

HOUSE BILL NO. 718

INTRODUCED BY ELLISON, McLANE, MARKS, CURTISS, CONROY,
MOORE, UNDERDAL, SEIFERT, HEMSTAD, BURNETT, SCHULTZ,
KANDUCH, ASAY, PHILLIPS, ERNST, STOBIE, C. SMITH,
DEVLIN, WINSLOW, THOFT, DONALDSON, JENSEN, MATSKO,
FEDA, QUILICI, PAVLOVICH, ELLERD, SPILKER

IN THE HOUSE

February 11, 1981	Introduced and referred to Committee on Natural Resources.
February 13, 1981	Fiscal note requested.
February 18, 1981	Fiscal note returned.
March 27, 1981	Committee recommend bill do pass as amended. Report adopted.
March 28, 1981	Bill printed and placed on members' desks. Second reading, pass consideration.
March 30, 1981	Second reading, pass consideration. On motion rules suspended and bill allowed to be transmitted by the 75th day. Motion adopted.
April 1, 1981	Second reading, do pass as amended. On motion rules suspended and bill placed on third reading this day. Third reading, passed. Ayes, 72; Noes, 15. Transmitted to Senate.

IN THE SENATE

April 2, 1981 Introduced and referred to
 Committee on Taxation.

April 15, 1981 Committee recommend bill be
 concurred in as amended.
 Report adopted.

April 16, 1981 Second reading, pass considera-
 tion.

April 17, 1981 Second reading, concurred in
 as amended with statement of
 intent.

 On motion rules suspended. Bill
 placed on calendar for third
 reading this day.

 Third reading, concurred in
 as amended. Ayes, 39; Noes, 10.

IN THE HOUSE

April 20, 1981 Returned from Senate with
 amendments and statement of
 intent.

April 22, 1981 Second reading, amendments
 concurred in.

 On motion rules suspended and
 bill placed on third reading
 this day.

 Third reading, amendments
 concurred in. Ayes, 87;
 Noes, 10.

April 23, 1981 Sent to enrolling.

 Reported correctly enrolled.

1 *House* HOUSE BILL NO. *718* *Included in Budget*

2 INTRODUCED BY *Edwin McLean Carter Conroy*
Robert Schwartz
John O'Sullivan
3 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE THE HARD-ROCK
4 MINING IMPACT BOARD; TO REQUIRE MINERAL DEVELOPERS TO SUBMIT *Ellis Spitzer*

6 AN ECONOMIC IMPACT PLAN TO THE BOARD; TO AUTHORIZE THE BOARD
7 TO ISSUE BONDS AND AWARD GRANTS TO IMPACTED UNITS OF LOCAL
8 GOVERNMENT; AND TO PLEDGE THE EARNINGS OF THE RESOURCE
9 INDEMNITY TRUST FUND TO PAY FOR THE BONDS ISSUED BY THE
10 BOARD; AMENDING SECTIONS 15-38-202 AND 82-4-335, MCA."

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 NEW SECTION. Section 1. Hard-rock mining impact
14 board. (1) There is a hard-rock mining impact board.

15 (2) The board consists of five members appointed by
16 the governor.

17 (3) The governor shall select the members of the board
18 from a panel recommended by the leaders of the senate and
19 the house of representatives. The panel shall include:

20 (a) two persons recommended by the president of the
21 senate;

22 (b) two persons recommended by the senate minority
23 leader;

24 (c) two persons recommended by the speaker of the
25 house of representatives;

1 (d) two persons recommended by the minority leader of
2 the house of representatives.

3 (4) The term of office for each board member is 4
4 years except that two members of the original board shall
5 serve 2-year terms thereby achieving a staggering of terms.
6 The members serving the 2-year terms will be selected by lot
7 at the first meeting of the board.

8 (5) The board may not include more than three persons
9 recommended by persons of the same political party.

10 (6) A vacancy shall be filled by appointment by the
11 governor and the person appointed shall serve for the
12 unexpired term of the member who vacated.

13 (7) Unless he is a full-time salaried officer or
14 employee of this state or of a political subdivision of this
15 state, each member is entitled to be paid \$50 for each day
16 in which he is actually and necessarily engaged in the
17 performance of board duties and he is also entitled to be
18 reimbursed for travel expenses, as provided for in 2-18-501
19 through 2-18-503, incurred while in the performance of board
20 duties. Members who are full-time salaried officers or
21 employees of this state or of a political subdivision of
22 this state are not entitled to be compensated for their
23 service as members but are entitled to be reimbursed for
24 travel expenses as provided for in 2-18-501 through
25 2-18-503.

1 (8) A majority of the membership constitutes a quorum
2 to do business. A favorable vote of at least a majority of
3 all members of a board is required to adopt any resolution,
4 motion, or other decision unless otherwise provided by law.

5 **NEW SECTION.** Section 2. Declaration of necessity and
6 purpose. The large-scale development of mineral deposits in
7 the state causes an influx of people into the area of the
8 development many times larger than the number of people
9 directly involved in the mining operation. This influx of
10 people and the corresponding increase in demand for local
11 government services creates a burden on the local taxpayer.
12 There is a significant lag time between the time when
13 additional services must be provided and the time when
14 additional tax revenue is available as a result of the
15 increased tax base. There is therefore a need to provide a
16 system to assist local government units in meeting the
17 initial financial impact of large-scale mineral development.

18 **NEW SECTION.** Section 3. Definitions. In [section 2
19 through section 11] the following definitions apply:

20 (1) "Board" means the hard-rock mining impact board
21 established in [section 1].

22 (2) "Bonds" include bonds, notes, warrants,
23 debentures, certificates of indebtedness, temporary bonds,
24 temporary notes, interim receipts, interim certificates, and
25 all instruments or obligations evidencing or representing

1 indebtedness or evidencing or representing the borrowing of
2 money or evidencing or representing a charge, lien, or
3 encumbrance on specific revenues, special assessments,
4 income, or property of a political subdivision, including
5 all instruments or obligations payable from a special fund.

6 (3) "Local government unit" includes a county, city,
7 town, or school district.

8 **NEW SECTION.** Section 4. Chairman -- meetings --
9 facilities. (1) The board shall elect a chairman from among
10 its members.

11 (2) The board shall meet quarterly and may meet at
12 other times as called by the chairman or a majority of the
13 members.

14 (3) The department of community affairs will provide
15 suitable office facilities and the necessary staff for the
16 board.

17 **NEW SECTION.** Section 5. Hard-rock mining impact board
18 -- general powers. The board may:

19 (1) retain professional consultants and advisors;

20 (2) adopt rules governing its proceedings;

21 (3) issue bonds pursuant to [section 6];

22 (4) award grants to local government units subject to
23 [section 7];

24 (5) accept grants and other funds to be used in
25 carrying out this part.

1 NEW SECTION. Section 6. Authority to issue bonds. (1)
 2 The board may issue and sell bonds of the state in such
 3 manner as it considers necessary and proper to provide funds
 4 to local government units impacted by mineral development.
 5 (2) The full faith and credit and taxing powers of the
 6 state shall be pledged for the payment of all bonds issued
 7 pursuant to this part.

8 NEW SECTION. Section 7. Basis for awarding grants.

- 9 (1) Grants shall be awarded on the basis of:
- 10 (a) need;
 - 11 (b) degree of severity of impact from mineral
 12 development;
 - 13 (c) availability of funds; and
 - 14 (d) degree of local effort in meeting its needs.

15 (2) In determining the degree of local effort, the
 16 board shall compare the anticipated millage rates needed to
 17 meet the needs of the impacted local government unit to the
 18 average millage rates levied by comparably sized local
 19 government units in the state. The board may not issue bonds
 20 to provide funds to local government units when their
 21 anticipated millage rates are less than the average millage
 22 rates levied by comparable local government units.

23 NEW SECTION. Section 8. Rate of interest on bonds to
 24 be determined by the board. Bonds issued by the board shall
 25 bear interest at such rate or rates as it shall determine.

1 NEW SECTION. Section 9. Limitation on bond issues and
 2 interest rates. The bonds issued by the board and the
 3 interest rates set by the board shall be fixed in such
 4 manner that the maximum amount of principal and interest to
 5 become due in any subsequent fiscal year on all outstanding
 6 bonds must not exceed one-half of the average annual amount
 7 expected to be available from the resource indemnity trust
 8 fund to retire the bonds.

9 NEW SECTION. Section 10. Impact plan to be submitted.

10 (1) Before a permit is issued under 82-4-335, the person
 11 seeking the permit shall submit to the affected counties and
 12 the board a statement describing the economic impact the
 13 mining development will have on local government units. The
 14 statement shall include:

- 15 (a) a timetable for development, including the opening
 16 date of the development and the estimated closing date;
- 17 (b) the estimated number of persons coming into the
 18 impacted area as a result of the development;
- 19 (c) the increased cost to local government units for
 20 police, fire, sewage, water treatment, schools, road
 21 construction and upkeep, education, and medical care, which
 22 can be expected as a result of the development;
- 23 (d) the financial assistance the developer will give
 24 to local government units to meet the increased demand for
 25 services.

1 (2) Upon receipt of the statement from the developer,
2 the board shall consult with the county as to the adequacy
3 of the statement. The board shall approve or reject the
4 statement within 30 days after the statement is submitted to
5 the board. The developer must commit himself to pay at least
6 two-thirds of the anticipated increased cost to local
7 government units resulting from the development or the
8 statement shall be rejected. The statement must be submitted
9 to the board at a regularly scheduled board meeting. If the
10 statement is approved, the board shall within 5 days notify
11 the board of land commissioners of its approval. If the
12 statement is rejected, the board shall provide the developer
13 in writing with specific reasons why the statement is
14 deficient.

15 **NEW SECTION.** Section 11. Permit procedure and review
16 of statement to run concurrently. It is intended that the
17 procedure for fulfilling the permit requirement of 82-4-335
18 and the review of the developer's statement by the board
19 under [section 10] are to run concurrently. If the
20 requirements for a permit prescribed in 82-4-335 have
21 otherwise been met, the board of land commissioners shall
22 issue a letter stating that the permit will be issued at
23 such time as the board has approved the statement of the
24 developer under [section 10].

25 Section 12. Section 15-38-202, MCA, is amended to

1 read:

2 "15-38-202. Investment of resource indemnity trust
3 account -- expenditure -- minimum balance. All moneys paid
4 into the resource indemnity trust account shall be invested
5 at the discretion of the board of investments. All the net
6 earnings accruing to the resource indemnity trust account
7 shall annually be added thereto until it has reached the sum
8 of \$10 million. Thereafter, ~~only~~ the net earnings may be
9 ~~appropriated and expended are deposited in the general fund~~
10 ~~subject to the prior pledge and appropriation of such~~
11 ~~earnings for the payment of hard-rock mining impact bonds~~
12 until the account reaches \$100 million. Thereafter, all net
13 earnings and all receipts shall be ~~appropriated--by--the~~
14 ~~legislature--and--expended~~ deposited in the general fund
15 subject to the prior pledge and appropriation of such
16 earnings for the payment of hard-rock mining impact bonds,
17 provided that the balance in the account may never be less
18 than \$100 million."

19 Section 13. Section 82-4-335, MCA, is amended to read:
20 "82-4-335. Operating permit. (1) No person shall
21 engage in mining or disturb land in anticipation of mining
22 in the state without first obtaining an operating permit
23 from the board to do so. A separate operating permit shall
24 be required for each mine complex. Prior to receiving an
25 operating permit from the board, any person must pay the

1 basic permit fee of \$25 and must submit an application on a
 2 form provided by the board, which shall contain the
 3 following information and any other pertinent data required
 4 by the rules:

5 ~~(1)~~(a) name and address of the operator and, if a
 6 corporation or other business entity, the name and address
 7 of its principal officers, partners, and the like and its
 8 resident agent for service of process, if required by law;

9 ~~(2)~~(b) minerals expected to be mined;

10 ~~(3)~~(c) a proposed reclamation plan;

11 ~~(4)~~(d) expected starting date of mining;

12 ~~(5)~~(e) a map showing the specific area to be mined and
 13 the boundaries of the land which will be disturbed,
 14 topographic detail, the location and names of all streams,
 15 roads, railroads, and utility lines on or immediately
 16 adjacent to the area, location of proposed access roads to
 17 be built and the names and addresses of the surface and
 18 mineral owners of all lands within the mining area, to the
 19 extent known to applicant;

20 ~~(6)~~(f) types of access roads to be built and manner of
 21 reclamation of road sites on abandonment; and

22 ~~(7)~~(g) a plan of mining which will provide, within
 23 limits of normal operating procedures of the industry, for
 24 completion of mining and associated land disturbances.

25 (2) Except as provided in subsection (3), the permit

1 provided for in subsection (1) may not be issued until the
 2 hard-rock mining board approves the plan submitted in
 3 compliance with [section 10]. If, however, all the
 4 requirements for obtaining an operating permit have been met
 5 except the approval of the hard-rock mining board, the board
 6 shall issue a letter stating that the permit will be issued
 7 at such time as the hard-rock mining board approves the
 8 statement of the developer under [section 10].

9 (3) Compliance with [section 10] is not required for
 10 exploration and bulk sampling for metallurgical testing when
 11 the aggregate samples are less than 10,000 tons."

-End-

STATE OF MONTANA

REQUEST NO. 377-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 17, 19 81, there is hereby submitted a Fiscal Note for House Bill 718 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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 718 creates a Hard-Rock Mining Impact Board; requires mineral developers to submit an economic impact plan to the Board; authorizes the Board to issue bonds and award grants to impacted units of local government and pledges investment earnings from the indemnity trust fund to pay for the bonds.

Assumptions

1. Money from the net earnings from the research indemnity trust fund will be available for Board and staff expenditures.
2. Administrative staff will consist of 3FTE's.
3. Board will hold 4 meetings a year plus attend interim hearings and informational meetings (90 man-days) at 50/day.
4. Approximately 750,000 per year would be made available for grants through bond issues.

Fiscal Impact

	<u>FY 1982</u>	<u>FY 1983</u>
Revenues: Earnings Indemnity Trust	120,783	126,873
Bond Issues	<u>750,000</u>	<u>750,000</u>
	<u>870,783</u>	<u>876,783</u>
Expenditures: Administrative	120,783	126,873
Grants	<u>750,000</u>	<u>750,000</u>
	<u>870,783</u>	<u>876,783</u>



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-81

STATE OF MONTANA

REQUEST NO. 377-81

FISCAL NOTE

Revised

Form BD-15

In compliance with a written request received February 17, 19 81, there is hereby submitted a Fiscal Note for House Bill 718 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).
^{Revised} 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 718 creates a Hard-Rock Mining Impact Board; requires mineral developers to submit an economic impact plan to the Board; authorizes the Board to issue bonds and award grants to impacted units of local government and pledges investment earnings from the indemnity trust fund to pay for the bonds.

Assumptions

1. The interest from the Resource Indemnity Trust Fund will total \$2.0 million in FY 82 and \$2.6 million in FY 83. One-half of this amount will be available to pay the annual principal and interest due on the bonds issued by the board and for Board and staff expenditures.
2. Assuming current interest rates and the issuance of a 20-year serial bond, \$8,000,000 in bonds would be issued in FY 82.
3. Board's administrative staff will consist of 3 FTE's.
4. Board will hold 4 meetings a year and attend interim hearings and informational meetings. Total 90 Board-days at \$50/day.

Fiscal Impact

<u>Revenue</u>	FY 82	FY 83
Bond issue available for grants throughout biennium	\$8,000,000	\$8,000,000

<u>Expenditure</u>	FY 82	FY 83
Interest Payment	\$ 879,217	\$1,173,127
Administrative expenses	120,783	126,873
TOTAL	<u>\$1,000,000</u>	<u>\$1,300,000</u>

Technical Note

Because Section 15-38-203 requires that interest on the resource indemnity trust fund be "expended to improve the total environment and rectify damage thereto", the interest earnings are currently placed in a clearance account until appropriated by the legislature. HB 718 requires them to be placed in the general fund, subject to the prior pledge and appropriation for the payment of the hard-rock mining impact bonds. Insuring that the interest funds are spent as required by 15-38-203 may be difficult if the funds are placed in the general fund.

Syle Manley, for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-19-81

STATE OF MONTANA

REQUEST NO. 377-81
revised

FISCAL NOTE

Form BD-15

In compliance with a written request received March 30, 19 81, there is hereby submitted a Fiscal Note for House Bill 718 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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 718 creates a Hard-Rock Mining Impact Board; requires mineral developers to submit an economic impact plan to the Board; authorizes the Board to issue bonds and award grants to impacted units of local government.

Assumptions

1. Board's administrative staff will consist of 3 FTE.
2. Board will hold 4 meetings a year and attend interim hearings and informational meetings. Total 90 Board days at \$50 per day.
3. Assume that there will be an appropriation from the Mines License Tax for administrative expenses.

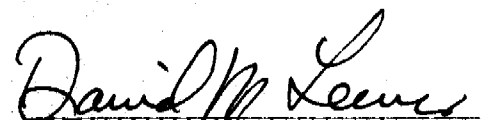
<u>Fiscal Impact</u>	<u>FY 1982</u>	<u>FY 1983</u>
Administrative Expenses	\$120,783	\$126,873

No data are available to estimate the property tax prepayments to the affected local government units or the revenue that would accrue to the Hard-Rock Mining Impact Fund.

The Department of Revenue's projection of the revenue that will accrue from the Metal Mines License Tax is \$2.0 million for each of the coming fiscal years.

Technical Note

The proposal specifies that the administrative and operating costs of the Board shall be paid by the proceeds of the Metal Mines License Tax (Section 4 (4)). This is in conflict with 15-1-501, MCA, which requires the state treasurer to deposit the revenue in the state general fund. Therefore, some modification in the proposal is needed.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: 4-1-81

Approved by Committee
on Natural Resources

1 HOUSE BILL NO. 718
2 INTRODUCED BY ELLISON, McLANE, MARKS, CURTISS, CONROY,
3 MOORE, UNDERDAL, SEIFERT, HEMSTAD, BURNETT, SCHULTZ,
4 KANDUCH, ASAY, PHILLIPS, ERNST, STOBIE, C. SMITH,
5 DEVLIN, WINSLOW, THOFT, DONALDSON, JENSEN, MATSKO,
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7
8 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE THE HARD-ROCK
9 MINING IMPACT BOARD; TO REQUIRE MINERAL DEVELOPERS TO SUBMIT
10 AN ECONOMIC IMPACT PLAN TO THE BOARD; TO AUTHORIZE THE BOARD
11 TO ~~ISSUE BONDS AND~~ AWARD GRANTS TO IMPACTED UNITS OF LOCAL
12 GOVERNMENT; ~~AND TO PLEDGE THE EARNINGS OF THE RESOURCE~~
13 ~~INDemnITY TRUST FUND TO PAY FOR THE BONDS ISSUED BY THE~~
14 ~~BOARD TO PROVIDE FOR TAX PREPAYMENT FOR LARGE-SCALE MINERAL~~
15 ~~DEVELOPMENTS; TO PROVIDE FOR THE ISSUANCE OF EDUCATION~~
16 ~~IMPACT BONDS; AMENDING SECTIONS 15-30-202 15-16-201 AND~~
17 ~~82-4-335, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."~~
18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
20 NEW SECTION. Section 1. Hard-rock mining impact
21 board. (1) There is a hard-rock mining impact board.
22 (2) The board consists of five members appointed by
23 the governor.
24 ~~(3) The governor shall select the members of the board~~
25 ~~from a panel recommended by the leaders of the senate and~~

1 ~~the house of representatives. The panel shall include:~~
2 ~~(a) two persons recommended by the president of the~~
3 ~~senate;~~
4 ~~(b) two persons recommended by the senate minority~~
5 ~~leader;~~
6 ~~(c) two persons recommended by the speaker of the~~
7 ~~house of representatives;~~
8 ~~(d) two persons recommended by the minority leader of~~
9 ~~the house of representatives.~~
10 (3) THE GOVERNOR SHALL SELECT FOUR OF THE MEMBERS OF
11 THE BOARD FROM A PANEL RECOMMENDED BY THE LEADERS OF THE
12 HOUSE OF REPRESENTATIVES AND THE SENATE.
13 (A) THE PANEL SHALL INCLUDE:
14 (I) TWO REPRESENTATIVES OF THE HARD-ROCK MINING
15 INDUSTRY;
16 (II) TWO REPRESENTATIVES OF MAJOR FINANCIAL
17 INSTITUTIONS IN MONTANA;
18 (III) TWO ELECTED SCHOOL DISTRICT TRUSTEES;
19 (IV) TWO ELECTED COUNTY COMMISSIONERS.
20 (B) THE FOLLOWING PROCEDURE MUST BE FOLLOWED TO SELECT
21 THE PANEL ESTABLISHED UNDER THIS SUBSECTION:
22 (I) THE SPEAKER OF THE HOUSE, THE PRESIDENT OF THE
23 SENATE, THE MINORITY LEADER OF THE HOUSE, AND THE MINORITY
24 LEADER OF THE SENATE SHALL EACH SELECT FOUR NOMINEES, ONE IN
25 EACH OF THE REQUIRED CATEGORIES. THE NOMINEES SHALL BE

1 SUBMITTED TO THE CHIEF CLERK OF THE HOUSE TO BE CONSOLIDATED
2 ON A LIST.

3 (II) THE CONSOLIDATED LIST MUST THEN BE CIRCULATED
4 AMONG THE LEADERSHIP IN THE FOLLOWING ORDER: MINORITY LEADER
5 OF THE SENATE, FIRST; MINORITY LEADER OF THE HOUSE, SECOND;
6 PRESIDENT, THIRD; AND SPEAKER, LAST. EACH LEADER SHALL
7 STRIKE TWO NOMINEES FROM THE LIST.

8 (III) WHEN STRIKING NAMES FROM THE NOMINATION LIST, THE
9 RESPECTIVE LEADER MAY NOT STRIKE A NAME IF IN REMOVING THAT
10 NAME THE REQUIRED REPRESENTATION ON THE PANEL WITH REGARD TO
11 NUMBER OR PARTY WOULD FALL BELOW THE NUMBER REQUIRED UNDER
12 THIS SUBSECTION AND SUBSECTION (7).

13 (IV) THE CHIEF CLERK OF THE HOUSE SHALL SUBMIT THE
14 NAMES REMAINING ON THE LIST TO THE GOVERNOR AND IT SHALL
15 CONSTITUTE THE PANEL REQUIRED BY THIS SUBSECTION.

16 (4) THE GOVERNOR SHALL SELECT THE FIFTH MEMBER OF THE
17 BOARD TO REPRESENT THE PUBLIC-AT-LARGE.

18 (5) The term of office for each board member is 4
19 years except that two members of the original board shall
20 serve 2-year terms thereby achieving a staggering of terms.
21 The members serving the 2-year terms will be selected by lot
22 at the first meeting of the board.

23 (6) UPON EXPIRATION OF A MEMBER'S TERM, THE GOVERNOR
24 SHALL APPOINT A SUCCESSOR ACCORDING TO THE PROCEDURES IN
25 SUBSECTIONS (3) AND (4).

1 ~~(5)(7)~~ The board may not include more than three
2 persons recommended by persons of the same political party.

3 ~~(6)(8)~~ A vacancy shall be filled by appointment by the
4 governor and the person appointed shall serve for the
5 unexpired term of the member who vacated. IN FILLING A
6 VACANCY, THE GOVERNOR SHALL APPOINT A NEW MEMBER TO
7 REPRESENT THE SAME INTEREST UNDER SUBSECTION (3)(A) AS THE
8 MEMBER WHO VACATED.

9 ~~(7)(9)~~ Unless he is a full-time salaried officer or
10 employee of this state or of a political subdivision of this
11 state, each member is entitled to be paid \$50 for each day
12 in which he is actually and necessarily engaged in the
13 performance of board duties and he is also entitled to be
14 reimbursed for travel expenses, as provided for in 2-18-501
15 through 2-18-503, incurred while in the performance of board
16 duties. Members who are full-time salaried officers or
17 employees of this state or of a political subdivision of
18 this state are not entitled to be compensated for their
19 service as members but are entitled to be reimbursed for
20 travel expenses as provided for in 2-18-501 through
21 2-18-503.

22 ~~(8)(10)~~ A majority of the membership constitutes a
23 quorum to do business. A favorable vote of at least a
24 majority of all members of a board is required to adopt any
25 resolution, motion, or other decision unless otherwise

1 provided by law.

2 (11) THE BOARD IS A QUASI-JUDICIAL BOARD; HOWEVER, THE
 3 PROVISIONS OF 2-15-124 DO NOT APPLY.

4 NEW SECTION. Section 2. Declaration of necessity and
 5 purpose. The large-scale development of mineral deposits in
 6 the state causes an influx of people into the area of the
 7 development many times larger than the number of people
 8 directly involved in the mining operation. This influx of
 9 people and the corresponding increase in demand for local
 10 government FACILITIES AND services creates a burden on the
 11 local taxpayer. There is a significant lag time between the
 12 time when additional FACILITIES AND services must be
 13 provided and the time when additional tax revenue is
 14 available as a result of the increased tax base. IN
 15 ADDITION, LOCAL GOVERNMENT UNITS IN WHATEVER JURISDICTION
 16 THE DEVELOPMENT IS NOT LOCATED MAY RECEIVE SUBSTANTIAL
 17 ADVERSE ECONOMIC IMPACTS WITHOUT BENEFIT OF A MAJOR
 18 INCREASED TAX BASE IN THE FUTURE. There is therefore a need
 19 to provide a system to assist local government units in
 20 meeting the initial financial impact of large-scale mineral
 21 development.

22 NEW SECTION. Section 3. Definitions. In [section 2
 23 through section 11] the following definitions apply:

24 (1) "Board" means the hard-rock mining impact board
 25 established in [section 1].

1 (2) "Bonds" include bonds, notes, warrants,
 2 debentures, certificates of indebtedness, temporary bonds,
 3 temporary notes, interim receipts, interim certificates, and
 4 all instruments or obligations evidencing or representing
 5 indebtedness or evidencing or representing the borrowing of
 6 money or evidencing or representing a charge, lien, or
 7 encumbrance on specific revenues, special assessments,
 8 income, or property of a political subdivision, including
 9 all instruments or obligations payable from a special fund.

10 (3) "Local government unit" ~~includes~~ MEANS A POLITICAL
 11 SUBDIVISION OF THIS STATE, INCLUDING BUT NOT LIMITED TO a
 12 county, city, town, or school district, OR OTHER SPECIAL
 13 DISTRICT.

14 (4) "LARGE-SCALE MINERAL DEVELOPMENT" MEANS A
 15 HARD-ROCK MINERAL DEVELOPMENT THAT WILL:

16 (A) EMPLOY AT ANY GIVEN TIME AT LEAST 100 PEOPLE IN
 17 CONSTRUCTION OF FACILITIES AND OPERATION OF A MINE; OR

18 (B) CAUSE, OR BE EXPECTED TO CAUSE, AN INCREASE IN
 19 ESTIMATED POPULATION OF AT LEAST 15% IN A COUNTY, TOWN,
 20 SCHOOL DISTRICT, OR OTHER GOVERNMENTAL UNIT WHEN MEASURED
 21 AGAINST THE AVERAGE POPULATION OF SUCH A GOVERNMENTAL UNIT
 22 IN THE 3-YEAR PERIOD IMMEDIATELY PRECEDING THE COMMENCEMENT
 23 OF MINING.

24 NEW SECTION. Section 4. Chairman -- meetings --
 25 facilities -- FUNDING. (1) The board shall elect a chairman

1 from among its members.

2 (2) The board shall ~~meet quarterly and may meet at~~
 3 ~~other times~~ AS NECESSARY as called by the chairman or a
 4 majority of the members.

5 ~~The department of community affairs will provide~~
 6 ~~suitable office facilities and the necessary staff for the~~
 7 ~~board.~~ THE BOARD IS ALLOCATED TO THE DEPARTMENT OF COMMUNITY
 8 AFFAIRS FOR ADMINISTRATIVE PURPOSES ONLY AS PROVIDED IN
 9 2-15-121.

10 (4) THE ADMINISTRATIVE AND OPERATING EXPENSES OF THE
 11 BOARD SHALL BE PAID FROM THE REVENUE GENERATED FROM THE
 12 LICENSE TAX ON METAL MINES IMPOSED UNDER TITLE 15, CHAPTER
 13 37.

14 (5) AN EARMARKED REVENUE FUND KNOWN AS THE HARD-ROCK
 15 MINERAL IMPACT FUND IS CREATED CONSISTING OF SUCH SUMS AS
 16 ARE PAID FROM TIME TO TIME TO THE BOARD BY THE DEVELOPER IN
 17 COMPLIANCE WITH THE WRITTEN GUARANTEE FROM THE DEVELOPER TO
 18 MEET THE INCREASED COSTS OF PUBLIC SERVICES AND FACILITIES
 19 AS SPECIFIED IN THE APPROVED IMPACT PLAN.

20 NEW SECTION. Section 5. Hard-rock mining impact board
 21 -- general powers. (1) The board may:

- 22 (1)(A) retain professional STAFF, consultants, and
- 23 advisors;
- 24 (2)(B) adopt rules governing its proceedings;
- 25 (3) ~~issue bonds pursuant to {section-6}~~

1 ~~(4)(C)~~ award grants to local government units subject
 2 to [section 7];

3 (D) MAKE PAYMENTS TO LOCAL GOVERNMENT UNITS FROM MONEY
 4 PAID TO THE HARD-ROCK MINERAL IMPACT FUND;

5 (E) MAKE DETERMINATIONS AS PROVIDED IN [SECTION 7];
 6 AND

7 ~~(5)(F)~~ accept grants and other funds to be used in
 8 carrying out this part.

9 (2) THE PROVISIONS OF THE MONTANA ADMINISTRATIVE
 10 PROCEDURE ACT APPLY TO THE PROCEEDINGS AND DETERMINATIONS OF
 11 THE BOARD.

12 ~~NEW SECTION. Section 6. Authority to issue bonds.~~
 13 ~~(1) The board may issue and sell bonds of the state in such~~
 14 ~~manner as it considers necessary and proper to provide funds~~
 15 ~~to local government units impacted by mineral development.~~
 16 ~~(2) The full faith and credit and taxing powers of the~~
 17 ~~state shall be pledged for the payment of all bonds issued~~
 18 ~~pursuant to this part.~~

19 NEW SECTION. Section 6. Basis for awarding grants.
 20 ~~(1)~~ Grants shall be awarded TO LOCAL GOVERNMENT UNITS on the
 21 basis of:

- 22 ~~(a)~~ (1) need;
- 23 ~~(b)~~ (2) degree of severity of impact from mineral
- 24 development;
- 25 ~~(c)~~ (3) availability of funds; and

1 (d) (4) degree EXTENT of local effort in meeting its
2 needs.

3 (2) in determining the degree of local effort, the
4 board shall compare the anticipated millage rates needed to
5 meet the needs of the impacted local government unit to the
6 average millage rates levied by comparably sized local
7 government units in the state. The board may not issue bonds
8 to provide funds to local government units when their
9 anticipated millage rates are less than the average millage
10 rates levied by comparable local government units.

11 NEW SECTION Section 8. Rate of interest on bonds to
12 be determined by the board. Bonds issued by the board shall
13 bear interest at such rate or rates as it shall determine.

14 NEW SECTION Section 9. Limitation on bond issues and
15 interest rates. The bonds issued by the board and the
16 interest rates set by the board shall be fixed in such
17 manner that the maximum amount of principal and interest to
18 become due in any subsequent fiscal year on all outstanding
19 bonds must not exceed one-half of the average annual amount
20 expected to be available from the resource indemnity trust
21 fund to retire the bonds.

22 NEW SECTION Section 7. Impact plan to be submitted.

23 (1) Before a permit is issued under 82-4-335, the person
24 seeking the permit shall submit to the affected counties and
25 the board a statement describing the economic impact the

1 mining development will have on local government units. The
2 statement shall include:

3 (a) a timetable for development including the opening
4 date of the development and the estimated closing date;

5 (b) the estimated number of persons coming into the
6 impacted area as a result of the development;

7 (c) the increased cost to local government units for
8 police, fire, sewerage, water treatment, schools, road
9 construction and upkeep, education, and medical care, which
10 can be expected as a result of the development;

11 (d) the financial assistance the developer will give
12 to local government units to meet the increased demand for
13 services.

14 (2) Upon receipt of the statement from the developer,
15 the board shall consult with the county as to the adequacy
16 of the statement. The board shall approve or reject the
17 statement within 30 days after the statement is submitted to
18 the board. The developer must commit himself to pay at least
19 two-thirds of the anticipated increased cost to local
20 government units resulting from the development or the
21 statement shall be rejected. The statement must be submitted
22 to the board at a regularly scheduled board meeting. If the
23 statement is approved, the board shall within 5 days notify
24 the board of land commissioners of its approval. If the
25 statement is rejected, the board shall provide the developer

1 ~~in writing with specific reasons why the statement is~~
2 ~~deficient.~~ WHEN AN APPLICATION FOR A PERMIT IS MADE UNDER
3 82-4-335 FOR A LARGE-SCALE MINERAL DEVELOPMENT, THE PERSON
4 SEEKING THE PERMIT SHALL SUBMIT TO THE AFFECTED COUNTIES AND
5 THE BOARD A STATEMENT DESCRIBING THE ECONOMIC IMPACT THE
6 MINING DEVELOPMENT WILL HAVE ON LOCAL GOVERNMENT UNITS AND
7 SHALL FILE PROOF OF SUCH SUBMISSION TO THE COUNTIES WITH THE
8 BOARD. THE GOVERNING BODIES OF THE AFFECTED COUNTIES SHALL
9 PUBLISH NOTICE OF THE SUBMISSION OF AN IMPACT PLAN AT LEAST
10 ONCE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY.
11 THE IMPACT STATEMENT SHALL INCLUDE:
12 (A) A TIMETABLE FOR DEVELOPMENT, INCLUDING THE OPENING
13 DATE OF THE DEVELOPMENT AND THE ESTIMATED CLOSING DATE;
14 (B) THE ESTIMATED NUMBER OF PERSONS COMING INTO THE
15 IMPACTED AREA AS A RESULT OF THE DEVELOPMENT;
16 (C) THE INCREASED CAPITAL AND OPERATING COST TO LOCAL
17 GOVERNMENT UNITS FOR PROVIDING SERVICES, INCLUDING BUT NOT
18 LIMITED TO POLICE AND FIRE PROTECTION, SEWAGE, WATER
19 TREATMENT, SCHOOLS, ROAD CONSTRUCTION AND UPKEEP, EDUCATION,
20 AND MEDICAL CARE, WHICH CAN BE EXPECTED AS A RESULT OF THE
21 DEVELOPMENT;
22 (D) THE FINANCIAL OR OTHER ASSISTANCE THE DEVELOPER
23 WILL GIVE TO LOCAL GOVERNMENT UNITS TO MEET THE INCREASED
24 NEED FOR SERVICES.
25 (2) IN THE IMPACT STATEMENT, THE DEVELOPER SHALL

1 COMMIT ITSELF TO PAY ALL OF THE INCREASED CAPITAL AND NET
2 OPERATING COST TO LOCAL GOVERNMENT UNITS THAT WILL BE A
3 RESULT OF THE DEVELOPMENT, EITHER FROM TAX PREPAYMENTS, AS
4 PROVIDED IN [SECTION 9], SPECIAL IMPACT BONDS, AS PROVIDED
5 IN [SECTION 10], OR OTHER FUNDS OBTAINED FROM THE DEVELOPER
6 AND SHALL PROVIDE A TIME SCHEDULE WITHIN WHICH IT WILL DO
7 SO.
8 (3) AN AFFECTED LOCAL GOVERNMENT UNIT SHALL, WITHIN 90
9 DAYS AFTER RECEIPT OF THE STATEMENT FROM THE DEVELOPER,
10 NOTIFY THE BOARD IN WRITING IF THAT LOCAL GOVERNMENT UNIT
11 OBJECTS TO THE STATEMENT, SPECIFYING THE REASONS WHY THE
12 STATEMENT IS OBJECTED TO. IF NO OBJECTION IS RECEIVED WITHIN
13 THE 90-DAY PERIOD, THE STATEMENT SHALL BE APPROVED BY THE
14 BOARD.
15 (4) IF OBJECTIONS ARE RECEIVED FROM A LOCAL GOVERNMENT
16 UNIT, THE BOARD SHALL PROMPTLY NOTIFY THE DEVELOPER AND
17 FORWARD A COPY OF THE LOCAL GOVERNMENT UNIT'S OBJECTIONS TO
18 THE DEVELOPER. IF WITHIN 30 DAYS THE LOCAL GOVERNMENT UNIT
19 AND THE DEVELOPER CANNOT RESOLVE THE OBJECTION, THE BOARD
20 SHALL CONDUCT A HEARING ON THE VALIDITY OF THE OBJECTIONS
21 WHICH SHALL BE HELD IN THE AFFECTED COUNTY OR, IF OBJECTIONS
22 ARE RECEIVED FROM LOCAL GOVERNMENT UNITS IN MORE THAN ONE
23 COUNTY, SHALL BE HELD IN THE COUNTY WHICH, IN THE BOARD'S
24 JUDGMENT, IS MORE GREATLY AFFECTED. THE PROVISIONS OF THE
25 MONTANA ADMINISTRATIVE PROCEDURE ACT SHALL APPLY TO THE

1 CONDUCT OF THE HEARING. THE IMPACT STATEMENT FILED BY THE
 2 DEVELOPER SHALL CARRY NO PRESUMPTION OF CORRECTNESS AT THE
 3 HEARING.

4 (5) FOLLOWING THE HEARING, THE BOARD SHALL, WITHIN 60
 5 DAYS, MAKE FINDINGS AS TO THOSE PORTIONS OF THE IMPACT
 6 STATEMENT WHICH WERE OBJECTED TO AND, IF APPROPRIATE, AMEND
 7 THE IMPACT STATEMENT ACCORDINGLY. THE FINDINGS AND IMPACT
 8 STATEMENT, AS AMENDED, SHALL BE SERVED BY THE BOARD UPON ALL
 9 PARTIES. ANY LOCAL GOVERNMENT UNIT OR THE DEVELOPER, IF
 10 AGGRIEVED BY THE DECISION OF THE BOARD, IS ENTITLED TO
 11 JUDICIAL REVIEW, AS PROVIDED BY TITLE 2, CHAPTER 4, PART 7,
 12 IN THE DISTRICT COURT IN AND FOR THE JUDICIAL DISTRICT IN
 13 WHICH THE HEARING WAS HELD.

14 NEW SECTION. Section 8. Permit procedure and review
 15 of statement to run concurrently. It is intended that the
 16 procedure for fulfilling the permit requirement of 82-4-335
 17 and the review of the developer's statement by the board
 18 under [section 10 7] are to run concurrently. if--the
 19 requirements--for--a--permit--prescribed--in--82-4-335--have
 20 otherwise--been--met,--the--board--of--land--commissioners--shall
 21 issue--a--letter--stating--that--the--permit--will--be--issued--at
 22 such--time--as--the--board--has--approved--the--statement--of--the
 23 developer--under--(section--10)。

24 Section--12,--Section--15-38-202,--MCA,--is--amended--to
 25 read:

1 ~~"15-38-202, investment of resource indemnity trust~~
 2 ~~account-- expenditure-- minimum balance. All moneys paid~~
 3 ~~into the resource indemnity trust account shall be invested~~
 4 ~~at the discretion of the board of investments. All the net~~
 5 ~~earnings accruing to the resource indemnity trust account~~
 6 ~~shall annually be added thereto until it has reached the sum~~
 7 ~~of \$10 million. Thereafter, only the net earnings may be~~
 8 ~~appropriated and expended or deposited in the general fund~~
 9 ~~subject to the prior pledge and appropriation of such~~
 10 ~~earnings for the payment of hard rock mining impact bonds~~
 11 ~~until the account reaches \$100 million. Thereafter, all net~~
 12 ~~earnings and all receipts shall be appropriated by the~~
 13 ~~legislature and expended deposited in the general fund~~
 14 ~~subject to the prior pledge and appropriation of such~~
 15 ~~earnings for the payment of hard rock mining impact bonds,~~
 16 ~~provided that the balance in the account may never be less~~
 17 ~~than \$100 million."~~

18 NEW SECTION. SECTION 9. TAX PREPAYMENT -- LARGE-SCALE
 19 MINERAL DEVELOPMENT. (1) AFTER PERMISSION TO COMMENCE
 20 OPERATION IS GRANTED BY THE APPROPRIATE GOVERNMENTAL AGENCY,
 21 AND UPON REQUEST OF THE BOARD OF COUNTY COMMISSIONERS OF A
 22 COUNTY IN WHICH A FACILITY IS TO BE LOCATED, A PERSON
 23 INTENDING TO CONSTRUCT OR LOCATE A LARGE-SCALE MINERAL
 24 DEVELOPMENT IN THIS STATE SHALL PREPAY PROPERTY TAXES IN AN
 25 AMOUNT EQUAL TO AT LEAST THREE TIMES THE ESTIMATED PROPERTY

1 TAX DUE THE YEAR THE LARGE-SCALE MINERAL DEVELOPMENT
 2 FACILITY COMMENCES OPERATION. THIS PREPAYMENT SHALL EXCLUDE
 3 THE 6-MILL UNIVERSITY LEVY AND THE MANDATORY COUNTY LEVY FOR
 4 THE SCHOOL FOUNDATION PROGRAM OF 40 MILLS.

5 (2) THE PERSON WHO IS TO PREPAY UNDER THIS SECTION
 6 SHALL NOT BE OBLIGATED TO PREPAY THE ENTIRE AMOUNT
 7 ESTABLISHED IN SUBSECTION (1) AT ONE TIME. UPON REQUEST OF
 8 THE GOVERNING BODY OF AN AFFECTED LOCAL GOVERNMENT UNIT, THE
 9 PERSON SHALL PREPAY THE AMOUNT SHOWN TO BE NEEDED FROM TIME
 10 TO TIME AS DETERMINED BY THE BOARD.

11 (3) THE PERSON WHO IS TO PREPAY SHALL GUARANTEE TO THE
 12 HARD-ROCK MINING BOARD, WITH APPROPRIATE BANK GUARANTIES AS
 13 MAY BE REQUIRED BY THE BOARD, THAT PROPERTY TAX PREPAYMENTS
 14 WILL BE PAID AS NEEDED FOR EXPENDITURES CREATED BY THE
 15 IMPACTS OF THE LARGE-SCALE MINERAL DEVELOPMENT.

16 (4) WHEN THE MINERAL DEVELOPMENT FACILITIES ARE
 17 COMPLETED AND ASSESSED BY THE DEPARTMENT OF REVENUE, THEY
 18 SHALL BE SUBJECT DURING THE FIRST 3 YEARS AND THEREAFTER TO
 19 TAXATION AS ALL OTHER PROPERTY SIMILARLY SITUATED, EXCEPT
 20 THAT IN EACH YEAR AFTER THE START OF PRODUCTION, THE LOCAL
 21 GOVERNMENT UNIT THAT RECEIVED A PROPERTY TAX PREPAYMENT
 22 SHALL PROVIDE FOR REPAYMENT OF PREPAID PROPERTY TAXES IN
 23 ACCORDANCE WITH SUBSECTION (5).

24 (5) A LOCAL GOVERNMENT UNIT THAT RECEIVED PROPERTY TAX
 25 PREPAYMENT UNDER THIS SECTION SHALL PROVIDE FOR REPAYMENT

1 ACCORDING TO THE FOLLOWING PROCEDURE:

2 (A) IN EACH YEAR AFTER THE COMMENCEMENT OF MINING, THE
 3 LOCAL GOVERNMENT SHALL:

4 (I) DIVIDE ITS BUDGET BY THE AVERAGE MILL LEVY OF ITS
 5 JURISDICTION DURING THE 3 YEARS IMMEDIATELY PRECEDING
 6 COMMENCEMENT OF MINING OPERATIONS, TO ARRIVE AT A TAXABLE
 7 VALUATION NEEDED TO FUND ITS BUDGET USING THE AVERAGE 3-YEAR
 8 MILL LEVY;

9 (II) REDUCE THE TAXABLE VALUATION OF PROPERTY OF A
 10 PERSON WHO PREPAID PROPERTY TAXES BY THE DIFFERENCE BETWEEN
 11 THE ACTUAL TAXABLE VALUE OF THE PERSON'S PROPERTY AND THE
 12 TAXABLE VALUE DETERMINED UNDER SUBSECTION (5)(A)(I).

13 (B) THE REDUCTION IN TAXABLE VALUE, IF ANY, DETERMINED
 14 UNDER SUBSECTION (5)(A)(II) TIMES THE AVERAGE MILL LEVY USED
 15 IN SUBSECTION (5)(A)(I) EQUALS THE PROPERTY TAX PREPAYMENT
 16 CREDIT ALLOWED FOR THE TAXABLE YEAR.

17 (C) THE PROCEDURE ESTABLISHED UNDER SUBSECTION (5)(A)
 18 SHALL CONTINUE FROM YEAR TO YEAR UNTIL THE TOTAL CREDIT
 19 ALLOWED THE PERSON WHO PREPAID PROPERTY TAXES EQUALS THE
 20 TOTAL PROPERTY TAXES PREPAID.

21 NEW SECTION. SECTION 10. EDUCATION IMPACT BONDS. (1)
 22 WHEN THE NEED FOR NEW SCHOOL FACILITIES IS DETERMINED, THE
 23 OWNERS OF A LARGE-SCALE MINERAL DEVELOPMENT MAY ENTER INTO A
 24 WRITTEN AGREEMENT WITH THE TRUSTEES OF A SCHOOL DISTRICT
 25 THAT HAS THE BURDEN FOR THE ISSUANCE OF BONDS TO COVER THE

COST OF SUCH NEW CONSTRUCTION. THE TRUSTEES OF A SCHOOL DISTRICT WILL EXECUTE A WRITTEN AGREEMENT WITH THE OWNER OF A LARGE-SCALE MINERAL DEVELOPMENT FOR THE ISSUANCE OF ANY SPECIAL INDUSTRIAL EDUCATIONAL IMPACT BONDS PROVIDED FOR IN THIS SECTION.

(2) THE AGREEMENT WITH THE OWNERS OF A LARGE-SCALE MINERAL DEVELOPMENT SHALL PROVIDE FOR A PAYMENT GUARANTEE, IN ADDITION TO THE TAXES IMPOSED BY THE SCHOOL DISTRICT ON PROPERTY OWNERS GENERALLY, OF THE PRINCIPAL AND INTEREST ON THE BONDS PROVIDED FOR IN THIS SECTION. PAYMENT WILL THEN BE MADE BY AN ANNUAL SPECIAL TAX LEVY ON THE PROPERTY OF THE LARGE-SCALE MINERAL DEVELOPMENT SUFFICIENT TO RETIRE THE PRINCIPAL AND INTEREST ON THESE SPECIAL IMPACT BONDS. THE BONDS SHALL NOT BE AN OBLIGATION OF THE TRUSTEES OR THE SCHOOL DISTRICT.

(3) THE DEBT LIMITS SET FORTH IN 20-9-406 AND THE PROVISIONS OF 20-9-410 AND 20-9-421 THROUGH 20-9-432, INCLUSIVE, DO NOT APPLY TO BONDS ISSUED IN ACCORDANCE WITH THIS SECTION. THE INTEREST ON SUCH BONDS SHALL NOT BE SUBJECT TO STATE TAXES.

SECTION 11. SECTION 15-16-201, MCA, IS AMENDED TO READ:

"15-16-201. Tax prepayment -- new industrial facilities. (1) A person intending to construct or locate a major new industrial facility, as defined in subsection (2)

of this section, shall upon request of the board of county commissioners of the county in which the facility is to be located, prepay, when permission is granted to construct or locate by the appropriate governmental agency, an amount equal to three times the estimated property tax due the year the facility is completed. The person who is to prepay under this section shall not be obligated to prepay the entire amount at one time but, upon request of the board of county commissioners of the county, shall prepay only that amount shown to be needed from time to time. To assure this payment or payments, the person who is to prepay shall guarantee to the board of county commissioners and also have a bank or banks guarantee that these amounts will be paid as needed for expenditures created by the impact. When the facility is completed and assessed by the department of revenue, it shall be subject during the first 3 years and thereafter to taxation as all other property similarly situated, except that one-fifth of the amount prepaid shall be allowed as a credit against property taxes in each of the first 5 years after the start of productive operation of the facility.

(2) A major new industrial facility is a manufacturing or mining facility other than a large-scale mineral development as defined in [section 3(4)] which will employ on an average annual basis at least 100 people in construction or operation of the facility and which will

1 create a substantial adverse impact on existing state,
2 county, or municipal services."

3 Section 12. Section 82-4-335, MCA, is amended to read:

4 "82-4-335. Operating permit. (1) No person shall
5 engage in mining or disturb land in anticipation of mining
6 in the state without first obtaining an operating permit
7 from the board to do so. A separate operating permit shall
8 be required for each mine complex. Prior to receiving an
9 operating permit from the board, any person must pay the
10 basic permit fee of \$25 and must submit an application on a
11 form provided by the board, which shall contain the
12 following information and any other pertinent data required
13 by the rules:

14 (1)(a) name and address of the operator and, if a
15 corporation or other business entity, the name and address
16 of its principal officers, partners, and the like and its
17 resident agent for service of process, if required by law;

18 (2)(b) minerals expected to be mined;

19 (3)(c) a proposed reclamation plan;

20 (4)(d) expected starting date of mining;

21 (5)(e) a map showing the specific area to be mined and
22 the boundaries of the land which will be disturbed,
23 topographic detail, the location and names of all streams,
24 roads, railroads, and utility lines on or immediately
25 adjacent to the area, location of proposed access roads to

1 be built and the names and addresses of the surface and
2 mineral owners of all lands within the mining area, to the
3 extent known to applicant;

4 (6)(f) types of access roads to be built and manner of
5 reclamation of road sites on abandonment; and

6 (7)(g) a plan of mining which will provide, within
7 limits of normal operating procedures of the industry, for
8 completion of mining and associated land disturbances.

9 (2) Except as provided in subsection (3), the permit
10 provided for in subsection (1) may not be issued until the
11 hard-rock mining board approves the plan submitted in
12 compliance with [section 10]. If, however, all the
13 requirements for obtaining an operating permit have been met
14 except the approval of the hard-rock mining board, the board
15 shall issue a letter stating that the permit will be issued
16 at such time as the hard-rock mining board approves the
17 statement of the developer under [section 10]. FOR A
18 LARGE-SCALE MINERAL DEVELOPMENT SHALL BE CONDITIONED TO
19 PROVIDE THAT MINING MAY NOT COMMENCE UNTIL THE HARD-ROCK
20 MINING BOARD APPROVES THE IMPACT PLAN UNDER [SECTION 7] AND
21 UNTIL THE PERMITEE HAS PROVIDED A WRITTEN GUARANTEE TO THE
22 DEPARTMENT AND TO THE HARD-ROCK MINING IMPACT BOARD OF
23 COMPLIANCE WITHIN THE TIME SCHEDULE WITH THE COMMITMENT MADE
24 IN THE IMPACT STATEMENT APPROVED BY THE HARD-ROCK MINING
25 IMPACT BOARD, AS PROVIDED IN [SECTION 7]. IF THE PERMITEE

1 DOES NOT COMPLY WITH THAT COMMITMENT WITHIN THE TIME
2 SCHEDULED, THE BOARD, UPON RECEIPT OF WRITTEN NOTICE FROM
3 THE HARD-ROCK MINING IMPACT BOARD, SHALL SUSPEND THE PERMIT
4 UNTIL IT RECEIVES WRITTEN NOTICE FROM THE HARD-ROCK MINING
5 IMPACT BOARD THAT THE PERMITTEE IS IN COMPLIANCE.

6 {3} Compliance with [section 7] is not required for
7 exploration and bulk sampling for metallurgical testing when
8 the aggregate samples are less than 10,000 tons."

9 SECTION 13. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
10 PASSAGE AND APPROVAL.

-End-

HOUSE BILL NO. 718

INTRODUCED BY ELLISON, McLANE, MARKS, CURTISS, CONROY, MOORE, UNDERDAL, SEIFERT, HEMSTAD, BURNETT, SCHULTZ, KANDUCH, ASAY, PHILLIPS, ERNST, STOBIE, C. SMITH, DEVLIN, WINSLOW, THOFT, DONALDSON, JENSEN, MATSKO, FEDA, QUILICI, PAVLOVICH, ELLERD, SPILKER

A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE THE HARD-ROCK MINING IMPACT BOARD; TO REQUIRE MINERAL DEVELOPERS TO SUBMIT AN ECONOMIC IMPACT PLAN TO THE BOARD; TO AUTHORIZE THE BOARD TO ISSUE BONDS AND AWARD GRANTS TO IMPACTED UNITS OF LOCAL GOVERNMENT; AND TO PLEDGE THE EARNINGS OF THE RESOURCE INDEMNITY TRUST FUND TO PAY FOR THE BONDS ISSUED BY THE BOARD; TO PROVIDE FOR TAX PREPAYMENT FOR LARGE-SCALE MINERAL DEVELOPMENTS; TO PROVIDE FOR THE ISSUANCE OF EDUCATION IMPACT BONDS; AMENDING SECTIONS 15-38-202 15-16-201 AND 82-4-335, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Hard-rock mining impact board. (1) There is a hard-rock mining impact board.

(2) The board consists of five members appointed by the governor.

(3) The governor shall select the members of the board from a panel recommended by the leaders of the senate and

the house of representatives. The panel shall include: (a) two persons recommended by the president of the senate; (b) two persons recommended by the senate minority leader; (c) two persons recommended by the speaker of the house of representatives; (d) two persons recommended by the minority leader of the house of representatives.

(3) THE GOVERNOR SHALL SELECT FOUR OF THE MEMBERS OF THE BOARD FROM A PANEL RECOMMENDED BY THE LEADERS OF THE HOUSE OF REPRESENTATIVES AND THE SENATE.

(A) THE PANEL SHALL INCLUDE:

- (I) TWO REPRESENTATIVES OF THE HARD-ROCK MINING INDUSTRY;
(II) TWO REPRESENTATIVES OF MAJOR FINANCIAL INSTITUTIONS IN MONTANA;
(III) TWO ELECTED SCHOOL DISTRICT TRUSTEES;
(IV) TWO ELECTED COUNTY COMMISSIONERS.

(B) THE FOLLOWING PROCEDURE MUST BE FOLLOWED TO SELECT THE PANEL ESTABLISHED UNDER THIS SUBSECTION:

(1) THE SPEAKER OF THE HOUSE, THE PRESIDENT OF THE SENATE, THE MINORITY LEADER OF THE HOUSE, AND THE MINORITY LEADER OF THE SENATE SHALL EACH SELECT FOUR NOMINEES, ONE IN EACH OF THE REQUIRED CATEGORIES. THE NOMINEES SHALL BE

1 SUBMITTED TO THE CHIEF CLERK OF THE HOUSE TO BE CONSOLIDATED
2 ON A LIST.

3 (II) THE CONSOLIDATED LIST MUST THEN BE CIRCULATED
4 AMONG THE LEADERSHIP IN THE FOLLOWING ORDER: MINORITY LEADER
5 OF THE SENATE, FIRST; MINORITY LEADER OF THE HOUSE, SECOND;
6 PRESIDENT, THIRD; AND SPEAKER, LAST. EACH LEADER SHALL
7 STRIKE TWO NOMINEES FROM THE LIST.

8 (III) WHEN STRIKING NAMES FROM THE NOMINATION LIST, THE
9 RESPECTIVE LEADER MAY NOT STRIKE A NAME IF IN REMOVING THAT
10 NAME THE REQUIRED REPRESENTATION ON THE PANEL WITH REGARD TO
11 NUMBER OR PARTY WOULD FALL BELOW THE NUMBER REQUIRED UNDER
12 THIS SUBSECTION AND SUBSECTION (7).

13 (IV) THE CHIEF CLERK OF THE HOUSE SHALL SUBMIT THE
14 NAMES REMAINING ON THE LIST TO THE GOVERNOR AND IT SHALL
15 CONSTITUTE THE PANEL REQUIRED BY THIS SUBSECTION.

16 (4) THE GOVERNOR SHALL SELECT THE FIFTH MEMBER OF THE
17 BOARD TO REPRESENT THE PUBLIC-AT-LARGE.

18 ~~(4)(5)~~ The term of office for each board member is 4
19 years except that two members of the original board shall
20 serve 2-year terms thereby achieving a staggering of terms.
21 The members serving the 2-year terms will be selected by lot
22 at the first meeting of the board.

23 (6) UPON EXPIRATION OF A MEMBER'S TERM, THE GOVERNOR
24 SHALL APPOINT A SUCCESSOR ACCORDING TO THE PROCEDURES IN
25 SUBSECTIONS (3) AND (4).

1 ~~(5)(7)~~ The board may not include more than three
2 persons recommended by persons of the same political party.

3 ~~(6)(8)~~ A vacancy shall be filled by appointment by the
4 governor and the person appointed shall serve for the
5 unexpired term of the member who vacated. IN FILLING A
6 VACANCY, THE GOVERNOR SHALL APPOINT A NEW MEMBER TO
7 REPRESENT THE SAME INTEREST UNDER SUBSECTION (3)(A) AS THE
8 MEMBER WHO VACATED.

9 ~~(7)(9)~~ Unless he is a full-time salaried officer or
10 employee of this state or of a political subdivision of this
11 state, each member is entitled to be paid \$50 for each day
12 in which he is actually and necessarily engaged in the
13 performance of board duties and he is also entitled to be
14 reimbursed for travel expenses, as provided for in 2-18-501
15 through 2-18-503, incurred while in the performance of board
16 duties. Members who are full-time salaried officers or
17 employees of this state or of a political subdivision of
18 this state are not entitled to be compensated for their
19 service as members but are entitled to be reimbursed for
20 travel expenses as provided for in 2-18-501 through
21 2-18-503.

22 ~~(8)(10)~~ A majority of the membership constitutes a
23 quorum to do business. A favorable vote of at least a
24 majority of all members of a board is required to adopt any
25 resolution, motion, or other decision unless otherwise

1 provided by law.

2 (1) THE BOARD IS A QUASI-JUDICIAL BOARD; HOWEVER, THE
3 PROVISIONS OF 2-15-124 DO NOT APPLY.

4 NEW SECTION. Section 2. Declaration of necessity and
5 purpose. The large-scale development of mineral deposits in
6 the state causes an influx of people into the area of the
7 development many times larger than the number of people
8 directly involved in the mining operation. This influx of
9 people and the corresponding increase in demand for local
10 government FACILITIES AND services creates a burden on the
11 local taxpayer. There is a significant lag time between the
12 time when additional FACILITIES AND services must be
13 provided and the time when additional tax revenue is
14 available as a result of the increased tax base. IN
15 ADDITION, LOCAL GOVERNMENT UNITS IN WHATEVER JURISDICTION
16 THE DEVELOPMENT IS NOT LOCATED MAY RECEIVE SUBSTANTIAL
17 ADVERSE ECONOMIC IMPACTS WITHOUT BENEFIT OF A MAJOR
18 INCREASED TAX BASE IN THE FUTURE. There is therefore a need
19 to provide a system to assist local government units in
20 meeting the initial financial impact of large-scale mineral
21 development.

22 NEW SECTION. Section 3. Definitions. In [section 2
23 through section 11] the following definitions apply:

24 (1) "Board" means the hard-rock mining impact board
25 established in [section 1].

1 (2) "Bonds" include bonds, notes, warrants,
2 debentures, certificates of indebtedness, temporary bonds,
3 temporary notes, interim receipts, interim certificates, and
4 all instruments or obligations evidencing or representing
5 indebtedness or evidencing or representing the borrowing of
6 money or evidencing or representing a charge, lien, or
7 encumbrance on specific revenues, special assessments,
8 income, or property of a political subdivision, including
9 all instruments or obligations payable from a special fund.

10 (3) "Local government unit" ~~includes~~ MEANS A POLITICAL
11 SUBDIVISION OF THIS STATE, INCLUDING BUT NOT LIMITED TO a
12 county, city, town, or school district, OR OTHER SPECIAL
13 DISTRICT.

14 (4) "LARGE-SCALE MINERAL DEVELOPMENT" MEANS A
15 HARD-ROCK MINERAL DEVELOPMENT THAT WILL:

16 (A) EMPLOY AT ANY GIVEN TIME AT LEAST 100 PEOPLE IN
17 CONSTRUCTION OF FACILITIES AND OPERATION OF A MINE; OR

18 (B) CAUSE, OR BE EXPECTED TO CAUSE, AN INCREASE IN
19 ESTIMATED POPULATION OF AT LEAST 15% IN A COUNTY, TOWN,
20 SCHOOL DISTRICT, OR OTHER GOVERNMENTAL UNIT WHEN MEASURED
21 AGAINST THE AVERAGE POPULATION OF SUCH A GOVERNMENTAL UNIT
22 IN THE 3-YEAR PERIOD IMMEDIATELY PRECEDING THE COMMENCEMENT
23 OF MINING.

24 NEW SECTION. Section 4. Chairman -- meetings --
25 facilities -- FUNDING. (1) The board shall elect a chairman

1 From among its members.

2 (2) The board shall meet quarterly and may meet at
3 other times AS NECESSARY as called by the chairman or a
4 majority of the members.

5 (3) The department of community affairs will provide
6 suitable office facilities and the necessary staff for the
7 board. THE BOARD IS ALLOCATED TO THE DEPARTMENT OF COMMUNITY
8 AFFAIRS FOR ADMINISTRATIVE PURPOSES ONLY AS PROVIDED IN
9 2-15-121.

10 (4) THE ADMINISTRATIVE AND OPERATING EXPENSES OF THE
11 BOARD SHALL BE PAID FROM THE REVENUE GENERATED FROM THE
12 LICENSE TAX ON METAL MINES IMPOSED UNDER TITLE 15, CHAPTER
13 37.

14 (5) AN EARMARKED REVENUE FUND KNOWN AS THE HARD-ROCK
15 MINERAL IMPACT FUND IS CREATED CONSISTING OF SUCH SUMS AS
16 ARE PAID FROM TIME TO TIME TO THE BOARD BY THE DEVELOPER IN
17 COMPLIANCE WITH THE WRITTEN GUARANTEE FROM THE DEVELOPER TO
18 MEET THE INCREASED COSTS OF PUBLIC SERVICES AND FACILITIES
19 AS SPECIFIED IN THE APPROVED IMPACT PLAN.

20 NEW SECTION. Section 5. Hard-rock mining impact board

21 general powers. (1) The board may:

22 (1)(A) retain professional STAFF, consultants, and
23 advisors;

24 (2)(B) adopt rules governing its proceedings;

25 (3) ~~issue bonds pursuant to section 6~~

1 (4)(C) award grants to local government units subject
2 to [section 7];

3 (D) MAKE PAYMENTS TO LOCAL GOVERNMENT UNITS FROM MONEY
4 PAID TO THE HARD-ROCK MINERAL IMPACT FUND;

5 (E) MAKE DETERMINATIONS AS PROVIDED IN [SECTION 7];
6 AND

7 (5)(F) accept grants and other funds to be used in
8 carrying out this part.

9 (2) THE PROVISIONS OF THE MONTANA ADMINISTRATIVE
10 PROCEDURE ACT APPLY TO THE PROCEEDINGS AND DETERMINATIONS OF
11 THE BOARD.

12 ~~NEW SECTION. Section 6. Authority to issue bonds.~~
13 ~~(1) The board may issue and sell bonds of the state in such~~
14 ~~manner as it considers necessary and proper to provide funds~~
15 ~~to local government units impacted by mineral developments.~~
16 ~~(2) The full faith and credit and taxing powers of the~~
17 ~~state shall be pledged for the payment of all bonds issued~~
18 ~~pursuant to this part.~~

19 NEW SECTION. Section 6. Basis for awarding grants.
20 (1) Grants shall be awarded TO LOCAL GOVERNMENT UNITS on the
21 basis of:

22 (a)(1) needs;

23 (b)(2) degree of severity of impact from mineral
24 development;

25 (c)(3) availability of funds; and

1 ~~(d)~~(4) degree EXTENT of local effort in meeting its
2 needs.

3 ~~(2)~~--In determining the degree of local effort, the
4 board shall compare the anticipated millage rates needed to
5 meet the needs of the impacted local government unit to the
6 average millage rates levied by comparably sized local
7 government units in the state. The board may not issue bonds
8 to provide funds to local government units when their
9 anticipated millage rates are less than the average millage
10 rates levied by comparable local government units.

11 NEW SECTION--Section 8--Rate of interest on bonds to
12 be determined by the board--Bonds issued by the board shall
13 bear interest at such rate or rates as it shall determine.

14 NEW SECTION--Section 9--Limitation on bond issues and
15 interest rates--The bonds issued by the board and the
16 interest rates set by the board shall be fixed in such
17 manner that the maximum amount of principal and interest to
18 become due in any subsequent fiscal year on all outstanding
19 bonds must not exceed one-half of the average annual amount
20 expected to be available from the resource indemnity trust
21 fund to retire the bonds.

22 NEW SECTION. Section 7. Impact plan to be submitted.

23 (1) Before a permit is issued under 82-4-335, the person
24 seeking the permit shall submit to the affected counties and
25 the board a statement describing the economic impact the

1 mining development will have on local government units--The
2 statement shall include:

3 (a) a timetable for development including the opening
4 date of the development and the estimated closing date;

5 (b) the estimated number of persons coming into the
6 impacted area as a result of the development;

7 (c) the increased cost to local government units for
8 police, fire, sewerage, water treatment, schools, road
9 construction and upkeep, education, and medical care which
10 can be expected as a result of the development;

11 (d) the financial assistance the developer will give
12 to local government units to meet the increased demand for
13 services.

14 (2) Upon receipt of the statement from the developer,
15 the board shall consult with the county as to the adequacy
16 of the statements. The board shall approve or reject the
17 statement within 30 days after the statement is submitted to
18 the board. The developer must commit himself to pay at least
19 two-thirds of the anticipated increased cost to local
20 government units resulting from the development or the
21 statement shall be rejected. The statement must be submitted
22 to the board at a regularly scheduled board meeting. If the
23 statement is approved, the board shall within 5 days notify
24 the board of land commissioners of its approval. If the
25 statement is rejected, the board shall provide the developer

1 ~~in writing with specific reasons why the statement is~~
 2 ~~deficient~~ WHEN AN APPLICATION FOR A PERMIT IS MADE UNDER
 3 82-4-335 FOR A LARGE-SCALE MINERAL DEVELOPMENT, THE PERSON
 4 SEEKING THE PERMIT SHALL SUBMIT TO THE AFFECTED COUNTIES AND
 5 THE BOARD A STATEMENT DESCRIBING THE ECONOMIC IMPACT THE
 6 MINING DEVELOPMENT WILL HAVE ON LOCAL GOVERNMENT UNITS AND
 7 SHALL FILE PROOF OF SUCH SUBMISSION TO THE COUNTIES WITH THE
 8 BOARD. THE GOVERNING BODIES OF THE AFFECTED COUNTIES SHALL
 9 PUBLISH NOTICE OF THE SUBMISSION OF AN IMPACT PLAN AT LEAST
 10 ONCE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY.
 11 THE IMPACT STATEMENT SHALL INCLUDE:

12 (A) A TIMETABLE FOR DEVELOPMENT, INCLUDING THE OPENING
 13 DATE OF THE DEVELOPMENT AND THE ESTIMATED CLOSING DATE;

14 (B) THE ESTIMATED NUMBER OF PERSONS COMING INTO THE
 15 IMPACTED AREA AS A RESULT OF THE DEVELOPMENT;

16 (C) THE INCREASED CAPITAL AND OPERATING COST TO LOCAL
 17 GOVERNMENT UNITS FOR PROVIDING SERVICES, INCLUDING BUT NOT
 18 LIMITED TO POLICE AND FIRE PROTECTION, SEWAGE, WATER
 19 TREATMENT, SCHOOLS, ROAD CONSTRUCTION AND UPKEEP, EDUCATION,
 20 AND MEDICAL CARE, WHICH CAN BE EXPECTED AS A RESULT OF THE
 21 DEVELOPMENT;

22 (D) THE FINANCIAL OR OTHER ASSISTANCE THE DEVELOPER
 23 WILL GIVE TO LOCAL GOVERNMENT UNITS TO MEET THE INCREASED
 24 NEED FOR SERVICES.

25 (2) IN THE IMPACT STATEMENT, THE DEVELOPER SHALL

1 COMMIT ITSELF TO PAY ALL OF THE INCREASED CAPITAL AND NET
 2 OPERATING COST TO LOCAL GOVERNMENT UNITS THAT WILL BE A
 3 RESULT OF THE DEVELOPMENT, EITHER FROM TAX PREPAYMENTS, AS
 4 PROVIDED IN [SECTION 9], SPECIAL IMPACT BONDS, AS PROVIDED
 5 IN [SECTION 10], OR OTHER FUNDS OBTAINED FROM THE DEVELOPER
 6 AND SHALL PROVIDE A TIME SCHEDULE WITHIN WHICH IT WILL DO
 7 SO.

8 (3) AN AFFECTED LOCAL GOVERNMENT UNIT SHALL, WITHIN 90
 9 DAYS AFTER RECEIPT OF THE STATEMENT FROM THE DEVELOPER,
 10 NOTIFY THE BOARD IN WRITING IF THAT LOCAL GOVERNMENT UNIT
 11 OBJECTS TO THE STATEMENT, SPECIFYING THE REASONS WHY THE
 12 STATEMENT IS OBJECTED TO. IF NO OBJECTION IS RECEIVED WITHIN
 13 THE 90-DAY PERIOD, THE STATEMENT SHALL BE APPROVED BY THE
 14 BOARD.

15 (4) IF OBJECTIONS ARE RECEIVED FROM A LOCAL GOVERNMENT
 16 UNIT, THE BOARD SHALL PROMPTLY NOTIFY THE DEVELOPER AND
 17 FORWARD A COPY OF THE LOCAL GOVERNMENT UNIT'S OBJECTIONS TO
 18 THE DEVELOPER. IF WITHIN 30 DAYS THE LOCAL GOVERNMENT UNIT
 19 AND THE DEVELOPER CANNOT RESOLVE THE OBJECTION, THE BOARD
 20 SHALL CONDUCT A HEARING ON THE VALIDITY OF THE OBJECTIONS
 21 WHICH SHALL BE HELD IN THE AFFECTED COUNTY OR, IF OBJECTIONS
 22 ARE RECEIVED FROM LOCAL GOVERNMENT UNITS IN MORE THAN ONE
 23 COUNTY, SHALL BE HELD IN THE COUNTY WHICH, IN THE BOARD'S
 24 JUDGMENT, IS MORE GREATLY AFFECTED. THE PROVISIONS OF THE
 25 MONTANA ADMINISTRATIVE PROCEDURE ACT SHALL APPLY TO THE

1 CONDUCT OF THE HEARING. THE IMPACT STATEMENT FILED BY THE
 2 DEVELOPER SHALL CARRY NO PRESUMPTION OF CORRECTNESS AT THE
 3 HEARING.

4 (5) FOLLOWING THE HEARING, THE BOARD SHALL, WITHIN 60
 5 DAYS, MAKE FINDINGS AS TO THOSE PORTIONS OF THE IMPACT
 6 STATEMENT WHICH WERE OBJECTED TO AND, IF APPROPRIATE, AMEND
 7 THE IMPACT STATEMENT ACCORDINGLY. THE FINDINGS AND IMPACT
 8 STATEMENT, AS AMENDED, SHALL BE SERVED BY THE BOARD UPON ALL
 9 PARTIES. ANY LOCAL GOVERNMENT UNIT OR THE DEVELOPER, IF
 10 AGGRIEVED BY THE DECISION OF THE BOARD, IS ENTITLED TO
 11 JUDICIAL REVIEW, AS PROVIDED BY TITLE 2, CHAPTER 4, PART 7,
 12 IN THE DISTRICT COURT IN AND FOR THE JUDICIAL DISTRICT IN
 13 WHICH THE HEARING WAS HELD.

14 NEW SECTION. Section 8. Permit procedure and review
 15 of statement to run concurrently. It is intended that the
 16 procedure for fulfilling the permit requirement of 82-4-335
 17 and the review of the developer's statement by the board
 18 under [section 10] are to run concurrently. If the
 19 requirements for a permit prescribed in 82-4-335 have
 20 otherwise been met, the board of land commissioners shall
 21 issue a letter stating that the permit will be issued at
 22 such time as the board has approved the statement of the
 23 developer under [section 10].

24 Section 12, Section 15-38-202, HCA, is amended to
 25 read:

1 "15-38-202, Investment of resource indemnity trust
 2 account expenditure minimum balance. All moneys paid
 3 into the resource indemnity trust account shall be invested
 4 at the discretion of the board of investments. All the net
 5 earnings accruing to the resource indemnity trust account
 6 shall annually be added thereto until it has reached the sum
 7 of \$18 million. Thereafter, only the net earnings may be
 8 appropriated and expended or deposited in the general fund
 9 subject to the prior pledge and appropriation of such
 10 earnings for the payment of hard rock mining impact bonds
 11 until the account reaches \$100 million. Thereafter, all net
 12 earnings and all receipts shall be appropriated by the
 13 legislature and expended deposited in the general fund
 14 subject to the prior pledge and appropriation of such
 15 earnings for the payment of hard rock mining impact bonds
 16 provided that the balance in the account may never be less
 17 than \$100 million."

18 NEW SECTION. SECTION 9. TAX PREPAYMENT -- LARGE-SCALE
 19 MINERAL DEVELOPMENT. (1) AFTER PERMISSION TO COMMENCE
 20 OPERATION IS GRANTED BY THE APPROPRIATE GOVERNMENTAL AGENCY,
 21 AND UPON REQUEST OF THE BOARD OF COUNTY COMMISSIONERS OF A
 22 COUNTY IN WHICH A FACILITY IS TO BE LOCATED, A PERSON
 23 INTENDING TO CONSTRUCT OR LOCATE A LARGE-SCALE MINERAL
 24 DEVELOPMENT IN THIS STATE SHALL PREPAY PROPERTY TAXES IN AN
 25 AMOUNT EQUAL TO AT LEAST THREE TIMES THE ESTIMATED PROPERTY

1 TAX DUE THE YEAR THE LARGE-SCALE MINERAL DEVELOPMENT
 2 FACILITY COMMENCES OPERATION. THIS PREPAYMENT SHALL EXCLUDE
 3 THE 6-MILL UNIVERSITY LEVY AND THE MANDATORY COUNTY LEVY FOR
 4 THE SCHOOL FOUNDATION PROGRAM OF 40 MILLS.
 5 (2) THE PERSON WHO IS TO PREPAY UNDER THIS SECTION
 6 SHALL NOT BE OBLIGATED TO PREPAY THE ENTIRE AMOUNT
 7 ESTABLISHED IN SUBSECTION (1) AT ONE TIME. UPON REQUEST OF
 8 THE GOVERNING BODY OF AN AFFECTED LOCAL GOVERNMENT UNIT, THE
 9 PERSON SHALL PREPAY THE AMOUNT SHOWN TO BE NEEDED FROM TIME
 10 TO TIME AS DETERMINED BY THE BOARD.
 11 (3) THE PERSON WHO IS TO PREPAY SHALL GUARANTEE TO THE
 12 HARD-ROCK MINING BOARD, WITH APPROPRIATE BANK GUARANTIES AS
 13 MAY BE REQUIRED BY THE BOARD, THAT PROPERTY TAX PREPAYMENTS
 14 WILL BE PAID AS NEEDED FOR EXPENDITURES CREATED BY THE
 15 IMPACTS OF THE LARGE-SCALE MINERAL DEVELOPMENT.
 16 (4) WHEN THE MINERAL DEVELOPMENT FACILITIES ARE
 17 COMPLETED AND ASSESSED BY THE DEPARTMENT OF REVENUE, THEY
 18 SHALL BE SUBJECT DURING THE FIRST 3 YEARS AND THEREAFTER TO
 19 TAXATION AS ALL OTHER PROPERTY SIMILARLY SITUATED, EXCEPT
 20 THAT IN EACH YEAR AFTER THE START OF PRODUCTION, THE LOCAL
 21 GOVERNMENT UNIT THAT RECEIVED A PROPERTY TAX PREPAYMENT
 22 SHALL PROVIDE FOR REPAYMENT OF PREPAID PROPERTY TAXES IN
 23 ACCORDANCE WITH SUBSECTION (5).
 24 (5) A LOCAL GOVERNMENT UNIT THAT RECEIVED PROPERTY TAX
 25 PREPAYMENT UNDER THIS SECTION SHALL PROVIDE FOR REPAYMENT

1 ACCORDING TO THE FOLLOWING PROCEDURE:
 2 (A) IN EACH YEAR AFTER THE COMMENCEMENT OF MINING, THE
 3 LOCAL GOVERNMENT SHALL:
 4 (I) DIVIDE ITS BUDGET BY THE AVERAGE MILL LEVY OF ITS
 5 JURISDICTION DURING THE 3 YEARS IMMEDIATELY PRECEDING
 6 COMMENCEMENT OF MINING OPERATIONS, TO ARRIVE AT A TAXABLE
 7 VALUATION NEEDED TO FUND ITS BUDGET USING THE AVERAGE 3-YEAR
 8 MILL LEVY;
 9 (II) REDUCE THE TAXABLE VALUATION OF PROPERTY OF A
 10 PERSON WHO PREPAID PROPERTY TAXES BY THE DIFFERENCE--BETWEEN
 11 EXCESS, IF ANY, OF THE ACTUAL TOTAL TAXABLE VALUE OF THE
 12 TAXING JURISDICTION INCLUDING THE PERSON'S PROPERTY AND OVER
 13 THE TAXABLE VALUE DETERMINED UNDER SUBSECTION (5)(A)(I), BUT
 14 IN NO CASE BY AN AMOUNT GREATER THAN THE TAXABLE VALUE OF
 15 THE PERSON'S PROPERTY.
 16 (B) THE REDUCTION IN TAXABLE VALUE, IF ANY, DETERMINED
 17 UNDER SUBSECTION (5)(A)(II) TIMES THE AVERAGE MILL LEVY USED
 18 IN SUBSECTION (5)(A)(I) EQUALS THE PROPERTY TAX PREPAYMENT
 19 CREDIT ALLOWED FOR THE TAXABLE YEAR.
 20 (C) THE PROCEDURE ESTABLISHED UNDER SUBSECTION (5)(A)
 21 SHALL CONTINUE FROM YEAR TO YEAR UNTIL THE TOTAL CREDIT
 22 ALLOWED THE PERSON WHO PREPAID PROPERTY TAXES EQUALS THE
 23 TOTAL PROPERTY TAXES PREPAID.
 24 NEW SECTION. SECTION 10. EDUCATION IMPACT BONDS. (1)
 25 WHEN THE NEED FOR NEW SCHOOL FACILITIES IS DETERMINED, THE

1 OWNERS OF A LARGE-SCALE MINERAL DEVELOPMENT MAY ENTER INTO A
 2 WRITTEN AGREEMENT WITH THE TRUSTEES OF A SCHOOL DISTRICT
 3 THAT HAS THE BURDEN FOR THE ISSUANCE OF BONDS TO COVER THE
 4 COST OF SUCH NEW CONSTRUCTION. THE TRUSTEES OF A SCHOOL
 5 DISTRICT WILL EXECUTE A WRITTEN AGREEMENT WITH THE OWNER OF
 6 A LARGE-SCALE MINERAL DEVELOPMENT FOR THE ISSUANCE OF ANY
 7 SPECIAL INDUSTRIAL EDUCATIONAL IMPACT BONDS PROVIDED FOR IN
 8 THIS SECTION.

9 (2) THE AGREEMENT WITH THE OWNERS OF A LARGE-SCALE
 10 MINERAL DEVELOPMENT SHALL PROVIDE FOR A PAYMENT GUARANTEE,
 11 IN ADDITION TO THE TAXES IMPOSED BY THE SCHOOL DISTRICT ON
 12 PROPERTY OWNERS GENERALLY, OF THE PRINCIPAL AND INTEREST ON
 13 THE BONDS PROVIDED FOR IN THIS SECTION. PAYMENT WILL THEN BE
 14 MADE BY AN ANNUAL SPECIAL TAX LEVY ON THE PROPERTY OF THE
 15 LARGE-SCALE MINERAL DEVELOPMENT SUFFICIENT TO RETIRE THE
 16 PRINCIPAL AND INTEREST ON THESE SPECIAL IMPACT BONDS. THE
 17 BONDS SHALL NOT BE AN OBLIGATION OF THE TRUSTEES OR THE
 18 SCHOOL DISTRICT.

19 (3) THE DEBT LIMITS SET FORTH IN 20-9-406 AND THE
 20 PROVISIONS OF 20-9-410 AND 20-9-421 THROUGH 20-9-432,
 21 INCLUSIVE, DO NOT APPLY TO BONDS ISSUED IN ACCORDANCE WITH
 22 THIS SECTION. THE INTEREST ON SUCH BONDS SHALL NOT BE
 23 SUBJECT TO STATE TAXES.

24 SECTION 11. SECTION 15-16-201, MCA, IS AMENDED TO
 25 READ:

1 *15-16-201. Tax prepayment -- new industrial
 2 facilities. (1) A person intending to construct or locate a
 3 major new industrial facility, as defined in subsection (2)
 4 of this section, shall upon request of the board of county
 5 commissioners of the county in which the facility is to be
 6 located, prepay, when permission is granted to construct or
 7 locate by the appropriate governmental agency, an amount
 8 equal to three times the estimated property tax due the year
 9 the facility is completed. The person who is to prepay under
 10 this section shall not be obligated to prepay the entire
 11 amount at one time but, upon request of the board of county
 12 commissioners of the county, shall prepay only that amount
 13 shown to be needed from time to time. To assure this payment
 14 or payments, the person who is to prepay shall guarantee to
 15 the board of county commissioners and also have a bank or
 16 banks guarantee that these amounts will be paid as needed
 17 for expenditures created by the impact. When the facility is
 18 completed and assessed by the department of revenue, it
 19 shall be subject during the first 3 years and thereafter to
 20 taxation as all other property similarly situated, except
 21 that one-fifth of the amount prepaid shall be allowed as a
 22 credit against property taxes in each of the first 5 years
 23 after the start of productive operation of the facility.

24 (2) A major new industrial facility is a manufacturing
 25 or mining facility other than a large-scale mineral

1 development as defined in [section 3(4)] which will employ
 2 on an average annual basis at least 100 people in
 3 construction or operation of the facility and which will
 4 create a substantial adverse impact on existing state,
 5 county, or municipal services."

6 Section 12. Section 82-4-335, MCA, is amended to read:

7 "82-4-335. Operating permit. (1) No person shall
 8 engage in mining or disturb land in anticipation of mining
 9 in the state without first obtaining an operating permit
 10 from the board to do so. A separate operating permit shall
 11 be required for each mine complex. Prior to receiving an
 12 operating permit from the board, any person must pay the
 13 basic permit fee of \$25 and must submit an application on a
 14 form provided by the board, which shall contain the
 15 following information and any other pertinent data required
 16 by the rules:

17 (1)(a) name and address of the operator and, if a
 18 corporation or other business entity, the name and address
 19 of its principal officers, partners, and the like and its
 20 resident agent for service of process, if required by law;

21 (1)(b) minerals expected to be mined;

22 (1)(c) a proposed reclamation plan;

23 (1)(d) expected starting date of mining;

24 (1)(e) a map showing the specific area to be mined and
 25 the boundaries of the land which will be disturbed,

1 topographic detail, the location and names of all streams,
 2 roads, railroads, and utility lines on or immediately
 3 adjacent to the area, location of proposed access roads to
 4 be built and the names and addresses of the surface and
 5 mineral owners of all lands within the mining area, to the
 6 extent known to applicant;

7 (1)(f) types of access roads to be built and manner of
 8 reclamation of road sites on abandonment; and

9 (1)(g) a plan of mining which will provide, within
 10 limits of normal operating procedures of the industry, for
 11 completion of mining and associated land disturbances.

12 (2) Except as provided in subsection (3), the permit
 13 provided for in subsection (1) may not be issued until the
 14 hard-rock mining board approves the plan submitted in
 15 compliance with [section 10], if, however, all the
 16 requirements for obtaining an operating permit have been met
 17 except the approval of the hard-rock mining board, the board
 18 shall issue a letter stating that the permit will be issued
 19 at such time as the hard-rock mining board approves the
 20 statement of the developer under [section 10]. FOR A
 21 LARGE-SCALE MINERAL DEVELOPMENT SHALL BE CONDITIONED TO
 22 PROVIDE THAT MINING MAY NOT COMMENCE UNTIL THE HARD-ROCK
 23 MINING BOARD APPROVES THE IMPACT PLAN UNDER [SECTION 7] AND
 24 UNTIL THE PERMITTEE HAS PROVIDED A WRITTEN GUARANTEE TO THE
 25 DEPARTMENT AND TO THE HARD-ROCK MINING IMPACT BOARD OF

1 COMPLIANCE WITHIN THE TIME SCHEDULE WITH THE COMMITMENT MADE
2 IN THE IMPACT STATEMENT APPROVED BY THE HARD-ROCK MINING
3 IMPACT BOARD, AS PROVIDED IN [SECTION 7]. IF THE PERMITEE
4 DOES NOT COMPLY WITH THAT COMMITMENT WITHIN THE TIME
5 SCHEDULED, THE BOARD, UPON RECEIPT OF WRITTEN NOTICE FROM
6 THE HARD-ROCK MINING IMPACT BOARD, SHALL SUSPEND THE PERMIT
7 UNTIL IT RECEIVES WRITTEN NOTICE FROM THE HARD-ROCK MINING
8 IMPACT BOARD THAT THE PERMITEE IS IN COMPLIANCE.

9 [3] Compliance with [section 7] is not required for
10 exploration and bulk sampling for metallurgical testing when
11 the aggregate samples are less than 10,000 tons."

12 SECTION 13. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
13 PASSAGE AND APPROVAL.

-End-

1 STATEMENT OF INTENT

2 HOUSE BILL 718

3 Senate Committee of the Whole

4

5 A statement of intent is required for HB 718 because
6 [section 6] grants rulemaking authority to the hard-rock
7 mining impact board.

8 The legislature intends that the rules adopted by the
9 board governing its proceedings be procedural in nature.

10 (1) The legislature intends that the board may adopt
11 forms for notice required by the board and to be given by
12 the board.

13 (2) The board is intended to act as a "referee" in
14 hearing disputes between local government units and
15 large-scale mineral developers over the impact plan
16 submitted to the board under the provisions of [section 8].
17 The hearings are subject to Montana Administrative Procedure
18 Act and any rules adopted by the board governing the
19 hearings must be consistent with that act.

20 (3) The legislature intends that the rules adopted by
21 the board governing the awarding of grants shall be
22 consistent with the criteria set out in [section 7].

HOUSE BILL NO. 718

INTRODUCED BY ELLISON, McLANE, MARKS, CURTISS, CONROY,
MOORE, UNDERDAL, SEIFERT, HEMSTAD, BURNETT, SCHULTZ,
KANDUCH, ASAY, PHILLIPS, ERNST, STOBIE, C. SMITH,
DEVLIN, WINSLOW, THOFT, DONALDSON, JENSEN, MATSKO,
FEOLA, QUILICI, PAVLOVICH, ELLERD, SPILKER

A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE THE HARD-ROCK
MINING IMPACT BOARD; TO REQUIRE MINERAL DEVELOPERS TO SUBMIT
AN ECONOMIC IMPACT PLAN TO THE BOARD; TO AUTHORIZE THE BOARD
TO ISSUE BONDS AND AWARD GRANTS TO IMPACTED UNITS OF LOCAL
GOVERNMENT; ~~AND TO PLEDGE THE EARNINGS OF THE RESOURCE~~
~~INDEMNITY TRUST FUND TO PAY FOR THE BONDS ISSUED BY THE~~
~~BOARD TO PROVIDE FOR TAX PREPAYMENT FOR LARGE-SCALE MINERAL~~
~~DEVELOPMENTS; TO PROVIDE FOR THE ISSUANCE OF EDUCATION~~
~~IMPACT BONDS; AMENDING SECTIONS 15-38-202 15-16-201 AND~~
~~82-4-335, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."~~

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

NEW SECTION. Section 1. Hard-rock mining impact
board. (1) There is a hard-rock mining impact board.

(2) THE HARD-ROCK MINING IMPACT BOARD IS A FIVE-MEMBER
BOARD.

(3) THE HARD-ROCK MINING IMPACT BOARD SHALL INCLUDE
AMONG ITS MEMBERS:

(A) THREE PERSONS WHO RESIDE IN AN AREA IMPACTED BY
LARGE-SCALE MINERAL DEVELOPMENT;

(B) NO MORE THAN THREE PERSONS FROM THE SAME
CONGRESSIONAL DISTRICTS;

(C) A REPRESENTATIVE OF THE HARD-ROCK MINING INDUSTRY;

(D) A REPRESENTATIVE OF A MAJOR FINANCIAL INSTITUTION
IN MONTANA;

(E) AN ELECTED SCHOOL DISTRICT TRUSTEE;

(F) AN ELECTED COUNTY COMMISSIONER;

(G) A MEMBER OF THE PUBLIC-AT-LARGE.

(4) THE HARD-ROCK MINING IMPACT BOARD IS A
QUASI-JUDICIAL BOARD SUBJECT TO THE PROVISIONS OF 2-15-124
EXCEPT THAT ONE OF THE MEMBERS NEED NOT BE AN ATTORNEY
LICENSED TO PRACTICE LAW IN THIS STATE AND THE BOARD SHALL
ELECT A CHAIRMAN FROM AMONG ITS MEMBERS.

~~(2) The board consists of five members appointed by
the governor.~~

~~(3) The governor shall select the members of the board
from a panel recommended by the leaders of the senate and
the house of representatives. The panel shall include~~

~~(a) two persons recommended by the president of the
senate;~~

~~(b) two persons recommended by the senate minority
leader;~~

~~(c) two persons recommended by the speaker of the~~

1 house-of-representatives†

2 (d)--two-persons-recommended-by-the-minority-leader--of

3 the-house-of-representatives†

4 (3)--THE GOVERNOR--SHALL--SELECT--FOUR--OF--THE--MEMBERS--OF

5 THE--BOARD--FROM--A--PANEL--RECOMMENDED--BY--THE--LEADERS--OF--THE

6 HOUSE--OF--REPRESENTATIVES--AND--THE--SENATE†

7 (A)--THE--PANEL--SHALL--INCLUDE†

8 (1)--TWO--REPRESENTATIVES--OF--THE--HARD--ROCK--MINING

9 INDUSTRY†

10 (2)--TWO--REPRESENTATIVES--OF--MAJOR--FINANCIAL

11 INSTITUTIONS--IN--MONTANA†

12 (3)--TWO--ELECTED--SCHOOL--DISTRICT--TRUSTEES†

13 (4)--TWO--ELECTED--COUNTY--COMMISSIONERS†

14 (B)--THE--FOLLOWING--PROCEDURE--MUST--BE--FOLLOWED--TO--SELECT

15 THE--PANEL--ESTABLISHED--UNDER--THIS--SUBSECTION†

16 (1)--THE--SPEAKER--OF--THE--HOUSE†--THE--PRESIDENT--OF--THE

17 SENATE†--THE--MINORITY--LEADER--OF--THE--HOUSE†--AND--THE--MINORITY

18 LEADER--OF--THE--SENATE--SHALL--EACH--SELECT--FOUR--NOMINEES†--ONE--IN

19 EACH--OF--THE--REQUIRED--CATEGORIES†--THE--NOMINEES--SHALL--BE

20 SUBMITTED--TO--THE--CHIEF--CLERK--OF--THE--HOUSE--TO--BE--CONSOLIDATED

21 ON--A--LIST†

22 (2)--THE--CONSOLIDATED--LIST--MUST--THEN--BE--CIRCULATED

23 AMONG--THE--LEADERSHIP--IN--THE--FOLLOWING--ORDER†--MINORITY--LEADER

24 OF--THE--SENATE†--FIRST†--MINORITY--LEADER--OF--THE--HOUSE†--SECOND†

25 PRESIDENT†--THIRD†--AND--SPEAKER†--LAST†--EACH--LEADER--SHALL

1 STRIKE--TWO--NOMINEES--FROM--THE--LIST†

2 (3)--WHEN--STRIKING--NAMES--FROM--THE--NOMINATION--LIST†--THE

3 RESPECTIVE--LEADER--MAY--NOT--STRIKE--A--NAME--IF--IN--REMOVING--THAT

4 NAME--THE--REQUIRED--REPRESENTATION--ON--THE--PANEL--WITH--REGARD--TO

5 NUMBER--OR--PARTY--WOULD--FALL--BELOW--THE--NUMBER--REQUIRED--UNDER

6 THIS--SUBSECTION--AND--SUBSECTION--(7)†

7 (4)--THE--CHIEF--CLERK--OF--THE--HOUSE--SHALL--SUBMIT--THE

8 NAMES--REMAINING--ON--THE--LIST--TO--THE--GOVERNOR--AND--IT--SHALL

9 CONSTITUTE--THE--PANEL--REQUIRED--BY--THIS--SUBSECTION†

10 (5)--THE--GOVERNOR--SHALL--SELECT--THE--FIFTH--MEMBER--OF--THE

11 BOARD--TO--REPRESENT--THE--PUBLIC--AT--LARGE†

12 (6)(5) The--term--of--office--for--each--board--member--is--4

13 years--except--that--two--members--of--the--original--board--shall

14 serve--2--year--terms--thereby--achieving--a--staggering--of--terms†

15 The--members--serving--the--2--year--terms--will--be--selected--by--lot

16 at--the--first--meeting--of--the--board†

17 (6)--UPON--EXPIRATION--OF--A--MEMBER'S--TERM†--THE--GOVERNOR

18 SHALL--APPOINT--A--SUCCESSOR--ACCORDING--TO--THE--PROCEDURES--IN

19 SUBSECTIONS--(3)--AND--(4)†

20 (7)(7) The--board--may--not--include--more--than--three

21 persons--recommended--by--persons--of--the--same--political--party†

22 (8)(8) A--vacancy--shall--be--filled--by--appointment--by--the

23 governor--and--the--person--appointed--shall--serve--for--the

24 unexpired--term--of--the--member--who--vacated† IN--FILLING--A

25 VACANCY--THE--GOVERNOR--SHALL--APPOINT--A--NEW--MEMBER--TO

1 ~~REPRESENT THE SAME INTEREST UNDER SUBSECTION (3)(A) AS THE~~
2 ~~MEMBER WHO VACATED.~~

3 ~~(7)(9) Unless he is a full-time salaried officer or~~
4 ~~employee of this state or of a political subdivision of this~~
5 ~~state each member is entitled to be paid \$50 for each day~~
6 ~~in which he is actually and necessarily engaged in the~~
7 ~~performance of board duties and he is also entitled to be~~
8 ~~reimbursed for travel expenses as provided for in 2-18-501~~
9 ~~through 2-18-503 incurred while in the performance of board~~
10 ~~duties. Members who are full-time salaried officers or~~
11 ~~employees of this state or of a political subdivision of~~
12 ~~this state are not entitled to be compensated for their~~
13 ~~service as members but are entitled to be reimbursed for~~
14 ~~travel expenses as provided for in 2-18-501 through~~
15 ~~2-18-503.~~

16 ~~(8)(10) A majority of the membership constitutes a~~
17 ~~quorum to do business. A favorable vote of at least a~~
18 ~~majority of all members of a board is required to adopt any~~
19 ~~resolution, motion, or other decision unless otherwise~~
20 ~~provided by law.~~

21 ~~(11) THE BOARD IS A QUASI-JUDICIAL BOARD; HOWEVER, THE~~
22 ~~PROVISIONS OF 2-15-124 DO NOT APPLY.~~

23 NEW SECTION. Section 2. Declaration of necessity and
24 purpose. The large-scale development of mineral deposits in
25 the state causes an influx of people into the area of the

1 development many times larger than the number of people
2 directly involved in the mining operation. This influx of
3 people and the corresponding increase in demand for local
4 government FACILITIES AND services creates a burden on the
5 local taxpayer. There is a significant lag time between the
6 time when additional FACILITIES AND services must be
7 provided and the time when additional tax revenue is
8 available as a result of the increased tax base. IN
9 ADDITION, LOCAL GOVERNMENT UNITS IN WHATEVER JURISDICTION
10 THE DEVELOPMENT IS NOT LOCATED MAY RECEIVE SUBSTANTIAL
11 ADVERSE ECONOMIC IMPACTS WITHOUT BENEFIT OF A MAJOR
12 INCREASED TAX BASE IN THE FUTURE. There is therefore a need
13 to provide a system to assist local government units in
14 meeting the initial financial impact of large-scale mineral
15 development.

16 NEW SECTION. Section 3. Definitions. In [section 2
17 through section 11] the following definitions apply:

18 (1) "Board" means the hard-rock mining impact board
19 established in [section 1].

20 (2) "Bonds" include bonds, notes, warrants,
21 debentures, certificates of indebtedness, temporary bonds,
22 temporary notes, interim receipts, interim certificates, and
23 all instruments or obligations evidencing or representing
24 indebtedness or evidencing or representing the borrowing of
25 money or evidencing or representing a charge, lien, or

1 encumbrance on specific revenues, special assessments,
2 income, or property of a political subdivision, including
3 all instruments or obligations payable from a special fund.

4 (3) "Local government unit" ~~includes~~ MEANS A POLITICAL
5 SUBDIVISION OF THIS STATE, INCLUDING BUT NOT LIMITED TO a
6 county, city, town, or school district, OR OTHER SPECIAL
7 DISTRICT THAT PROVIDES ANY OF THE SERVICES REFERRED TO IN
8 SUBSECTION (1)(C) OF [SECTION 8].

9 (4) "LARGE-SCALE MINERAL DEVELOPMENT" MEANS A
10 HARD-ROCK--MINERAL-DEVELOPMENT THE CONSTRUCTION OR OPERATION
11 OF A HARD-ROCK MINE AND THE ASSOCIATED MILLING FACILITY THAT
12 WILL:

13 (A) EMPLOY AT ANY GIVEN TIME AT LEAST 100 PEOPLE IN
14 CONSTRUCTION-OF-FACILITIES-AND-OPERATION-OF-A-MINE; OR

15 (B) CAUSE, OR BE EXPECTED TO CAUSE, AN INCREASE IN
16 ESTIMATED POPULATION OF AT LEAST 15% IN A COUNTY,--TOWN,
17 SCHOOL-DISTRICT,--OR-OTHER-GOVERNMENTAL LOCAL GOVERNMENT UNIT
18 WHEN MEASURED AGAINST THE AVERAGE POPULATION OF SUCH-A
19 GOVERNMENTAL THE LOCAL GOVERNMENT UNIT IN THE 3-YEAR PERIOD
20 IMMEDIATELY PRECEDING THE COMMENCEMENT OF MINING THE
21 CONSTRUCTION OF THE MINING FACILITY. A MINING OPERATION THAT
22 WOULD QUALIFY AS A LARGE-SCALE MINERAL DEVELOPMENT UNDER
23 THIS SUBSECTION IS NOT A LARGE-SCALE MINERAL DEVELOPMENT IF
24 THE MINE OWNER AND OPERATOR ARE SMALL MINERS AS DEFINED IN
25 82-4-303(10).

1 NEW SECTION. Section 4. Chairman -- meetings --
2 facilities -- FUNDING. (1) The board shall elect a chairman
3 from among its members.

4 (2) The board shall ~~meet quarterly and may meet at~~
5 ~~other times~~ AS NECESSARY OR as called by the chairman or a
6 majority of the members.

7 (3) ~~The department of community affairs will provide~~
8 ~~suitable office facilities and the necessary staff for the~~
9 ~~board.~~ THE BOARD IS ALLOCATED TO THE DEPARTMENT OF COMMUNITY
10 AFFAIRS COMMERCE FOR ADMINISTRATIVE PURPOSES ONLY AS
11 PROVIDED IN 2-15-121.

12 (4) THE ADMINISTRATIVE AND OPERATING EXPENSES OF THE
13 BOARD SHALL BE PAID FROM THE REVENUE GENERATED FROM THE
14 LICENSE TAX ON METAL MINES IMPOSED UNDER TITLE 15, CHAPTER
15 37.

16 ~~(5) AN EARMARKED REVENUE FUND KNOWN AS THE HARD-ROCK~~
17 ~~MINERAL IMPACT FUND IS CREATED CONSISTING OF SUCH SUMS AS~~
18 ~~ARE PAID FROM TIME TO TIME TO THE BOARD BY THE DEVELOPER IN~~
19 ~~COMPLIANCE WITH THE WRITTEN GUARANTEE FROM THE DEVELOPER TO~~
20 ~~MEET THE INCREASED COSTS OF PUBLIC SERVICES AND FACILITIES~~
21 ~~AS SPECIFIED IN THE APPROVED IMPACT PLAN.~~

22 NEW SECTION. SECTION 5. ACCOUNT ESTABLISHED. THERE
23 IS WITHIN THE EARMARKED REVENUE FUND A HARD-ROCK MINING
24 IMPACT ACCOUNT. MONEYS ARE PAYABLE INTO THIS ACCOUNT FROM
25 PAYMENTS MADE BY A MINING DEVELOPER IN COMPLIANCE WITH THE

1 WRITTEN GUARANTEE FROM THE DEVELOPER TO MEET THE INCREASED
 2 COSTS OF PUBLIC SERVICES AND FACILITIES AS SPECIFIED IN THE
 3 IMPACT PLAN PROVIDED FOR IN [SECTION 8]. THE STATE TREASURER
 4 SHALL DRAW WARRANTS FROM THIS ACCOUNT UPON ORDER OF THE
 5 HARD-ROCK MINING IMPACT BOARD.

6 NEW SECTION. Section 6. Hard-rock mining impact board
 7 -- general powers. (1) The board may:

8 (1)(A) retain professional STAFF, consultants, and
 9 advisors NOTWITHSTANDING THE PROVISIONS OF 2-15-121;

10 (2)(B) adopt rules governing its proceedings;

11 (3) ~~issue bonds pursuant to [section 6]~~;

12 (4)(C) award grants to local government units subject
 13 to [section 7];

14 (D) MAKE PAYMENTS TO LOCAL GOVERNMENT UNITS FROM MONEY
 15 PAID TO THE HARD-ROCK MINERAL MINING IMPACT FUND ACCOUNT AS
 16 PROVIDED IN [SECTION 8];

17 (E) MAKE DETERMINATIONS AS PROVIDED IN [SECTION 7 8];

18 AND

19 (5)(F) accept grants and other funds to be used in
 20 carrying out this part.

21 (2) THE PROVISIONS OF THE MONTANA ADMINISTRATIVE
 22 PROCEDURE ACT APPLY TO THE PROCEEDINGS AND DETERMINATIONS OF
 23 THE BOARD.

24 NEW SECTION. Section 6. Authority to issue bonds.
 25 (1) ~~The board may issue and sell bonds of the state in such~~

1 ~~manner as it considers necessary and proper to provide funds~~
 2 ~~to local government units impacted by mineral developments~~
 3 ~~(2) The full faith and credit and taxing powers of the~~
 4 ~~state shall be pledged for the payment of all bonds issued~~
 5 ~~pursuant to this part.~~

6 NEW SECTION. Section 7. Basis for awarding grants.
 7 (1) Grants shall be awarded TO LOCAL GOVERNMENT UNITS on the
 8 basis of:

9 (a)(1) need;

10 (b)(2) degree of severity of impact from mineral
 11 development;

12 (c)(3) availability of funds; and

13 (d)(4) degree EXTENT of local effort in meeting its
 14 needs.

15 (2) ~~In determining the degree of local effort, the~~
 16 ~~board shall compare the anticipated millage rates needed to~~
 17 ~~meet the needs of the impacted local government unit to the~~
 18 ~~average millage rates levied by comparably sized local~~
 19 ~~government units in the state. The board may not issue bonds~~
 20 ~~to provide funds to local government units when their~~
 21 ~~anticipated millage rates are less than the average millage~~
 22 ~~rates levied by comparable local government units.~~

23 NEW SECTION. Section 8. Rate of interest on bonds to
 24 be determined by the board. Bonds issued by the board shall
 25 bear interest at such rate or rates as it shall determine.

1 ~~NEW SECTION~~ Section 9. Limitation on bond issues and
 2 interest rates. The bonds issued by the board and the
 3 interest rates set by the board shall be fixed in such
 4 manner that the maximum amount of principal and interest to
 5 become due in any subsequent fiscal year on all outstanding
 6 bonds must not exceed one-half of the average annual amount
 7 expected to be available from the resource indemnity trust
 8 fund to retire the bonds.

9 NEW SECTION. Section 8. Impact plan to be submitted.

10 (1) Before a permit is issued under 82-4-335, the person
 11 seeking the permit shall submit to the affected counties and
 12 the board a statement describing the economic impact the
 13 mining development will have on local government units. The
 14 statement shall include:

15 (a) a timetable for development, including the opening
 16 date of the development and the estimated closing date;

17 (b) the estimated number of persons coming into the
 18 impacted area as a result of the development;

19 (c) the increased cost to local government units for
 20 police, fire, sewer, water treatment, schools, road
 21 construction and upkeep, education, and medical care, which
 22 can be expected as a result of the development;

23 (d) the financial assistance the developer will give
 24 to local government units to meet the increased demand for
 25 services.

1 (2) Upon receipt of the statement from the developer,
 2 the board shall consult with the county as to the adequacy
 3 of the statement. The board shall approve or reject the
 4 statement within 30 days after the statement is submitted to
 5 the board. The developer must commit himself to pay at least
 6 two-thirds of the anticipated increased cost to local
 7 government units resulting from the development or the
 8 statement shall be rejected. The statement must be submitted
 9 to the board at a regularly scheduled board meeting. If the
 10 statement is approved, the board shall within 5 days notify
 11 the board of land commissioners of its approval. If the
 12 statement is rejected, the board shall provide the developer
 13 in writing with specific reasons why the statement is
 14 deficient.

15 WHEN AN APPLICATION FOR A PERMIT IS MADE UNDER
 16 82-4-335 AND THE PERMIT IS FOR A LARGE-SCALE MINERAL
 17 DEVELOPMENT, THE PERSON SEEKING THE PERMIT SHALL SUBMIT TO
 18 THE AFFECTED COUNTIES AND THE BOARD A STATEMENT AN IMPACT
 19 PLAN DESCRIBING THE ECONOMIC IMPACT THE MINING LARGE-SCALE
 20 MINERAL DEVELOPMENT WILL HAVE ON LOCAL GOVERNMENT UNITS AND
 21 SHALL FILE PROOF OF SUCH SUBMISSION TO THE COUNTIES WITH THE
 22 BOARD. THE GOVERNING BODIES OF THE AFFECTED COUNTIES SHALL
 23 PUBLISH NOTICE OF THE SUBMISSION OF AN IMPACT PLAN AT LEAST
 24 ONCE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY.
 25 THE IMPACT STATEMENT PLAN SHALL INCLUDE:

(A) A TIMETABLE FOR DEVELOPMENT, INCLUDING THE OPENING

1 DATE OF THE DEVELOPMENT AND THE ESTIMATED CLOSING DATE;
 2 (B) THE ESTIMATED NUMBER OF PERSONS COMING INTO THE
 3 IMPACTED AREA AS A RESULT OF THE DEVELOPMENT;
 4 (C) THE INCREASED CAPITAL AND OPERATING COST TO LOCAL
 5 GOVERNMENT UNITS FOR PROVIDING SERVICES, INCLUDING BUT NOT
 6 LIMITED TO POLICE AND FIRE PROTECTION, SEWAGE, WATER
 7 TREATMENT, SCHOOLS, ROAD CONSTRUCTION AND UPKEEP, EDUCATION,
 8 AND MEDICAL CARE, WHICH CAN BE EXPECTED AS A RESULT OF THE
 9 DEVELOPMENT;
 10 (D) THE FINANCIAL OR OTHER ASSISTANCE THE DEVELOPER
 11 WILL GIVE TO LOCAL GOVERNMENT UNITS TO MEET THE INCREASED
 12 NEED FOR SERVICES.
 13 (2) IN THE IMPACT STATEMENT PLAN, THE DEVELOPER SHALL
 14 COMMIT ITSELF TO PAY ALL OF THE INCREASED CAPITAL AND NET
 15 OPERATING COST TO LOCAL GOVERNMENT UNITS THAT WILL BE A
 16 RESULT OF THE DEVELOPMENT, EITHER FROM TAX PREPAYMENTS, AS
 17 PROVIDED IN [SECTION 9 10], SPECIAL INDUSTRIAL EDUCATIONAL
 18 IMPACT BONDS, AS PROVIDED IN [SECTION 10 11], OR OTHER FUNDS
 19 OBTAINED FROM THE DEVELOPER AND SHALL PROVIDE A TIME
 20 SCHEDULE WITHIN WHICH IT WILL DO SO.
 21 (3) AN AFFECTED LOCAL GOVERNMENT UNIT SHALL, WITHIN 90
 22 DAYS AFTER RECEIPT OF THE STATEMENT IMPACT PLAN FROM THE
 23 DEVELOPER, NOTIFY THE BOARD IN WRITING IF THAT LOCAL
 24 GOVERNMENT UNIT OBJECTS TO THE STATEMENT IMPACT PLAN,
 25 SPECIFYING THE REASONS WHY THE STATEMENT IMPACT PLAN IS

1 OBJECTED TO. IF NO OBJECTION IS RECEIVED WITHIN THE 90-DAY
 2 PERIOD, THE STATEMENT IMPACT PLAN SHALL BE APPROVED BY THE
 3 BOARD.
 4 (4) IF OBJECTIONS ARE RECEIVED FROM A LOCAL GOVERNMENT
 5 UNIT, THE BOARD SHALL PROMPTLY NOTIFY THE DEVELOPER AND
 6 FORWARD A COPY OF THE LOCAL GOVERNMENT UNIT'S OBJECTIONS TO
 7 THE DEVELOPER. IF WITHIN 30 DAYS THE LOCAL GOVERNMENT UNIT
 8 AND THE DEVELOPER CANNOT RESOLVE THE OBJECTION, THE BOARD
 9 SHALL CONDUCT A HEARING ON THE VALIDITY OF THE OBJECTIONS
 10 WHICH SHALL BE HELD IN THE AFFECTED COUNTY OR, IF OBJECTIONS
 11 ARE RECEIVED FROM LOCAL GOVERNMENT UNITS IN MORE THAN ONE
 12 COUNTY, SHALL BE HELD IN THE COUNTY WHICH, IN THE BOARD'S
 13 JUDGMENT, IS MORE GREATLY AFFECTED. THE PROVISIONS OF THE
 14 MONTANA ADMINISTRATIVE PROCEDURE ACT SHALL APPLY TO THE
 15 CONDUCT OF THE HEARING. THE IMPACT STATEMENT PLAN FILED BY
 16 THE DEVELOPER SHALL CARRY NO PRESUMPTION OF CORRECTNESS AT
 17 THE HEARING.
 18 (5) FOLLOWING THE HEARING, THE BOARD SHALL, WITHIN 60
 19 DAYS, MAKE FINDINGS AS TO THOSE PORTIONS OF THE IMPACT
 20 STATEMENT PLAN WHICH WERE OBJECTED TO AND, IF APPROPRIATE,
 21 AMEND THE IMPACT STATEMENT PLAN ACCORDINGLY. THE FINDINGS
 22 AND IMPACT STATEMENT PLAN, AS AMENDED, SHALL BE SERVED BY
 23 THE BOARD UPON ALL PARTIES. ANY LOCAL GOVERNMENT UNIT OR THE
 24 DEVELOPER, IF AGGRIEVED BY THE DECISION OF THE BOARD, IS
 25 ENTITLED TO JUDICIAL REVIEW, AS PROVIDED BY TITLE 2, CHAPTER

1 4. PART 7, IN THE DISTRICT COURT IN AND FOR THE JUDICIAL
 2 DISTRICT IN WHICH THE HEARING WAS HELD.

3 (6) THE DEVELOPER SHALL, WITHIN 30 DAYS OF RECEIPT OF
 4 THE APPROVED IMPACT PLAN, PROVIDE THE BOARD WITH A WRITTEN
 5 GUARANTY THAT THE DEVELOPER WILL MAKE ALL THE PAYMENTS TO
 6 THE BOARD REQUIRED IN THE APPROVED IMPACT PLAN AND ACCORDING
 7 TO THE TIME SCHEDULE CONTAINED IN THE APPROVED IMPACT PLAN.

8 (7) THE BOARD SHALL DEPOSIT ALL PAYMENTS RECEIVED FROM
 9 THE DEVELOPER INTO THE HARD-ROCK MINING IMPACT ACCOUNT
 10 ESTABLISHED BY [SECTION 5].

11 (8) THE BOARD SHALL NOTIFY THE DEPARTMENT OF STATE
 12 LANDS OF ITS RECEIPT OF THE WRITTEN GUARANTY OF PAYMENT, OF
 13 EACH REQUIRED PAYMENT, AND OF ANY FAILURE OF THE DEVELOPER
 14 TO COMPLY WITH THIS SECTION.

15 (9) UPON RECEIPT OF EVIDENCE THAT AN AFFECTED LOCAL
 16 GOVERNMENT UNIT IDENTIFIED IN THE APPROVED IMPACT PLAN IS
 17 PROVIDING OR IS PREPARING TO PROVIDE AN ADDITIONAL SERVICE
 18 OR FACILITY PROVIDED FOR IN THE APPROVED IMPACT PLAN, THE
 19 BOARD SHALL PAY TO THAT LOCAL GOVERNMENT UNIT IN ONE SUM OR
 20 IN PARTS THE MONEY FROM THE HARD-ROCK MINING IMPACT FUND
 21 IDENTIFIED IN THE PLAN AS THE INCREASED COST TO THE LOCAL
 22 GOVERNMENT UNIT OF PROVIDING THAT PUBLIC SERVICE OR
 23 FACILITY.

24 (10) IF IT IS DETERMINED THAT AN OBJECTION FILED BY AN
 25 AFFECTED LOCAL GOVERNMENT UNIT UNDER SUBSECTION (3) IS

1 VALID, THE LOCAL GOVERNMENT UNIT SHALL BE AWARDED AND THE
 2 DEVELOPER SHALL PAY REASONABLE COSTS AND ATTORNEY FEES
 3 ASSOCIATED WITH ANY APPEALS FILED UNDER THIS SECTION. ANY
 4 ATTORNEY FEES AND COSTS AWARDED SHALL BE IN ADDITION TO ANY
 5 AMOUNTS PAID BY THE DEVELOPER UNDER [SECTION 2 THROUGH 11].

6 NEW SECTION. Section 9. Permit procedure and review
 7 of statement IMPACT PLAN to run concurrently. It is intended
 8 that the procedure for fulfilling the permit requirement of
 9 82-4-335 and the review of the developer's statement IMPACT
 10 PLAN by the board under [section 10 7 8] are to run
 11 concurrently. ~~if the requirements for a permit prescribed~~
 12 ~~in 82-4-335 have otherwise been met, the board of land~~
 13 ~~commissioners shall issue a letter stating that the permit~~
 14 ~~will be issued at such time as the board has approved the~~
 15 ~~statement of the developer under [section 10].~~

16 Section 12, Section 15-38-202, MCA, is amended to
 17 read:

18 "15-38-202 Investment of resource indemnity trust
 19 account --- expenditure --- minimum balance --- All moneys paid
 20 into the resource indemnity trust account shall be invested
 21 at the discretion of the board of investments. All the net
 22 earnings accruing to the resource indemnity trust account
 23 shall annually be added thereto until it has reached the sum
 24 of \$10 millions. Thereafter, only the net earnings may be
 25 appropriated and expended ~~are deposited in the general fund~~

1 ~~subject to the prior pledge and appropriation of such~~
 2 ~~earnings for the payment of hard rock mining impact bonds~~
 3 ~~until the account reaches \$100 million. Thereafter, all net~~
 4 ~~earnings and all receipts shall be appropriated by the~~
 5 ~~legislature and expended deposited in the general fund~~
 6 ~~subject to the prior pledge and appropriation of such~~
 7 ~~earnings for the payment of hard rock mining impact bonds~~
 8 ~~provided that the balance in the account may never be less~~
 9 ~~than \$100 million.~~

10 NEW SECTION. SECTION 10. TAX PREPAYMENT --
 11 LARGE-SCALE MINERAL DEVELOPMENT. (1) AFTER PERMISSION TO
 12 COMMENCE OPERATION IS GRANTED BY THE APPROPRIATE
 13 GOVERNMENTAL AGENCY, AND UPON REQUEST OF THE BOARD OF COUNTY
 14 COMMISSIONERS OF A COUNTY IN WHICH A FACILITY IS TO BE
 15 LOCATED, A PERSON INTENDING TO CONSTRUCT OR LOCATE A
 16 LARGE-SCALE MINERAL DEVELOPMENT IN THIS STATE SHALL PREPAY
 17 PROPERTY TAXES IN AN AMOUNT EQUAL TO AT LEAST THREE TIMES
 18 THE ESTIMATED PROPERTY TAX DUE THE YEAR THE LARGE-SCALE
 19 MINERAL DEVELOPMENT FACILITY COMMENCES OPERATION. THIS
 20 PREPAYMENT SHALL EXCLUDE THE 6-MILL UNIVERSITY LEVY AND MAY
 21 EXCLUDE THE MANDATORY COUNTY LEVY FOR THE SCHOOL FOUNDATION
 22 PROGRAM OF 40 MILLS.

23 (2) THE PERSON WHO IS TO PREPAY UNDER THIS SECTION
 24 SHALL NOT BE OBLIGATED TO PREPAY THE ENTIRE AMOUNT
 25 ESTABLISHED IN SUBSECTION (1) AT ONE TIME. UPON REQUEST OF

1 THE GOVERNING BODY OF AN AFFECTED LOCAL GOVERNMENT UNIT, THE
 2 PERSON SHALL PREPAY THE AMOUNT SHOWN TO BE NEEDED FROM TIME
 3 TO TIME AS DETERMINED BY THE BOARD.

4 (3) THE PERSON WHO IS TO PREPAY SHALL GUARANTEE TO THE
 5 HARD-ROCK MINING IMPACT BOARD, WITH APPROPRIATE BANK
 6 GUARANTIES AS MAY BE REQUIRED BY THE BOARD, THAT PROPERTY
 7 TAX PREPAYMENTS WILL BE PAID AS NEEDED FOR EXPENDITURES
 8 CREATED BY THE IMPACTS OF THE LARGE-SCALE MINERAL
 9 DEVELOPMENT.

10 (4) WHEN THE MINERAL DEVELOPMENT FACILITIES ARE
 11 COMPLETED AND ASSESSED BY THE DEPARTMENT OF REVENUE, THEY
 12 SHALL BE SUBJECT DURING THE FIRST 3 YEARS AND THEREAFTER TO
 13 TAXATION AS ALL OTHER PROPERTY SIMILARLY SITUATED, EXCEPT
 14 THAT IN EACH YEAR AFTER THE START OF PRODUCTION, THE LOCAL
 15 GOVERNMENT UNIT THAT RECEIVED A PROPERTY TAX PREPAYMENT
 16 SHALL PROVIDE FOR REPAYMENT OF PREPAID PROPERTY TAXES IN
 17 ACCORDANCE WITH SUBSECTION (5).

18 (5) A LOCAL GOVERNMENT UNIT THAT RECEIVED ALL OR A
 19 PORTION OF THE PROPERTY TAX PREPAYMENT UNDER THIS SECTION
 20 SHALL PROVIDE FOR REPAYMENT ACCORDING TO THE FOLLOWING
 21 PROCEDURE:

22 (A) IN EACH YEAR AFTER THE COMMENCEMENT OF MINING, THE
 23 LOCAL GOVERNMENT SHALL:

24 (I) DIVIDE ITS BUDGET BY THE AVERAGE MILL LEVY OF ITS
 25 JURISDICTION DURING THE 3 YEARS IMMEDIATELY PRECEDING

1 COMMENCEMENT OF MINING OPERATIONS, TO ARRIVE AT A TAXABLE
 2 VALUATION NEEDED TO FUND ITS BUDGET USING THE AVERAGE 3-YEAR
 3 MILL LEVY;

4 (II) REDUCE THE TAXABLE VALUATION OF PROPERTY OF A
 5 PERSON WHO PREPAID PROPERTY TAXES BY THE DIFFERENCE-BETWEEN
 6 EXCESS, IF ANY, OF THE ACTUAL TOTAL TAXABLE VALUE OF THE
 7 TAXING JURISDICTION INCLUDING THE PERSON'S PROPERTY AND OVER
 8 THE TAXABLE VALUE DETERMINED UNDER SUBSECTION (5)(A)(I), BUT
 9 IN NO CASE BY AN AMOUNT GREATER THAN THE TAXABLE VALUE OF
 10 THE PERSON'S PROPERTY.

11 (B) THE REDUCTION IN TAXABLE VALUE, IF ANY, DETERMINED
 12 UNDER SUBSECTION (5)(A)(II) TIMES THE AVERAGE MILL LEVY USED
 13 IN SUBSECTION (5)(A)(I) EQUALS THE PROPERTY TAX PREPAYMENT
 14 CREDIT ALLOWED FOR THE TAXABLE YEAR FOR THAT LOCAL
 15 GOVERNMENT UNIT. ANY LOCAL GOVERNMENT UNIT NOT RECEIVING A
 16 PAYMENT SHALL NOT BE AFFECTED BY THIS SECTION AND NO
 17 REDUCTION IN VALUE SHALL BE USED IN THE COMPUTATION OF TAXES
 18 DUE THAT UNIT OF LOCAL GOVERNMENT.

19 (C) THE PROCEDURE ESTABLISHED UNDER SUBSECTION (5)(A)
 20 SHALL CONTINUE FROM YEAR TO YEAR UNTIL THE TOTAL CREDIT
 21 ALLOWED THE PERSON WHO PREPAID PROPERTY TAXES EQUALS THE
 22 TOTAL PROPERTY TAXES PREPAID.

23 NEW SECTION. SECTION 11. EDUCATION IMPACT BONDS. (1)
 24 WHEN THE NEED FOR NEW SCHOOL FACILITIES IS DETERMINED, THE
 25 OWNERS OF A LARGE-SCALE MINERAL DEVELOPMENT MAY ENTER INTO A

1 WRITTEN AGREEMENT WITH THE TRUSTEES OF A SCHOOL DISTRICT
 2 THAT HAS THE BURDEN FOR THE ISSUANCE OF BONDS TO COVER THE
 3 COST OF SUCH NEW CONSTRUCTION. THE TRUSTEES OF A SCHOOL
 4 DISTRICT ~~WILL~~ MAY EXECUTE A WRITTEN AGREEMENT WITH THE OWNER
 5 OF A LARGE-SCALE MINERAL DEVELOPMENT FOR THE ISSUANCE OF ANY
 6 SPECIAL INDUSTRIAL EDUCATIONAL IMPACT BONDS PROVIDED FOR IN
 7 THIS SECTION.

8 (2) THE AGREEMENT WITH THE OWNERS OF A LARGE-SCALE
 9 MINERAL DEVELOPMENT SHALL PROVIDE FOR A PAYMENT GUARANTEE,
 10 IN ADDITION TO THE TAXES IMPOSED BY THE SCHOOL DISTRICT ON
 11 PROPERTY OWNERS GENERALLY, OF THE PRINCIPAL AND INTEREST ON
 12 THE BONDS PROVIDED FOR IN THIS SECTION. PAYMENT WILL THEN BE
 13 MADE BY AN ANNUAL SPECIAL TAX LEVY ON THE PROPERTY OF THE
 14 LARGE-SCALE MINERAL DEVELOPMENT SUFFICIENT TO RETIRE THE
 15 PRINCIPAL AND INTEREST ON THESE SPECIAL IMPACT BONDS. THE
 16 BONDS SHALL NOT BE AN OBLIGATION OF THE TRUSTEES OR THE
 17 SCHOOL DISTRICT.

18 (3) THE DEBT LIMITS SET FORTH IN 20-9-406 AND THE
 19 PROVISIONS OF 20-9-410 AND 20-9-421 THROUGH 20-9-432,
 20 INCLUSIVE, DO NOT APPLY TO BONDS ISSUED IN ACCORDANCE WITH
 21 THIS SECTION. THE INTEREST ON SUCH BONDS SHALL NOT BE
 22 SUBJECT TO STATE TAXES.

23 SECTION 12. SECTION 15-16-201, MCA, IS AMENDED TO
 24 READ:

25 "15-16-201. Tax prepayment -- new industrial

1 facilities. (1) A person intending to construct or locate a
 2 major new industrial facility, as defined in subsection (2)
 3 of this section, shall upon request of the board of county
 4 commissioners of the county in which the facility is to be
 5 located, prepay, when permission is granted to construct or
 6 locate by the appropriate governmental agency, an amount
 7 equal to three times the estimated property tax due the year
 8 the facility is completed. The person who is to prepay under
 9 this section shall not be obligated to prepay the entire
 10 amount at one time but, upon request of the board of county
 11 commissioners of the county, shall prepay only that amount
 12 shown to be needed from time to time. To assure this payment
 13 or payments, the person who is to prepay shall guarantee to
 14 the board of county commissioners and also have a bank or
 15 banks guarantee that these amounts will be paid as needed
 16 for expenditures created by the impact. When the facility is
 17 completed and assessed by the department of revenue, it
 18 shall be subject during the first 3 years and thereafter to
 19 taxation as all other property similarly situated, except
 20 that one-fifth of the amount prepaid shall be allowed as a
 21 credit against property taxes in each of the first 5 years
 22 after the start of productive operation of the facility.

23 (2) A major new industrial facility is a manufacturing
 24 or mining facility other than a large-scale mineral
 25 development as defined in section 3(4) which will employ

1 on an average annual basis at least 100 people in
 2 construction or operation of the facility and which will
 3 create a substantial adverse impact on existing state,
 4 county, or municipal services."

5 Section 13. Section 82-4-335, MCA, is amended to read:
 6 "82-4-335. Operating permit. (1) No person shall
 7 engage in mining or disturb land in anticipation of mining
 8 in the state without first obtaining an operating permit
 9 from the board to do so. A separate operating permit shall
 10 be required for each mine complex. Prior to receiving an
 11 operating permit from the board, any person must pay the
 12 basic permit fee of \$25 and must submit an application on a
 13 form provided by the board, which shall contain the
 14 following information and any other pertinent data required
 15 by the rules:

- 16 (1)(a) name and address of the operator and, if a
- 17 corporation or other business entity, the name and address
- 18 of its principal officers, partners, and the like and its
- 19 resident agent for service of process, if required by law;
- 20 (2)(b) minerals expected to be mined;
- 21 (3)(c) a proposed reclamation plan;
- 22 (4)(d) expected starting date of mining;
- 23 (5)(e) a map showing the specific area to be mined and
- 24 the boundaries of the land which will be disturbed,
- 25 topographic detail, the location and names of all streams,

1 roads, railroads, and utility lines on or immediately
2 adjacent to the area, location of proposed access roads to
3 be built and the names and addresses of the surface and
4 mineral owners of all lands within the mining area, to the
5 extent known to applicant;

6 ~~{6}{f}~~ types of access roads to be built and manner of
7 reclamation of road sites on abandonment; and

8 ~~{7}{g}~~ a plan of mining which will provide, within
9 limits of normal operating procedures of the industry, for
10 completion of mining and associated land disturbances.

11 {2} Except as provided in subsection (3), the permit
12 provided for in subsection (1) may not be issued until the
13 hard-rock mining board approves the plan submitted in
14 compliance with [section 10] if, however, at the
15 requirements for obtaining an operating permit have been met
16 except the approval of the hard-rock mining board, the board
17 shall issue a letter stating that the permit will be issued
18 at such time as the hard-rock mining board approves the
19 statement of the developer under [section 10] FOR A
20 LARGE-SCALE MINERAL DEVELOPMENT AS DEFINED IN [SECTION 3]
21 SHALL BE CONDITIONED TO PROVIDE THAT MINING MAY NOT COMMENCE
22 UNTIL THE HARD-ROCK MINING IMPACT BOARD APPROVES THE IMPACT
23 PLAN UNDER [SECTION 7 8] AND UNTIL THE PERMITTEE HAS
24 PROVIDED A WRITTEN GUARANTEE TO THE DEPARTMENT AND TO THE
25 HARD-ROCK MINING IMPACT BOARD OF COMPLIANCE WITHIN THE TIME

1 SCHEDULE WITH THE COMMITMENT MADE IN THE IMPACT STATEMENT
2 PLAN APPROVED BY THE HARD-ROCK MINING IMPACT BOARD, AS
3 PROVIDED IN [SECTION 7 8]. IF THE PERMITTEE DOES NOT COMPLY
4 WITH THAT COMMITMENT WITHIN THE TIME SCHEDULED, THE BOARD,
5 UPON RECEIPT OF WRITTEN NOTICE FROM THE HARD-ROCK MINING
6 IMPACT BOARD, SHALL SUSPEND THE PERMIT UNTIL IT RECEIVES
7 WRITTEN NOTICE FROM THE HARD-ROCK MINING IMPACT BOARD THAT
8 THE PERMITTEE IS IN COMPLIANCE.

9 {3} Compliance with [section 10 7 8] is not required
10 for exploration and bulk sampling for metallurgical testing
11 when the aggregate samples are less than 10,000 tons."

12 SECTION 14. COORDINATION. (1) IF THE DEPARTMENT OF
13 COMMERCE HAS NOT BEEN CREATED BY EXECUTIVE ORDER ON THE
14 EFFECTIVE DATE OF [THIS ACT] THEN THE HARD-ROCK MINING
15 IMPACT BOARD IS ALLOCATED TO THE DEPARTMENT OF COMMUNITY
16 AFFAIRS FOR ADMINISTRATIVE PURPOSES UNTIL THE DEPARTMENT OF
17 COMMERCE IS CREATED OR UNTIL JULY 1, 1981, WHICHEVER IS
18 EARLIER.

19 {2} IF SENATE BILL 344 IS PASSED AND APPROVED:

20 (A) THE HARD-ROCK MINING IMPACT BOARD CREATED BY
21 [SECTION 1] IS REPLACED WITH THE HARD-ROCK MINING IMPACT
22 BOARD CREATED BY [SECTION 12 OF SENATE BILL 344].

23 (B) SUBSECTION 1 OF [SECTION 3] SHALL READ:

24 "BOARD" MEANS THE HARD-ROCK MINING IMPACT BOARD
25 ESTABLISHED IN [SECTION 12 OF SENATE BILL 344]."

1 (C) [SECTION 4] IS REPLACED WITH [SECTION 16 OF SENATE
 2 BILL 344].

3 (D) [SECTION 5] IS REPLACED WITH [SECTION 14 OF SENATE
 4 BILL 344].

5 (E) [SECTION 7] IS REPLACED WITH [SECTION 18 OF SENATE
 6 BILL 344].

7 (F) [SECTION 6], [SECTION 13], AND SUBSECTIONS (2) AND
 8 {8} OF [SECTION 8] SHALL NOT BECOME EFFECTIVE.

9 (G) THE SENATE STANDING COMMITTEE AMENDMENT 30 BE
 10 AMENDED TO READ:

11 "PAGE 13, LINE 14.

12 FOLLOWING: LINE 13

13 INSERT: "(6) THE DEVELOPER SHALL, WITHIN 30 DAYS OF
 14 RECEIPT OF THE APPROVED IMPACT PLAN, PROVIDE THE BOARD WITH
 15 A WRITTEN GUARANTY THAT THE DEVELOPER WILL MAKE ALL THE
 16 PAYMENTS TO THE BOARD REQUIRED IN THE APPROVED IMPACT PLAN
 17 AND ACCORDING TO THE TIME SCHEDULE CONTAINED IN THE APPROVED
 18 IMPACT PLAN.

19 (7) THE BOARD SHALL DEPOSIT ALL PAYMENTS RECEIVED FROM
 20 THE DEVELOPER INTO THE HARD-ROCK MINING IMPACT ACCOUNT
 21 ESTABLISHED BY [SECTION 5].

22 (8) THE BOARD SHALL NOTIFY THE DEPARTMENT OF STATE
 23 LANDS OF ITS RECEIPT OF THE WRITTEN GUARANTY OF PAYMENT, OF
 24 EACH REQUIRED PAYMENT, AND OF ANY FAILURE OF THE DEVELOPER
 25 TO COMPLY WITH THIS SECTION.

1 (9) UPON RECEIPT OF EVIDENCE THAT AN AFFECTED LOCAL
 2 GOVERNMENT UNIT IDENTIFIED IN THE APPROVED IMPACT PLAN IS
 3 PROVIDING OR IS PREPARING TO PROVIDE AN ADDITIONAL SERVICE
 4 OR FACILITY PROVIDED FOR IN THE APPROVED IMPACT PLAN, THE
 5 BOARD MAY PAY TO THAT LOCAL GOVERNMENT UNIT IN ONE SUM OR IN
 6 PARTS THE MONEY FROM THE HARD-ROCK MINING IMPACT FUND
 7 IDENTIFIED IN THE PLAN AS THE INCREASED COST TO THE LOCAL
 8 GOVERNMENT UNIT OF PROVIDING THAT PUBLIC SERVICE OR
 9 FACILITY.

10 (10) IF IT IS DETERMINED THAT AN OBJECTION FILED BY AN
 11 AFFECTED LOCAL GOVERNMENT UNIT UNDER SUBSECTION (3) IS
 12 VALID, THE LOCAL GOVERNMENT UNIT SHALL BE AWARDED AND THE
 13 DEVELOPER SHALL PAY REASONABLE COSTS AND ATTORNEY FEES
 14 ASSOCIATED WITH ANY APPEALS FILED UNDER THIS SECTION. ANY
 15 ATTORNEY FEES AND COSTS AWARDED SHALL BE IN ADDITION TO ANY
 16 AMOUNTS PAID BY THE DEVELOPER UNDER [SECTION 2 THROUGH
 17 11]."

18 SECTION 15. SEVERABILITY. IF A PART OF THIS ACT IS
 19 INVALID, ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID
 20 PART REMAIN IN EFFECT. IF A PART OF THIS ACT IS INVALID IN
 21 ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT
 22 IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE
 23 INVALID APPLICATION.

24 SECTION 16. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
 25 PASSAGE AND APPROVAL.

1 ~~subject to the prior pledge and appropriation of such~~
 2 ~~earnings for the payment of hard rock mining impact bonds~~
 3 ~~until the account reaches \$100 million. Thereafter, all net~~
 4 ~~earnings and all receipts shall be appropriated by the~~
 5 ~~legislature and expended deposited in the general fund~~
 6 ~~subject to the prior pledge and appropriation of such~~
 7 ~~earnings for the payment of hard rock mining impact bonds,~~
 8 ~~provided that the balance in the account may never be less~~
 9 ~~than \$100 million."~~

10 NEW SECTION. SECTION 10. TAX PREPAYMENT --
 11 LARGE-SCALE MINERAL DEVELOPMENT. (1) AFTER PERMISSION TO
 12 COMMENCE OPERATION IS GRANTED BY THE APPROPRIATE
 13 GOVERNMENTAL AGENCY, AND UPON REQUEST OF THE BOARD OF COUNTY
 14 COMMISSIONERS OF A COUNTY IN WHICH A FACILITY IS TO BE
 15 LOCATED, A PERSON INTENDING TO CONSTRUCT OR LOCATE A
 16 LARGE-SCALE MINERAL DEVELOPMENT IN THIS STATE SHALL PREPAY
 17 PROPERTY TAXES IN AN AMOUNT EQUAL TO AT LEAST THREE TIMES
 18 THE ESTIMATED PROPERTY TAX DUE THE YEAR THE LARGE-SCALE
 19 MINERAL DEVELOPMENT FACILITY COMMENCES OPERATION. THIS
 20 PREPAYMENT SHALL EXCLUDE THE 6-MILL UNIVERSITY LEVY AND MAY
 21 EXCLUDE THE MANDATORY COUNTY LEVY FOR THE SCHOOL FOUNDATION
 22 PROGRAM OF 40 MILLS.

23 (2) THE PERSON WHO IS TO PREPAY UNDER THIS SECTION
 24 SHALL NOT BE OBLIGATED TO PREPAY THE ENTIRE AMOUNT
 25 ESTABLISHED IN SUBSECTION (1) AT ONE TIME. UPON REQUEST OF

1 THE GOVERNING BODY OF AN AFFECTED LOCAL GOVERNMENT UNIT, THE
 2 PERSON SHALL PREPAY THE AMOUNT SHOWN TO BE NEEDED FROM TIME
 3 TO TIME AS DETERMINED BY THE BOARD.

4 (3) THE PERSON WHO IS TO PREPAY SHALL GUARANTEE TO THE
 5 HARD-ROCK MINING IMPACT BOARD, WITH APPROPRIATE BANK
 6 GUARANTIES AS MAY BE REQUIRED BY THE BOARD, THAT PROPERTY
 7 TAX PREPAYMENTS WILL BE PAID AS NEEDED FOR EXPENDITURES
 8 CREATED BY THE IMPACTS OF THE LARGE-SCALE MINERAL
 9 DEVELOPMENT.

10 (4) WHEN THE MINERAL DEVELOPMENT FACILITIES ARE
 11 COMPLETED AND ASSESSED BY THE DEPARTMENT OF REVENUE, THEY
 12 SHALL BE SUBJECT DURING THE FIRST 3 YEARS AND THEREAFTER TO
 13 TAXATION AS ALL OTHER PROPERTY SIMILARLY SITUATED, EXCEPT
 14 THAT IN EACH YEAR AFTER THE START OF PRODUCTION, THE LOCAL
 15 GOVERNMENT UNIT THAT RECEIVED A PROPERTY TAX PREPAYMENT
 16 SHALL PROVIDE FOR REPAYMENT OF PREPAID PROPERTY TAXES IN
 17 ACCORDANCE WITH SUBSECTION (5).

18 (5) A LOCAL GOVERNMENT UNIT THAT RECEIVED ALL OR A
 19 PORTION OF THE PROPERTY TAX PREPAYMENT UNDER THIS SECTION
 20 SHALL PROVIDE FOR REPAYMENT ACCORDING TO THE FOLLOWING
 21 PROCEDURE:

22 (A) IN EACH YEAR AFTER THE COMMENCEMENT OF MINING, THE
 23 LOCAL GOVERNMENT SHALL:

24 (1) DIVIDE ITS BUDGET BY THE AVERAGE MILL LEVY OF ITS
 25 JURISDICTION DURING THE 3 YEARS IMMEDIATELY PRECEDING

1 COMMENCEMENT OF MINING OPERATIONS, TO ARRIVE AT A TAXABLE
 2 VALUATION NEEDED TO FUND ITS BUDGET USING THE AVERAGE 3-YEAR
 3 MILL LEVY;

4 (II) REDUCE THE TAXABLE VALUATION OF PROPERTY OF A
 5 PERSON WHO PREPAID PROPERTY TAXES BY THE DIFFERENCE BETWEEN
 6 EXCESS, IF ANY, OF THE ACTUAL TOTAL TAXABLE VALUE OF THE
 7 TAXING JURISDICTION INCLUDING THE PERSON'S PROPERTY AND OVER
 8 THE TAXABLE VALUE DETERMINED UNDER SUBSECTION (5)(A)(I), BUT
 9 IN NO CASE BY AN AMOUNT GREATER THAN THE TAXABLE VALUE OF
 10 THE PERSON'S PROPERTY.

11 (B) THE REDUCTION IN TAXABLE VALUE, IF ANY, DETERMINED
 12 UNDER SUBSECTION (5)(A)(II) TIMES THE AVERAGE MILL LEVY USED
 13 IN SUBSECTION (5)(A)(I) EQUALS THE PROPERTY TAX PREPAYMENT
 14 CREDIT ALLOWED FOR THE TAXABLE YEAR FOR THAT LOCAL
 15 GOVERNMENT UNIT. ANY LOCAL GOVERNMENT UNIT NOT RECEIVING A
 16 PAYMENT SHALL NOT BE AFFECTED BY THIS SECTION AND NO
 17 REDUCTION IN VALUE SHALL BE USED IN THE COMPUTATION OF TAXES
 18 DUE THAT UNIT OF LOCAL GOVERNMENT. IN NO EVENT SHALL THE
 19 CREDIT ALLOWED UNDER THIS ACT EXTEND MORE THAN 10 YEARS
 20 BEYOND THE DATE THE PREPAYMENT IS MADE UNDER THIS SECTION.

21 (C) THE PROCEDURE ESTABLISHED UNDER SUBSECTION (5)(A)
 22 SHALL CONTINUE FROM YEAR TO YEAR UNTIL THE TOTAL CREDIT
 23 ALLOWED THE PERSON WHO PREPAID PROPERTY TAXES EQUALS THE
 24 TOTAL PROPERTY TAXES PREPAID.

25 NEW SECTION. SECTION 11. EDUCATION IMPACT BONDS. (1)

1 WHEN THE NEED FOR NEW SCHOOL FACILITIES IS DETERMINED, THE
 2 OWNERS OF A LARGE-SCALE MINERAL DEVELOPMENT MAY ENTER INTO A
 3 WRITTEN AGREEMENT WITH THE TRUSTEES OF A SCHOOL DISTRICT
 4 THAT HAS THE BURDEN FOR THE ISSUANCE OF BONDS TO COVER THE
 5 COST OF SUCH NEW CONSTRUCTION. THE TRUSTEES OF A SCHOOL
 6 DISTRICT ~~WILL~~ MAY EXECUTE A WRITTEN AGREEMENT WITH THE OWNER
 7 OF A LARGE-SCALE MINERAL DEVELOPMENT FOR THE ISSUANCE OF ANY
 8 SPECIAL INDUSTRIAL EDUCATIONAL IMPACT BONDS PROVIDED FOR IN
 9 THIS SECTION.

10 (2) THE AGREEMENT WITH THE OWNERS OF A LARGE-SCALE
 11 MINERAL DEVELOPMENT SHALL PROVIDE FOR A PAYMENT GUARANTEE,
 12 IN ADDITION TO THE TAXES IMPOSED BY THE SCHOOL DISTRICT ON
 13 PROPERTY OWNERS GENERALLY, OF THE PRINCIPAL AND INTEREST ON
 14 THE BONDS PROVIDED FOR IN THIS SECTION. PAYMENT WILL THEN BE
 15 MADE BY AN ANNUAL SPECIAL TAX LEVY ON THE PROPERTY OF THE
 16 LARGE-SCALE MINERAL DEVELOPMENT SUFFICIENT TO RETIRE THE
 17 PRINCIPAL AND INTEREST ON THESE SPECIAL IMPACT BONDS. THE
 18 BONDS SHALL NOT BE AN OBLIGATION OF THE TRUSTEES OR THE
 19 SCHOOL DISTRICT.

20 (3) THE DEBT LIMITS SET FORTH IN 20-9-406 AND THE
 21 PROVISIONS OF 20-9-410 AND 20-9-421 THROUGH 20-9-432,
 22 INCLUSIVE, DO NOT APPLY TO BONDS ISSUED IN ACCORDANCE WITH
 23 THIS SECTION. THE INTEREST ON SUCH BONDS SHALL NOT BE
 24 SUBJECT TO STATE TAXES.

25 SECTION 12. SECTION 15-16-201, MCA, IS AMENDED TO

1 READ:

2 "15-16-201. Tax prepayment -- new industrial
3 facilities. (1) A person intending to construct or locate a
4 major new industrial facility, as defined in subsection (2)
5 of this section, shall upon request of the board of county
6 commissioners of the county in which the facility is to be
7 located, prepay, when permission is granted to construct or
8 locate by the appropriate governmental agency, an amount
9 equal to three times the estimated property tax due the year
10 the facility is completed. The person who is to prepay under
11 this section shall not be obligated to prepay the entire
12 amount at one time but, upon request of the board of county
13 commissioners of the county, shall prepay only that amount
14 shown to be needed from time to time. To assure this payment
15 or payments, the person who is to prepay shall guarantee to
16 the board of county commissioners and also have a bank or
17 banks guarantee that these amounts will be paid as needed
18 for expenditures created by the impact. When the facility is
19 completed and assessed by the department of revenue, it
20 shall be subject during the first 3 years and thereafter to
21 taxation as all other property similarly situated, except
22 that one-fifth of the amount prepaid shall be allowed as a
23 credit against property taxes in each of the first 5 years
24 after the start of productive operation of the facility.

25 (2) A major new industrial facility is a manufacturing

1 or mining facility other than a large-scale mineral
2 development as defined in [section 3(4)] which will employ
3 on an average annual basis at least 100 people in
4 construction or operation of the facility and which will
5 create a substantial adverse impact on existing state,
6 county, or municipal services."

7 Section 13. Section 82-4-335, MCA, is amended to read:

8 "82-4-335. Operating permit. (1) No person shall
9 engage in mining or disturb land in anticipation of mining
10 in the state without first obtaining an operating permit
11 from the board to do so. A separate operating permit shall
12 be required for each mine complex. Prior to receiving an
13 operating permit from the board, any person must pay the
14 basic permit fee of \$25 and must submit an application on a
15 form provided by the board, which shall contain the
16 following information and any other pertinent data required
17 by the rules:

18 (1)(a) name and address of the operator and, if a
19 corporation or other business entity, the name and address
20 of its principal officers, partners, and the like and its
21 resident agent for service of process, if required by law;

22 (2)(b) minerals expected to be mined;

23 (3)(c) a proposed reclamation plan;

24 (4)(d) expected starting date of mining;

25 (5)(e) a map showing the specific area to be mined and

1 the boundaries of the land which will be disturbed,
 2 topographic detail, the location and names of all streams,
 3 roads, railroads, and utility lines on or immediately
 4 adjacent to the area, location of proposed access roads to
 5 be built and the names and addresses of the surface and
 6 mineral owners of all lands within the mining area, to the
 7 extent known to applicant;

8 ~~(6)(f)~~ types of access roads to be built and manner of
 9 reclamation of road sites on abandonment; and

10 ~~(7)(g)~~ a plan of mining which will provide, within
 11 limits of normal operating procedures of the industry, for
 12 completion of mining and associated land disturbances.

13 (2) Except as provided in subsection (3), the permit
 14 provided for in subsection (1) may not be issued until the
 15 hard-rock mining board approves the plan submitted in
 16 compliance with [section 10] if, however, all the
 17 requirements for obtaining an operating permit have been met
 18 except the approval of the hard-rock mining board, the board
 19 shall issue a letter stating that the permit will be issued
 20 at such time as the hard-rock mining board approves the
 21 statement of the developer under [section 10]. FOR A
 22 LARGE-SCALE MINERAL DEVELOPMENT AS DEFINED IN [SECTION 3]
 23 SHALL BE CONDITIONED TO PROVIDE THAT MINING MAY NOT COMMENCE
 24 UNTIL THE HARD-ROCK MINING IMPACT BOARD APPROVES THE IMPACT
 25 PLAN UNDER [SECTION 7 8] AND UNTIL THE PERMITTEE HAS

1 PROVIDED A WRITTEN GUARANTEE TO THE DEPARTMENT AND TO THE
 2 HARD-ROCK MINING IMPACT BOARD OF COMPLIANCE WITHIN THE TIME
 3 SCHEDULED WITH THE COMMITMENT MADE IN THE IMPACT STATEMENT
 4 PLAN APPROVED BY THE HARD-ROCK MINING IMPACT BOARD, AS
 5 PROVIDED IN [SECTION 7 8]. IF THE PERMITTEE DOES NOT COMPLY
 6 WITH THAT COMMITMENT WITHIN THE TIME SCHEDULED, THE BOARD,
 7 UPON RECEIPT OF WRITTEN NOTICE FROM THE HARD-ROCK MINING
 8 IMPACT BOARD, SHALL SUSPEND THE PERMIT UNTIL IT RECEIVES
 9 WRITTEN NOTICE FROM THE HARD-ROCK MINING IMPACT BOARD THAT
 10 THE PERMITTEE IS IN COMPLIANCE.

11 (3) Compliance with [section 10 7 8] is not required
 12 for exploration and bulk sampling for metallurgical testing
 13 when the aggregate samples are less than 10,000 tons."

14 SECTION 14. COORDINATION. (1) IF THE DEPARTMENT OF
 15 COMMERCE HAS NOT BEEN CREATED BY EXECUTIVE ORDER ON THE
 16 EFFECTIVE DATE OF [THIS ACT] THEN THE HARD-ROCK MINING
 17 IMPACT BOARD IS ALLOCATED TO THE DEPARTMENT OF COMMUNITY
 18 AFFAIRS FOR ADMINISTRATIVE PURPOSES UNTIL THE DEPARTMENT OF
 19 COMMERCE IS CREATED OR UNTIL JULY 1, 1981, WHICHEVER IS
 20 EARLIER.

21 (2) IF SENATE BILL 344 IS PASSED AND APPROVED:
 22 (A) THE HARD-ROCK MINING IMPACT BOARD CREATED BY
 23 [SECTION 1] IS REPLACED WITH THE HARD-ROCK MINING IMPACT
 24 BOARD CREATED BY [SECTION 12 OF SENATE BILL 344].
 25 (B) SUBSECTION 1 OF [SECTION 3] SHALL READ:

1 ""BOARD" MEANS THE HARD-ROCK MINING IMPACT BOARD
 2 ESTABLISHED IN [SECTION 12 OF SENATE BILL 344]."

3 (C) [SECTION 4] IS REPLACED WITH [SECTION 16 OF SENATE
 4 BILL 344].

5 (D) [SECTION 5] IS REPLACED WITH [SECTION 14 OF SENATE
 6 BILL 344].

7 (E) [SECTION 7] IS REPLACED WITH [SECTION 18 OF SENATE
 8 BILL 344].

9 (F) [SECTION 6], [SECTION 13], AND SUBSECTIONS (2) AND
 10 (8) OF [SECTION 8] SHALL NOT BECOME EFFECTIVE.

11 (G) THE SENATE STANDING COMMITTEE AMENDMENT 30 BE
 12 AMENDED TO READ:

13 "PAGE 13, LINE 14.

14 FOLLOWING: LINE 13

15 INSERT: "(6) THE DEVELOPER SHALL, WITHIN 30 DAYS OF
 16 RECEIPT OF THE APPROVED IMPACT PLAN, PROVIDE THE BOARD WITH
 17 A WRITTEN GUARANTY THAT THE DEVELOPER WILL MAKE ALL THE
 18 PAYMENTS TO THE BOARD REQUIRED IN THE APPROVED IMPACT PLAN
 19 AND ACCORDING TO THE TIME SCHEDULE CONTAINED IN THE APPROVED
 20 IMPACT PLAN.

21 (7) THE BOARD SHALL DEPOSIT ALL PAYMENTS RECEIVED FROM
 22 THE DEVELOPER INTO THE HARD-ROCK MINING IMPACT ACCOUNT
 23 ESTABLISHED BY [SECTION 5].

24 (8) THE BOARD SHALL NOTIFY THE DEPARTMENT OF STATE
 25 LANDS OF ITS RECEIPT OF THE WRITTEN GUARANTY OF PAYMENT, OF

1 EACH REQUIRED PAYMENT, AND OF ANY FAILURE OF THE DEVELOPER
 2 TO COMPLY WITH THIS SECTION.

3 (9) UPON RECEIPT OF EVIDENCE THAT AN AFFECTED LOCAL
 4 GOVERNMENT UNIT IDENTIFIED IN THE APPROVED IMPACT PLAN IS
 5 PROVIDING OR IS PREPARING TO PROVIDE AN ADDITIONAL SERVICE
 6 OR FACILITY PROVIDED FOR IN THE APPROVED IMPACT PLAN, THE
 7 BOARD MAY PAY TO THAT LOCAL GOVERNMENT UNIT IN ONE SUM OR IN
 8 PARTS THE MONEY FROM THE HARD-ROCK MINING IMPACT FUND
 9 IDENTIFIED IN THE PLAN AS THE INCREASED COST TO THE LOCAL
 10 GOVERNMENT UNIT OF PROVIDING THAT PUBLIC SERVICE OR
 11 FACILITY.

12 (10) IF IT IS DETERMINED THAT AN OBJECTION FILED BY AN
 13 AFFECTED LOCAL GOVERNMENT UNIT UNDER SUBSECTION (3) IS
 14 VALID, THE LOCAL GOVERNMENT UNIT SHALL BE AWARDED AND THE
 15 DEVELOPER SHALL PAY REASONABLE COSTS AND ATTORNEY FEES
 16 ASSOCIATED WITH ANY APPEALS FILED UNDER THIS SECTION. ANY
 17 ATTORNEY FEES AND COSTS AWARDED SHALL BE IN ADDITION TO ANY
 18 AMOUNTS PAID BY THE DEVELOPER UNDER [SECTION 2 THROUGH
 19 11]."

20 SECTION 15. SEVERABILITY. IF A PART OF THIS ACT IS
 21 INVALID, ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID
 22 PART REMAIN IN EFFECT. IF A PART OF THIS ACT IS INVALID IN
 23 ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT
 24 IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE
 25 INVALID APPLICATION.

HB 0718/05

1 SECTION 16. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
2 PASSAGE AND APPROVAL.

-End-

April 17, 1981

SENATE COMMITTEE OF THE WHOLE

Proposed amendments to House Bill No. 718, third reading copy,
as follows:

1. Page 4, line 11.

Following: "paid"

Strike: "\$50"

Insert: "\$25"

2. That the following amendment of the Senate
Standing Committee on Taxation of April 15,
1981, be amended to read as follows:

37. Page 16, line 19.

Following: "YEAR"

Insert: "for that local government unit.

Any local government unit not receiving a payment shall not be affected by this section and no reduction in value shall be used in the computation of taxes due that unit of local government. In no event shall the credit allowed under this act extend more than 10 years beyond the date the prepayment is made under this section."

April 17, 1981

SENATE COMMITTEE OF THE WHOLE

Proposed the adoption of the following Statement of Intent regarding House Bill No. 718:

Statement of Intent RE : HB 718

A statement of intent is required for HB 718 because [section 6] grants rulemaking authority to the hard-rock mining impact board.

The legislature intends that the rules adopted by the board governing its proceedings be procedural in nature.

- (1) The legislature intends that the board may adopt forms for notice required by the board and to be given by the board.
- (2) The board is intended to act as a "referee" in hearing disputes between local government units and large-scale mineral developers over the impact plan submitted to the board under the provisions of [section 8]. The hearings are subject to Montana Administrative Procedure Act and any rules adopted by the board governing the hearings must be consistent with that act.
- (3) The legislature intends that the rules adopted by the board governing the awarding of grants shall be consistent with the criteria set out in [section 7].