HOUSE BILL NO. 859

INTRODUCED BY RAMIREZ, HAND

IN THE HOUSE

February 16, 1985	Introduced and referred to Committee on Natural Resources.
February 25, 1985	Committee recommend bill do pass as amended. Report adopted.
	Bill printed and placed on members' desks.
February 26, 1985	Second reading, do pass.
	Considered correctly engrossed.
February 27, 1985	Third reading, passed.
	Transmitted to Senate.
IN TH	IE SENATE
March 6, 1985	Introduced and referred to Committee on Natural Resources.
March 26, 1985	Committee recommend bill be concurred in as amended. Report adopted.
March 29, 1985	Second reading, concurred in.
March 30, 1985	Third reading, concurred in. Ayes, 49; Noes, 0.
	Returned to House with amendments.

IN THE HOUSE

March 30, 1985

April 8, 1985

Received from Senate.

Second reading, amendments concurred in.

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

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

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1 INTRODUCED BY Ramera Hand 2 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW IN CERTAIN CASES THE TRANSFER OF RESPONSIBILITY FOR THE CONDUCT OF 5 6 HEARINGS FOR WATER APPROPRIATION PERMITS FROM THE DEPARTMENT 7 OF NATURAL RESOURCES TO A DISTRICT COURT; AMENDING SECTIONS 8 3-7-101, 3-7-223, 3-7-224, 3-7-501, 3-7-502, 85-2-309, AND 9 85-2-402, MCA." 10 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 3-7-101, MCA, is amended to read: 12 "3-7-101. Water divisions. To adjudicate existing 13 14 water rights and to conduct hearings in cases certified 15 under 85-2-309, water divisions are established as defined in 3-7-102. A water division shall be presided over by a 16 water judge." 17 18 Section 2. Section 3-7-223, MCA, is amended to read: "3-7-223. Duties of the chief water judge. The chief 19 water judge shall: 20 21 (1) administer the adjudication of existing water 22 rights by: (1) coordinate coordinating with the department of 23 24 natural resources and conservation in compiling information 25 submitted on water claim forms under Title 85, chapter 2,

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1	part 2, to assure that the information is expeditiously and
2	properly compiled and transferred to the water judge in each
3	water division;
4	(2)(b) assure assuring that the water judge in each
5	water division moves without unreasonable delay to enter the
6	required preliminary decree;
7	(3)<u>(</u>c) assure assuring that any contested or
8	conflicting claims are tried and adjudicated as
9	expeditiously as possible;
10	(2) administer hearings in cases certified to the
11	district court under 85-2-309;
12	(4) assign court personnel to divisions and duties
13	as needed; and
14	(5) request and secure the transfer of water judges
15	between divisions as needed."
16	Section 3. Section 3-7-224, MCA, is amended to read:
17	"3-7-224. Jurisdiction of chief water judge. (1) The
18	chief water judge may, at the discretion of the chief
19	justice of the Montana supreme court, also serve as water
20	judge for one of the water divisions.
21	(2) The chief water judge has jurisdiction over <u>cases</u>
22	certified to the district court under 85-2-309 and all
23	matters relating to the determination of existing water
24	rights within the boundaries of the state of Montana.
25	(3) With regard to the determination-of-existing-water
	-2- INTRODUCED BILL



1 rights consideration of a matter within his jurisdiction,
2 the chief water judge has the same powers as a district
3 judge. He may issue such orders, on the motion of an
4 interested party or on his own motion, as may reasonably be
5 required to allow him to fulfill his responsibilities."

6 Section 4. Section 3-7-501, MCA, is amended to read: "3-7-501. Jurisdiction. (1) The jurisdiction of each 7 judicial district concerning the determination and 8 interpretation of cases certified to the court under q 85-2-309 concerning existing water rights is exercised 10 exclusively by it through the water division or water 11 12 divisions that contain the judicial district wholly or partly. 13

(2) No water judge may preside over matters concerning
the determination and interpretation of cases certified to
the court under 85-2-309 or of existing water rights beyond
the boundaries specified in 3-7-102 for his division except
as provided in 3-7-201 and 3-7-213.

19 (3) The water judge for each division shall exercise 20 jurisdiction over all matters concerning <u>cases certified to</u> 21 <u>the court under 85-2-309 concerning</u> the determination and 22 interpretation of existing water rights within his division 23 as specified in 3-7-102 that are considered filed in or 24 transferred to a judicial district wholly or partly within 25 the division." Section 5. Section 3-7-502, MCA, is amended to read:
 "3-7-502. Jurisdictional disputes. Whenever a question
 arises concerning which water judge shall preside over
 adjudication of a matter concerning <u>a case certified to the</u>
 <u>court under 85-2-309 or</u> the determination and interpretation
 of existing water rights, the question shall be settled by
 the water judges involved."

Section 6. Section 85-2-309, MCA, is amended to read: 8 9 "85-2-309. Hearings on objections -- jurisdiction. (1) If the department determines that an objection to an 10 application for a permit or change approval under 85-2-402 11 states a valid objection to-the-issuance-of-the-permit, it 12 shall hold a public hearing on the objection within 60 days 13 from the date set by the department for the filing of 14 objections, after serving notice of the hearing by certified 15 mail upon the applicant and the objector, unless the 16 department certifies an issue to the district court for 17 determination by a water judge under subsection (2). The 18 department may consolidate hearings if more than one 19 objection is filed to an application. The department shall 20 file in its records proof of the service by affidavit of the 21 department. 22

(2) (a) Upon request of a party, at any time prior to commencement and before the conclusion of a hearing as provided in subsection (1), the department shall certify to

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1	the district court all factual and legal issues involving
2	the adjudication or determination of the water rights of the
3	parties to the hearing, including but not limited to issues
4	of abandonment, quantification, or relative priority dates.
5	If the department fails to certify an issue as provided in
6	this section after a timely request by a party to the
7	hearing, the department shall include its denial to certify
8	as part of the record of the hearing.
9	(b) Upon determination of the issues certified to it
10	by the department, the court shall remand the matter to the
11	department for further processing of the application under
12	this chapter.
13	(3) Subsection (2) does not apply in the case of a
14	matter considered at a hearing under this section pursuant
15	to 85-2-316 or 85-2-322."
16	Section 7. Section 85-2-402, MCA, is amended to read:
17	"85-2-402. Changes in appropriation rights. (1) An
18	appropriator may not change the place of diversion, place of
19	use, purpose of use, or place of storage except as permitted
20	under this section and approved by the department.
21	(2) The department shall approve the proposed change
22	if it determines that the proposed change will not adversely
23	affect the rights of other persons. If the department
24	determines that the proposed change might adversely affect
25	the rights of other persons, notice of the proposed change

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shall be given in accordance with 85-2-307. If the
 department determines that an objection filed by a person
 whose rights may be affected states a valid objection to the
 proposed change, the department shall hold a hearing thereon
 prior to its approval or denial of the proposed change.
 Objections shall meet the requirements of 85-2-308(2), and
 hearings shall be held in accordance with 85-2-309.

8 (3) An appropriator of more than 15 cubic feet per 9 second may not change the purpose of use of an appropriation 10 right from an agricultural or irrigation use to an 11 industrial use.

12 (4) The department may approve a change subject to 13 such terms, conditions, restrictions, and limitations it 14 considers necessary to protect the rights of other 15 appropriators, including limitations on the time for 16 completion of the change.

(5) If a change is not completed as approved by the 17 department or if the terms, conditions, restrictions, and 18 limitations of the change approval are not complied with, 19 the department may, after notice and opportunity for 20 hearing, require the appropriator to show cause why the 21 change approval should not be modified or revoked. If the 22 appropriator fails to show sufficient cause, the department 23 may modify or revoke the change approval. 24

25 (6) Without obtaining prior approval from the

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department, an appropriator may not sever all or any part of 1 an appropriation right from the land to which it is 2 3 appurtenant, sell the appropriation right for other purposes or to other lands, or make the appropriation right 4 appurtenant to other lands. The department shall approve the 5 proposed change if it determines that the proposed change б 7 will not adversely affect the water rights of other persons. If the department determines that the proposed change might 8 adversely affect the water rights of other persons, notice 9 of the proposed change must be given in accordance with 10 85-2-307. If the department then determines that an 11 objection filed by a person whose water rights may be 12 13 affected states a valid objection to the proposed change, the department shall hold a hearing thereon prior to its 14 approval or denial of the proposed change. Objections must 15 meet the requirements of 85-2-308, and hearings must be held 16 or the matter certified to the district court in accordance 17 18 with 85~2-309.

19 (7) The original of a change approval issued by the
20 department must be sent to the applicant, and a duplicate
21 must be kept in the office of the department in Helena.

(8) A person holding an issued permit or change
approval that has not been perfected may change the place of
diversion, place of use, purpose of use, or place of storage
by filing an application for change pursuant to this

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l section."

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APPROVED BY COMM. ON Natural resources

1	HOUSE BILL NO. 859
2	INTRODUCED BY RAMIREZ, HAND
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4	A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW IN CERTAIN
5	CASES THE TRANSFER OF RESPONSIBILITY FOR THE CONDUCT OF
6	HEARINGS FOR WATER APPROPRIATION PERMITS FROM THE DEPARTMENT
7	OF NATURAL RESOURCES TO A DISTRICT COURT; AMENDING SECTIONS
8	3-7-101, 3-7-223, 3-7-224, 3-7-501, 3-7-502, <u>AND</u> 85-2-309,
9	AND-85-2-4827 MCA: AND PROVIDING AN APPLICABILITY DATE AND
10	AN IMMEDIATE EFFECTIVE DATE."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Section 3-7-101, MCA, is amended to read:
14	"3-7-101. Water divisions. To adjudicate existing
15	water rights and to conduct hearings in cases certified
16	under 85-2-309, water divisions are established as defined
17	in 3-7-102. A water division shall be presided over by a
18	water judge."
19	Section 2. Section 3-7-223, MCA, is amended to read:
20	"3-7-223. Duties of the chief water judge. The chief
21	water judge shall:
22	(1) administer the adjudication of existing water
23	rights by:
24	(1)(a) coordinate coordinating with the department of
25	natural resources and conservation in compiling information

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submitted on water claim forms under Title 85, chapter 2,
 part 2, to assure that the information is expeditiously and
 properly compiled and transferred to the water judge in each
 water division;

5 (2)(b) assure <u>assuring</u> that the water judge in each
6 water division moves without unreasonable delay to enter the
7 required preliminary decree;

8 (3)(c) assure assuring that any contested or
 9 conflicting claims are tried and adjudicated as
 10 expeditiously as possible;

- 11 (2) administer CONDUCT hearings in cases certified to
- 12 the district court under 85-2-309;

13 (4)(3) assign court personnel to divisions and duties
14 as needed; and

15 (5)(4) request and secure the transfer of water judges
16 between divisions as needed."

Section 3. Section 3-7-224, MCA, is amended to read: "3-7-224. Jurisdiction of chief water judge. (1) The chief water judge may, at the discretion of the chief justice of the Montana supreme court, also serve as water judge for one of the water divisions.

(2) The chief water judge has jurisdiction over <u>cases</u>
<u>certified to the district court under 85-2-309 and all</u>
matters relating to the determination of existing water
rights within the boundaries of the state of Montana.

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SECOND READING

1 (3) With regard to the determination-of-existing-water 2 rights consideration of a matter within his jurisdiction, 3 the chief water judge has the same powers as a district judge. He may issue such orders, on the motion of an 4 interested party or on his own motion, as may reasonably be 5 required to allow him to fulfill his responsibilities 6 INCLUDING, BUT NOT LIMITED TO, REQUIRING THE JOINDER OF 7 PERSONS NOT PARTIES TO THE ADMINISTRATIVE HEARING BEING 8 CONDUCTED BY THE DEPARTMENT PURSUANT TO 85-2-309 OR 85-2-402 9 10 AS DEEMED NECESSARY TO RESOLVE ANY FACTUAL OR LEGAL ISSUE CERTIFIED PURSUANT TO 85-2-309(2)." 11 12 Section 4. Section 3-7-501, MCA, is amended to read:

13 "3-7-501. Jurisdiction. (1) The jurisdiction of each 14 judicial district concerning the determination and 15 interpretation of <u>cases certified to the court under</u> 16 <u>85-2-309 concerning OR OF</u> existing water rights is exercised 17 exclusively by it through the water division or water 18 divisions that contain the judicial district wholly or 19 partly.

20 (2) No water judge may preside over matters concerning
21 the determination and interpretation of cases certified to
22 the court under 85-2-309 or of existing water rights beyond
23 the boundaries specified in 3-7-102 for his division except
24 as provided in 3-7-201 and 3-7-213.

25 (3) The water judge for each division shall exercise

1	jurisdiction over all matters concerning cases certified to
2	the court under 85-2-309 OR concerning the determination and
3	interpretation of existing water rights within his division
4	as specified in 3-7-102 that are considered filed in or
5	transferred to a judicial district wholly or partly within
6	the division."
7	Section 5. Section 3-7-502, MCA, is amended to read:
8	"3-7-502. Jurisdictional disputes. Whenever a question
9	arises concerning which water judge shall preside over
10	adjudication of a matter concerning a case certified to the
11	court under 85-2-309 or the determination and interpretation
12	of existing water rights, the question shall be settled by
13	the water judges involved."
14	Section 6. Section 85-2-309, MCA, is amended to read:
15	*85-2-309. Hearings on objections <u></u> jurisdiction. (1)
16	If the department determines that an objection to an
17	application for a permit or change approval under 85-2-402
' 1 8	states a valid objection to-the-issuance-of-thepermit, it
19	shall hold a public hearing on the objection within 60 days
20	from the date set by the department for the filing of
21	objections, after serving notice of the hearing by certified
22	mail upon the applicant and the objector, unless the
23	department certifies an issue to the district court for
24	determination by a water judge under subsection (2). The

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department may consolidate hearings if more than

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one

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25

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1	objection is filed to an application. The department shall
2	file in its records proof of the service by affidavit of the
3	department.
4	(2) (a) Upon-request-of-a-party,-at AT any time prior
5	to commencement and OR before the conclusion of a hearing as
6	provided in subsection (1), the department shall certify to
7	the district court all factual and legal issues involving
8	the adjudication or determination of the water rights of-the
9	partiesto AT ISSUE IN the hearing, including but not
10	limited to issues of abandonment, quantification, or
11	relative priority dates. If the department fails to certify
12	an issue as provided in this section after a timely request
13	by a party to the hearing, the department shall include its
14	denial to certify as part of the record of the hearing.
15	(b) Upon determination of the issues certified to it
16	by the department, the court shall remand the matter to the
17	department for further processing of the application under
18	this chapter.
19	(3) Subsection (2) does not apply in the case of a
20	matter considered at a hearing under this section pursuant
21	to 85-2-316 or 85-2-322."
22	Section-7Section85-2-4027-MCA7-is-amended-to-read-
23	#85-2-402Changes-in-appropriationrights(1)An
24	appropriator-may-not-change-the-place-of-diversion;-place-of
25	use7-purpose-of-use7-or-place-of-storage-except-as-permitted
	-5- НВ 859

1	under-this-section-and-approved-by-the-department-
2	<pre>{2}Thedepartmentshall-approve-the-proposed-change</pre>
3	if-it-determines-that-the-proposed-change-will-not-adversely
4	affect-therightsofotherpersonsIfthedepartment
5	determinesthatthe-proposed-change-might-adversely-affect
6	the-rights-of-other-personsnotice-of-theproposedchange
7	shallbegiveninaccordancewith85-2-307Ifthe
8	department-determines-that-an-objection-filedbyaperson
9	whose-rights-may-be-affected-states-a-valid-objection-to-the
10	proposed-change;-the-department-shall-hold-a-hearing-thereon
11	priortoitsapprovalordenial-of-the-proposed-change-
12	Objections-shall-meet-the-requirements-of85-2-308(2),and
13	hearings-shall-be-held-in-accordance-with-85-2-309-
14	(3) Anappropriatorofmorethan-15-cubic-feet-per
15	second-may-not-change-the-purpose-of-use-of-an-appropriation
16	rightfromanagriculturalorirrigationusetoan
17	industrial-use-
18	(4) Thedepartmentmayapprovea-change-subject-to
19	such-terms;-conditions;restrictions;andlimitationsit
20	considersnecessarytoprotecttherightsofother
21	appropriators,includinglimitationsonthetimefor
22	completion-of-the-change-
23	(5)Ifachangeis-not-completed-as-approved-by-the
24	department-or-if-the-terms;conditions;restrictions;and
25	limitationsofthechange-approval-are-not-complied-with;

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1	thedepartmentmayafternoticeandopportunityfor
2	hearing;requiretheappropriatortoshow-cause-why-the
3	change-approval-should-not-be-modified-orrevokedlfthe
4	appropriatorfails-to-show-sufficient-cause; the-department
5	may-modify-or-revoke-the-change-approval-
6	(6)Withoutobtainingpriorapprovalfromthe
7	departmenty-an-appropriator-may-not-sever-all-or-any-part-of
8	anappropriationrightfromthelandtowhichitis
9	appurtenant,-sell-the-appropriation-right-for-other-purposes
10	ortoothertandsormaketheappropriationright
11	appurtenant-to-other-landsThe-department-shall-approve-the
12	proposedchangeifit-determines-that-the-proposed-change
13	will-not-adversely-affect-the-water-rights-of-other-persons-
14	ff-the-department-determines-that-the-proposed-changemight
15	adverselyaffectthe-water-rights-of-other-persons7-motice
16	of-the-proposed-change-mustbegiveninaccordancewith
17	85-2-307;Ifthedepartmentthendeterminesthatan
18	objection-filed-bygpersonwhosewaterrightsmaybe
19	affectedstatesavalid-objection-to-the-proposed-change;
20	the-department-shall-hold-a-hearingthereonpriortoits
21	approvalordenial-of-the-proposed-changeObjections-must
22	meet-the-requirements-of-85-2-308; and hearings-must-be-heid
23	or-the-matter-certified-to-the-district-court inaccordance
24	with-85-2-309-
25	(7)Theoriginalofa-change-approval-issued-by-the

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1	department-must-be-sent-to-the-applicant7andaduplicate
2	must-be-kept-in-the-office-of-the-department-in-Helena-
3	(8)Apersonholdinganissuedpermitorchange
4	approval-that-has-not-been-perfected-may-change-the-place-of
5	diversiony-place-of-usey-purpose-of-usey-or-place-of-storage
6	byfilinganapplicationforchangepursuanttothis
7	section-"
8	NEW SECTION. SECTION 7. APPLICABILITY. THIS ACT
9	APPLIES TO ALL PERMIT APPLICATIONS AND CHANGES IN
10	APPROPRIATION RIGHT APPLICATIONS FILED AND PENDING WITH THE
11	DEPARTMENT ON THE EFFECTIVE DATE OF THIS ACT AND UPON WHICH
12	A PROPOSAL FOR A DECISION HAS NOT BEEN ISSUED BY THE
13	DEPARTMENT.
14	NEW SECTION. SECTION 8. EFFECTIVE DATE. THIS ACT IS
15	EFFECTIVE ON PASSAGE AND APPROVAL.

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1	HOUSE BILL NO. 859	1	submitted on water claim forms under Title 85, chapter 2,
2	INTRODUCED BY RAMIREZ, HAND	2	part 2, to assure that the information is expeditiously and
3		3	properly compiled and transferred to the water judge in each
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW IN CERTAIN	4	water division;
5	CASES THE TRANSFER OF RESPONSIBILITY FOR THE CONDUCT OF	5	$\frac{12}{(b)}$ assure assuring that the water judge in each
6	HEARINGS FOR WATER APPROPRIATION PERMITS FROM THE DEPARTMENT	6	water division moves without unreasonable delay to enter the
7	OF NATURAL RESOURCES TO A DISTRICT COURT; AMENDING SECTIONS	7	required preliminary decree;
8	3-7-101, 3-7-223, 3-7-224, 3-7-501, 3-7-502, <u>AND</u> 85-2-309,	8	<pre>(3)(C) assure assuring that any contested or</pre>
9	AND-65-2-4027 MCA; AND PROVIDING AN APPLICABILITY DATE AND	. 9	conflicting claims are tried and adjudicated as
10	AN IMMEDIATE EFFECTIVE DATE."	10	expeditiously as possible;
11	-	11	(2) administer CONDUCT hearings in cases certified to
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12	the district court under 85-2-309;
13	Section 1. Section 3-7-101, MCA, is amended to read:	13	<pre>f4;(3) assign court personnel to divisions and duties</pre>
14	"3-7-101. Water divisions. To adjudicate existing	14	as needed; and
15	water rights and to conduct hearings in cases certified	15	(5) request and secure the transfer of water judges
16	under 85-2-309, water divisions are established as defined	16	between divisions as needed."
17	in 3-7-102. A water division shall be presided over by a	17	Section 3. Section 3-7-224, MCA, is amended to read:
18	water judge."	18	"3-7-224. Jurisdiction of chief water judge. (1) The
19	Section 2. Section 3-7-223, MCA, is amended to read:	19	chief water judge may, at the discretion of the chief
20	"3-7-223. Duties of the chief water judge. The chief	20	justice of the Montana supreme court, also serve as water
21	water judge shall:	21	judge for one of the water divisions.
22	(1) administer the adjudication of existing water	22	(2) The chief water judge has jurisdiction over cases
23	rights by:	23	certified to the district court under 85-2-309 and all
24	<pre>(1)(a) coordinate coordinating with the department of</pre>	24	matters relating to the determination of existing water
25	natural resources and conservation in compiling information	25	rights within the boundaries of the state of Montana.
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HB 859 THIRD READING

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l	(3) With regard to the determination of existing water
2	rights consideration of a matter within his jurisdiction,
3	the chief water judge has the same powers as a district
4	judge. He may issue such orders, on the motion of an
5	interested party or on his own motion, as may reasonably be
6	required to allow him to fulfill his responsibilities
7	INCLUDING, BUT NOT LIMITED TO, REQUIRING THE JOINDER OF
8	PERSONS NOT PARTIES TO THE ADMINISTRATIVE HEARING BEING
9	CONDUCTED BY THE DEPARTMENT PURSUANT TO 85-2-309 OR 85-2-402
10	AS DEEMED NECESSARY TO RESOLVE ANY FACTUAL OR LEGAL ISSUE
11	CERTIFIED PURSUANT TO 85-2-309(2)."
12	Section 4. Section 3-7-501, MCA, is amended to read:
13	"3-7-501. Jurisdiction. (1) The jurisdiction of each
14	judicial district concerning the determination and
15	interpretation of cases certified to the court under
16	85-2-309 concerning OR OF existing water rights is exercised
17	exclusively by it through the water division or water
18.	divisions that contain the judicial district wholly or
19	partly.
20	(2) No water judge may preside over matters concerning
21	the determination and interpretation of cases certified to
22	the court under 85-2-309 or of existing water rights beyond
23	the boundaries specified in 3-7-102 for his division except
24	as provided in 3-7-201 and 3-7-213.

25. (3). The water judge for each divisions shalls emercise

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1 jurisdiction over all matters concerning cases certified to 2 the court under 85-2-309 OR concerning the determination and 3 interpretation of existing water rights within his division as specified in 3-7-102 that are considered filed in or 4 5 transferred to a judicial district wholly or partly within б the division." Section 5. Section 3-7-502, MCA, is amended to read: 7 8 "3-7-502. Jurisdictional disputes. Whenever a question 9 arises concerning which water judge shall preside over 10 adjudication of a matter concerning a case certified to the 11 court under 85-2-309 or the determination and interpretation 12 of existing water rights, the question shall be settled by the water judges involved." 13 Section 6. Section 85-2-309, MCA, is amended to read: 14 "85-2-309. Hearings on objections -- jurisdiction. (1) 15 16 If the department determines that an objection to an 17 application for a permit or change approval under 85-2-492 18 states a valid objection to-the-issuance-of-the--permit, it 19 shall hold a public hearing on the objection within 69 days 20 from the date set by the department for the filing of 21 objections, after serving notice of the hearing by certified 22. mail upon the applicant and the objector, unless the 23 department certifies an issue to the district court for 24 determination by a water judge under subsection (2). The 25 department. may consolidate heavings if more than one

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objection is filed to an application. The department shall
 file in its records proof of the service by affidavit of the
 department.

4 (2) (a) Upon-request-of-a-partyr-at AT any time prior 5 to commencement and OR before the conclusion of a hearing as 6 provided in subsection (1), the department shall certify to 7 the district court all factual and legal issues involving 8 the adjudication or determination of the water rights of-the parties--to AT ISSUE IN the hearing, including but not 9 10 limited to issues of abandonment, quantification, or 11 relative priority dates. If the department fails to certify 12 an issue as provided in this section after a timely request by a party to the hearing, the department shall include its 13 denial to certify as part of the record of the hearing. 14 15 (b) Upon determination of the issues certified to it 16 by the department, the court shall remand the matter to the department for further processing of the application under 17 18 this chapter. (3) Subsection (2) does not apply in the case of a 19 20 matter considered at a hearing under this section pursuant 21 to 85-2-316 or 85-2-322." Section-7---Section--85-2-4827-MCAy-is-amended-to-read+ 22 23 #85-2-402---Changes-in-appropriation--rights----(1)--An 24 appropriator-may-not-change-the-place-of-diversion;-place-of usey-purpose-of-usey-or-place-of-storage-except-as-permitted 25

1	under-this-section-and-approved-by-the-department-
2	(2)Thedepartmentshall-approve-the-proposed-change
3	if-it-determines-that-the-proposed-change-will-not-adversely
4	affect-therightsofotherpersonsIfthedepartment
5	determinesthatthe-proposed-change-might-adversely-affect
6	the-rights-of-other-personsy-notice-of-theproposedchange
7	shallbegiveninaccordancewith85-2-307ifthe
8	department-determines-that-an-objection-filedbyaperson
9	whose-rights-may-be-affected-states-a-valid-objection-to-the
10	proposed-change;-the-department-shall-hold-a-hearing-thereon
11	priortoitsapprovalordenial-of-the-proposed-change-
12	Objections-shall-meet-the-requirements-of85-2-308(2);and
13	hearings-shall-be-held-in-accordance-with-85-2-389-
14	(3)Anappropriatorofmorethan-15-cubic-feet-per
15	second-may-not-change-the-purpose-of-use-of-an-appropriation
16	rightfromanagriculturalorirrigationusetoan
17	industrial-use.
18	(4) Thedepartmentmayapprovea-change-subject-to
19	such-termsy-conditionsyrestrictionsyandlimitationsit
20	considersnecessarytoprotecttherightsofother
21	appropriators,includinglimitationsonthetimefor
22	completion-of-the-change-
23	(5)Ifachangeis-not-completed-as-approved-by-the
24	department-or-if-the-termsyconditionsyrestrictionsyand
25	limitationsofthechange-approval-are-not-complied-with;

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the--department--may -- after--notice--and--opportunity---for 1 hearing,--require--the--appropriator--to--show-cause-why-the 2 change-approval-should-not-be-modified-or--revoked---if--the 3 appropriator--fails-to-show-sufficient-causey-the-department 4 may-modify-or-revoke-the-change-approval-5 (6)--Without--obtaining---prior---approval---from---the 6 7 department -- an-appropriator-may-not-sever-all-or-any-part-of an--appropriation-%right--from--the--land--to--which--it--is 8 appurtenanty-sell-the-appropriation-right-for-other-purposes 9 or--to--other--lands;--or--make--the---appropriation---right 10 appurtengnt-to-other-lands--The-department-shall-approve-the 11 12 proposed--change--if--it-determines-that-the-proposed-change will-not-adversely-affect-the-water-rights-of-other-persons-13 14 Ef-the-department-determines-that-the-proposed-change--might adversely--affect--the-water-rights-of-other-personsy-notice 15 of-the-proposed-change-must--be--given--in--accordance--with 16 17 85-2-307.---If---the--department--then--determines--that--an objection-filed-by--a--person--whose--water--rights--may--be 18 19 affected--states--a--valid-objection-to-the-proposed-change; 20 the-department-shall-hold-a-hearing--thereon--prior--to--its 21 approval--or--denial-of-the-proposed-change--Objections-must meet-the-requirements-of-05-2-3007-and-hearings-must-be-held 22 or-the-matter-certified-to-the-district-court in--accordance 23 24 with-85-2-309+ +7}--The--original--of--a-change-approval-issued-by-the 25

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department-must-be-sent-to-the-applicant,--and--a--dupicate 1 · must-be-kept-in-the-office-of-the-department-in-Helend: 2 3 +8+--A--person--holding--en--issued--permit--or--change 4 approval-that-has-not-been-perfected-may-change-the-place-of 5 diversion-place-of-use--purpose-of-use--or-place-of-storage by--filing--an--application--for--change--pursuant--to--this 6 section-" 7 THIS NEW SECTION. SECTION 7. APPLICABILITY. ACT 8 APPLIES TO ALL PERMIT APPLICATIONS AND CHANGES 9 IN APPROPRIATION RIGHT APPLICATIONS FILED AND PENDING WITH THE 10 DEPARTMENT ON THE EFFECTIVE DATE OF THIS ACT AND UPON WHICH 11 12 A PROPOSAL FOR A DECISION HAS NOT BEEN ISSUED BY THE 13 DEPARTMENT. NEW SECTION. SECTION 8. EFFECTIVE DATE. THIS ACT IS 14

15 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

HB 859

HB 0859/02

STANDING COMMITTEE REPORT

SENATE

MARCH 26 19.85

MR. PRESIDENT

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)

We, your committee	onNATURA	L RESOURCES	
having had under consid	lerationHO	USE BILL	 _{No} .859
THIRD (FULLER)	reading copy (BLU	E) olor	

ALLOWS TRANSFER OF CERTAIN WATER USE PERMIT CASES TO THE DISTRICT COURT

be amended as follows:

1. Page 5, line 6.
Following: "department"
Strike: "shall"
Insert: "may in its discretion"

AND, AS AMENDED BE CONCURRED IN

ROCRASSS

RXNRXRX

SENATOR DOROTHY/ ECK

Chairman.

1	HOUSE BILL NO. 859	1	1
2	INTRODUCED BY RAMIREZ, HAND	2	1
3		3	1
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW IN CERTAIN	4	Ģ
5	CASES THE TRANSFER OF RESPONSIBILITY FOR THE CONDUCT OF	5	
6	HEARINGS FOR WATER APPROPRIATION PERMITS FROM THE DEPARTMENT	6	,
7	OF NATURAL RESOURCES TO A DISTRICT COURT; AMENDING SECTIONS	7	1
8	3-7-101, 3-7-223, 3-7-224, 3-7-501, 3-7-502, <u>AND</u> 85-2-309,	8	
9	AND-85-2-4027 MCA; AND PROVIDING AN APPLICABILITY DATE AND	9	c
10	AN IMMEDIATE EFFECTIVE DATE."	10	(
11		11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12	1
13	Section 1. Section 3-7-101, MCA, is amended to read:	13	
14	"3-7-101. Water divisions. To adjudicate existing	14	ā
15	water rights and to conduct hearings in cases certified	15	
16	under 85-2-309, water divisions are established as defined	16	ł
17	in 3-7-102. A water division shall be presided over by a	17	
18	water judge."	18	
19	Section 2. Section 3-7-223, MCA, is amended to read:	19	c
20	"3-7-223. Duties of the chief water judge. The chief	20	-
21	water judge shall:	21	
22	(1) administer the adjudication of existing water	22	
23	rights by:	23	ç
24	(1)(a) coordinate coordinating with the department of	24	n
25	natural resources and conservation in compiling information	25	1



submitted on water claim forms under Title 85, chapter 2, part 2, to assure that the information is expeditiously and properly compiled and transferred to the water judge in each water division: f2;(b) assure assuring that the water judge in each water division moves without unreasonable delay to enter the required preliminary decree; (3)(c) assure assuring that any contested or conflicting claims are tried and adjudicated as expeditiously as possible; (2) administer CONDUCT hearings in cases certified to the district court under 85-2-309; (4)(3) assign court personnel to divisions and duties as needed; and (5) (4) request and secure the transfer of water judges between divisions as needed." Section 3. Section 3-7-224, MCA, is amended to read: "3-7-224. Jurisdiction of chief water judge. (1) The chief water judge may, at the discretion of the chief justice of the Montana supreme court, also serve as water

(2) The chief water judge has jurisdiction over cases certified to the district court under 85-2-309 and all matters relating to the determination of existing water rights within the boundaries of the state of Montana.

judge for one of the water divisions.

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REFERENCE BILL

1	(3) With regard to the determination-of-existing-water
2	rights consideration of a matter within his jurisdiction,
3	the chief water judge has the same powers as a district
4	judge. He may issue such orders, on the motion of an
5	interested party or on his own motion, as may reasonably be
6	required to allow him to fulfill his responsibilities
7	INCLUDING, BUT NOT LIMITED TO, REQUIRING THE JOINDER OF
8	PERSONS NOT PARTIES TO THE ADMINISTRATIVE HEARING BEING
9	CONDUCTED BY THE DEPARTMENT PURSUANT TO 85-2-309 OR 85-2-402
10	AS DEEMED NECESSARY TO RESOLVE ANY FACTUAL OR LEGAL ISSUE
11	CERTIFIED PURSUANT TO 85-2-309(2)."
12	Section 4. Section 3-7-501, MCA, is amended to read:
13	"3-7-501. Jurisdiction. (1) The jurisdiction of each
14	judicial district concerning the determination and
15	interpretation of cases certified to the court under
16	85-2-309 concerning OR OF existing water rights is exercised
17	exclusively by it through the water division or water
18	divisions that contain the judicial district wholly or
19	partly.

(2) No water judge may preside over matters concerning
the determination and interpretation of cases certified to
the court under 85-2-309 or of existing water rights beyond
the boundaries specified in 3-7-102 for his division except
as provided in 3-7-201 and 3-7-213.

(3) The water judge for each division shall exercise

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jurisdiction over all matters concerning <u>cases certified to</u> <u>the court under 85-2-309 OR concerning</u> the determination and interpretation of existing water rights within his division as specified in 3-7-102 that are considered filed in or transferred to a judicial district wholly or partly within the division."

7 Section 5. Section 3-7-502, MCA, is amended to read: 8 "3-7-502. Jurisdictional disputes. Whenever a question 9 arises concerning which water judge shall preside over 10 adjudication of a matter concerning <u>a case certified to the</u> 11 <u>court under 85-2-309 or</u> the determination and interpretation 12 of existing water rights, the question shall be settled by 13 the water judges involved."

14 Section 6. Section 85-2-309, MCA, is amended to read: "85-2-309, Hearings on objections -- jurisdiction. (1) 15 16 If the department determines that an objection to an 17 application for a permit or change approval under 85-2-402 states a valid objection to-the-issuance-of-the--permit, it 18 19 shall hold a public hearing on the objection within 60 days from the date set by the department for the filing of 20 objections, after serving notice of the hearing by certified 21 22 mail upon the applicant and the objector, unless the department certifies an issue to the district court for 23 determination by a water judge under subsection (2). The 24 25 department may consolidate hearings if more than one

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1	objection is filed to an application. The department shall
2	file in its records proof of the service by affidavit of the
3	department.
4	(2) (a) Upon-request-of-a-party;-at AT any time prior
5	to commencement and OR before the conclusion of a hearing as
6	provided in subsection (1), the department shall MAY IN ITS
7	DISCRETION certify to the district court all factual and
8	legal issues involving the adjudication or determination of
9	the water rights of-the-parties-to AT ISSUE IN the hearing,
10	including but not limited to issues of abandonment,
11	quantification, or relative priority dates. If the
12	department fails to certify an issue as provided in this
13	section after a timely request by a party to the hearing,
14	the department shall include its denial to certify as part
15	of the record of the hearing.
16	(b) Upon determination of the issues certified to it
17	by the department, the court shall remand the matter to the
18	department for further processing of the application under
19	this chapter.
20	(3) Subsection (2) does not apply in the case of a
21	matter considered at a hearing under this section pursuant
22	to 85-2-316 or 85-2-322."
23	Section-7Section85-2-4027-MCA7-is-amended-to-read:
24	#85-2-402:Changes-in-appropriationrights(1)An
25	appropriator-may-not-change-the-place-of-diversion7-place-of

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use;-purpose-of-use;-or-place-of-storage-except-as-permitted
under-this-section-and-approved-by-the-department;
{2}Thedepartmentshall-approve-the-proposed-change
if-it-determines-that-the-proposed-change-will-not-adversely
affect-therightsofotherpersonsIfthedepartment
determinesthatthe-proposed-change-might-adversely-affect
the-rights-of-other-personsy-notice-of-theproposedchange

8	shallbegiveninaccordancewith85-2-307Ifthe
9	department-determines-that-an-objection-filedbyaperson
10	whose-rights-may-be-affected-states-a-valid-objection-to-the
11	proposed-change;-the-department-shall-hold-a-hearing-thereon
12	priortoitsapprovalordenial-of-the-proposed-change-
13	Objections-shall-meet-the-requirements-of85-2-308(2);and
14	hearings-shall-be-held-in-accordance-with-85-2-3097
15	(3)Anappropriatorofmorethan-15-cubic-feet-per
16	second-may-not-change-the-purpose-of-use-of-an-appropriation
17	rightfromanagriculturalorirrigationusetoan
18	industrial-use-
19	(4)Thedepartmentmayapprovea-change-subject-to
20	such-terms;-conditions;restrictions;andlimitationsit
21	considersnecessarytoprotecttherightsofother
22	appropriators;includinglimitationsonthetimefor
23	completion-of-the-change-

.

- 24 (5)--If--a--change--is-not-completed-as-approved-by-the
- 25 department-or-if-the-terms,--conditions,--restrictions,--and

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limitations--of--the--change-approval-are-not-complied-with; 1 the--department--may;--after--notice--and--opportunity---for 2 hearing -- require -- the -- appropriator -- to -- show - cause - why - the 3 change-approval-should-not-be-modified-or--revoked---If--the 4 appropriator--fails-to-show-sufficient-cause;-the-department 5 6 may-modify-or-revoke-the-change-approval; +6}--Without--obtaining---prior---approval---from---the 7 department;-an-appropriator-may-not-sever-all-or-any-part-of 8 9 an--appropriation--right--from--the--land--to--which--it--is

10 appurtenant7-sell-the-appropriation-right-for-other-purposes 11 or--to--other--lands,--or--make--the---appropriation---right appurtenant-to-other-lands--The-department-shall-approve-the 12 proposed--change--if--it-determines-that-the-proposed-change 13 will-not-adversely-affect-the-water-rights-of-other-persons-14 If-the-department-determines-that-the-proposed-change--might 15 16 adversely--affect--the-water-rights-of-other-persons,-notice of-the-proposed-change-must--be--given--in--accordance--with 17 85-2-387----If----the--department--then--determines--that--an 18 objection-filed-by--a--person--whose--water--rights--may--be 19 affected--states--a--valid-objection-to-the-proposed-change; 20 the-department-shall-hold-a-hearing--thereon--prior--to--its 21 22 approval--or--denial-of-the-proposed-change--Objections-must 23 meet-the-requirements-of-85-2-3087-and-hearings-must-be-held wr-the-matter-certified-to-the-district-court in--accordance 24 25 with-85-2-3097

+7)--The--original--of--a-change-approval-issued-by-the 1 2 department-must-be-sent-to-the-applicanty--and--a--duplicate must-be-kept-in-the-office-of-the-department-in-Helena-3 4 (8)--A--person--holding--an--issued--permit--or--change approval-that-has-not-been-perfected-may-change-the-place-of 5 diversion,-place-of-use,-purpose-of-use,-or-place-of-storage 6 7 by--filing--an--application--for--change--pursuant--to--this 8 section-" 9 NEW SECTION. SECTION 7. APPLICABILITY. THIS ACT APPLIES TO ALL PERMIT APPLICATIONS AND CHANGES IN 10 APPROPRIATION RIGHT APPLICATIONS FILED AND PENDING WITH THE 11 DEPARTMENT ON THE EFFECTIVE DATE OF THIS ACT AND UPON WHICH 12 A PROPOSAL FOR A DECISION HAS NOT BEEN ISSUED BY THE 13 14 DEPARTMENT. NEW SECTION. SECTION 8. EFFECTIVE DATE. THIS ACT IS 15 EFFECTIVE ON PASSAGE AND APPROVAL. 16

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