

SENATE BILL NO. 322

INTRODUCED BY

Gregory Savelle
Michael Hollibaugh *Ron Fisher* *Montgomery*

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ABANDONED METAL MINE RECLAMATION STATE SPECIAL REVENUE ACCOUNT; ALLOCATING A PORTION OF THE RESOURCE INDEMNITY TRUST FUND INTEREST TO THE ACCOUNT; AMENDING SECTION 15-38-202, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Abandoned metal mine reclamation state special revenue account. (1)

There is an abandoned metal mine reclamation state special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the account:

(a) funds received from the interest income of the resource indemnity trust fund pursuant to 15-38-202; and

(b) interest income earned on the account.

(3) Subject to the provisions of 82-4-371, the department shall use the money in the account to clean up and reclaim abandoned metal mine sites for which there is not an identifiable, viable, private source of funding for cleanup or reclamation.

Section 2. Section 15-38-202, MCA, is amended to read:

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

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

All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be appropriated by the legislature and expended, provided that the balance in the fund may never be less than \$100 million.

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

7 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
8 indemnity trust fund:

9 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the
10 conditions of 75-1-1101;

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

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

15 (iv) ~~beginning in fiscal year 1996~~, \$3 million to be deposited into the reclamation and development
16 grants state special revenue account, created by 90-2-1104, for the purpose of making grants; ~~and~~

17 (v) ~~beginning in fiscal year 1996~~, \$500,000 to be deposited into the water storage state special
18 revenue account created by 85-1-631; and

19 (vi) beginning in fiscal year 1998, \$700,000 to be deposited into the abandoned metal mine
20 reclamation state special revenue account created by [section 1].

21 (c) The remainder of the interest income is allocated as follows:

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

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

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

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

30 (3) Any formal budget document prepared by the legislature or the executive branch that proposes

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

6

7 NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an
8 integral part of Title 82, chapter 4, part 3, and the provisions of Title 82, chapter 4, part 3, apply to
9 [section 1].

10

11 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 1997.

12

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0322, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act creating an abandoned metal mine reclamation state special revenue account; allocating a portion of the resource indemnity trust fund interest to the account.

ASSUMPTIONS:

Department of Natural Resources and Conservation (DNRC)

1. The Revenue Oversight Committee revenue estimates are used.

Department of Environmental Quality (DEQ):

2. This bill will provide \$700,000 for the new abandoned metal mine reclamation state special revenue account that would be administered by the DEQ Remediation Division.
3. There are four accounts funded by allocations from the RIT trust interest that will be impacted by this proposed legislation
4. The DEQ current programs would lose \$259,280 state special revenue and an additional \$85,459 federal special revenue in reclamation, hazardous waste and environmental quality protection, unless general fund were used to offset the proposed change in distribution.

Montana State Library - NRIS:

5. It is not known if the \$252,000 reduction in the renewable resource account and the \$280,000 in the reclamation and development account would be replaced with general fund to maintain the NRIS budget as recommended in the Executive Budget for the 1999 biennium. NRIS is budgeted for \$348,054 and \$308,096 from these accounts, respectively, during the biennium.

Environmental Quality Council (EQC):

6. For the 1997 biennium, the Environmental Quality Council committee (EQC) received a biennial appropriation from the reclamation and development account to provide funding for statutory functions of the EQC.
7. The 1999 budget request for the Legislative Branch, Legislative Services Division, included a \$26,623 biennial appropriation from the reclamation and development account to provide funding for the EQC. This amount represents 51% of the committee's total funding for the 1999 biennium.
8. The proposed \$700,000 allocation will require reprioritization of appropriations from the account or replacement with general fund because of reduced funds available. For the purposes of this fiscal note, assume the biennial appropriation of \$26,623 to the Environmental Quality Council, Legislative Services Division, will be eliminated and replaced with state general fund.

Judiciary - Water Court:

9. It is not known if the \$252,000 reduction in the renewable resource account would be replaced with general fund to maintain the Water Court budget as recommended in the Executive Budget for the 1999 biennium, but general fund is assumed for purposes of this fiscal note.

(Continued)

Dave Lewis 2-15-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

LORENTS GROSFIELD, PRIMARY SPONSOR DATE

Fiscal Note for SB0322, as introduced

SB 322

FISCAL IMPACT:

Allocation of \$700,000 per biennium to the new metal mine reclamation account will decrease funding for existing accounts by a like amount. SB 322 will increase an already-negative fund balance in the renewable resource and reclamation and development account. Also, SB 322 also drives the hazardous waste/CERCLA account to a negative fund balance. Further, SB 322 takes all of the fund in fiscal 1998, increasing cash-flow problems in the Hazardous Waste/CERCLA account and the EQPF account.

Expenditures:

Expenditures for the affected agencies are as recommended in the Executive Budget for the 1999 biennium. There will be additional general fund expenses of \$700,000 for the biennium.

Revenues:

Account:	1999 Biennium
MSU-Northern	0
Oil & Gas Mitigation	0
Environmental Contingency Account	0
Renewable Resource Account (36%)	(252,000)
Reclamation & Development Account (40%)	(280,000)
Hazardous Waste/CERCLA (18%)	(126,000)
Environmental Quality Protection Fund (6%)	(42,000)
Abandoned Mine Reclamation Account:	700,000

Net Impact:

General Fund (01)	(700,000)
State Special Abandoned Mine (02)	700,000

TECHNICAL NOTES:

The Reclamation and Development Grant Program currently offers grants for metal mine reclamation.

1 SENATE BILL NO. 322

2 INTRODUCED BY GROSFIELD, RANEY, STANG, MOOD, HALLIGAN, ROSE, QUILICI, MESAROS,
3 KEATING

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5 A BILL FOR AN ACT ENTITLED: "~~AN ACT CREATING AN ABANDONED METAL MINE RECLAMATION~~
6 ~~STATE SPECIAL REVENUE ACCOUNT; ALLOCATING A PORTION OF THE RESOURCE INDEMNITY TRUST~~
7 ~~FUND INTEREST TO THE ACCOUNT; ESTABLISHING ABANDONED MINE RECLAMATION AS A PRIORITY~~
8 ~~FOR RECLAMATION AND DEVELOPMENT GRANTS; AMENDING SECTION 15-38-202 90-2-1113, MCA;~~
9 AND PROVIDING AN EFFECTIVE DATE."

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

12 (Refer to Introduced Bill)

13 Strike everything after the enacting clause and insert:

14
15 **Section 1.** Section 90-2-1113, MCA, is amended to read:

16 "**90-2-1113. Evaluation criteria -- priority.** (1) Except as provided in ~~subsection (2)~~ subsections
17 (2) and (3), the department shall consider the following criteria in evaluating eligible applications and in
18 selecting projects to be recommended to the governor for funding:

- 19 (a) the degree to which the project will provide benefits in its eligibility category or categories;
- 20 (b) the degree to which the project will provide public benefits;
- 21 (c) the degree to which the project will promote, enhance, or advance the policies and purposes
22 of the reclamation and development grants program;
- 23 (d) the degree to which the project will provide for the conservation of natural resources;
- 24 (e) the degree of need and urgency for the project;
- 25 (f) the extent to which the project sponsor or local entity is contributing to the costs of the project
26 or is generating additional nonstate funds;
- 27 (g) the degree to which jobs are created for persons who need job training, receive public
28 assistance, or are chronically unemployed; and
- 29 (h) any other criteria the department considers necessary to carry out the policies and purposes
30 of the reclamation and development grants program.

1 (2) (a) Subject to the conditions of this part, the department shall give priority to grant requests,
2 not to exceed a total of \$600,000 ~~in total~~ for the biennium, from the board of oil and gas conservation. The
3 board of oil and gas conservation shall use a grant that received priority under this subsection (2)(a) only
4 for oil and gas reclamation projects. A grant may not be used for personnel costs or general operating
5 expenses of the board of oil and gas conservation.

6 (b) Any unobligated fund balance of a grant that received priority under subsection (2)(a) remaining
7 at the end of the current biennium must be included as part of the \$600,000 limitation for the next
8 biennium.

9 (c) The priority given to the board of oil and gas conservation under subsection (2)(a) does not
10 preclude the board of oil and gas conservation from submitting additional grant requests. The department
11 shall evaluate additional grant requests from the board of oil and gas conservation in accordance with the
12 provisions of subsection (1).

13 (3) Subject to the conditions of this part, the department shall give priority to grant requests not
14 to exceed a total of \$500,000 for the biennium for abandoned mine reclamation projects. A grant may not
15 be used for personnel costs or general operating expenses."

16

17 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 1997.

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