

SENATE BILL NO. 367

INTRODUCED BY KEATING, MANLEY, GALT,
HAMMOND, ECK

IN THE SENATE

February 5, 1981	Introduced and referred to Committee on Natural Resources.
	Fiscal note requested.
February 11, 1981	Fiscal note returned.
February 20, 1981	Committee recommend bill do pass. Report adopted.
February 21, 1981	Bill printed and placed on members' desks.
February 24, 1981	Second reading, do pass.
February 25, 1981	On motion rules suspended. Bill placed on calendar for third reading this day.
	Third reading, passed. Ayes, 45; Noes, 4. Transmitted to House.

IN THE HOUSE

March 3, 1981	Introduced and referred to Committee on Natural Resources.
March 23, 1981	Committee recommend bill be concurred in. Report adopted.
March 27, 1981	Second reading, concurred in.
March 30, 1981	On motion rules suspended and bill allowed to be transmitted on 71st legislative day. Motion adopted.
March 31, 1981	Third reading, concurred in. Ayes, 85; Noes, 13.

IN THE SENATE

April 1, 1981	Returned from House. Concurred in. Sent to enrolling.
April 6, 1981	Correctly enrolled.
	Signed by President.
April 8, 1981	Delivered to Governor.
April 14, 1981	Returned from Governor with recommended amendments.
April 17, 1981	Second reading, Governor's amendments concurred in.
	On motion rules suspended. Bill placed on calendar for third reading this day.
	Third reading, Governor's amendments concurred in. Ayes, 43; Noes, 4. Transmitted to House.

IN THE HOUSE

April 20, 1981	Bill received from Senate.
April 22, 1981	Second reading, Governor's amendments concurred in.
	On motion rules suspended and bill placed on third reading this day.
	Third reading, Governor's amendments concurred in. Ayes, 74; Noses, 18.

IN THE SENATE

1 *Senate* BILL NO. 367
2 INTRODUCED BY *Reating Mally* *Holt* *Hammond*
3 *Eck*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE BOARD OF
5 LAND COMMISSIONERS TO ISSUE COAL LEASES TO FOREIGN INTERESTS
6 AND TO ALLOW THE SALE OF COAL MINED UNDER LEASES FROM THE
7 BOARD OF LAND COMMISSIONERS TO FOREIGN PERSONS; AMENDING
8 SECTION 77-3-305, MCA; AND REPEALING SECTION 77-3-315, MCA."

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

11 Section 1. Section 77-3-305, MCA, is amended to read:
12 "77-3-305. Limitations on leasing. The board shall not
13 issue leases*

14 ~~to any corporation the majority stock of which is~~
15 ~~controlled by interests foreign to the United States, except~~
16 ~~for those interests within countries whose borders are~~
17 ~~contiguous to the United States; or~~

18 ~~if after a determination of the amount, location,~~
19 ~~and quality of the coal on the lands for lease, the~~
20 ~~extraction of the coal from such lands by strip-mining~~
21 ~~methods would adversely affect the methods of recovery of~~
22 ~~deep minable coal from such operations on such lands in the~~
23 ~~future."~~

24 Section 2. Repealer. Section 77-3-315, MCA, is
25 repealed.

-End-

INTRODUCED BILL
SB 367

STATE OF MONTANA

REQUEST NO. 311-81

FISCAL NOTE

Form BD-15

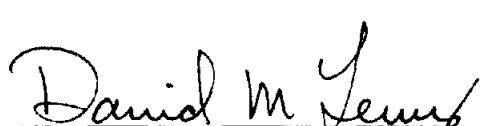
In compliance with a written request received February 6, 1981, there is hereby submitted a Fiscal Note for Senate Bill 367 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION

An Act to allow the Board of Land Commissioners to issue coal leases to foreign interests and to allow the sale of coal mined under leases from the Board of Land Commissioners to foreign persons.

COMMENTS:

The passage of this legislation would have no effect on expenditures or revenue. The State is legally required to obtain full market value for its coal and this bill does not change that requirement. This bill provides that the Land Board may issue coal leases to any corporation the majority stock of which is controlled by interests foreign to the United States.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-11-81

Approved by Committee
on Natural Resources

1 *Asen BILL NO. 367*
2 INTRODUCED BY *Beating Mealy* *John* *Hammond*
3 *Eck*

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14 ~~to any corporation the majority stock of which is
15 controlled by interests foreign to the United States, except
16 for those interests within countries whose borders are
17 contiguous to the United States; or~~

18 ~~(2) if after a determination of the amount, location,
19 and quality of the coal on the lands for lease, the
20 extraction of the coal from such lands by strip-mining
21 methods would adversely affect the methods of recovery of
22 deep minable coal from such operations on such lands in the
23 future."~~

24 Section 2. Repealer. Section 77-3-315, MCA, is
25 repealed.

-End-

SECOND READING

SB 367

1 *Amber* BILL NO. 367
2 INTRODUCED BY *Beating Murphy* *Walt* *Diamond*
3 *Eck*

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-End-

THIRD READING
SB 367

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3 HAMMOND, ECK

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20 and quality of the coal on the lands for lease, the
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23 deep minable coal from such operations on such lands in the
24 future.~~"

25 Section 2. Repealer. Section 77-3-315, MCA, is

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-End-

REFERENCE BILL

1 SENATE BILL NO. 367
2 INTRODUCED BY KEATING, MANLEY, GALT,
3 HAMMOND, ECK

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16 for those interests within countries whose borders are
17 contiguous to the United States; or~~

18 ~~(1) TO ANY CORPORATION THE MAJORITY STOCK OF WHICH IS
19 CONTROLLED BY INTERESTS FOREIGN TO THE UNITED STATES, EXCEPT
20 FOR THOSE INTERESTS WITHIN COUNTRIES WHOSE BORDERS ARE
21 CONTIGUOUS TO THE UNITED STATES; OR~~

22 ~~(2) if after a determination of the amount,
23 location, and quality of the coal on the lands for lease,
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3 future."

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5 repealed.

-End-

April 13, 1981

PROPOSED GOVERNOR'S AMENDMENTS TO SENATE BILL NO. 367;
REFERENCE COPY, AS FOLLOWS:

1. Page 1, Line 5
Following: "ACT"
Delete: "TO ALLOW THE BOARD OF"
2. Page 1, Line 6
Following: Line 5
Delete: "LAND COMMISSIONERS TO ISSUE COAL LEASES
TO FOREIGN INTERESTS"
3. Page 1, Line 7
Following: Line 6
Delete: "AND"
4. Page 1, Line 14
Following: "leases"
Insert: ":"
5. Page 1, Line 15
Following: Line 14
Insert: "(1) to any corporation the majority stock
of which is controlled by interests foreign
to the United States, except for those in-
terests within countries whose borders are
contiguous to the United States; or"
6. Page 1, Line 19
Following: Line 18
Insert: "(2)"



TED SCHWINDEN
GOVERNOR

State of Montana
Office of the Governor
Helena 59620

April 13, 1981

The Honorable Jean A. Turnage
President of the Senate
State Capitol
Helena, Montana 59620

The Honorable Robert L. Marks
Speaker of the House
State Capitol
Helena, Montana 59620

Dear Senator Turnage and Representative Marks:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby return Senate Bill 367, "AN ACT TO ALLOW THE BOARD OF LAND COMMISSIONERS TO ISSUE COAL LEASES TO FOREIGN INTERESTS AND TO ALLOW THE SALE OF COAL MINED UNDER LEASES FROM THE BOARD OF LAND COMMISSIONERS TO FOREIGN PERSONS; AMENDING SECTION 77-3-305, MCA; AND REPEALING SECTION 77-3-315, MCA," without my signature and recommend the attached amendments for the following reasons.

The strong support of SB 367 by the Legislature signals a clear change in public policy by the State of Montana. I remain concerned about the wisdom of committing finite U.S. energy resources to long term export contracts until America's energy needs are determined...and met.

Despite my reservations, however, I concur in SB 367 insofar as it permits coal from state leases to be sold to foreign interests. SB 367, however, also permits foreigners to acquire state coal leases without restriction. This unconditional right far exceeds the federal policy on mineral leasing.

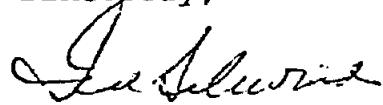
It is one thing to allow the export of Montana coal. It is quite another matter to permit...even to encourage... foreign interests to directly acquire Montana coal through lease agreement.

Senator Turnage and Representative Marks
April 13, 1981
Page Two

For this reason, I am returning SB 367 with an amendment that will provide the opportunity to export Montana coal, but reject the right of lease acquisition by foreign interests. The title is changed accordingly.

I urge your concurrence in these amendments.

Sincerely,



TED SCHWINDEN
Governor