SENATE BILL NO. 201

INTRODUCED BY KEATING, GILBERT, TVEIT, SMITH, REHBERG, HARP, ELLISON, IVERSON, RAMIREZ, COBB, GALT, BOYLAN, GUTHRIE, WALKER

IN THE SENATE

IN	THE SENATE
JANUARY 21, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
	FIRST READING.
JANUARY 31, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 1, 1989	PRINTING REPORT.
FEBRUARY 2, 1989	SECOND READING, DO PASS.
FEBRUARY 3, 1989	ENGROSSING REPORT.
FEBRUARY 4, 1989	THIRD READING, PASSED. AYES, 30; NOES, 20.
	TRANSMITTED TO HOUSE.
IN	THE HOUSE
FEBRUARY 4, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
FEBRUARY 20, 1989	FIRST READING.
MARCH 13, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 15, 1989	SECOND READING, CONCURRED IN.
MARCH 17, 1989	THIRD READING, CONCURRED IN. AYES, 87; NOES, 10.

IN THE SENATE

RETURNED TO SENATE WITH AMENDMENTS.

APRIL 4, 1989

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS

CONCURRED IN.

APRIL 6, 1989

THIRD READING, AMENDMENTS

CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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1	Senate BILL NO. 201
2	INTRODUCED BY Heating a Ment True & Smith Re
3	HARP To leady when Samuez Cob hold
4	A BILLY FOR AN ACT ENTITLED: "AN ACT TO EXTEND UNTIL JUNE
5	30, 1991, THE EXEMPTION OF THE BOARD OF OIL AND GAS
6	CONSERVATION FROM THE REQUIREMENTS OF THE MONTANA
7	ENVIRONMENTAL POLICY ACT WHEN ISSUING DRILLING PERMITS;
8	REMOVING THE REQUIREMENT THAT THE BOARD MUST ADOPT A
9	PROGRAMMATIC ENVIRONMENTAL STATEMENT; AND AMENDING SECTION
10	75-1-201, MCA."
11	

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

Section 1. Section 75-1-201, MCA, is amended to read:

"75-1-201. General directions -- environmental impact

statements. (1) The legislature authorizes and directs that,

to the fullest extent possible:

(a) the policies, regulations, and laws of the state shall be interpreted and administered in accordance with the policies set forth in parts 1 through 3;

(b) all agencies of the state, except as provided in subsection (2), shall:

(i) utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decisionmaking which may have an impact on

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2 (ii) identify and develop methods and procedures which
3 will insure that presently unquantified environmental
4 amenities and values may be given appropriate consideration
5 in decisionmaking along with economic and technical
6 considerations;

7 (iii) include in every recommendation or report on 8 proposals for projects, programs, legislation, and other 9 major actions of state government significantly affecting 10 the quality of the human environment, a detailed statement 11 on:

12 (A) the environmental impact of the proposed action;

(B) any adverse environmental effects which cannot be avoided should the proposal be implemented;

(C) alternatives to the proposed action;

(D) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and

19 (E) any irreversible and irretrievable commitments of 20 resources which would be involved in the proposed action 21 should it be implemented;

22 (iv) study, develop, and describe appropriate
23 alternatives to recommend courses of action in any proposal
24 which involves unresolved conflicts concerning alternative
25 uses of available resources;

Montana Legislative Counc

INTRODUCED BILL
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(v) recognize the national and long-range character of environmental problems and, where consistent with the policies of the state, lend appropriate support to initiatives, resolutions, and programs designed to maximize national cooperation in anticipating and preventing a decline in the quality of mankind's world environment;

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- (vi) make available to counties, municipalities, institutions, and individuals advice and information useful in restoring, maintaining, and enhancing the quality of the environment;
- 11 (vii) initiate and utilize ecological information in 12 the planning and development of resource-oriented projects; 13 and
 - (viii) assist the environmental quality council established by 5-16-101; and
 - (c) prior to making any detailed statement as provided in subsection (1)(b)(iii), the responsible state official shall consult with and obtain the comments of any state agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate state, federal, and local agencies which are authorized to develop and enforce environmental standards shall be made available to the governor, the environmental quality council, and the public and shall accompany the proposal

- through the existing agency review processes.
- 2 (2) The department of public service regulation, in 3 the exercise of its regulatory authority over rates and 4 charges of railroads, motor carriers, and public utilities, 5 is exempt from the provisions of parts 1 through 3.
 - (3) (a) Until the-board-of-oil-and-gas-conservation adopts-a-programmatic-environmental-statement,-but-no-later than June 30, ±989 1991, the issuance of a permit to drill a well for oil or gas is not a major action of state government as that term is used in subsection (1)(b)(iii).
 - (b) The board of oil and gas conservation shall may adopt a programmatic statement by June 30, 1989 1991, that must include but not be limited to:
 - (i) such environmental impacts as may be found to be associated with the drilling for and production of oil and gas in the major producing basins and ecosystems in Montana;
 - (ii) such methods of accomplishing drilling and production of oil and gas as may be found to be necessary to avoid permanent impairment of the environment or to mitigate long-term impacts so that the environment and renewable resources of the ecosystem may be returned to either conditions similar to those existing before drilling or production occurs or conditions that reflect a natural progression of environmental change;
 - (iii) the process that will be employed by the board of

- oil and gas conservation to evaluate such environmental impacts of individual drilling proposals as may be found to exist;
- 4 (iv) an appropriate method for incorporating such 5 environmental review as may be found to be necessary into 6 the board's rules and drill permitting process and for 7 accomplishing the review in an expedient manner;
- 8 (v) the maximum time periods that will be required to
 9 complete the drill permitting process, including any
 10 environmental review; and

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- (vi) a record of information and analysis for the board of oil and gas conservation to rely upon in responding to public and private concerns about drilling and production.
- (c) The governor shall direct and have management responsibility for the preparation of the programmatic statement, including responsibility on behalf of the board of oil and gas conservation for the disbursement and expenditure of funds necessary to complete the statement. The facilities and personnel of appropriate state agencies must be used to the extent the governor deems necessary to complete the statement. The governor shall forward the completed draft programmatic statement to the board of oil and gas conservation for hearing pursuant to the provisions of the Montana Administrative Procedure Act, Title 2, chapter 4. Following completion of a final programmatic

- 1 statement, the governor shall forward the statement to the
- 2 board for adoption and use in the issuance of permits to
- 3 drill for oil and gas."

-End-

APPROVED BY COMM. ON NATURAL RESOURCES

2	INTRODUCED BY KEATING, GILBERT, TVEIT, SMITH, REHBERG,
3	HARP, ELLISON, IVERSON, RAMIREZ, COBB, GALT, BOYLAN,
4	GUTHRIE, WALKER
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND UNTIL THE
7	BOARD OF OIL AND GAS CONSERVATION ADOPTS A PROGRAMMATIC
8	ENVIRONMENTAL STATEMENT, BUT NO LATER THAN JUNE 30, 1991,
9	THE EXEMPTION OF THE BOARD OF OIL AND GAS CONSERVATION FROM
10	THE REQUIREMENTS OF THE MONTANA ENVIRONMENTAL POLICY ACT
11	WHEN ISSUING DRILLING PERMITS; REMOVING-THE-REQUIREMENT-THAT
12	EXTENDING UNTIL JUNE 30, 1991, THE DATE BY WHICH THE BOARD
13	MUST ADOPT A PROGRAMMATIC ENVIRONMENTAL STATEMENT; AND
14	AMENDING SECTION 75-1-201, MCA."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	Section 1. Section 75-1-201, MCA, is amended to read:
18	"75-1-201. General directions environmental impact
19	statements. (1) The legislature authorizes and directs that,
20	to the fullest extent possible:
21	(a) the policies, regulations, and laws of the state
22	shall be interpreted and administered in accordance with the
23	policies set forth in parts 1 through 3;
24	(b) all agencies of the state, except as provided in
25	subsection (2), shall:

SENATE BILL NO. 201

	·
1	(i) utilize a systematic, interdisciplinary approach
2	which will insure the integrated use of the natural and
3	social sciences and the environmental design arts in
4	planning and in decisionmaking which may have an impact on
5	man's environment;
6	(ii) identify and develop methods and procedures which
7	will insure that presently unquantified environmental
8	amenities and values may be given appropriate consideration
9	in decisionmaking along with economic and technical
10	considerations;
11	(iii) include in every recommendation or report on
12	proposals for projects, programs, legislation, and other
13	major actions of state government significantly affecting
14	the quality of the human environment, a detailed statement
15	on:
16	(A) the environmental impact of the proposed action;
17	(B) any adverse environmental effects which cannot be
18	avoided should the proposal be implemented;
19	(C) alternatives to the proposed action;
20	(D) the relationship between local short-term uses of
21	man's environment and the maintenance and enhancement of
22	long-term productivity; and
23	(E) any irreversible and irretrievable commitments of

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resources which would be involved in the proposed action

SB 201

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(iv) study, develop, and describe appropriate alternatives to recommend courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources;

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- (v) recognize the national and long-range character of environmental problems and, where consistent with the policies of the state, lend appropriate support to initiatives, resolutions, and programs designed to maximize national cooperation in anticipating and preventing a decline in the quality of mankind's world environment;
- (vi) make available to counties, municipalities, institutions, and individuals advice and information useful in restoring, maintaining, and enhancing the quality of the environment;
- (vii) initiate and utilize ecological information in the planning and development of resource-oriented projects; and
- (viii) assist the environmental quality council
 established by 5-16-101; and
- (c) prior to making any detailed statement as provided in subsection (1)(b)(iii), the responsible state official shall consult with and obtain the comments of any state agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate

- state, federal, and local agencies which are authorized to develop and enforce environmental standards shall be made available to the governor, the environmental quality council, and the public and shall accompany the proposal through the existing agency review processes.
 - (2) The department of public service regulation, in the exercise of its regulatory authority over rates and charges of railroads, motor carriers, and public utilities, is exempt from the provisions of parts 1 through 3.
- (3) (a) Until the-board-of-oil--and--gas--conservation adopts--a-programmatic-environmental-statement,-but-no-later than THE BOARD OF OIL AND GAS CONSERVATION ADOPTS A PROGRAMMATIC ENVIRONMENTAL STATEMENT, BUT NO LATER THAN June 30, 1989 1991, the issuance of a permit to drill a well for oil or gas is not a major action of state government as that term is used in subsection (1)(b)(iii).
- 17 (b) The board of oil and gas conservation shall may
 18 SHALL adopt a programmatic statement by June 30, 1989 1991,
 19 that must include but not be limited to:
 - (i) such environmental impacts as may be found to be associated with the drilling for and production of oil and gas in the major producing basins and occosystems in Montana;
 - (ii) such methods of accomplishing drilling and production of oil and gas as may be found to be necessary to avoid permanent impairment of the environment or to mitigate

long-term impacts so that the environment and renewable resources of the ecosystem may be returned to either conditions similar to those existing before drilling or production occurs or conditions that reflect a natural progression of environmental change;

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- (iii) the process that will be employed by the board of oil and gas conservation to evaluate such environmental impacts of individual drilling proposals as may be found to exist;
 - (iv) an appropriate method for incorporating such environmental review as may be found to be necessary into the board's rules and drill permitting process and for accomplishing the review in an expedient manner;
 - (v) the maximum time periods that will be required to complete the drill permitting process, including any environmental review; and
 - (vi) a record of information and analysis for the board of oil and gas conservation to rely upon in responding to public and private concerns about drilling and production.
 - (c) The governor shall direct and have management responsibility for the preparation of the programmatic statement, including responsibility on behalf of the board of oil and gas conservation for the disbursement and expenditure of funds necessary to complete the statement. The facilities and personnel of appropriate state agencies

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completed draft programmatic statement to the board of oil
and gas conservation for hearing pursuant to the provisions
of the Montana Administrative Procedure Act, Title 2,
chapter 4. Following completion of a final programmatic
statement, the governor shall forward the statement to the
board for adoption and use in the issuance of permits to
drill for oil and gas."

-End-

-6-

1	SENATE BILL NO. 201
2	INTRODUCED BY KEATING, GILBERT, TVEIT, SMITH, REHBERG,
3	HARP, ELLISON, IVERSON, RAMIREZ, COBB, GALT, BOYLAN,
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6	A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND UNTIL THE
7	BOARD OF OIL AND GAS CONSERVATION ADOPTS A PROGRAMMATIC
8	ENVIRONMENTAL STATEMENT, BUT NO LATER THAN JUNE 30, 1991,
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.1	WHEN ISSUING DRILLING PERMITS; REMOVING-THE-REQUIREMENT-THAT
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18	"75-1-201. General directions environmental impact
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- (vi) make available to counties, municipalities, institutions, and individuals advice and information useful in restoring, maintaining, and enhancing the quality of the environment;
- 15 (vii) initiate and utilize ecological information in 16 the planning and development of resource-oriented projects; 17 and
 - (viii) assist the environmental quality council established by 5-16-101; and
 - (c) prior to making any detailed statement as provided in subsection (1)(b)(iii), the responsible state official shall consult with and obtain the comments of any state agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate

-3-

- state, federal, and local agencies which are authorized to develop and enforce environmental standards shall be made available to the governor, the environmental quality council, and the public and shall accompany the proposal through the existing agency review processes.
 - (2) The department of public service regulation, in the exercise of its regulatory authority over rates and charges of railroads, motor carriers, and public utilities, is exempt from the provisions of parts 1 through 3.
 - (3) (a) Until the-board-of-oil-and-gas-conservation adopts-a-programmatic-environmental-statement;-but-no-later than THE BOARD OF OIL AND GAS CONSERVATION ADOPTS A PROGRAMMATIC ENVIRONMENTAL STATEMENT, BUT NO LATER THAN June 30, 1989 1991, the issuance of a permit to drill a well for oil or gas is not a major action of state government as that term is used in subsection (1)(b)(iii).
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 - (ii) such methods of accomplishing drilling and production of oil and gas as may be found to be necessary to avoid permanent impairment of the environment or to mitigate

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- (iii) the process that will be employed by the board of oil and gas conservation to evaluate such environmental impacts of individual drilling proposals as may be found to exist;
- (iv) an appropriate method for incorporating such environmental review as may be found to be necessary into the board's rules and drill permitting process and for accomplishing the review in an expedient manner;
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- (c) The governor shall direct and have management responsibility for the preparation of the programmatic statement, including responsibility on behalf of the board of oil and gas conservation for the disbursement and expenditure of funds necessary to complete the statement. The facilities and personnel of appropriate state agencies

nust be used to the extent the governor deems necessary to
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completed draft programmatic statement to the board of oil
and gas conservation for hearing pursuant to the provisions
of the Montana Administrative Procedure Act, Title 2,
chapter 4. Following completion of a final programmatic
statement, the governor shall forward the statement to the
board for adoption and use in the issuance of permits to
drill for oil and gas."

-End-

SB 201

STANDING COMMITTEE REPORT

March 11, 1989 Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report that SENATE BILL 201 (third reading copy -- blue)

concurred in as amended .

Signed:

Bob Raney, Chairman

[REP. HANNAH WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Title, line 8.

Strike: "JUNE 30, 1991"

Insert: "DECEMBER 31, 1989"

2. Title, line 12.

Strike: "JUNE 30, 1991"

Insert: "DECEMBER 31, 1989"

3. Page 4, lines 13 and 14.

Strike: "June" on line 13 through "1991" on line 14

Insert: "December 31, 1989"

4. Page 4, line 18.

Strike: "June" through "1991"

Insert: "December 31, 1989"

5. Page 6, line 9. Following: "gas."

Insert: "(d) Until the programmatic environmental statement is adopted, the board of oil and gas conservation shall prepare a written progress report after each regular meeting of the board and after any special board meeting that addresses the adoption or implementation of the programmatic environmental statement. A copy of each report must be sent to the environmental quality council."

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2	INTRODUCED BY KEATING, GILBERT, TVEIT, SMITH, REHBERG,
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12	REMOVING THE-REQUIREMENT-THAT EXTENDING UNTIL #UNE-307-1991
13	DECEMBER 31, 1989, THE DATE BY WHICH THE BOARD MUST ADOPT A
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SENATE BILL NO. 201

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- such statement and the comments and views of the appropriate state, federal, and local agencies which are authorized to develop and enforce environmental standards shall be made available to the governor, the environmental quality council, and the public and shall accompany the proposal through the existing agency review processes.
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 - (b) The board of oil and gas conservation shall may

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 25 production of oil and gas as may be found to be necessary to

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- avoid permanent impairment of the environment or to mitigate
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 of the Montana Administrative Procedure Act, Title 2,
 chapter 4. Following completion of a final programmatic
 statement, the governor shall forward the statement to the
 board for adoption and use in the issuance of permits to
 drill for oil and gas.
- 11 (D) UNTIL THE PROGRAMMATIC ENVIRONMENTAL STATEMENT IS

 12 ADOPTED, THE BOARD OF OIL AND GAS CONSERVATION SHALL PREPARE

 13 A WRITTEN PROGRESS REPORT AFTER EACH REGULAR MEETING OF THE

 14 BOARD AND AFTER ANY SPECIAL BOARD MEETING THAT ADDRESSES THE

 15 ADOPTION OR IMPLEMENTATION OF THE PROGRAMMATIC ENVIRONMENTAL

 16 STATEMENT. A COPY OF EACH REPORT MUST BE SENT TO THE

17 ENVIRONMENTAL QUALITY COUNCIL."

-End-