

SENATE BILL NO. 272

INTRODUCED BY MOHAR

BY REQUEST OF THE DEPARTMENT
OF NATURAL RESOURCES AND CONSERVATION

IN THE SENATE

| | |
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| January 29, 1985 | Introduced and referred to Committee on Natural Resources. |
| February 14, 1985 | Committee recommend bill do pass. Report adopted. |
| February 15, 1985 | Bill printed and placed on members' desks. |
| February 16, 1985 | Second reading, do pass. |
| February 18, 1985 | Considered correctly engrossed. |
| February 19, 1985 | Third reading, passed. Ayes, 45; Noes, 0. |
| | Transmitted to House. |

IN THE HOUSE

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| February 27, 1985 | Introduced and referred to Committee on Natural Resources. |
| March 18, 1985 | Committee recommend bill be concurrent in. Report adopted. |
| March 20, 1985 | Second reading, concurred in. |
| March 22, 1985 | Third reading, concurred in. |
| | Returned to Senate. |

IN THE SENATE

March 22, 1985

Received from House.

March 23, 1985

Sent to enrolling.

Reported correctly enrolled.

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5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE
 7 ELIGIBILITY AND LICENSE COMPLIANCE PROVISIONS RELATED TO THE
 8 DEVELOPMENT OF HYDROELECTRIC POWER GENERATION AT STATE-OWNED
 9 WATER PROJECTS; PROVIDING FOR A POWER GENERATION NEGOTIATION
 10 PROCESS; AMENDING SECTIONS 85-1-503 AND 85-1-506, MCA; AND
 11 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

14 Section 1. Section 85-1-503, MCA, is amended to read:

15 "85-1-503. Receipt of applications. (1) Applications
 16 for lease may be submitted by any public-utility, ~~as defined~~
 17 ~~in 69-3-101 or electric cooperative, organized under Title~~
 18 ~~35, chapter 18, that sells power to Montana customers or by~~
 19 ~~any Montana corporation proposing to use a substantial~~
 20 ~~portion of the electricity to be generated in its own~~
 21 operation person qualified to do business in Montana.

22 (2) The board shall consider only applications
 23 received within 180 days after the final publication of the
 24 notice.

25 (3) Applications must include a statement of the

1 capability of the applicant to achieve the annual production
 2 output estimated by the department, the estimated time to
 3 make the project operational, the bid amount of the royalty,
 4 and any other information that the board requests."

5 Section 2. Section 85-1-506, MCA, is amended to read:

6 "85-1-506. Compliance with federal law. ~~if the project~~
 7 ~~must~~ The department may hold a license, permit, or exemption
 8 under federal law, ~~the license, permit, or exemption shall~~
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10 NEW SECTION. Section 3. Power generation negotiation

11 process. (1) A person with federal authorization or, if
 12 authorization is not required, a person planning to
 13 construct a small-scale hydroelectric generation facility at
 14 a state-owned project shall submit an application to the
 15 department for hydroelectric development at the state-owned
 16 project site.

17 (2) Upon receipt of a written application under
 18 subsection (1), the department shall make an investigation
 19 and prepare a report on the value of the power site, the
 20 plans of development submitted by the applicant, and any
 21 other matters relating to the proposed development that the
 22 department considers necessary for the proper development of
 23 hydroelectric generation at the state-owned project.

24 (3) Upon completion of the report, the department may
 25 negotiate with the applicant for the acquisition of the



1 necessary interest in the state-owned project to effectively
 2 allow the applicant to operate a hydroelectric facility. The
 3 terms, conditions, and compensation agreed to must include
 4 but not be limited to the full market value of the interest
 5 disposed of by the department. Full market value must be
 6 determined by the department in the report completed under
 7 subsection (2).

8 (4) An applicant under subsection (1) shall pay to the
 9 department all costs incurred by the department in carrying
 10 out its duties under this section. The department and the
 11 applicant shall contract for the provision of services and
 12 payment of fees required by this section prior to accepting
 13 an application under subsection (2).

14 (5) Nothing in this section requires the department to
 15 construct, rehabilitate, reconstruct, operate, or otherwise
 16 maintain the state-owned project to accommodate the
 17 hydroelectric facility except as negotiated under subsection
 18 (3).

19 (6) Department actions under this section are subject
 20 to prior approval of the board as provided in 85-1-202.

21 NEW SECTION. Section 4. Codification instruction.
 22 Section 3 is intended to be codified as an integral part of
 23 Title 85, chapter 1, part 5, and the provisions of Title 85,
 24 chapter 1, part 5, apply to section 3.

25 NEW SECTION. Section 5. Extension of authority. Any

1 existing authority of the board of natural resources and
 2 conservation to make rules on the subject of the provisions
 3 of this act is extended to the provisions of this act.

4 NEW SECTION. Section 6. Effective date. This act is
 5 effective on passage and approval.

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APPROVED BY COMM. ON NATURAL RESOURCES

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