

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

April 12, 1985

The meeting of the Appropriations Committee was called to order by Chairman Bardanoue on April 12, 1985 at 8:30 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present except Representative Winslow, who was excused.

(Tape 85:B:000)

HOUSE BILL 952: "AN ACT TO APPROPRIATE FUNDS FOR IMPLEMENTATION OF THE RECOMMENDATION OF THE SELECT COMMITTEE ON WATER MARKETING TO FURTHER THE DEVELOPMENT OF A COMPREHENSIVE WATER POLICY FOR MONTANA."

Representative Thoft said this is Representative Iverson's bill assigned to the Long Range Planning Committee. Representative Thoft offered some amendments to the bill (EXHIBIT 1). He said, essentially, the amendments take General Fund monies from the bill and replace them with Resource Indemnity Trust (RIT) funds in the amount of \$438,700.

E X E C U T I V E A C T I O N :

Representative Spaeth made a motion that the amendments be accepted. A voice vote was taken and the motion carried un-animously.

Representative Thoft (048) made a motion that House Bill 952 AS AMENDED DO PASS. A voice vote was taken and the motion carried unanimously.

HOUSE BILL 922: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE ~~MONTANA LEGACY PROGRAM; PRIORITIZING GRANTS AND AMOUNTS; ESTAB-~~ LISHING CONDITIONS FOR GRANTS; AND PROVIDING A CONTINGENT EFFECTIVE DATE."

Representative Thoft submitted proposed amendments to the bill (EXHIBIT 2). He also submitted a report titled "Legacy Account" relating to the Emergency Grant Program in the Governor's office (EXHIBIT 3). He said the subcommittee decided to use 5 percent of the available monies to fund the Emergency Grant Program.

He reviewed the funding as shown on Exhibit 3. The subcommittee approved \$4,044,606 for projects, leaving a balance of un-appropriated funds at \$233,619.

He submitted a list of projects approved by the subcommittee (EXHIBIT 4).

Pertaining to Item 7 of Exhibit 4, Representative Thoft said the \$500,000 is for cleaning up arsenic on four baseball fields in Butte. This is a reclamation of old waste dumps. Half of the money is to go for drainage reclamation and half for the baseball fields, according to a Butte/SilverBow Commissioner.

Pertaining to Item 15 of Exhibit 4, Sarah Parker, State Librarian, said if this project is funded she anticipates it will be a mixture of federal funds, private funds and hopefully some state funds under this program for the Natural Resources Information System. She said there is a possibility fo generating fees - user fees.

Representative Thoft closed on the bill.

Representative Hand (442) asked if the mill at Bannack could be included as a reclamation project, because there is toxic waste. Representative Thoft said the problem was addressed yesterday and he thinks it is a reclamation project, but the committee couldn't come to an agreement on it. Representative Bardanouve (494) said primarily this is a state park project and that is why the project was turned down. Representative Nathe said if this project is "plugged in", he will come back with a project for eastern Montana for the problems with oil. Representative Bardanouve said eventhough the mining will get most of the money, oil is providing the money for the RIT.

E X E C U T I V E A C T I O N :

Representative Hand (562) made a motion to put \$108,685 into the mill reclamation at Bannock. A roll call vote was taken and the motion failed, with Representatives Bardanouve, Donaldson, Bradley, Ernst, Lory, Manuel, Miller, Moore, Nathe, Peck, Waldron and Winslow voting no. Representatives Rehberg abstained.

Representative Connelly made a motion to include \$60,000 to clean up the Whitefish River to match the local effort. A roll call vote was taken and the motion failed, with 14 Representatives voting no.

(Tape 86:7:000)

Senator Stephens, upon request of Representative Bradley, addressed the committee on the research project to evaluate a potential storage of water in Alberta, Canada from the Milk River. He urged the committee to fund the project (EXHIBIT 5).

Dr. McKenzie, Montana State University, addressed the committee and asked for support of the project.

Representative Bardanouve (069) said there are some people in the Milk River Project who are unhappy with this proposal. At a meeting in the Governor's office in January, the leading man was very critical. Representative Bardanouve said impoundment will not solve the problem because there isn't enough water in Milk River to supply the Canadians their share if they want it.

He said the only time an impoundment would help would be if there was a surplus of water. He said the Milk River irrigation people mostly, from Havre to the Missouri River at Ft. Peck, support the project to remove water from the Missouri River over into the Milk River, hopefully, to build a hydroelectric project on Tiber Dam to help finance it. He said he is caught in the middle.

Representative Bradley (089) made a motion to fund the project with \$70,000 instead of \$91,104. A roll call vote was taken and the motion carried, with Representatives Hand and Moore voting no. Representative Bardanouve abstained.

Representative Waldron (238) asked why the project of a Water Resources Research Center at MSU was deleted. Representative Thoft said \$91,590 would have no effect on the river.

Representative Ream addressed the committee and requested support for the project. He said the purpose of the study is to map out the area to find where the sediments are.

Howard Johnson, Environmental Quality Council, addressed the committee and urged support of the project.

Representative Waldron said this is clearly a water project.

E X E C U T I V E A C T I O N :

Representative Waldron made a motion to include \$60,000 to study heavy metal contamination of the Clark Fork River to be done by Montana State University. A roll call vote was taken and the motion failed by a tie vote.

Representative Moore made a motion to reduce by \$75,000 the funding of the Triangle Conservation District for "Expanded State Salinity".

Representative Ernst (565) supports the full amount, not a reduction.

Senator Tviet (581) said this is a one-time fund to purchase ~~equipment to move into other areas~~
Saline seep is in 33 counties, not just the Triangle area.

Representative Manuel said this is for equipment to get the job done.

Representative Moore said his amendment will still leave \$325,000 for the next biennium for saline seep and he does not think the reduction will hurt them.

(Tape 86:B:015)

A roll call vote was taken and the motion failed, with 14 members voting no.

Representative Menahan (041) made a motion to reconsider committee action on the study on heavy metal contamination of the Clark Fork River. A roll call vote was taken and the motion failed with a tie vote.

Representative Nathe (089) made a motion to restore \$390,000 to fund the North Toole County Reclamation Project in Toole County, but that the money be spent in the Williston Basin area.

Representative Thoft (129) said if the committee does this, it will jeopardize the Milk River project and there are projects on the priority list ahead of what Representative Nathe wants to do.

Representative Moore said this would seriously affect the other priorities.

After more committee discussion, Representative Nathe withdrew his motion. He said he thinks he has proven his point that the eastern counties are providing close to 90 percent of all the money being spent and there is only one oil-and-gas-related project in all the money being appropriated.

Representative Nathe (200) made a motion that part of the money being spent gets spent in eastern Montana.

Representative Moore asked how much money. Representative Nathe said he will leave this up to Cara Lee and to the Bureau of Mines. Representative Thoft said if the committee is going to do this, either split it into two projects and prioritize them #8 and #9 and move the others down. Representative Nathe withdrew his motion. He said he would not want to specify a dollar amount for the eastern Montana project, but would leave it up to the Bureau of Mines. He just wants to see that part of the money appropriated, \$290,000, comes back to eastern Montana - the Williston Basin.

Representative Bardanouve (236) suggested \$91,000 be put on the bottom of the list and if there is money there the project will get funded. This way you are gambling, but you may get all the \$91,000.

Representative Nathe (247) said he would take the gamble.

Representative Moore (250) said it would be more appropriate, after the \$298,130, to have the LFA work up the appropriate language for it. He asked how many projects are involved in the Williston Basin. Representative Nathe said two. He suggested modifying the language under #8. Representative Nathe said he would just specify the Williston Basin.

Representative Nathe (333) made a motion to put \$91,000 at the bottom of the list for the Williston Basin in eastern Montana.

Appropriations Committee
April 12, 1985

A voice vote was taken and the motion carried, with Representative Connelly voting no.

Representative Thoft made a motion that the amendments to House Bill 922 - 4 pages of them - be accepted. A voice vote was taken and the motion carried, with Representative Menahan voting no.

Representative Thoft made a motion that House Bill 922 AS AMENDED DO PASS. A voice vote was taken and the motion carried. Representative Thoft was designated to carry the bill on the Floor.

Representative Grady (399), upon request of Representative Donaldson, to address the committee on House Bill 433 - Crime-stoppers (EXHIBIT 6).

Representative Donaldson made a motion the committee reconsider its action on House Bill 433, which was tabled. A roll call vote was taken and the motion failed on a tie vote.

Adjourn: The meeting adjourned at 10:45 a.m.


FRANCIS BARDANOUE, Chairman

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date April 12, 1985

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE	X		
DONALDSON	X		
BRADLEY	X		
CONNELLY	X		
ERNST	X		
HAND	X		
LORY	X		
MANUEL	X		
MENAHAN	X		
MILLER	X		
MOORE	X		
NATHE	X		
PECK	X		
QUILICI	X		
REHBERG	X		
SMITH	X		
SWIFT	X		
THOFT	X		
WALDRON	X		
WINSLOW			X

STANDING COMMITTEE REPORT

April 12,

19 55

MR. **SPEAKER**

We, your committee on **APPROPRIATIONS**

having had under consideration **HOUSE** Bill No. **922**

First reading copy (**White**)
color

LEGACY PROGRAM GRANTS - AUTHORIZED PROJECTS AND GRANT AMOUNTS.

Respectfully report as follows: That **HOUSE** Bill No. **922**

BE AMENDED AS FOLLOWS:

(See attached)

AND AS AMENDED

DO PASS.

HB 922 Amendments

1. Title, line 8.

Following: "GRANTS"

Strike: "UNDER THE MONTANA LEGACY PROGRAM"

Insert: "FOR DESIGNATED PROJECTS"

2. Title, lines 9 and 10.

Following: "GRANTS" on line 9

Strike: remainder of line 9 through "DATE" on line 10

3. Page 1, line 13.

Following: "for"

Strike: "legacy program"

4. Page 1, lines 14 through 19.

Strike: subsection (1) in its entirety

Renumber: subsequent subsections

5. Page 1, line 20.

Following: "is"

Strike: "also"

6. Page 2, line 1.

Following: "section"

Strike: "2"

Insert: "3"

7. Page 2, line 3.

Following: "section"

Strike: "5"

Insert: "6"

8. Page 2, line 4.

Following: line 3.

Insert: "Section 2. Grant program special revenue account created -- revenues -- allocation -- limitations on appropriations. (1) There is created a grant program special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the grant program special ~~revenue account all money allocated for appropriation from~~ the resource indemnity trust interest account set forth in Title 15, chapter 38, with the exception of those allocations made in 15-38-202.

(3) Appropriations may be made from the grant program special revenue account for the following purposes:

(a) grants for designated projects and activities; and

(b) administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, office space, and other expenses necessarily incurred in the administration of the grant program. There is appropriated \$277,000 for these administrative expenses. These expenses may be funded prior to funding of projects."

Renumber: subsequent sections

9. Page 2, line 5.
Following: "Legislature"
Strike: ", pursuant to Senate Bill No. 277,"
10. Page 2, line 8.
Following: "section"
Strike: "5"
Insert: "6"
11. Page 2, line 19.
Following: "the"
Strike: "Montana Legacy"
Insert: "Grant"
12. Page 2, line 24.
Following: "UNIVERSITY,"
Strike: "DEPARTMENT OF"
13. Page 2, line 25.
Following: line 24
Strike: "BIOLOGY"
Insert: "WATER RESOURCES RESEARCH CENTER"
14. Page 3, lines 3 and 4.
Strike: lines 3 and 4 in their entirety
Renumber: subsequent projects
15. Page 3, line 5.
Strike: "257,300"
Insert: "75,000"
16. Page 3, line 8.
Strike: "300,436"
Insert: "150,000"
17. Page 3, lines 14 and 15.
Following: "UNIVERSITY,"
Strike: remainder of line 14 through "BIOLOGY" on line 15
Insert: "WATER RESOURCES RESEARCH CENTER 134,249"
18. Page 3, line 22
~~Strike: "545,000"~~
Insert: "500,000"
19. Page 3, line 24.
Strike: "390,000"
Insert: "298,130"
20. Page 4, line 3.
Strike: "50,000"
Insert: "30,000"

21. Page 4, line 19.

Following: line 18

Insert: "14. DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES 15,000
Scobey Air Quality Monitoring

15. MONTANA STATE LIBRARY 225,561
Natural Resources Information System
Natural Heritage Program"

Renumber: subsequent projects

22. Page 4, line 19.

Strike: "241,930"

Insert: "100,000"

23. Page 4, line 22.

Following: line 21

Insert: "17. TRIANGLE CONSERVATION DISTRICT 150,000
Expanded State Salinity"

Renumber: subsequent projects

24. Page 4, line 22 through page 5, line 12.

Strike: projects 16 through 19 in their entirety

Renumber: subsequent projects

25. Page 5, line 16 through page 7, line 19.

Strike: projects 21 through 37 in their entirety

Renumber: subsequent projects

26. Page 7, line 20.

Strike: "155,000"

Insert: "100,000"

27. Page 7, line 22.

Following: line 21

Insert: "20. MSU, 49th PARALLEL INSTITUTE 70,000
Montana/Alberta Milk River Joint
Impoundment Assessment

21. MONTANA BUREAU OF MINES AND GEOLOGY 91,870
Williston Basin Reclamation Project"

28. Page 7, line 22 through page 9, line 11.

Strike: projects 39 through 51 in their entirety

29. Page 9, line 12.

Strike: section 3 in its entirety

rt: "Section 4. Environmental contingency account. (1) There is created an environmental contingency account within the state special revenue fund established in 17-2-102. The environmental contingency account is controlled by the governor.

(2) Except as provided in subsection (5), at the beginning of each fiscal year, 5% of the funds appropriated to the Department of Natural Resources and Conservation from

the resource indemnity trust interest account must be allocated to the environmental contingency account.

(3) Funds may be expended from the environmental contingency account upon the authorization of the governor to meet unanticipated public needs consistent with the following objectives:

(a) to support water development projects in communities that face an emergency or imminent need for such services or to prevent the physical failure of a water project;

(b) to preserve vegetation, water, soil, fish, wildlife, or other renewable resources from an imminent physical threat or during an emergency not including:

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

(ii) fire;

(c) to respond to an emergency or imminent threat to persons, property, or the environment caused by mineral development; and

(d) to [fund the environmental quality protection fund provided for in section 2 of House Bill No. 766 or to] take [other] necessary actions, including the construction of facilities, to respond to actual or potential threats to persons, property, or the environment caused by hazardous wastes or other hazardous materials.

(4) The environmental contingency account may receive no additional allocation for any fiscal year in which the balance in the account exceeds \$1,000,000 at the beginning of that fiscal year.

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

(6) The Governor shall submit to the Legislature at the beginning of each regular session a complete financial report on the environmental contingency account, including a description of all expenditures made since the preceding report."

30. Page 9, line 18.

Following: "for"

Strike: "Legacy"

31. Page 9, line 19.

Following: "of a"

Strike: "Legacy"

Insert: "Grant"

32. Page 9, line 21.

Following: line 20

Strike: "Legacy"

Insert: "Grant"

33. Page 10, line 25.

Following: "the"

Strike: "Legacy"

Insert: "Grant"

34. Page 11, line 2.

Following: "the"

Strike: "Legacy"

Insert: "Grant"

35. Page 11, lines 9 through 13.

Strike: section 8 in its entirety

Insert: "Section 9. Coordination instruction. If House Bill No. 766 is not passed and approved, the bracketed language in section 4(3)(d) is void."

STANDING COMMITTEE REPORT

April 12, 19 95
Page 1 of 2

MR. SPEAKER

We, your committee on APPROPRIATIONS

having had under consideration HOUSE Bill No. 952

Second reading copy (Yellow)
color

APPROPRIATION FOR WATER POLICY DEVELOPMENT.

Respectfully report as follows: That HOUSE Bill No. 952
BE AMENDED AS FOLLOWS:

1. Page 3, line 10
Strike: "general fund"
Insert: "resource indemnity trust interest account"
2. Page 3, line 21
Strike: "general fund"
Insert: "resource indemnity trust interest account"
- ~~3. Page 3, line 21
Strike: "\$75,000"
Insert: "\$157,000"~~
1. Page 3, line 25
Strike: line 25 in its entirety

~~XXXXX~~
DO PASS

April 12,

85
19.....

5. Page 4, line 1
Strike: line 1 in its entirety

6. Page 4, line 3
Strike: "general fund"
Insert: "resource indemnity trust interest account"

7. Page 5, line 7
Strike: "general fund"
Insert: "resource indemnity trust interest account"

AND AS RECORDED
DO PASS

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE 4/12/85 BILL NO. HB 922 TIME _____

NAME	AYE	NAY
BARDANOUE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY		X
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL	X	
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY		X
QUILICI, JOE	X	
REHBERG, DENNIS	Abstain	
SPAETH, GARY		
SWIFT, BERNIE	X	
THOFT, BOB	X	
WALDRON, STEVE		X
WINSLOW, CAL		X

JEAN CARROLL
Secretary

FRANCIS BARDANOUE
Chairman

Motion: Hand: Include \$108,685 for reclamation of Bannock mine

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE 4/12/85 BILL NO. HB 922 TIME _____

NAME	AYE	NAY
BARDANOUE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY		X
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL	X	
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM		X
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY		
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL		X

JEAN CARROLL
Secretary

FRANCIS BARDANOUE
Chairman

Motion: Connelly: Restore \$60,000 for cleaning up Whitefish River

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE 4/12/85 BILL NO. HB 922 TIME _____

NAME	AYE	NAY
BARLANOUE, FRANCIS (Chairman)		Abstain
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE	X	
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM	X	
MILLER, RON	X	
MOORE, JACK		X
NATHE, DENNIS	X	
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE	X	
THOFT, BOB	X	
WALDRON, STEVE	X	
WINSLOW, CAL	X	

JEAN CARROLL
Secretary

FRANCIS BARLANOUE
Chairman

Motion: Bradley: Fund Milk River Storage alternatives assessment
with \$70,000

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE 4/12/85 BILL NO. HB 922 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		Abstain
DONALDSON, GENE (Vice Chairman)		x
BRADLEY, DOROTHY	x	
CONNELLY, MARY ELLEN	x	
ERNST, GENE		x
HAND, BILL		x
LORY, EARL	x	
MANUEL, REX	x	
MENAHAN, WILLIAM		Abstain
MILLER, RON	x	
MOORE, JACK		x
NATHE, DENNIS	x	
PECK, RAY		x
QUILICI, JOE	x	
REHBERG, DENNIS		x
SPAETH, GARY		x
SWIFT, BERNIE		x
THOFT, BOB		x
WALDRON, STEVE	x	
WINSLOW, CAL	x	

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Waldron: Include \$60,000 for heavy metal contamination
of Clark Fork River.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE 4/12/85 BILL NO. HB 922 TIME

NAME	AYE	NAY
BARDANOUE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN		X
ERNST, GENE		X
HAND, BILL	X	
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK	X	
NATHE, DENNIS		X
PECK, RAY		X
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE	X	
THOFT, BOB		X
WALDRON, STEVE		X
WINSLOW, CAL		X

JEAN CARROLL
Secretary

FRANCIS BARDANOUE
Chairman

Motion: Moore: Reduce by \$75,000 the Triangle Saline Seep project.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE 4/12/85 BILL NO. HB 922 TIME

NAME	AYE	NAY
BARDANOUE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM	X	
MILLER, RON	X	
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY		X
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL		

JEAN CARROLL
Secretary

FRANCIS BARDANOUE
Chairman

Motion: Menahan: Reconsider action on \$60,000 for Clark Fork River
 project

AMENDMENTS TO HOUSE BILL 952

1. Page 3, line 10
Strike: "general fund"
Insert: "Resource Indemnity Trust Interest Account"
2. Page 3, line 21
Strike: "general fund"
Insert: "Resource Indemnity Trust Interest Account"
3. Page 3, line 25 and Page 4, line 1
Strike: "WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT"
Insert: "Resource Indemnity Trust Interest Account"
4. Page 4, line 3
Strike: "general fund"
Insert: "Resource Indemnity Trust Interest Account"
5. Page 5, line 7
Strike: "general fund"
Insert: "Resource Indemnity Trust Interest Account"

PROPOSED AMENDMENTS TO HB 952
2nd Reading (Yellow) Copy

1. Page 3, line 12.
Following: line 11
Insert: "upper"
2. Page 3, line 14.
Following: "Basin"
Insert: "above Canyon Ferry Dam"
3. Page 5.
Following: line 8
Insert: "Section 3. Coordination instruction. If House Bill No. 680 is signed by the governor, the provisions of that bill in section 16(1) and (3) concerning the deadline for applications for water reservations on the Missouri River are amended to read: 'July 1, 1989'. The provision requiring board action on reservation applications in section 16(3) is amended to read: 'December 31, 1991', accordingly. The amendment is necessary because the legislature in this Act is appropriating funds sufficient to begin applications for reservations only on the upper Missouri River Basin."

HB 922 Amendments

1. Title, line 8.

Following: "GRANTS"

Strike: "UNDER THE MONTANA LEGACY PROGRAM"

Insert: "FOR DESIGNATED PROJECTS"

2. Title, lines 9 and 10.

Following: "GRANTS" on line 9

Strike: remainder of line 9 through "DATE" on line 10

3. Page 1, line 13.

Following: "for"

Strike: "legacy program"

4. Page 1, lines 14 through 19.

Strike: subsection (1) in its entirety

Renumber: subsequent subsections

5. Page 1, line 20.

Following: "is"

Strike: "also"

6. Page 2, line 1.

Following: "section"

Strike: "2"

Insert: "3"

7. Page 2, line 3.

Following: "section"

Strike: "5"

Insert: "6"

8. Page 2, line 4.

Following: line 3.

Insert: "Section 2. Grant program special revenue account

created -- revenues -- allocation -- limitations on appropriations. (1) There is created a grant program special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the grant program special revenue account all money allocated for appropriation from the resource indemnity trust interest account set forth in Title 15, chapter 38, with the exception of those allocations made in 15-38-202.

(3) Appropriations may be made from the grant program special revenue account for the following purposes:

(a) grants for designated projects and activities; and

(b) administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, office space, and other expenses necessarily incurred in the administration of the grant program. There is appropriated \$277,000 for these administrative expenses. These expenses may be funded prior to funding of projects."

Renumber: subsequent sections

9. Page 2, line 5.
Following: "Legislature"
Strike: ", pursuant to Senate Bill No. 277,"
10. Page 2, line 8.
Following: "section"
Strike: "5"
Insert: "6"
11. Page 2, line 19.
Following: "the"
Strike: "Montana Legacy"
Insert: "Grant"
12. Page 2, line 24.
Following: "UNIVERSITY"
Strike: "DEPARTMENT OF"
13. Page 2, line 25.
Following: line 24
Strike: "BIOLOGY"
Insert: "WATER RESOURCES RESEARCH CENTER"
14. Page 3, lines 3 and 4.
Strike: lines 3 and 4 in their entirety
Renumber: subsequent projects
15. Page 3, line 5.
Strike: "257,300"
Insert: "75,000"
16. Page 3, line 8.
Strike: "300,436"
Insert: "150,000"
17. Page 3, lines 14 and 15.
Following: "UNIVERSITY,"
Strike: remainder of line 14 through "BIOLOGY" on line 15
Insert: "WATER RESOURCES RESEARCH CENTER 134,249"
18. Page 3, line 22
~~Strike: "545,000"~~
Insert: "500,000"
19. Page 3, line 24.
Strike: "390,000"
Insert: "298,130"
20. Page 4, line 3.
Strike: "50,000"
Insert: "30,000"

21. Page 4, line 19.
Following: line 18
Insert: "14. DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES 15,000
Scobey Air Quality Monitoring

15. MONTANA STATE LIBRARY 225,561
Natural Resources Information System
Natural Heritage Program"
Renumber: subsequent projects

22. Page 4, line 19.
Strike: "241,930"
Insert: "100,000"

23. Page 4, line 22.
Following: line 21
Insert: "17. TRIANGLE CONSERVATION DISTRICT 150,000
Expanded State Salinity"
Renumber: subsequent projects

24. Page 4, line 22 through page 5, line 12.
Strike: projects 16 through 19 in their entirety
Renumber: subsequent projects

25. Page 5, line 16 through page 7, line 19.
Strike: projects 21 through 37 in their entirety
Renumber: subsequent projects

26. Page 7, line 20.
Strike: "155,000"
Insert: "100,000"

27. Page 7, line 22.
Following: line 21
Insert: "20. MSU, 49th PARALLEL INSTITUTE 70,000
Montana/Alberta Milk River Joint
Impoundment Assessment

21. MONTANA BUREAU OF MINES AND GEOLOGY 91,870
Williston Basin Reclamation Project"

28. Page 7, line 22 through page 9, line 11.
Strike: projects 39 through 51 in their entirety

29. Page 9, line 12.
Strike: section 3 in its entirety
Insert: "Environmental contingency account. (1) There is created an environmental contingency account within the state special revenue fund established in 17-2-102. The environmental contingency account is controlled by the governor.

(2) Except as provided in subsection (5), at the beginning of each fiscal year, 5% of the funds appropriated to the Department of Natural Resources and Conservation from

the resource indemnity trust interest account must be allocated to the environmental contingency account.

(3) Funds may be expended from the environmental contingency account upon the authorization of the governor to meet unanticipated public needs consistent with the following objectives:

(a) to support water development projects in communities that face an emergency or imminent need for such services or to prevent the physical failure of a water project;

(b) to preserve vegetation, water, soil, fish, wildlife, or other renewable resources from an imminent physical threat or during an emergency not including:

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

(ii) fire;

(c) to respond to an emergency or imminent threat to persons, property, or the environment caused by mineral development; and

(d) to [fund the environmental quality protection fund provided for in section 2 of House Bill No. 766 or to] take [other] necessary actions, including the construction of facilities, to respond to actual or potential threats to persons, property, or the environment caused by hazardous wastes or other hazardous materials.

(4) The environmental contingency account may receive no additional allocation for any fiscal year in which the balance in the account exceeds \$1,000,000 at the beginning of that fiscal year.

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

(6) The Governor shall submit to the Legislature at the beginning of each regular session a complete financial report on the environmental contingency account, including a description of all expenditures made since the preceding report."

30. Page 9, line 18.

Following: "for"

Strike: "Legacy"

Insert: "Grant"

31. Page 9, line 19.

Following: "of a"

Strike: "Legacy"

Insert: "Grant"

32. Page 9, line 21.

Following: line 20

Strike: "Legacy"

Insert: "Grant"

33. Page 10, line 25.

Following: "the"

Strike: "Legacy"

Insert: "Grant"

34. Page 11, line 2.

Following: "the"

Strike: "Legacy"

Insert: "Grant"

35. Page 11, lines 9 through 13.

Strike: section 8 in its entirety

Insert: "Section 9. Coordination instruction. If House Bill No. 766 is not passed and approved, the bracketed language in section 4(3)(d) is void."

Legacy Account
1987 Biennium

Income

Carry-over FYE 85	\$ 1,590,117
RIT Interest Earnings (64%)	<u>8,308,808</u>

Funds Available: \$ 9,898,925

Transfer to general fund: (4,900,000)

Remaining balance in legacy account: \$ 4,998,925

Expenditures

Grant Administration--DNRC	277,000
5% Emergency Grants	250,000
House Bill 952	<u>233,700</u>

\$ 760,700

Funds Available for Legacy Projects: \$ 4,238,225

Projects approved by LRP Subcommittee (4,004,606)

Unappropriated Balance: \$ 233,619

April 11, 1985

TO: The Long-Range Planning Subcommittee
FROM: Madalyn Quinlan
Assistant Analyst
SUBJECT: Approved projects in House Bill 922

The following prioritized grant projects have been approved by the Long-Range Planning Subcommittee for funding with Resource Indemnity Trust Interest earnings. The first appropriation of RIT interest under this program will be \$277,000 for grant administration.

<u>Project</u>	<u>Grant Amount</u>
1. Department of Agriculture/Weed Control Trust	\$1,000,000
2. MSU, Water Resources Research Center/Stream Restoration on Grasshopper Creek	58,266
3. Bureau of Mines and Geology/Groundwater Information Center	75,000
4. Approved Department of Agriculture/Soil Stabilization and Erosion Control	150,000
5. MSU, Water Resources Research Center/Stream Restoration Confederate Gulch and Deep Creek	134,249
6. DHES/Hazardous Waste Management Collection and Transfer Project	800,000
7. Government of Butte-SilverBow/Butte Hill Mining Reclamation	500,000
8. Toole County/North Toole County Reclamation Project	298,130

<u>Project</u>	<u>Grant Amount</u>
9. Governor's Office/Clark Fork River Projects	100,000
10. DNRC/Reclamation of Streambanks Damaged by Placer Mining	30,000
11. Mile High Conservation District/Reclamation for Heavy Metal Contaminated Agricultural Lands	88,400
12. Governor's Office/Cabin Creek Reference to the International Joint Commission	80,000
13. MSU, Water Resources Research Center/Cyanides and Heavy Metals in the Judith Mountains	20,000
14. DHES/Scobey Air Quality Monitoring	15,000
15. Montana State Library/Natural Resources Information System; Natural Heritage Program	225,561
16. City of Red Lodge/Coal Miner's Memorial Park Revegetation and Irrigation Project	100,000
17. Triangle Conservation District/Expanded State Salinity	150,000
18. Powder River Conservation District/Water Quality Study	80,000
19. Glen Lake Irrigation District/Therriault Creek Syphon Construction	<u>100,000</u>
Total Grants Approved	<u>\$4,004,606</u>



AN INSTITUTE FOR CANADIAN/AMERICAN RELATIONS

Natural Resource Legacy Program

Milk River Storage Alternatives Assessment

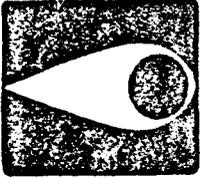
Research is proposed to evaluate a project to store additional water in the Milk River on the Alberta side of the Canadian border.

Funds are requested to support Montana agency participation in a joint study together with Alberta and Canadian federal agency officials. It may be possible to agree on a project that would truly exemplify international cooperation to the tangible benefit of both sides: on the Montana side, provision might be made to divert additional water for both countries from the St. Mary River to the Milk River; on the Canadian side, provision might be made to build a dam large enough to store water for growing irrigation needs in both countries.

The U.S. Bureau of Reclamation has identified the Virgelle Diversion from the Missouri River as its preferred alternative for meeting the needs of Montana's Milk River irrigators. In its study of alternatives, however, the bureau concedes that it did not devote sufficient analysis to allow for satisfactory comparison with an impoundment in Alberta. The Alberta alternative could be the most cost-effective for Montana irrigators at least to meet near term shortages.

The U.S. study team would be constituted of representatives of those interests currently seeking a solution to the water shortage problem: the DNRC, the irrigation districts, the U.S. Bureau of Reclamation and others. The 49th Parallel Institute, as the staff to the Governor's Border Waters Clearinghouse, would coordinate the international liaison activities. At last fall's legislative Montana-Alberta exchange, Alberta officials agreed that Milk River shortages are the number one priority in relations between the province and the state. The consultations will help insure that both sets of officials are aware of the array of plans on both sides of the border to address a common problem, to avoid the risks of unilateral action by either side.

The underlying assumption is that cooperative international basin planning will be far less expensive in the long run than reactionary conflict. The lessons of Cabin Creek, the Poplar River project and the bitter conflict over the Garrison Diversion are ample testimony to the expense of the failure to consult.



*Montana Crime Prevention/Crimestoppers
Association*



April 10, 1985

TO: APPROPRIATIONS COMMITTEE

RE: HB 433

Since the HB 433 was introduced in committee, a recent development has taken place that the Montana Crimestoppers/Crime Prevention Assn. feels should be brought to light. It is now known that money of a Federal Block Grant is available to States for Crime Prevention programs and projects. This money is available in the form of 50/50 match. Montana has been allocated \$396,000. for this purpose. The Board of Crime Control has been designated as the agency to handle Montana funding.

Money spent for Crime Prevention programs and projects will benefit the entire State of Montana, Cities and Rural areas alike. Many areas are asking the Montana Crime Prevention and Crimestoppers Assn. for assistance in setting-up and implementing new programs where none exist. Without funding, it is impossible to give the assistance required.

The impact of Crime Prevention programs in Montana is impressive. Since the inception of the Crimestoppers programs throughout the State, \$2,892,562 in stolen property and seized narcotics has been recovered. 1,482 crimes have been solved and 1,054 arrests have resulted.

We are asking that you reconsider HB433, any monies appropriated would be doubled by matching Federal funds.

March 26, 1985

TYPES OF PROJECTS FUNDED BY THE
WATER DEVELOPMENT PROGRAM

Recently there has been an expression of legislative concern regarding the direction of the Water Development Program. This concern has centered on the number of domestic water and sewer projects funded by what was initially perceived to be an agricultural program.

As shown in the attached summary, purely agricultural and agricultural-related projects such as streambank stabilization have represented about 38% of the applicants and received about 38% of the funds. However, in one category, loans over \$200,000, purely agricultural projects have requested and received only 12% of the funds while domestic water and sewer projects have shown a greater need in this area.

The Department of Commerce's Infrastructure Study reports that 264 capital project needs totaling \$100 million have been reported by Montana's incorporated cities and towns when asked what their five priority projects were.

~~Approximately 75% of the total municipal water systems are in need of major~~
upgrading to bring them into compliance with the "10" State Water Quality Standards.

These needs coupled with federal cutbacks have resulted in demand for this program.

The department feels that, even with a depressed agricultural economy, there may be opportunity to develop more agricultural projects if more staff time and technical assistance were directed toward these types of project sponsors who typically don't have the experience or resources for project development and financing that the municipal sponsors do. Currently we are spending only four percent for administration of this program so present staff has been able to provide this assistance to a limited degree only. For this reason the department has requested and has preliminary approval for an additional person ~~for this program~~ to be used for project development with emphasis to be put on assessing needs and then developing specific types of projects such as gravity irrigation, automated flood control, and rural water systems.

Initial efforts have shown that there is demand for development in these areas. For example, a joint DNRC/SCS study during the past biennium identified 18,944 acres feasible for conversion to gravity sprinkler systems which would allow operators to avoid increasing power costs.

Options to further support agriculture with this program.

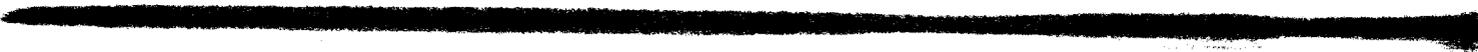
1. Direct the Department by statute:

"The Department is directed to recognize in particular the primary role of agriculture in the state's economy and the needs of its agricultural constituency when it formulates its promotion, assistance, and development programs."

This could be put in the purpose section of the enabling legislation or in the appropriations bill.

2. Adjust the ranking system used to compete for grant funds to further support agricultural projects.
3. Limit the amount of loan authority available for domestic water and sewer projects and rank projects to allow competition for these loans.
4. Adopt criteria for interest rate reductions that recognize the additional needs of agriculture.

Numbers 2, 3, and 4 could be done either by statute or by rule and policy under legislative direction given in number 1.



LONG RANGE PLANNING SUBCOMMITTEE

Final Recommendations

Coal Severance Tax Loan Program
Interest Subsidies
1987 Biennium

<u>Project/Agency</u>	<u>Loan Amount</u>	<u>Interest Subsidy</u>
- - - (Group A 4% below bond rate) - - -		
Yellowstone County/Oxbow Area Water Supply	\$ 1,100,000	\$ 347,525
Town of Drummond/Fire and Water Project	304,600	96,233
Town of Dutton/Water Supply Construction	652,000	205,988
Town of Neihart/Water System Improvement	550,000	173,762
Lakeside County Sewer District/Wastewater Treatment Fac.	1,190,000	375,959
City of Glasgow/Water Supply Source	5,662,000	1,788,806
Yellowstone County/Cedar Park Water System	555,000	175,342
Town of Denton/Water Supply	185,000	58,447
Town of Dodson/New Water Well	170,000	53,708
Geraldine County Water District/Rural Water System	313,910	99,174
East Bench Irrigation District/Gravity Feed Sprinkler Sys.	<u>400,000</u>	<u>126,373</u>
Total Group A	<u>\$11,082,510</u>	<u>\$3,501,317</u>
- - - Group B (3% below bond rate) - - -		
Cook Passe-Cooke City-Silver Gate County/Sewer Improv.	\$ 336,730	\$ 77,405
City of Fort Benton/Water System Improvement	753,060	173,109
Evergreen Water and Sewer Dist./Flathead County Sewer	3,226,900	741,780
Town of Lima/Water Facilities Update	376,500	86,548
Town of Poplar/Water System Improvement	477,260	109,710
Roosevelt County Rural Water District/Rural Water System	2,219,124	510,199
Worden/Ballantine Yellowstone County/Reservoir Constrc.	500,000	144,937

<u>Project/Agency</u>	<u>Loan Amount</u>	<u>Interest Subsidy</u>
Hungry Horse Water and Sewer District/Water Sys. Renovation	762,430	175,263
Town of Judith Gap/New Water Source	<u>100,000</u>	<u>22,987</u>
Total Group B	<u>\$ 8,752,004</u>	<u>\$ 2,041,938</u>
- - - Group C (2% below bond rate) - - -		
City of Bozeman/Lyman Creek Water System Improvements	\$ 726,079	\$ 107,958
Charlo Water Users Association/Distribution System Repair	269,440	40,062
City of East Helena/Water System Improvement	434,434	64,594
Town of Ekalaka/Water System Renovation	395,250	58,768
City of Havre/Water System Improvement	2,590,000	385,096
Hill County Water District/Rural Water supply	1,410,000	209,647
Lockwood Irrigation District/System Retention	247,000	36,725
Pondera County Conservation District/Lower Birch Creek	750,000	111,514
Seeley Lake Water District/Water Storage Tank	310,706	46,198
Tiber County Water District/Water System Improvements	559,260	83,154
Whitehall/Wastewater Treatment Facility	300,400	44,665
White Sulphur Springs/Water System Improvements	<u>639,150</u>	<u>95,032</u>
Total Group C	<u>\$ 8,631,719</u>	<u>\$ 1,283,413</u>
- - - Group D (bond rate) - - -		
DNRC/Middle Creek Dam Rehabilitation	\$ 3,500,000	-0-
Milk River Irrigation District/Tiber Dam Power Project	17,869,000	-0-
Total Group D	<u>\$21,369,000</u>	<u>-0-</u>
- - - Group E (3% loan for 30 Years) - - -		
East Bench Irrigation Dist./McHessor Dry Gulch	<u>\$ 1,317,295</u>	<u>\$ 3,853,865</u>
Total for all Coal Tax Loans	<u>\$51,152,528</u>	<u>\$10,680,533</u>

