Rep. Matt McCann (D)
Rep. Tom Zook (R)

Members Excused: none

Members Absent: none

Staff Present: Nan LeFebvre, Legislative Fiscal Division
Debbie Rostocki, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HOUSE BILL 11 - Treasure State
Endowment Program
Executive Action: HOUSE BILLS 10 and 12

An agenda for the meeting was distributed. EXHIBIT 1

HEARING ON HB 11 - TREASURE STATE ENDOWMENT PROGRAM PROJECT NO. 14 - LEWIS AND CLARK COUNTY

Mr. Jim Edgcomb, Department of Commerce, explained the proposal (pp. 97-101, TSEP Program Legislative Report).
{Tape:1; Side:a; Approx. Time Count:1.0-2.2}

Mr. Mike Murray, Lewis and Clark County Commissioner, introduced Mr. Tim Burton, Lewis and Clark County Chief Administrative Officer, who spoke briefly. Questions were asked.

CHAIRMAN BERGSAGEL stated that, because there was no fee schedule associated with bridges, it was more difficult to assess what level of state funding was appropriate. VICE CHAIRMAN BECK pointed out that water and sewer grants were strictly city and town grants; bridge projects are where the TSEP money could help the county governments.

{Tape:1; Side:a; Approx. Time Count:13.7-20.1}

Mr. Mike Batista then testified on behalf of the Department of Justice, the Law Enforcement Academy and the State Fire Marshall's Office in support of the grant application. Mr. Greg Noose, Law Enforcement Academy Administrator, expressed concern about fire protection and safety due to the closure of the bridge.

{Tape:1; Side:a; Approx. Time Count:20.2-24.2}

HEARING ON TSEP PROJECT NO. 32- CITY OF HARDIN

Mr. Jim Edgecomb reviewed the proposal (pp. 189-193, TSEP Legislative Report).

{Tape:1; Side:a; Approx. Time Count:24.2-26.2}

HEARING ON TSEP PROJECT NO. 39 - CITY OF HARLEM

Mr. Robb McCracken, Dept. of Commerce, reviewed the recommendations for this project (pp. 229-234, TSEP Legislative Report). Ms. Diane Peterson, current Mayor of Harlem, stated that an engineering report had not been prepared because the city did not have the funds to have one done.

Mr. Richard Mohar, Public Works Director for the City of Harlem, spoke; see written testimony EXHIBIT 2.

{Tape:1; Side:A; Approx. Time Count:30.7-1:B:3.6}

Mayor Peterson presented a letter from Ms. Marie Scheafer in support of the project. EXHIBIT 3 Mrs. Ann Azure, Harlem, spoke of her experiences EXHIBIT 4; Mr. Victor Miller, Blaine County Commissioner, rose in support of funding. EXHIBIT 5

{Tape:1; Side:B; Approx. Time Count:3.7-18.7}

Questions were asked. REP. MCCANN explained that this project started out as a \$600,000 project but it has grown to \$2.5 million and is at the top of the federal government's priority list for flood control projects funding in Montana. The TSEP grant money would enable the city to do the excavation, etc. required to qualify for the federal funding.

Mr. Dick King, Bearpaw Development, rose in support of an annual funding competition for TSEP monies.

DISCUSSION ON BRIDGE FUNDING

Mr. Robb McCracken passed out draft recommendations from the Department of Commerce (DOC) which reflected the Committee's input regarding bridge project funding under the TSEP. EXHIBIT 6 He stated that DOC is also looking at prioritizing its other criteria. SEN. LYNCH wanted reassurances that, under option no. 2, eight mills' worth of funds would actually go towards bridges, and this would be an ongoing commitment. Mr. McCracken asked for additional time to finalize the recommendations and agreed to report back to the Committee in two to three weeks.

{Tape:2; Side:a; Approx. Time Count:0.0-9.3}

A copy of the project evaluations and funding recommendations for the Renewable Resource Grant and Loan Program was distributed.

EXHIBIT 7

EXECUTIVE ACTION ON HOUSE BILL 10

Motion/vote: SEN. LYNCH moved to accept the amendments to HB 10 offered by REP. JOE QUILICI on January 13, 1997, including an additional technical amendment; motion carried unanimously.

EXHIBIT 8

Ms. LeFebvre distributed a summary of how HB 10 would read, as amended by the Committee. EXHIBIT 9

Motion/vote: SEN. LYNCH moved that HB 10 DO PASS AS AMENDED. Motion carried.

Motion/vote: REP. ZOOK moved that the committee reconsider its action on HB 10; motion carried with SENS. LYNCH and BECK opposed.

Motion: SEN. LYNCH moved that HB 10 DO PASS AS AMENDED.
{Tape:2; Side:a; Approx. Time Count:9.4-14.7}

Discussion: The committee then reviewed the revised bill section by section (EXH. 9). Mr. Jim Nolan, Department of Public Health and Human Services, explained that the remainder of the \$4 million low income weatherization budget came from federal grants and the \$6 million Low Income Energy Assistance Program (LIEAP) is also funded by the federal government. Ending fund balances provide for carry-over of funds in the LIEAP program but the weatherization program uses all of its funds every year.
{Tape:1; Side:a; Approx. Time Count:14.8-21.5}

In response to CHAIRMAN BERGSAGEL, Mr. Van Jamison, Department of Environmental Quality (DEQ), said that a very small amount of the money appropriated under Section 6 (Recommissioning state-owned buildings) will be used for administration purposes. In response to SEN. BECK, Ms. LeFebvre explained that this is a new program, similar to the State Building Energy Conservation Program (SBECP), but on a smaller scale. Mr. Jamison said the SBECP was set up so that the state agencies are not allowed to keep any savings realized through the program, because it is difficult to verify the savings.

Mr. Tom Livers, DEQ, told the Committee how they planned to verify the program's effectiveness and discussed future options for funding the administration of the program.
{Tape:2; Side:a; Approx. Time Count:26.3-28.5}

Motion/vote: SEN. LYNCH moved to adopt Option No. 3 on p. 1 of EXH. 9 (to allow agencies to keep the savings realized from reduced energy consumption); motion carried unanimously.
{Tape:2; Side:b; Approx. Time Count:0.0-1.7}

Discussion: Discussion took place regarding the merits and financing of the program to reduce petroleum use in the Yellowstone region. **Mr. Bill Cloud**, Department of Transportation (MDT), gave some background on the Greater Yellowstone Rural Intelligent Transportation Systems (ITS) Corridor project. Questions were asked. MDT is providing \$40,000 towards the \$125,000 match (about 1/3), but is looking for the remainder from the other states the corridor passes through. **Mr. Jamison** said he was not aware the MDT was providing \$40,000 until recently, and had been under the impression the \$50,000 under **HB 10** was going to be the only available matching money.

{Tape:2; Side:b; Approx. Time Count:1.8-13.1}

Mr. Jamison explained that the other \$25,000 being requested under Section 8 (Reduce petroleum use in Yellowstone region) of **HB 10** was to continue the work in two-stroke engines with alternative fuels and bio-based lubricating fluids. This research is taking place in Yellowstone Park but will benefit Montana's agricultural community.

Motion: **REP. MCCANN** moved zero funding for the Greater Yellowstone Corridor Project. Discussion.

Substitute motion: **SEN. LYNCH** made a **substitute motion** to reduce the level of funding in Section 8 (Reduce petroleum use in Yellowstone region - see **EXH. 9**) to \$25,000 and to increase the level of funding under Section 14 (low-income home weatherization) by \$50,000. It was clarified that the motion would also strike the words "and to develop means of increasing energy-efficient tourist travel in the region."

Vote: The question was called for; motion **carried** with **CHAIRMAN BERGSAGEL** voting no.

{Tape:2; Side:b; Approx. Time Count:16.2-22.0}

Discussion: **Mr. Jamison** explained what was proposed under the provisions of Sections 10 (recycling of mercury-containing lamps) and 11 (home energy rating system) of **HB 10**.

{Tape:2; Side:b; Approx. Time Count:22.9-27.3}

Mr. John Craig, MDT Planning Division, explained Section 12 (appropriation to MDT for energy-efficient transportation grants to local governments) of **HB 10**. Questions were asked.

{Tape:2; Side:b; Approx. Time Count:27.4-3:a:3.1}

Motion/vote: **REP. ZOOK** moved to provide zero funding under Section 12 of **HB 10**. Motion **carried** with **SEN. LYNCH** opposed.

{Tape:3; Side:a; Approx. Time Count:3.2-4.0}

Discussion: **Ms. LeFebvre** explained the provisions of New Section 13 (Energy Share foundation) of **HB 10**. **Mr. Nolan** reviewed the recommendations of the Governor's Advisory Council regarding Energy Share. He explained that if the money was not appropriated, Energy Share would like the appropriation to be

moved to Section 4 (appropriation for Energy Share) if this section is not passed. Discussion took place.

{Tape:3; Side:a; Approx. Time Count:4.0-11.3}

EXHIBIT 10

Motion/vote: SEN. LYNCH moved to appropriate the \$100,000 which the committee voted not to appropriate under Section 12 (energy-efficient transportation grants) under New Section 5 (Low-income home weatherization) of **HB 10**, and to re-arrange the priority for funding, with funding for low-income home weatherization (Section 14) to have a higher priority than funding for an Energy Share foundation (Section 13). Motion **carried** unanimously.

{Tape:3; Side:a; Approx. Time Count:11.4-12.3}

Discussion: Discussion resumed regarding funding for an Energy Share foundation. **Ms. Rachel Haberman**, Energy Share of Montana, said she believed the Low Income Energy Advisory Council's recommendations were to ask the utility companies to donate to the proposed foundation for a 50% tax credit. It was brought out that if the money was appropriated but the bill establishing the foundation did not pass, the appropriation would become available for appropriation by the next Legislature.

Ms. LeFebvre reviewed the provisions of Sections 15 (DEQ appropriation from non-stripper well funds) and 16 (appropriation prioritization) of **HB 10**.

Motion/vote: SEN. LYNCH then called for the question on his original motion that **HB 10 DO PASS AS AMENDED**, including the amendments made while his motion was on the table; motion **carried** unanimously.

{Tape:3; Side:a; Approx. Time Count:17.8-18.0}

EXECUTIVE ACTION ON HB 12

Ms. LeFebvre distributed several proposed amendments to **HB 12**.
EXHIBIT 11

Motion: SEN. BECK moved that **HB 12 DO PASS**.

Substitute Motion: SEN. LYNCH moved to amend **HB 12** as outlined on **EXHIBIT 11**.

Discussion: **Mr. Livers** explained that the proposed amendment would ensure that whenever state financing is involved, incremental savings would revert to the State. MSU Northern was able to retain its savings through the InterCap Revenue Bond program and this amendment would correct that.

{Tape:3; Side:a; Approx. Time Count:18.1-22.2}

Vote: The question was called for and the motion **carried** unanimously.

Discussion: Ms. LeFebvre then reviewed the provisions in HB 12.
EXHIBIT 12

Questions were asked. Mr. Jamison pointed out that when the remaining balance at the end of the year was swept into the Long Range Building Program account, the sums represented the actual savings to the State from the SBECF. He reviewed the history of the program.

{Tape:3; Side:a; Approx. Time Count:23.2-28.9}

Motion/vote: SEN. LYNCH moved that HB 12 DO PASS AS AMENDED; motion carried unanimously.

{Tape:3; Side:a; Approx. Time Count:29.0-end}

Discussion: Ms. LeFebvre distributed copies of a grants evaluation summary which the Montana Arts Council had provided. She pointed out that there was a section in HB 9 which appropriated to the Arts Council up to \$11,000 out of reverted grant monies to do project evaluations; if there are no reverted monies no evaluations are done. **EXHIBIT 13**

{Tape:3; Side:b; Approx. Time Count:0.0-3.7}

ADJOURNMENT

Adjournment: 11:00 a.m.



REP. ERNEST BERGSAGEL, Chairman



DEBBIE ROSTOCKI, Secretary

EB/DR