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1985-4

Final Status of Natural Resource Legislation

**FIN
OF
NATURAL
RESOURCE
LEGISLATION
IN
THE 49TH
MONTANA
LEGISLATURE**

Montana Environmental Quality Council
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1985

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PREFACE

The **Final Status of Natural Resource Legislation in the 49th Montana Legislature** provides a listing of environmentally related legislation introduced in the 1985 Legislature.

The status can be used to evaluate developments on a variety of natural resource subjects. It also provides background information for future policy decisions and is a valuable research document for citizens interested in environmental legislation.

The status includes titles or brief summaries for all natural resource bills, vote tallies for bills that passed, and committee assignments for bills that died. For copies of specific bills contact the Legislative Council, State Capitol, Helena, MT 59620.

Natural resource legislation remained a strong concern in the 1985 Legislature; one of every six bills introduced addressed natural resource issues. Mineral and petroleum development generated the most legislative activity, particularly use of the coal severance tax and resource indemnity trust tax, reclamation, and local impact mitigation.

Water policy legislation was among the major natural resource issues considered in the 1985 session. HB 680 is a comprehensive bill intended to protect Montana's control over state water resources, particularly in relation to claims from downstream interests. The bill addresses several controversial issues, including establishing a state water leasing program and repealing the ban on using Montana water for coal slurry. HB 680 also establishes new water policy guidelines for Montana and creates a permanent legislative Water Policy Committee to oversee water policy planning.

Stream access was one of the most hotly debated issues in the session, as the Legislature sought to resolve issues raised by recent Montana Supreme Court rulings. Legislation adopted defines laws relating to recreational use of state waters and clarifies the rights and responsibilities of landowners and recreationists.

The Legislature undertook several major initiatives in hazardous materials management. The "Employee and Community Hazardous Chemical Information Act" requires employers to provide information concerning hazardous chemicals in the workplace. This law is intended to enhance worker and community safety by making information available on the potential hazards and safe handling of chemicals in the workplace. Other hazardous materials legislation allows the Department of Health and Environmental Sciences to regulate underground storage tanks and to take emergency action to prevent or alleviate releases of hazardous materials into the environment.

Weed control laws underwent major revision in the 1985 Legislature and a trust fund for weed management projects, funded by a tax on herbicides, was established.

The Environmental Quality Council prepared the **Final Status of Natural Resource Legislation in the 49th Montana Legislature** as a service to legislators and the public. The Montana Environmental Policy Act (MEPA), enacted in 1971, charges the council with researching and reviewing state regulations and policies affecting Montana's environment, gathering information on current environmental issues, and recommending measures to promote the general welfare of present and future generations of Montanans. For more information on EQC publications and activities write the EQC, Capitol Station, Helena, MT 59620, or phone (406) 444-3742.

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AIR QUALITY

See also HB 766 p. 62

Killed

HB 407 Ream

Allows counties or municipalities with a local air pollution control program to assess an air pollution control program license registration fee of \$1.50 on certain motor vehicles.

Amending: 75-2-301

Committee Hearings: House Local Government
Died in House 44-52.

HB 829 Kadas

Allows counties or municipalities to establish a motor vehicle emission inspection program if federal or state ambient air quality standards are being violated or may be violated. Also allows a municipality or county to require that motor vehicles subject to its ordinances demonstrate compliance with local motor vehicle emission standards prior to issuance of registration.

Amending: 75-2-301 and 75-2-302

Committee Hearings: House Local Government
Died in committee.

ENERGY

Major Facility Siting

See also HB 680 p. 71

Passed

HB 362 Bardanouve

Provides for renewal of certificates of environmental compatibility and public need issued under the Montana Major Facility Siting Act.

Amending: 75-20-302 and 75-20-303

Committee Hearings: House Natural Resources
Senate Natural Resources

Second Reading Votes: House 98-0; Senate 45-0

Third Reading Votes: House 98-0; Senate 47-0

HB 543 Miles

Changes the date for filing long-range plans under the Major Facility Siting Act from April 1 to July 1 of each year.

Amending: 75-20-501

Committee Hearings: House Natural Resources
Senate Natural Resources

Second Reading Votes: House 99-0; Senate 50-0

Third Reading Votes: House 95-0; Senate 50-0

HB 750 Bardanouve

Generally revises and clarifies the Montana Major Facility Siting Act.

Amending: 75-20-202, 75-20-303, 75-20-402 and 75-20-501

Repealing: 75-20-214

Committee Hearings: House Natural Resources
Senate Natural Resources

Second Reading Votes: House 96-0; Senate 48-1

Third Reading Votes: House 100-0; Senate 50-0

Senate amended, House concurred 87-10.

HB 755 D. Brown

Revises the Major Facility Siting Act by changing the filing fee paid for processing applications and by providing for hearings on the revocation or suspension of certificates.

Amending: 75-20-215 and 75-20-403

Committee Hearings: House Natural Resources
Senate Natural Resources

Second Reading Votes: House 94-0; Senate 50-0

Third Reading Votes: House 99-0; Senate 50-0

Killed

SB 348 Keating

Amends the Montana Major Facility Siting Act to:

- redefine "utility" to mean any person furnishing energy and subject to rate of return or rate regulation by a state or federal regulatory body or protected from competition by a guaranteed monopoly of service in a service area;
- specify that a non-utility is not required to show need for a proposed facility; and
- eliminate the requirement of baseline studies for alternative sites.

Amending: 75-20-102, 75-20-104, 75-20-211, 75-20-216, 75-20-301, and 75-20-304

Committee Hearings: Senate Natural Resources
Adverse committee report. Died in Senate, 21-29.

Renewable Energy and Conservation

See also HB 71 p. 45

Passed

HB 336 Quilici

Removes the requirement that the Pacific Northwest Electric Power and Conservation Planning Council submit an annual report to the governor and legislature.

Amending: 90-4-403

Committee Hearings: House State Administration
Senate Natural Resources

Second Reading Votes: House 73-26; Senate 49-0

Third Reading Votes: House 76-23; Senate 50-0

HB 730 Cohen

Revises laws relating to weatherization. Requires the Department of Social and Rehabilitation Services to allocate and spend at least five percent of funds received from the federal low-income home energy assistance program for home weatherization.

Amending: 90-4-201 and 90-4-202

Committee Hearings: House Human Services

Senate Public Health, Safety, and Welfare

Second Reading Votes: House 83-15; Senate 49-0

Third Reading Votes: House 84-16; Senate 47-2

HB 909 Manuel

Provides for the administration and awarding of grants to state governmental units for energy conservation measures.

Amending: 90-4-02, 90-4-104, and 90-4-106

Committee Hearings: House Appropriations, Natural Resources
Subcommittee; Senate Finance and Claims

Second Reading Votes: House 95-0; Senate 49-0

Third Reading Votes: House 100-0; Senate 49-0

Senate amended, House concurred 97-1.

SB 309 Mohar

Allows a tax credit for the installation of low emission wood or biomass combustion devices and extends the date for which the energy tax credit may be taken to December 31, 1992.

Amending: 15-32-102, 15-32-201, and 15-32-203

Committee Hearings: Senate Taxation; House Taxation

Second Reading Votes: Senate 26-16; House 59-38

Third Reading Votes: Senate 40-9; House 69-31

House amended, Senate concurred 41-4.

SB 400 Yellowtail

Limits the tax incentive for the production of alcohol by requiring that Montana-produced alcohol be blended with gasoline to produce gasohol. Extends the alcohol tax incentive to Montana-produced alcohol exported and blended with gasoline.

Amending: 15-70-201, 15-70-503, 15-70-522, and 15-70-523

Committee Hearings: Senate Taxation; House Taxation

Second Reading Votes: Senate 44-0; House 90-8

Third Reading Votes: Senate 48-2; House 84-10

House amended, Senate concurred 49-0.

Governor amended: Senate concurred 48-0, House concurred 77-15

Killed

HB 311 Koehnke

Extends the tax incentive for the production of alcohol as a component of gasohol and allows the tax incentive for alcohol produced for use in gasohol whether used in the state or exported.

Amending: 15-70-201, 15-70-503, and 15-70-522

Committee Hearings: House Taxation
Died in committee.

HB 499 Kadas

Makes utility purchase of, or investment in, conservation mandatory and provides that resources currently in the utility's rate base may not be removed because of such purchase or investment.

Amending: 69-3-703

Committee Hearings: House Business and Labor
Died in committee.

HB 548 Rapp-Svrcek

Extends the tax incentive for the production of alcohol as a component of gasohol. Alcohol produced for gasohol from wood or wood products is eligible for the tax incentive and the incentive extends to alcohol produced for use in gasohol whether used in the state or exported. Also revises the time period for which the tax incentive is available and limits production to three million gallons annually per alcohol distributor.

Amending: 15-70-201, 15-70-503 and 15-70-522

Committee Hearings: House Taxation
Died in committee.

HB 666 Kadas

Would allow conservation purchases or investments for all buildings and processes if the utility's full avoided costs are not exceeded.

Amending: 69-3-701 and 69-3-702

Committee Hearings: House Business and Labor
Died in committee.

HB 677 Winslow

Removes the time limitation on the tax incentive of 50 cents per gallon for Montana distilled alcohol to be blended with gasoline for sale as gasohol.

Amending: 15-70-522

Committee Hearings: House Taxation
Died in committee.

HB 694 Asay

Requires the Public Service Commission to set rates for utility purchases from qualifying facilities at the utility's avoided cost and specifies the avoided cost under certain circumstances.

Amending: 69-3-604

Committee Hearings: House Business and Labor, Senate Natural
Resources
Died in Senate committee.

HB 874 Kadas

Requiring a utility supplying natural gas or electricity to invest up to 10 percent of its forecasted total utility operation income (as determined by the Public Service Commission) in home weatherization for low-income housing.

Amending: 69-3-103, 69-3-701, and 69-3-703

Committee Hearings: House Business & Labor
Adverse committee report. Died in House 20-74.

HB 936 Hand

Appropriates \$1,500,000 to construct a multi-county solid waste incinerator and power generation facility at Western Montana College.

Committee Hearings: House Appropriations, Long Range Planning
Subcommittee
Died in committee.

SB 238 Lane

Allowing a tax incentive for alcohol produced in Montana and exported to be blended with gasoline for sale as gasohol.

Amending: 15-70-201, 15-70-522, and 15-70-523

Committee Hearings: Senate Taxation
Died in committee.

SB 394 Lynch

Requiring any county, municipal or special district proposing to construct, operate, and maintain hydroelectric generation and associated facilities outside its boundaries to obtain the approval of the affected board of county commissioners.

Committee Hearings: Senate Business and Industry
Died in Senate 22-28.

SB 437 Fuller

Provides a tax credit for the installation of nonfossil-fuel energy systems in Montana.

Repealing: 15-32-201 through 15-32-203

Committee Hearings: Senate Taxation
Died in committee.

Other

Passed

HB 121 Nathe

Directs the Public Service Commission to prescribe a classification for electricity rates that allows a substantial reduction of charges for electricity used for domestic purposes in areas where present utility rates have created an unreasonable economic impact on residential customers who lack an alternative to electricity for heating and essential home usage because no other public utility exists to compete with the electric utility.

Amending: 69-3-306

Committee Hearings: House Business and Labor
Senate Business and Industry

Second Reading Votes: House 48-47; Senate 50-0

Third Reading Votes: House 57-41; Senate 46-0

HB 380 Bradley

Eliminates nonduplication provisions from rural cooperative utilities law.

Amending: 35-18-105 and 35-18-106

Committee Hearings: House Judiciary; Senate Business and Industry

Second Reading Votes: House 98-0; Senate 50-0

Third Reading Votes: House 98-0; Senate 47-0

HB 852 Harp

Provides an exemption for certain persons from regulation as public utilities and excludes them from the definition of "public utility."

Amending: 69-3-101

Committee Hearings: House Business and Labor
Senate Business and Industry

Second Reading Votes: House 95-2; Senate 48-0

Third Reading Votes: House 93-4; Senate 50-0

HJR 35 D. Brown

A resolution in support of the national effort to advance the development of magnetohydrodynamics technology to a commercially viable stage.

Committee Hearings: House Natural Resources
Senate Natural Resources

Second Reading Votes: House 93-2; Senate 50-0

Third Reading Votes: House 94-5; Senate 47-2

HJR 51 Connelly

A resolution requesting the Bonneville Power Administration to establish fair, just, and reasonable power rates for the northwest aluminum industry to allow the industry to meet competition in the world market.

Committee Hearings: House Business & Labor
Senate Business and Industry

Second Reading Votes: House 88-7; Senate 49-8

Third Reading Votes: House 90-5; Senate 48-0

SB 272 Mohar

Clarifies the eligibility and license compliance provisions related to the development of hydroelectric power generation at state-owned