

HOUSE BILL 160

IN THE HOUSE

January 13, 1979

Introduced and referred to
Committee on Natural Resources.

House BILL NO. 160

1 2 INTRODUCED BY Frates

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE A MORATORIUM
5 ON COAL STRIP-MINE DEVELOPMENT PENDING RESOLUTION OF THE
6 PRESENT COURT CHALLENGE TO THE VALIDITY OF MONTANA'S COAL
7 SEVERANCE TAX; PROVIDING AN EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Moratorium on approval of coal strip-mining
11 plans. (1) Notwithstanding the provisions of 82-3-101
12 through 82-3-110, the department of state lands may not
13 approve any strip-mining plan submitted after [the effective
14 date of this act], pursuant to 82-3-101 through 82-3-108,
15 until final resolution of the current court challenge to the
16 validity of Montana's coal severance tax. Upon final
17 resolution of the court case, this section is repealed.

18 (2) Final resolution means either:

19 (a) a legally enforceable agreement between all
20 parties to the action; or

21 (b) a decision of a court, either state or federal,
22 from which no appeal may be taken.

23 Section 2. Moratorium on approval of coal strip-mine
24 permits. (1) Notwithstanding the provisions of 82-4-101
25 through 82-4-142, the department of state lands may not

1 approve any coal strip-mine permit submitted after [the
2 effective date of this act], pursuant to 82-4-101 through
3 82-4-130, until final resolution of the current court
4 challenge to the validity of Montana's coal severance tax.
5 Upon final resolution of the coal case, this section is
6 repealed.

7 (2) Final resolution means either:

8 (a) a legally enforceable agreement between all
9 parties to the action; or
10 (b) a decision of a court, either state or federal,
11 from which no appeal may be taken.

12 Section 3. Moratorium on approval of coal strip-mine
13 permits and prospecting permits. (1) Notwithstanding the
14 provisions of 82-4-201 through 82-4-254, the department of
15 state lands may not approve any coal strip-mine permit or
16 prospecting permit submitted after [the effective date of
17 this act], pursuant to 82-4-201 through 82-4-242, until
18 final resolution of the current court challenge to the
19 validity of Montana's coal severance tax. Upon final
20 resolution of the court case, this section is repealed.

21 (2) Final resolution means either:

22 (a) a legally enforceable agreement between all
23 parties to the action; or

24 (b) a decision of a court, either state or federal,
25 from which no appeal may be taken.

HB 160

INTRODUCED BILL

LC 0177/01

1 Section 4. Effective date. This act is effective upon
2 passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 349-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 1979, there is hereby submitted a Fiscal Note for House Bill No. 160 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill No. 160 would impose a moratorium on coal strip-mine development pending resolution of the present court challenge to the validity of Montana's coal severance tax.

COMMENTS:

The Department has no data which can be used as a base for an estimate of the fiscal impact of House Bill No. 160.

The Department has applications pending for three new mines and seven existing mine expansions. The total number of acres involved in these applications is 11,335. The estimated production of these acres is only known for NERCO's Spring Creek Mine (10 million tons per year) and Shell Oil Company's "Pearl" Mine (2 million tons per year). It would be expected that most of these applications would be issued in late 1979 or 1980.

Applications are expected for three new mines within the next two years; however, none of these would be in operation before 1981. Applications are expected from MONTCO "Nance" Mine, Burlington Northern, and Consolidated Coal.

None of Montana's existing coal permits are due for renewal before 1982.

The Department also permits approximately 25 Prospecting Permits each year.

A filing fee of \$50.00 is received with each Surface Mining Application and \$100.00 with each Prospecting Permit Application.

Richard L. Drury for

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/16/79