

1
2 INTRODUCED BY

House BILL NO. *427*
Raney Grosfeld

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE POLICY PURPOSE OF THE MONTANA RESOURCE
5 INDEMNITY TRUST AND GROUND WATER ASSESSMENT ACT; LIMITING THE USES OF THE EXPENDABLE
6 REVENUE FROM THE RESOURCE INDEMNITY TRUST; ELIMINATING A STATUTORY APPROPRIATION OF
7 TRUST FUND INTEREST TO MONTANA STATE UNIVERSITY-NORTHERN; LIMITING THE USE OF THE
8 GOVERNOR'S ENVIRONMENTAL CONTINGENCY ACCOUNT; ELIMINATING TRUST FUND INTEREST
9 ALLOCATIONS TO THE ENVIRONMENTAL QUALITY PROTECTION FUND, THE HAZARDOUS WASTE
10 CERCLA ACCOUNT, THE WATER STORAGE ACCOUNT, THE RENEWABLE RESOURCE GRANT AND LOAN
11 ACCOUNT AND, PARTIALLY, TO THE RECLAMATION AND DEVELOPMENT GRANT ACCOUNT; REVISING
12 THE POLICY PURPOSE OF THE RECLAMATION AND DEVELOPMENT GRANT PROGRAM; AMENDING
13 SECTIONS 10-3-1215, 15-38-102, 15-38-103, 15-38-202, 15-38-203, 17-7-502, 75-1-1101, 75-10-621,
14 75-10-704, 85-1-604, 85-1-615, 85-1-631, 85-5-110, 90-2-1102, 90-2-1103, 90-2-1104, AND
15 90-2-1112, MCA; AND PROVIDING AN EFFECTIVE DATE."

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18
19 **Section 1.** Section 10-3-1215, MCA, is amended to read:

20 **"10-3-1215. Deficiency warrants for reimbursement of response costs.** (1) (a) The commission
21 shall review all claims for reimbursement and make recommendations to the governor as to payment or
22 nonpayment of the claims within 90 days of receipt. ~~The governor may authorize the issuance of warrants~~
23 ~~to be paid from the environmental contingency account provided for in 75-1-1101 to the limit of the fund~~
24 ~~balance for the purpose of reimbursing reasonable and documented costs associated with emergency~~
25 ~~actions taken pursuant to this part.~~

26 (b) The costs of routine firefighting procedures are not reimbursable costs under this part.

27 (2) Reimbursement must be in accordance with the schedule defined in the plan.

28 (3) The decision of the governor is final and nonappealable.

29 (4) This section may not be construed to change or impair any right of recovery or subrogation
30 arising under any other provision of law."

1 **Section 2.** Section 15-38-102, MCA, is amended to read:

2 "**15-38-102. Legislative policy.** It is the policy of the state of Montana to indemnify its citizens
3 for the loss of long-term value resulting from the depletion of its mineral resource base and for
4 environmental damage caused by mineral development. This policy of indemnification is achieved by
5 establishing a permanent resource indemnity trust, as required by Article IX, section 2, of the Montana
6 constitution, by supporting ground water assessment programs from the proceeds of a tax levied on mineral
7 extraction, and by allocating spendable revenues:

8 (1) to protect and restore the environment from damages resulting from mineral development;

9 ~~(2) to support a variety of development programs that benefit the economy of the state and the~~
10 ~~lives of Montana citizens; and~~

11 ~~(3)(2) to assess the state's ground water resources."~~

12

13 **Section 3.** Section 15-38-103, MCA, is amended to read:

14 "**15-38-103. Definitions.** As used in this chapter, the following definitions apply:

15 (1) "Department" means department of revenue.

16 (2) "Gross value of product" means, except as provided in 15-38-125 through 15-38-129, the
17 market value of any merchantable mineral extracted or produced during the taxable year.

18 (3) "Mineral" means any precious stones or gems, gold, silver, copper, coal, lead, petroleum,
19 natural gas, oil, uranium, talc, vermiculite, limestone, or other nonrenewable merchantable products
20 extracted from the surface or subsurface of the state of Montana.

21 ~~(4) "Total environment" means air, water, soil, flora, and fauna and the social, economic, and~~
22 ~~cultural conditions that influence communities and individual citizens."~~

23

24 **Section 4.** Section 15-38-202, MCA, is amended to read:

25 "**15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)

26 All money paid into the resource indemnity trust fund, including money payable into the fund under the
27 provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments.

28 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
29 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and

30 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be

1 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
2 \$100 million.

3 ~~(2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the~~
4 ~~resource indemnity trust fund \$240,000, which is statutorily appropriated, as provided in 17-7-502, from~~
5 ~~the renewable resource grant and loan program state special revenue account to support the operations of~~
6 ~~the environmental science water quality instructional programs at Montana state university northern, to be~~
7 ~~used for support costs, for matching funds necessary to attract additional funds to further expand statewide~~
8 ~~impact, and for enhancement of the facilities related to the programs.~~

9 ~~(b)(2)~~ At the beginning of each biennium, there is allocated from the interest income of the resource
10 indemnity trust fund:

11 ~~(i)(a)~~ an amount not to exceed \$175,000 to the environmental contingency account pursuant to
12 the conditions of 75-1-1101; and

13 ~~(ii)(b)~~ an amount not to exceed \$50,000 to the oil and gas production damage mitigation account
14 pursuant to the conditions of 82-11-161; and

15 ~~(iii) beginning in fiscal year 1996, \$2 million to be deposited into the renewable resource grant and~~
16 ~~loan program state special revenue account, created by 85-1-604, for the purpose of making grants;~~

17 ~~(iv)(3) At the beginning of each fiscal year beginning in fiscal year 1996, \$3 1998, \$1.8 million to~~
18 ~~of interest income must be deposited into the reclamation and development grants state special revenue~~
19 ~~account, created by 90-2-1104, for the purpose of making grants; and~~

20 ~~(v) beginning in fiscal year 1996, \$500,000 to be deposited into the water storage state special~~
21 ~~revenue account created by 95-1-631.~~

22 ~~(e)(4)~~ The remainder of the interest income is allocated ~~as follows:~~ to the general fund.

23 ~~(i) Thirty six percent of the interest income of the resource indemnity trust fund must be allocated~~
24 ~~to the renewable resource grant and loan program state special revenue account created by 85-1-604.~~

25 ~~(ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated~~
26 ~~to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.~~

27 ~~(iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated~~
28 ~~to the reclamation and development grants account provided for in 90-2-1104.~~

29 ~~(iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the~~
30 ~~environmental quality protection fund provided for in 75-10-704.~~

1 ~~(3)~~⁽⁵⁾ Any formal budget document prepared by the legislature or the executive branch that
 2 proposes to appropriate funds from the resource indemnity trust interest account other than as provided
 3 for by the allocations in ~~subsection~~ subsections (2) (1) through (3) must specify the amount of money from
 4 each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal budget
 5 document includes a printed and publicly distributed budget proposal or recommendation, an introduced
 6 bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session."

7
 8 **Section 5.** Section 15-38-203, MCA, is amended to read:

9 "**15-38-203. Purpose of fund usage -- limitation on future use.** (1) Any funds made available under
 10 this chapter ~~shall~~ must be used and expended:

11 (a) to improve, protect, and restore the total environment from damages resulting from mineral
 12 development and rectify damage thereto to the environment; and

13 (b) to assess the state's ground water resources.

14 (2) It is the intent of the legislature that future appropriations from the resource indemnity trust
 15 interest account not be made to fund general operating expenses of state agencies."

16
 17 **Section 6.** Section 17-7-502, MCA, is amended to read:

18 "**17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
 19 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
 20 without the need for a biennial legislative appropriation or budget amendment.

21 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
 22 with both of the following provisions:

23 (a) The law containing the statutory authority must be listed in subsection (3).

24 (b) The law or portion of the law making a statutory appropriation must specifically state that a
 25 statutory appropriation is made as provided in this section.

26 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
 27 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;
 28 15-30-195; 15-31-702; 15-37-117; ~~15-38-202~~; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
 29 16-11-308; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-804; 17-6-101; 17-6-201; 17-7-304;
 30 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-17-301; 19-18-512; 19-18-513; 19-18-606; 19-19-205;

1 19-19-305; 19-19-506; 20-8-107; 20-8-111; 20-9-361; 20-26-1503; 23-5-136; 23-5-306; 23-5-409;
 2 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 32-1-537; 37-43-204; 37-51-501; 39-71-503;
 3 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102; 50-4-623; 50-5-232; 50-40-206; 53-6-150;
 4 53-6-703; 53-24-206; 60-2-220; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-12-123;
 5 80-2-103; 80-2-222; 80-4-416; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301;
 6 90-4-215; 90-6-331; 90-7-220; 90-7-221; and 90-9-306.

7 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 8 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
 9 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
 10 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
 11 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
 12 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec.
 13 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
 14 supplemental benefit; and pursuant to sec. 7(2), Ch. 29, L. 1995, the inclusion of 15-30-195 terminates
 15 July 1, 2001.)"

16

17 **Section 7.** Section 75-1-1101, MCA, is amended to read:

18 **"75-1-1101. Environmental contingency account objectives.** (1) There is created an environmental
 19 contingency account within the state special revenue fund established in 17-2-102. The environmental
 20 contingency account is controlled by the governor.

21 (2) At the beginning of each biennium, \$175,000 must be allocated to the environmental
 22 contingency account from the interest income of the resource indemnity trust fund with the following
 23 exceptions:

24 (a) if at the beginning of any biennium the unobligated cash balance in the environmental
 25 contingency account equals or exceeds \$750,000, allocation will not be made; and

26 (b) if at the beginning of any biennium the unobligated cash balance in the environmental
 27 contingency account is less than \$750,000, then an amount less than or equal to the difference between
 28 the unobligated cash balance and \$750,000, but not to exceed \$175,000, must be allocated to the
 29 environmental contingency account from the interest income of the resource indemnity trust fund.

30 (3) Funds are statutorily appropriated, as provided in 17-7-502, from the environmental

1 contingency account upon the authorization of the governor to meet unanticipated public needs consistent
2 with the following objectives:

3 ~~(a) to support renewable resource development projects in communities that face an emergency~~
4 ~~or imminent need for the services or to prevent the physical failure of a project;~~

5 ~~(b) to preserve vegetation, water, soil, fish, wildlife, or other renewable resources from an imminent~~
6 ~~physical threat or during an emergency, not including: caused by mineral development;~~

7 ~~(i) natural disasters adequately covered by other funding sources; or~~

8 ~~(ii) fire;~~

9 ~~(e)(b) to respond to an emergency or imminent threat to persons, property, or the environment~~
10 ~~caused by mineral development; and~~

11 ~~(d) to respond to an emergency or imminent threat to persons, property, or the environment caused~~
12 ~~by a hazardous material; and~~

13 ~~(e) to fund the environmental quality protection fund provided for in 75-10-704 or to take other~~
14 ~~necessary actions, including the construction of facilities, to respond to actual or potential threats to~~
15 ~~persons, property, or the environment caused by hazardous wastes or other hazardous materials.~~

16 (c) to assess the state's ground water resources.

17 (4) Interest from funds in the environmental contingency account accrues to the resource indemnity
18 trust interest account.

19 (5) The governor shall submit, as a part of the information required by 17-7-111, a complete
20 financial report on the environmental contingency account, including a description of all expenditures made
21 since the preceding report."

22

23 **Section 8.** Section 75-10-621, MCA, is amended to read:

24 **"75-10-621. Hazardous waste/CERCLA special revenue account.** (1) There is a hazardous
25 waste/CERCLA special revenue account within the state special revenue fund established in 17-2-102.

26 (2) There must be paid into the hazardous waste/CERCLA account:

27 (a) ~~revenue obtained from the interest income of the resource indemnity trust fund under the~~
28 ~~provisions of 15-38-202, together with interest accruing on that revenue funds allocated by the legislature;~~

29 (b) all proceeds of bonds or notes issued under 75-10-623 and all interest earned on proceeds of
30 the bonds or notes; and

1 (c) revenue from penalties or damages collected under the federal Comprehensive Environmental
2 Response, Compensation, and Liability Act of 1980, as amended in 1986 (CERCLA).

3 (3) Appropriations may be made from the hazardous waste/CERCLA account only for the following
4 purposes and subject to the following conditions:

5 (a) funds are statutorily appropriated, as provided in 17-7-502(4), to the CERCLA match debt
6 service account necessary to make principal, interest, and premium payments due on CERCLA bonds;

7 ~~(b) not more than one-half of the interest income received for any biennium from the resource~~
8 ~~indemnity trust fund may be appropriated on a biennial basis for:~~

9 ~~(i) implementation of the Montana Hazardous Waste Act, including regulation of underground~~
10 ~~storage tanks and the state share to obtain matching federal funds;~~

11 ~~(ii) implementation of Title 75, chapter 10, part 6, pertaining to state assistance to and cooperation~~
12 ~~with the federal government for remedial action under CERCLA;~~

13 ~~(iii) expenses of the department in administering and overseeing the implementation of Title 75,~~
14 ~~chapter 10, parts 4 and 6; and~~

15 ~~(iv) state expenses relating to investigation and remedial action for any hazardous substance defined~~
16 ~~in 75-10-602; and~~

17 ~~(e)(b)~~ to the extent funds are available after the appropriations in ~~subsections~~ subsection (3)(a) and
18 ~~(3)(b)~~, the department may, as appropriate, seek authorization from the legislature or, when the legislature
19 is not in session, through the budget amendment process provided for in Title 17, chapter 7, part 4, to
20 spend funds for:

21 (i) state participation in remedial action under section 104 of CERCLA;

22 (ii) state costs for maintenance of sites at which remedial action under CERCLA has been
23 completed; and

24 (iii) the state share to obtain matching federal funds for underground storage tank corrective action.

25 (4) For the purposes of subsection (3)~~(e)(b)~~, the legislature finds that a need for state special
26 revenue to obtain matching federal funds for underground storage tank corrective action or for remedial
27 action under section 104 of CERCLA constitutes a serious unforeseen and unanticipated circumstance for
28 the purpose of meeting the definition of "emergency" in 17-7-102. The legislature further finds that the
29 inability of the department to match the federal funds as the funds become available would seriously impair
30 the functions of the department in carrying out its responsibilities under Title 75, chapter 10, parts 4 and

1 6.

2 (5) There is no dollar limit to the hazardous waste/CERCLA account. Unused balances remain in
3 the account until appropriated by the legislature for the purposes specified in this section."

4

5 **Section 9.** Section 75-10-704, MCA, is amended to read:

6 "**75-10-704. Environmental quality protection fund.** (1) There is in the state special revenue fund
7 an environmental quality protection fund to be administered as a revolving fund by the department. The
8 department is authorized to expend amounts from the fund necessary to carry out the purposes of this part.

9 (2) The fund may be used by the department only to carry out the provisions of this part and for
10 remedial actions taken by the department pursuant to this part in response to a release of hazardous or
11 deleterious substances.

12 (3) The department shall:

13 (a) except as provided in subsection ~~(7)~~ (6), establish and implement a system for prioritizing sites
14 for remedial action based on potential effects on human health and the environment; and

15 (b) investigate, negotiate, and take legal action, as appropriate, to identify liable persons, to obtain
16 the participation and financial contribution of liable persons for the remedial action, to achieve remedial
17 action, and to recover costs and damages incurred by the state.

18 (4) There must be deposited in the fund:

19 (a) all penalties, forfeited financial assurance, natural resource damages, and remedial action costs
20 recovered pursuant to 75-10-715;

21 (b) all administrative penalties assessed pursuant to 75-10-714 and all civil penalties assessed
22 pursuant to 75-10-711(5); and

23 (c) funds ~~appropriated~~ allocated to the fund by the legislature; and

24 ~~(d) funds received from the interest income of the resource indemnity trust fund pursuant to~~
25 ~~15-38-202.~~

26 (5) Whenever a legislative appropriation is insufficient to carry out the provisions of this part and
27 additional money remains in the fund, the department shall seek additional authority to spend money from
28 the fund through the budget amendment process provided for in Title 17, chapter 7, part 4.

29 ~~(6) Whenever the amount of money in the fund is insufficient to carry out remedial action, the~~
30 ~~department may apply to the governor for a grant from the environmental contingency account established~~

1 ~~pursuant to 75-1-1101.~~

2 ~~(7)(6)~~ (a) There is established a state special revenue account for all funds donated or granted from
3 private parties to remediate a specific release at a specific facility. There must be deposited into the account
4 the interest income earned on the account. A person is not liable under 75-10-715 solely as a result of
5 contributing to this account.

6 (b) Funds donated or granted for a specific project pursuant to this subsection ~~(7)~~ (6) must be
7 accumulated in the fund until the balance of the donated or granted funds is sufficient, as determined by
8 the department, to remediate the facility pursuant to the requirements of 75-10-721 for which the funds
9 are donated.

10 (c) If the balance of the fund created in this subsection ~~(7)~~ (6), as determined by the department
11 pursuant to the requirements of 75-10-721, is not sufficient to remediate the facility within 1 year from the
12 date of the initial contribution, all donated or granted funds, including any interest on those donated or
13 granted funds, must be returned to the grantor.

14 (d) If the balance for a specific project is determined by the department to be sufficient to
15 remediate the facility pursuant to the requirements of 75-10-721, the department shall give that site high
16 priority for remedial action, using the funds donated under this subsection ~~(7)~~ (6).

17 (e) This subsection ~~(7)~~ (6) is not intended to interfere with or to diminish the authority or actions
18 of the department to investigate, negotiate, and take legal action, as appropriate, to identify liable persons,
19 to obtain the participation and financial contribution of liable persons for the remedial action, to achieve
20 remedial action, and to recover costs and damages incurred by the state. Subsections ~~(7)~~ (6) and ~~(8)~~ (7)
21 do not pertain to facilities where the department has initiated actions under this part.

22 (f) The department shall expend the funds in a manner that maximizes the application of the funds
23 to physically remediating the specific release.

24 ~~(8)(7)~~ (a) A person may donate in-kind services to remediate a specific release at a specific facility
25 pursuant to subsection ~~(7)~~ (6). A person ~~that~~ who donates in-kind services is not liable under 75-10-715
26 solely as a result of the contribution of in-kind services.

27 (b) A person who donates in-kind services with respect to remediating a specific release at a
28 specific facility is not liable under this part to any person for injuries, costs, damages, expenses, or other
29 liability that results from the release or threatened release, including but not limited to claims for
30 indemnification or contribution and claims by third parties for death, personal injury, illness, loss of or

1 damage to property, or economic loss.

2 (c) Immunity from liability, pursuant to subsection ~~(8)~~(7)(b), does not apply in the case of a release
3 that is caused by conduct of the entity providing in-kind services that is negligent or grossly negligent or
4 that constitutes intentional misconduct.

5 (d) This subsection does not minimize the liability, lessen the standard of liability, or otherwise
6 shield from liability a potentially liable person under 75-10-715 or section 107 of CERCLA for costs or
7 damages incurred as a result of a release or threatened release of a hazardous or deleterious substance.

8 (e) Any donated in-kind services that are employed as part of a remedial action pursuant to this
9 subsection ~~(8)~~ (7) must be approved by the department as appropriate remedial action."

10

11 **Section 10.** Section 85-1-604, MCA, is amended to read:

12 **"85-1-604. Renewable resource grant and loan program state special revenue account created --**
13 **revenue allocated -- limitations on appropriations from account.** (1) There is created a renewable resource
14 grant and loan program state special revenue account within the state special revenue fund established in
15 17-2-102.

16 (2) Except to the extent that they are required to be credited to the renewable resource loan debt
17 service fund pursuant to 85-1-603, there must be paid into the renewable resource grant and loan program
18 state special revenue account:

19 (a) all revenue of the works and other money as provided in 85-1-332;

20 (b) ~~the interest income of the resource indemnity trust fund as provided in and subject to the~~
21 ~~conditions of 15-38-202 funds allocated by the legislature;~~

22 (c) the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable resource
23 loan debt service fund above debt service requirements as provided in and subject to the conditions of
24 85-1-619;

25 (d) any fees or charges collected by the department pursuant to 85-1-616 for the servicing of
26 loans, including arrangements for obtaining security interests; and

27 (e) the resource indemnity tax proceeds as provided in 15-38-106(2)(b).

28 (3) Appropriations may be made from the renewable resource grant and loan program state special
29 revenue account for the following purposes and subject to the following conditions:

30 ~~(a) The amount of resource indemnity trust fund interest earnings allocated under~~

1 ~~15-38-202(2)(b)(iii) must be used for renewable resource grants.~~

2 ~~(b)(a)~~ An amount less than or equal to that paid into the account under 85-1-332 and only that
3 amount may be appropriated for the operation and maintenance of state-owned projects and works. If the
4 amount of money available for appropriation under this subsection ~~(b)(a)~~ is greater than that necessary for
5 operation and maintenance expenses, the excess may be appropriated as provided in subsection (3)~~(b)~~.

6 ~~(b)~~ An amount less than or equal to that paid into the account from the resource indemnity trust
7 ~~account proceeds~~ plus any excess from subsection (3)~~(b)(a)~~ and only that amount may be appropriated from
8 the account for expenditures that meet the policies and objectives of the renewable resource grant and loan
9 program. If the amount of money available for appropriation under this subsection ~~(b)~~ is greater than that
10 necessary for operation and maintenance expenses, the excess may be appropriated as provided in
11 subsection (3)~~(c)~~.

12 ~~(c)~~ An amount less than or equal to that paid into the account from the sources provided for in
13 subsections (2)(c) and (2)(d) and any excess from subsection (3)~~(b)~~ and only that amount may be
14 appropriated from the account for:

- 15 (i) loans and grants for renewable resource projects; ~~for~~
16 (ii) purchase of liens and operation of property as provided in 85-1-615; ~~for~~
17 (iii) administrative expenses, including but not limited to the salaries and expenses of personnel,
18 equipment, and office space; ~~for~~
19 (iv) the servicing of loans, including arrangements for obtaining security interests; and ~~for~~
20 (v) other necessities incurred in administering the loans and grants."

21

22 **Section 11.** Section 85-1-615, MCA, is amended to read:

23 **"85-1-615. Security interests -- purchase, operation, and resale of encumbered property.** (1) The
24 state has a lien upon a project constructed with money from the renewable resource grant and loan state
25 special revenue account or the renewable resource loan proceeds account for the amount of the loan and
26 interest due the state. This lien may attach to any project facilities, equipment, easements, real property,
27 and property of any kind or nature owned by the debtor, including all water rights. The department shall
28 file with the county clerk and recorder of each county in which a part of the project is located either a
29 financing statement or a real estate mortgage covering the loan, its amount, terms, and a description of
30 the security. The county clerk and recorder shall record and index the lien as other liens are required by law

1 to be recorded and indexed. The lien is valid until paid in full or otherwise discharged. The lien must be
2 foreclosed in accordance with applicable state law governing foreclosure of mortgages and liens.

3 (2) From the funds available under 85-1-604(3)~~(d)~~(c) or 85-1-617, the state may:

4 (a) purchase a lien that is prior to the state's lien if:

5 (i) the director of the department determines that the loan is in default and the prospects for
6 collecting the loan may be materially increased by purchasing the prior lien; and

7 (ii) the amount to be paid for the prior lien does not exceed the appraised value of the property;

8 (b) operate property that is subject to the state's lien if the director of the department determines
9 that the loan is in default and the prospects for collecting the loan may be materially increased by operating
10 the property that is subject to the state's lien; or

11 (c) purchase a prior lien as provided in subsection (2)(a) and operate property as provided in
12 subsection (2)(b).

13 (3) Any property acquired under the provisions of this section must be resold as expeditiously as
14 possible to recover funds used under this section and funds loaned to the borrower."

15
16 **Section 12.** Section 85-1-631, MCA, is amended to read:

17 **"85-1-631. Water storage state special revenue account created -- revenues allocated --**
18 **appropriations from account.** (1) There is a water storage state special revenue account within the state
19 special revenue fund established in 17-2-102.

20 (2) There must be paid into the water storage state special revenue account money ~~allocated from~~
21 ~~the resource indemnity trust fund interest earnings pursuant to 15-38-202~~ allocated by the legislature.

22 (3) Money that was not encumbered or expended from the water storage state special revenue
23 account during the previous biennium must remain in the account.

24 (4) Deposits to the water storage state special revenue account are to be placed in short-term
25 investments and accrue interest, which must be deposited in the water storage state special revenue
26 account.

27 (5) The purpose of the water storage state special revenue account is to provide money for loans
28 and grants exclusively for water storage projects, including:

29 (a) the purchase or lease of property;

30 (b) planning, feasibility, and design studies; and

1 (c) other costs related to construction, rehabilitation, expansion, and modification of water storage
2 projects.

3 (6) The department shall administer this section as an integral part of the renewable resource grant
4 and loan program, using, to the extent possible, the same procedures for soliciting, determining eligibility,
5 and rating water storage project proposals and for administering grants and loans, subject to the same
6 limitations, as applied to other renewable resource grants and loans.

7 (7) The following preferences must be considered in ranking proposals for water storage grants and
8 loans:

9 (a) first preference is for the rehabilitation of water storage projects that resolve threats to life and
10 property;

11 (b) second preference is for the improvement or expansion of existing water storage projects; and

12 (c) third preference is for the development of new water storage projects."

13

14 **Section 13.** Section 85-5-110, MCA, is amended to read:

15 "**85-5-110. Appointment of water mediators -- duties.** (1) The judge of the district court may
16 appoint a water mediator to mediate a water controversy in a decreed or nondecreed basin under the
17 following circumstances:

18 (a) upon request of the governor;

19 (b) upon petition by at least 15% of the owners of water rights in a decreed or nondecreed basin;

20 or

21 (c) in the discretion of the district court having jurisdiction.

22 (2) A water mediator appointed under this section may:

23 (a) discuss proposed solutions to a water controversy with affected water right holders;

24 (b) review options related to scheduling and coordinating water use with affected water right
25 holders;

26 (c) discuss water use and water needs with persons and entities affected by the existing water use;

27 (d) meet with principal parties to mediate differences over the use of water; and

28 (e) hold public meetings and conferences to discuss and negotiate potential solutions to
29 controversies over use of water.

30 (3) If the governor requests or a state agency petitions for a water mediator, the governor or

1 agency shall pay all or a majority of the costs of the water mediator, as determined equitable by the district
2 court having jurisdiction.

3 ~~(4) The governor may use funds appropriated under 75-1-1101 to pay the costs of a water~~
4 ~~mediator.~~

5 ~~(5)(4) Nothing in this~~ This section ~~allows~~ does not allow a water mediator to require any valid
6 water right holder to compromise or reduce any of his existing water rights.

7 ~~(6)(5)~~ If an appropriator voluntarily ceases to use all or part of his an appropriation right or
8 voluntarily ceases to use his an appropriation right according to its terms and conditions as a result of the
9 efforts of a mediator appointed under this section, the appropriator may not be considered to have
10 abandoned all or any portion of his an appropriation right."

11

12 **Section 14.** Section 90-2-1102, MCA, is amended to read:

13 **"90-2-1102. Policy and purpose.** (1) The policy of the state of Montana expressed in the
14 Reclamation and Development Grants Program Act is to provide a state capability to fund projects that
15 indemnify the people of the state for the effects of mineral development on public resources ~~and that meet~~
16 ~~other crucial needs serving the public interest and the total environment of the citizens of Montana.~~

17 (2) The purposes of the reclamation and development grants program are to:

18 (a) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable
19 resource extraction; and

20 (b) develop and ensure the quality of public resources for the benefit of all Montanans."

21

22 **Section 15.** Section 90-2-1103, MCA, is amended to read:

23 **"90-2-1103. Definitions.** As used in this part, the following definitions apply:

24 (1) "Department" means the department of natural resources and conservation provided for in Title
25 2, chapter 15, part 33.

26 (2) "Financially feasible" means that adequate funds are available to complete the project as
27 approved.

28 (3) "Mineral" means any precious stones or gems, gold, silver, copper, coal, lead, petroleum,
29 natural gas, oil, uranium, or other nonrenewable merchantable products extracted from the surface or
30 subsurface of the state of Montana.

1 (4) "Mineral development" means exploration, extraction, processing, or other activity related to
2 the production of a mineral.

3 (5) "Mitigation" means the act of rectifying an impact by:

4 (a) repairing, rehabilitating, or restoring the affected environment;

5 (b) reducing or eliminating an impact over time by operations that preserve or maintain the
6 environment; or

7 (c) compensating for an impact by replacing or providing substitute resources or habitats.

8 (6) "Project" means a planned and coordinated action or series of actions addressing an objective
9 consistent with the policy and purpose of the reclamation and development grants program. A project may
10 consist of problem analysis, feasibility or design studies, environmental monitoring, remedial action plans
11 or implementation, technology demonstration, research, construction or acquisition of capital facilities, or
12 other related actions.

13 (7) "Public benefits" means those benefits that accrue to citizens as a group and enhance the
14 common well-being of the people of Montana.

15 (8) "Public resources" means the natural resources of the state, including air, water, soil, minerals,
16 vegetation, and fish and wildlife, ~~and the economic, social, and cultural conditions of Montana citizens.~~

17 (9) "Reclamation and development grants account" means the reclamation and development grants
18 special revenue account established in 90-2-1104.

19 (10) "Technically feasible" means that a project or activity can be designed, constructed, operated,
20 or carried out to accomplish its objectives, utilizing accepted engineering and other technical principles and
21 concepts."

22
23 **Section 16.** Section 90-2-1104, MCA, is amended to read:

24 **"90-2-1104. Reclamation and development grants account.** (1) There is a reclamation and
25 development grants special revenue account within the state special revenue fund established in 17-2-102.

26 (2) There must be paid into the reclamation and development grants account money allocated from:

27 (a) the interest income of the resource indemnity trust fund under the provisions of 15-38-202;

28 (b) the resource indemnity trust tax under the provisions of 15-38-106; and

29 (c) the metal mines license tax proceeds as provided in 15-37-117(1)(e).

30 (3) Appropriations may be made from the reclamation and development grants account for the

1 following purposes only:

2 (a) grants for designated projects; and

3 (b) funding for the natural resource information system as provided for in Title 90, chapter 15.

4 ~~(b)(c)~~ administrative expenses, including the salaries and expenses of personnel, equipment, office
5 space, and other expenses necessarily incurred in the administration of the grants program. These expenses
6 may be funded ~~prior to~~ before funding of projects."

7

8 **Section 17.** Section 90-2-1112, MCA, is amended to read:

9 "**90-2-1112. Eligibility requirements.** (1) ~~Except as provided under subsection (2), to~~ To be eligible
10 for funding under the reclamation and development grants program, the proposed project must provide
11 benefits in one or more of the following categories:

12 (a) reclamation of land, water, or other resources adversely affected by mineral development;

13 (b) mitigation of damage to public resources caused by mineral development;

14 (c) research, demonstration, or technical assistance to promote the wise use of Montana minerals,
15 including efforts to make processing more environmentally compatible;

16 (d) investigation and remediation of mineral development sites where hazardous wastes or
17 regulated substances threaten public health or the environment; and

18 (e) research to assess existing or potential environmental damage resulting from mineral
19 development.

20 ~~(2) If sufficient eligible and qualified applications satisfying the mineral development objectives~~
21 ~~provided for in subsection (1) are not received or if there is a crucial state need, the department may~~
22 ~~evaluate and the governor may recommend that the legislature approve funding for projects that:~~

23 ~~(a) enhance Montana's economy through the development of natural resources; or~~

24 ~~(b) develop, promote, protect, or further Montana's total environment and public interest, including~~
25 ~~the general health, safety, welfare, and public resources of Montana citizens and communities.~~

26 ~~(3)~~(2) To be eligible for funding under the reclamation and development grants program, a project
27 must:

28 (a) be technically and financially feasible;

29 (b) be the best cost-effective alternative to address a problem or attain an objective;

30 (c) comply with statutory and regulatory standards protecting environmental quality; and

1 (d) be from an applicant able and willing to enter into a contract with the department for the
2 implementation of the proposed project or activity.

3 ~~(4)~~(3) A project is not eligible for funding under the reclamation and development grants program
4 to the extent that the project is eligible for and can reasonably be expected to receive funding from other
5 state or federal reclamation programs or any other program or act that provides funding to accomplish
6 remedial action for environmental damage or if the project is permitted under Title 82, chapter 4 or 11.

7 ~~(5)~~(4) A proposed project is not eligible for funding under the reclamation and development grants
8 program if there is a liable party who would be relieved of financial or legal responsibility and who can
9 reasonably be expected to be held responsible."
10

11 NEW SECTION. **Section 18. Effective date.** [This act] is effective July 1, 1997.

12 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0427, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the policy purpose of the Montana Resource Indemnity Trust and Ground Water Assessment Act; limiting the uses of the expendable revenue from the resource indemnity trust; eliminating a statutory appropriation of trust fund interest to Montana State University-Northern; limiting the use of the Governor's environmental contingency account; eliminating trust fund interest allocations to the environmental quality protection fund, the hazardous waste CERCLA account, the water storage account, the renewable resource grant and loan account and, partially, to the reclamation and development grant account; and revising the policy purpose of the Reclamation and Development Grant Program.

ASSUMPTIONS:

Department of Natural Resources and Conservation (DNRC):

1. Assume Revenue Oversight Committee revenue estimates.
State Library Commission
2. The State Library Natural Resource Information System (NRIS) would qualify for continued funding from the reclamation & development grants account per Section 16, and 90-2-1104, MCA.
3. Under the proposal, NRIS would be funded at the amount recommended as approved by the 1997 legislature.
4. There will be no fiscal impact for NRIS.

Governor's Office:

5. The Flathead Basin Commission within the Governor's Office receives an appropriation directly out of the RIT renewable resource account. With the de-earmarking of the RIT contained in this bill, this appropriation would be moved to the general fund. Currently, the Executive Budget recommends \$41,756 in fiscal year 1998 and \$46,754 in fiscal year 1999.

Environmental Quality Council Legislative Branch:

6. The legislative request is \$13,311 for fiscal year 1998 and \$13,312 for fiscal year 1999 from the reclamation and development account to provide funding for the EQC.
7. This legislation no longer makes available RIT funding for the EQC.
8. If general fund or other state special revenue funds do not become available, the net fiscal impact to the EQC will be a reduction of \$26,623 for the 1999 biennium.

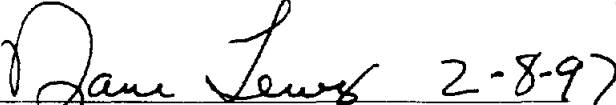
Judiciary:

9. This legislation eliminates the allocation of RIT interest income to the renewable resource account which funds \$1,133,718 during the 1999 biennium to operate the Water Court.
10. Unless funding from other sources is identified, the Montana Water Court will cease its operations June 30, 1997.

Commissioner of Higher Education:

11. This legislation strikes the statutory appropriation contained in 15-38-202(2), MCA, for Montana State University-Northern.
12. Currently the funds are used for support and operation of the environmental sciences water quality instructional programs.
13. MSU-Northern incurred debt to upgrade the laboratory facilities used in its water/wastewater program. One classroom lab was completely updated and new equipment necessary to support the program was purchased.
14. There are debt service obligations of \$101,678 in fiscal year 1998 and \$93,941 in fiscal year 1999.
15. Outstanding debt will be as of June 30, 1997, \$509,133; June 30, 1998, \$412,111; and June 30, 1999, \$319,483.

(Continued)


DAVE LEWIS, Budget Director Date
Office of Budget and Program Planning

BOB RANEY, Primary Sponsor Date

Fiscal Note for HB0427, as introduced

HB 427

Department of Environmental Quality (DEQ):

16. The numbers used are from the Governor's Budget and Legislative Budget Analysis, Volume 1, page C-141, Fiscal Impact Section of Table 2. The revenue numbers are as adopted by the Revenue Oversight Committee.
17. DEQ is currently funded through appropriations from the reclamation and development account, the hazardous waste CERCLA account, and the environmental quality protection fund (EQPF).
18. The allocation in current statute is 40% to the reclamation and development account, 18 percent to the hazardous waste CERCLA account, and 6% to the EQPF.
19. The expenditure numbers for DEQ represent what is requested in the recommended in the Executive Budget for the accounts that help fund DEQ.
20. This bill eliminates the percent funding allocation from the RIT trust interest for the three accounts that currently provided revenue to the DEQ.
21. DEQ assumes that it is not the intent of the legislature to eliminate RIT funding for the programs traditionally funded by RIT funds in the hazardous waste CERCLA account, EQPF account and reclamation and development grants identified in #3 above.
22. The intent of the bill is to "de-earmark" the distribution of RIT funds to various accounts and to make such distributions subject to legislative allocation and appropriation. The bill allows the legislature to appropriate funds for existing programs.
23. Therefore, DEQ assumes the legislature will appropriate funds at the levels requested in the Executive Budget.
24. If the legislature does not appropriate funds to replace those being de-earmarked, the following programs would be impacted: a) Water Quality Management, b) Water Pollution Control, c) Groundwater, d) Public Water Supply, e) Hazardous Waste, f) MEPA/EIS, g) Radon, h) Superfund CECRA (state), i) Superfund CERCLA (federal), j) Leaking Underground Storage Tanks (LUST), k) Underground Storage Tanks (UST), l) Open Cut Mining, m) Hard Rock Mining, n) Coal and Uranium.
25. If RIT funds are not appropriated, and a replacement funding source is not provided, DEQ would be subject to the loss of federal funds in the amount of \$8,105,846 for the 1999 biennium.

FISCAL IMPACT:

Department of Natural Resources and Conservation:

1. HB 427 has significant fiscal impact to grant programs, water storage projects, and agency budgets that are funded from RIT earnings. Funding for renewable resource grants is eliminated. Under current law, there is \$2 million available for these grants. The grants that would be affected are included in House Bill No. 6.
2. Funding for reclamation and development grants would be increased by a total of \$600,000 over the biennium. These grants are included in House Bill No. 7. In addition to reclamation and development grants, the Natural Resource Information System may be funded by this increased funding.
3. Funding for the water storage account would be eliminated. This would significantly affect the state cost share on the Tongue River Dam rehabilitation project in Big Horn County. The \$500,000 that would be deposited into the water storage account in fiscal year 1998 has already been appropriated through House Bill No. 5 passed in 1995. The state has already executed contracts based on the \$500,000 in RIT interest that would be deposited in the water storage account in fiscal year 1998.

Expenditures:

Eliminating RIT interest deposits to the 4 state special revenue accounts that currently receive this revenue will create large deficits in these accounts. Beginning fund balances and other revenues will allow some expenditures from these four accounts. However, significant deficits will be created. If HB 427 passes, the fiscal year 1999 ending fund balances in the accounts receiving RIT interest earnings would be:

(Continued)

(continued)

Renewable Resource Account	(7,016,962)
Reclamation and Development Account	(3,539,699)
Hazardous Waste / CERCLA Account	(1,790,535)
Environmental Quality Protection Fund	(386,876)

These accounts support a variety of agency appropriations for operations and projects. Agencies affected include the DNRC, DEQ, Governor's Office, Water Court, Library Commission - NRIS, and the EQC. The impact to the Library Commission - NRIS program may be off-set by the additional \$600,000 allocated to the reclamation and development account.

Revenues:

<u>Accounting Entity</u>	<u>FY 98</u>	<u>FY 99</u>	<u>Total</u>
Renewable Resource (02272)	(\$2,778,324)	(\$2,877,204)	(\$5,655,528)
Reclamation and Development (02458)	(2,064,804)	(1,396,894)	(3,461,698)
Hazardous Waste/CERCLA (02070)	(389,162)	(1,438,603)	(1,827,765)
Environmental Quality Protection (02162)	(129,720)	(479,534)	(609,254)
Water Storage Account (02216)	(500,000)	(0)	(500,000)
General Fund (01)	5,862,010	6,192,235	12,054,245

Net Impact:

Department of Natural Resources and Conservation:

1. Loss of RIT revenue, without assurance of other revenues to replace these funds, has a much greater affect than the \$12 million of RIT interest directly impacted by HB 427. The water storage account allocation of \$500,000 matches \$31.5 million of federal funds. In the Renewable Resource Grant Program, the \$2 million in grants are matched by \$19 million in other funds.
2. The HB 427 Table 2 on the following page summarizes the net impact of the bill on RIT funds only.

Department of Environmental Quality:

3. Based on assumption #22, if replacement funding is appropriated by the legislature to replace the elimination of RIT Interest percent allocations, there would be no fiscal impact to the agency.
4. Based on assumption #24, if the legislature does not appropriate replacement funding for the elimination of the RIT Interest allocations, there would be a negative fiscal impact to the agency of \$5,349,872 in state funding. This could also eliminate the \$600,000 of cost recovery income to the EQPF because if the EQPF allocation from the RIT interest is not replaced there would not be a program (staff) to do cost recovery activity. This would then be a total negative impact of \$5,949,872 in state funding.
5. Based on assumption #25, if the legislature does not appropriate replacement funding for the elimination of the RIT allocations, there would be a negative impact to the agency in lost federal funds of \$8,105,846, because the state funds are used as match to the federal grants.

EFFECT ON COUNTY OR LOCAL REVENUES OR EXPENDITURES:

1. Local governments receive the majority of grants funded through the Renewable Resource Grant Program. In HB 6, 22 of the 27 grants that would be funded by \$2 million of RIT interest are grants to local governments. Without these grant funds, many of these local government projects would not be started.
2. The currently authorized RIT revenues match federal grants that could have significant impacts on counties or activity in local areas. Following are some of those grants; a) Superfund, b) LUST, for leaking tank cleanup projects, c) public water supply programs where the counties are paid according to statute for plan and specification reviews.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

HB 427 would not only eliminate funding for grants in fiscal years 1998 and 1999, but would eliminate funding for any future grants. This would eliminate this source of funding for future grants to local government and state agencies.

(Continued)

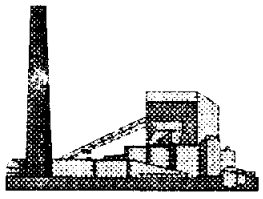
Table 2 RIT Trust, Interest Earnings, and Related Expenditure Accounts 1999 Biennium Projections						
RIT Trust Revenues (ROC Estimates)	Fiscal 1994	Fiscal 1995	Fiscal 1996	Fiscal 1997	Fiscal 1998	Fiscal 1999
RIGWAT Proceeds-Coal & other (45.90%)	\$658,401	\$779,360	\$581,546	\$539,325	\$559,521	\$551,259
RIGWAT Proceeds-Oil (45.90%)	706,119	612,640	766,565	566,169	542,270	536,720
RIGWAT Proceeds-Natural Gas (45.90%)	251,727	206,190	190,079	88,997	76,995	78,757
Metal Mine Tax Proceeds (8.50%)	965,653	799,217	0	0	474,045	542,725
Total Deposits	\$2,581,901	\$2,298,406	\$1,536,190	\$1,194,491	\$1,654,831	\$1,709,461
Trust Balance	\$89,313,612	\$91,612,018	\$93,150,208	\$94,344,699	\$95,999,531	\$97,708,991

RIT Trust Interest Earnings Projections	Fiscal 1998	Fiscal 1999	Biennium Total
Priority Statutory Allocations of Interest (Biennial)	7,867,010	7,992,235	\$15,879,245
Environmenta Contingency Account (02107)*	(175,000)	0	(175,000)
Oil & Gas Damage Mitigation Account (02010)**	(50,000)	0	(50,000)
Renewable Res. Grant & Loan Program (grant)	0	0	0
Reclamation & Development Grants (grants)	(1,800,000)	(1,800,000)	(3,600,000)
Water Storage Account (02216)	0	0	0
Total Allocations	(\$2,025,000)	(\$1,800,000)	(\$3,825,000)
Distribution to General Fund	\$5,862,010	\$6,192,235	\$12,054,245

Related Accounts (1999 Biennium Totals)	Renewable Resource (02272)	Reclamation & Development (02458)	Hazardous Waste/CERCLA (02070)	Environmental Quality Protection (02162)	Groundwater Assessment (02289)***	Water Storage (02216)
Further Distribution % of RIT Interest	0%	0%	0%	0%	0%	0%
Beginning Fiscal 1997 Fund Balance	\$2,107,086	\$1,976,208	\$667,133	\$977,549	\$91,848	\$554,523
Reserved for continuing appropriations	(4,167,430)	(2,965,337)	0	0	0	(954,816)
Reserved for long-term assets (loans outstanding)	(1,257,511)	0	0	0	0	0
Reserved for long-term advances	0	0	0	(115,000)	0	0
Fiscal 1997 appropriations	(2,027,027)	(2,953,662)	(1,416,719)	(907,665)	(666,000)	(102,716)
Fiscal 1997 adjustments	0	0	0	0	92,035	0
Fiscal 1997 revenues	4,252,646	4,054,574	1,400,148	753,383	482,119	0
Available Fund Balance Beginning FY98	(\$1,092,236)	\$111,783	\$650,561	\$706,265	\$0	(\$503,109)

Revenues (ROC, agency estimates)	Renewable Resource	Reclamation & Development	Hazardous Waste/CERCLA	Environmental Quality Protection	Groundwater Assessment	Water Storage
RIT Trust Interest-direct	\$0	\$3,600,000	0	0	0	\$0
RIT Trust Interest-further distribution (above %)	0	0	0	0	0	0
RIGWAT Proceeds (10%, 30%, 14.1%)	511,200	1,533,600	0	0	720,792	0
Metal Mines Tax (4.8%, 2.2%)	0	574,176	0	0	263,164	0
Coal Tax (Sweep from accts. 04011 and 04008)	550,000	0	0	0	0	0
RRD Loan Repayments	224,000	0	0	0	0	0
STIP Interest	0	0	0	0	0	0
Cost Recoveries	0	0	0	500,000	0	0
Administrative Fees	12,000	0	0	0	0	0
State-owned Project Revenue	452,243	0	0	0	0	0
Total Revenues	\$1,749,443	\$5,707,776	\$0	\$600,000	\$983,956	\$0

Appropriations (Executive Budget)	Renewable Resource	Reclamation & Development	Hazardous Waste/CERCLA	Environmental Quality Protection	Groundwater Assessment	Water Storage
House Bills 6 and 7	\$2,000,000	\$3,000,000	0	0	0	0
House Bill 6-Emergency Grants	125,000	0	0	0	0	0
MSU-Northern (Statutorily appropriated)	0	0	0	0	0	0
MSU-Bureau of Mines	0	0	0	0	1,332,000	0
DNRC Centralized Services Division	626,496	230,296	0	0	0	0
DNRC Centralized Services New Proposal	22,846	0	0	0	0	0
DNRC-Conservation and Res. Devel. Division	1,268,158	930,600	0	0	0	0
DNRC-CARDD Debt Service (Statutory approp.)	37,592	0	0	0	0	0
DNRC-Water Resources Division	1,589,324	2,021,261	0	0	0	0
DNRC-Water Resources New Proposal	310,000	0	0	0	0	0
DNRC-Reserved Water Rights Compact Comm.	49,608	675,936	0	0	0	0
DEQ-Planning, Prevention & Assistance	0	98,340	527,901	25,036	0	0
DEQ-Enforcement	0	11,648	174,258	13,668	0	0
DEQ-Remediation	0	0	321,923	1,631,456	0	0
DEQ-Remediation New Proposal	0	0	0	4,104	0	0
DEQ-Permitting & Compliance	0	1,962,957	1,379,776	0	0	0
Governor's Office-Flathead Basin Commission	88,510	0	0	0	0	0
Judiciary-Water Court	1,133,718	0	0	0	0	0
Judiciary-New Proposal	6,772	0	0	0	0	0
Library Commission-NRIS	348,054	308,096	0	0	0	0
Legislature-Environmental Quality Council	0	28,092	0	0	0	0
Proposed Executive Pay Plan	68,091	92,002	37,238	20,876	0	0
Total Appropriations	\$7,674,169	\$9,359,228	\$2,441,096	\$1,695,142	\$1,332,000	\$0
Projected 1999 Biennium Ending Balance	(\$7,016,962)	(\$3,539,669)	(\$1,790,535)	(\$386,876)	(\$348,044)	(\$503,109)



* The governor must report on the expenditures from the environmental contingency account in the executive budget. Expenditures are statutorily appropriated.
 ** Amounts are deposited to the oil & gas damage mitigation account to bring the balance up to \$200,000 (82-11-161,MCA). All money in the account is statutorily appropriated.
 *** Amounts are deposited to the groundwater assessment account to bring the balance up to \$666,000. Any excess goes to the RIT trust (85-2-905, MCA).