

## 1 SENATE BILL NO. 233

2 INTRODUCED BY J. KEANE, VUCKOVICH, OLSON, KLOCK, HINER, MCCHESENEY, TUTVEDT, ANKNEY,  
3 WINDY BOY, HAMLETT

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING ENVIRONMENTAL IMPACT LAWS; REVISING  
6 STATUTES RELATED TO AN ENVIRONMENTAL IMPACT ANALYSIS AND AN ENVIRONMENTAL  
7 ASSESSMENT; PROVIDING DEFINITIONS; CLARIFYING THAT ALTERNATIVES INCLUDED IN AN  
8 ALTERNATIVES ANALYSIS ARE DISCRETIONARY; PROVIDING THAT THE SCOPE OF AN  
9 ENVIRONMENTAL REVIEW IS ONLY WITHIN MONTANA'S BORDERS; PROVIDING THE REMEDY FOR  
10 FAILURE BY AN AGENCY TO COMPLY WITH THE REQUIREMENTS OF THE MONTANA ENVIRONMENTAL  
11 POLICY ACT; AMENDING SECTIONS 75-1-102, 75-1-201, 75-1-208, AND 75-1-220, MCA; AND PROVIDING  
12 AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

13  
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15  
16 **Section 1.** Section 75-1-102, MCA, is amended to read:

17 **"75-1-102. Intent -- purpose.** (1) The legislature, mindful of its constitutional obligations under Article  
18 II, section 3, and Article IX of the Montana constitution, has enacted the Montana Environmental Policy Act. The  
19 Montana Environmental Policy Act is procedural, and it is the legislature's intent that the requirements of parts  
20 1 through 3 of this chapter provide for the adequate review of state actions in order to ensure that:

21 (a) environmental attributes are fully considered by the legislature in enacting laws to fulfill constitutional  
22 obligations; and

23 (b) the public is informed of the anticipated impacts in Montana of potential state actions.

24 (2) The purpose of parts 1 through 3 of this chapter is to declare a state policy that will encourage  
25 productive and enjoyable harmony between humans and their environment, to protect the right to use and enjoy  
26 private property free of undue government regulation, to promote efforts that will prevent, mitigate, or eliminate  
27 damage to the environment and biosphere and stimulate the health and welfare of humans, to enrich the  
28 understanding of the ecological systems and natural resources important to the state, and to establish an  
29 environmental quality council.

30 (3) (a) The purpose of requiring an environmental assessment and an environmental impact statement

1 under part 2 of this chapter is to assist the legislature in determining whether laws are adequate to address  
 2 impacts to Montana's environment and to inform the public AND PUBLIC OFFICIALS of potential impacts resulting  
 3 from decisions made by state agencies.

4 (b) Except to the extent that an applicant agrees to the incorporation of measures in a permit pursuant  
 5 to 75-1-201(6)(b), it is not the purpose of parts 1 through 3 of this chapter to provide for regulatory authority,  
 6 beyond authority explicitly provided for in existing statute, to a state agency."

7

8 **Section 2.** Section 75-1-201, MCA, is amended to read:

9 **"75-1-201. General directions -- environmental impact statements.** (1) The legislature authorizes  
 10 and directs that, to the fullest extent possible:

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

13 (b) under this part, all agencies of the state, except the legislature and except as provided in ~~subsection~~  
 14 ~~(2)~~ subsections (2) and (3), shall:

15 (i) use a systematic, interdisciplinary approach that will ensure:

16 (A) the integrated use of the natural and social sciences and the environmental design arts in planning  
 17 and in decisionmaking for a state-sponsored project that may have an impact on the Montana human  
 18 environment by projects in Montana; and

19 (B) that in any environmental review that is not subject to subsection (1)(b)(iv), when an agency  
 20 considers alternatives, the alternative analysis will be in compliance with the provisions of subsections  
 21 ~~(1)(b)(iv)(C)(I) through (1)(b)(iv)(C)(III)~~ and (1)(b)(iv)(C)(II) and, if requested by the project sponsor or if  
 22 determined by the agency to be necessary, ~~subsection (1)(b)(iv)(C)(IV)~~ (1)(b)(iv)(C)(III);

23 (ii) identify and develop methods and procedures that will ensure that presently unquantified  
 24 environmental amenities and values may be given appropriate consideration in decisionmaking for  
 25 state-sponsored projects, along with economic and technical considerations;

26 (iii) identify and develop methods and procedures that will ensure that state government actions that may  
 27 impact the human environment in Montana are evaluated for regulatory restrictions on private property, as  
 28 provided in subsection (1)(b)(iv)(D);

29 (iv) include in each recommendation or report on proposals for projects, programs, and other major  
 30 actions of state government significantly affecting the quality of the human environment in Montana a detailed

1 statement on:

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

3 (B) any adverse ~~environmental~~ effects on Montana's environment that cannot be avoided if the proposal  
4 is implemented;

5 (C) alternatives to the proposed action. An analysis of any alternative included in the environmental  
6 review must comply with the following criteria:

7 (I) any alternative proposed must be reasonable, in that the alternative must be achievable under current  
8 technology and the alternative must be economically feasible as determined solely by the economic viability for  
9 similar projects having similar conditions and physical locations and determined without regard to the economic  
10 strength of the specific project sponsor;

11 (II) the agency proposing the alternative shall consult with the project sponsor regarding any proposed  
12 alternative, and the agency shall give due weight and consideration to the project sponsor's comments regarding  
13 the proposed alternative;

14 ~~(III) if the project sponsor believes that an alternative is not reasonable as provided in subsection  
15 (1)(b)(iv)(C)(I), the project sponsor may request a review by the appropriate board, if any, of the agency's  
16 determination regarding the reasonableness of the alternative. The appropriate board may, at its discretion,  
17 submit an advisory recommendation to the agency regarding the issue. The agency may not charge the project  
18 sponsor for any of its activities associated with any review under this section. The period of time between the  
19 request for a review and completion of a review under this subsection may not be included for the purposes of  
20 determining compliance with the time limits established for environmental review in 75-1-208.~~

21 ~~(IV)~~(III) the agency shall complete a meaningful no-action alternative analysis. The no-action alternative  
22 analysis must include the projected beneficial and adverse environmental, social, and economic impact of the  
23 project's noncompletion.

24 (D) any regulatory impacts on private property rights, including whether alternatives that reduce,  
25 minimize, or eliminate the regulation of private property rights have been analyzed. The analysis in this  
26 subsection (1)(b)(iv)(D) need not be prepared if the proposed action does not involve the regulation of private  
27 property.

28 (E) the relationship between local short-term uses of the Montana human environment and the  
29 maintenance and enhancement of long-term productivity;

30 (F) any irreversible and irretrievable commitments of resources that would be involved in the proposed

1 action if it is implemented;

2 (G) the customer fiscal impact analysis, if required by 69-2-216; and

3 (H) the details of the beneficial aspects of the proposed project, both short-term and long-term, and the  
4 economic advantages and disadvantages of the proposal;

5 (v) in accordance with the criteria set forth in subsection (1)(b)(iv)(C), study, develop, and describe  
6 appropriate alternatives to recommend courses of action in any proposal that involves unresolved conflicts  
7 concerning alternative uses of available resources; If the alternatives analysis is conducted for a project that is  
8 not a state-sponsored project and alternatives are recommended, the project sponsor may volunteer to implement  
9 the alternative. Neither the alternatives analysis nor the resulting recommendations bind the project sponsor to  
10 take a recommended course of action, but the project sponsor may agree pursuant to subsection (6)(b) to a  
11 specific course of action.

12 (vi) recognize the ~~national and potential~~ long-range character of environmental ~~problems~~ impacts in  
13 Montana and, when consistent with the policies of the state, lend appropriate support to initiatives, resolutions,  
14 and programs designed to maximize ~~national~~ cooperation in anticipating and preventing a decline in the quality  
15 of ~~the world~~ Montana's environment;

16 (vii) make available to counties, municipalities, institutions, and individuals advice and information useful  
17 in restoring, maintaining, and enhancing the quality of ~~the~~ Montana's environment;

18 (viii) initiate and use ecological information in the planning and development of resource-oriented  
19 projects; and

20 (ix) assist the legislature and the environmental quality council established by 5-16-101;

21 (c) prior to making any detailed statement as provided in subsection (1)(b)(iv), the responsible state  
22 official shall consult with and obtain the comments of any state agency that has jurisdiction by law or special  
23 expertise with respect to any environmental impact involved in Montana and with any Montana local government,  
24 as defined in 7-12-1103, that may be directly impacted by the project. The responsible state official shall also  
25 consult with and obtain comments from any state agency in Montana with respect to any regulation of private  
26 property involved. Copies of the statement and the comments and views of the appropriate state, federal, and  
27 local agencies that are authorized to develop and enforce environmental standards must be made available to  
28 the governor, the environmental quality council, and the public and must accompany the proposal through the  
29 existing agency review processes.

30 (d) a transfer of an ownership interest in a lease, permit, license, certificate, or other entitlement for use

1 or permission to act by an agency, either singly or in combination with other state agencies, does not trigger  
 2 review under subsection (1)(b)(iv) if there is not a material change in terms or conditions of the entitlement or  
 3 unless otherwise provided by law.

4 (2) An (A) EXCEPT AS PROVIDED IN SUBSECTION (2)(B), AN environmental review conducted pursuant to  
 5 subsection (1) may not include a review of actual or potential impacts beyond Montana's borders. It may not  
 6 include actual or potential impacts that are regional, national, or global in nature.

7 (B) AN ENVIRONMENTAL REVIEW CONDUCTED PURSUANT TO SUBSECTION (1) MAY INCLUDE A REVIEW OF ACTUAL  
 8 OR POTENTIAL IMPACTS BEYOND MONTANA'S BORDERS IF IT IS CONDUCTED BY:

9 (I) THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS FOR THE MANAGEMENT OF WILDLIFE;

10 (II) AN AGENCY REVIEWING AN APPLICATION FOR A PROJECT THAT IS NOT A STATE-SPONSORED PROJECT TO THE  
 11 EXTENT THAT THE REVIEW IS REQUIRED BY LAW, RULE, OR REGULATION; OR

12 (III) BY A STATE AGENCY AND A FEDERAL AGENCY TO THE EXTENT THE REVIEW IS REQUIRED BY THE FEDERAL  
 13 AGENCY.

14 ~~(2)~~(3) The department of public service regulation, in the exercise of its regulatory authority over rates  
 15 and charges of railroads, motor carriers, and public utilities, is exempt from the provisions of parts 1 through 3.

16 ~~(3)~~(4) (a) In any action challenging or seeking review of an agency's decision that a statement pursuant  
 17 to subsection (1)(b)(iv) is not required or that the statement is inadequate, the burden of proof is on the person  
 18 challenging the decision. Except as provided in subsection ~~(3)(b)~~ (4)(b), in a challenge to the adequacy of a  
 19 statement, a court may not consider any issue relating to the adequacy or content of the agency's environmental  
 20 review document or evidence that was not first presented to the agency for the agency's consideration prior to  
 21 the agency's decision. ~~A court may not set aside the agency's decision unless it finds that there is clear and~~  
 22 ~~convincing evidence that the decision was arbitrary or capricious or not in compliance with law.~~ A customer fiscal  
 23 impact analysis pursuant to 69-2-216 or an allegation that the customer fiscal impact analysis is inadequate may  
 24 not be used as the basis of any action challenging or seeking review of the agency's decision.

25 (b) When new, material, and significant evidence or issues relating to the adequacy or content of the  
 26 agency's environmental review document are presented to the district court that had not previously been  
 27 presented to the agency for its consideration, the district court shall remand the new evidence or issue relating  
 28 to the adequacy or content of the agency's environmental review document back to the agency for the agency's  
 29 consideration and an opportunity to modify its ~~findings of fact and administrative decision~~ environmental review  
 30 document before the district court considers the evidence or issue relating to the adequacy or content of the

1 agency's environmental review document within the administrative record under review. Immaterial or insignificant  
 2 evidence or issues relating to the adequacy or content of the agency's environmental review document may not  
 3 be remanded to the agency. ~~The district court shall review the agency's findings and decision to determine~~  
 4 ~~whether they are supported by substantial, credible evidence within the administrative record under review.~~

5 ~~(4)(5)~~ To the extent that the requirements of ~~subsections~~ subsection (1)(b)(iv)(C)(I) and (1)(b)(iv)(C)(III)  
 6 are inconsistent with federal requirements, the requirements of ~~subsections~~ subsection (1)(b)(iv)(C)(I) and  
 7 ~~(1)(b)(iv)(C)(III)~~ do not apply to an environmental review that is being prepared by a state agency pursuant to this  
 8 part and a federal agency pursuant to the National Environmental Policy Act or to an environmental review that  
 9 is being prepared by a state agency to comply with the requirements of the National Environmental Policy Act.

10 ~~(5)(6)~~ (a) The agency may not withhold, deny, or impose conditions on any permit or other authority to  
 11 act based on parts 1 through 3 of this chapter.

12 (b) Nothing in this subsection ~~(5)(6)~~ prevents a project sponsor and an agency from mutually developing  
 13 measures that may, at the request of a project sponsor, be incorporated into a permit or other authority to act.

14 (c) Parts 1 through 3 of this chapter do not confer authority to an agency that is a project sponsor to  
 15 modify a proposed project or action.

16 ~~(6)(7)~~ (a) (i) A challenge to an agency action under this part may only be brought against a final agency  
 17 action and may only be brought in district court or in federal court, whichever is appropriate.

18 (ii) Any action or proceeding challenging a final agency action alleging failure to comply with or  
 19 inadequate compliance with a requirement under this part must be brought within 60 days of the action that is  
 20 the subject of the challenge.

21 (iii) For an action taken by the board of land commissioners or the department of natural resources and  
 22 conservation under Title 77, "final agency action" means the date that the board of land commissioners or the  
 23 department of natural resources and conservation issues a final environmental review document under this part  
 24 or the date that the board approves the action that is subject to this part, whichever is later.

25 (b) Any action or proceeding under subsection ~~(6)(a)(ii)~~ (7)(a)(ii) must take precedence over other cases  
 26 or matters in the district court unless otherwise provided by law.

27 (c) Any judicial action or proceeding brought in district court under subsection ~~(6)(a)~~ (7)(a) involving an  
 28 equine slaughter or processing facility must comply with 81-9-240 and 81-9-241.

29 (d) The remedy in any action brought for failure to comply with or for inadequate compliance with a  
 30 requirement of parts 1 through 3 of this chapter is limited to remand to the agency to correct deficiencies in the

1 environmental review conducted pursuant to subsection (1).

2 (e) A permit, license, lease, or other authorization issued by an agency is valid and may not be enjoined,  
3 voided, nullified, revoked, modified, or suspended pending the completion of an environmental review that may  
4 be remanded by a court.

5 ~~(7)~~(8) The director of the agency responsible for the determination or recommendation shall endorse in  
6 writing any determination of significance made under subsection (1)(b)(iv) or any recommendation that a  
7 determination of significance be made.

8 ~~(8)~~(9) A project sponsor may request a review of the significance determination or recommendation  
9 made under subsection ~~(7)~~ (8) by the appropriate board, if any. The appropriate board may, at its discretion,  
10 submit an advisory recommendation to the agency regarding the issue. The period of time between the request  
11 for a review and completion of a review under this subsection may not be included for the purposes of  
12 determining compliance with the time limits established for environmental review in 75-1-208."  
13

14 **Section 3.** Section 75-1-208, MCA, is amended to read:

15 **"75-1-208. Environmental review procedure.** (1) (a) Except as provided in 75-1-205(4) and subsection  
16 (1)(b) of this section, an agency shall comply with this section when completing any environmental review  
17 required under this part.

18 (b) To the extent that the requirements of this section are inconsistent with federal requirements, the  
19 requirements of this section do not apply to an environmental review that is being prepared jointly by a state  
20 agency pursuant to this part and a federal agency pursuant to the National Environmental Policy Act or to an  
21 environmental review that must comply with the requirements of the National Environmental Policy Act.

22 (2) A project sponsor may, after providing a 30-day notice, appear before the environmental quality  
23 council at any regularly scheduled meeting to discuss issues regarding the agency's environmental review of the  
24 project. The environmental quality council shall ensure that the appropriate agency personnel are available to  
25 answer questions.

26 (3) If a project sponsor experiences problems in dealing with the agency or any consultant hired by the  
27 agency regarding an environmental review, the project sponsor may submit a written request to the agency  
28 director requesting a meeting to discuss the issues. The written request must sufficiently state the issues to allow  
29 the agency to prepare for the meeting. If the issues remain unresolved after the meeting with the agency director,  
30 the project sponsor may submit a written request to appear before the appropriate board, if any, to discuss the

1 remaining issues. A written request to the appropriate board must sufficiently state the issues to allow the agency  
2 and the board to prepare for the meeting.

3 (4) (a) Subject to the requirements of subsection (5), to ensure a timely completion of the environmental  
4 review process, an agency is subject to the time limits listed in this subsection (4) unless other time limits are  
5 provided by law. All time limits are measured from the date the agency receives a complete application. An  
6 agency has:

7 (i) 60 days to complete a public scoping process, if any;

8 (ii) 90 days to complete an environmental review unless a detailed statement pursuant to  
9 75-1-201(1)(b)(iv) or 75-1-205(4) is required; and

10 (iii) 180 days to complete a detailed statement pursuant to 75-1-201(1)(b)(iv).

11 (b) The period of time between the request for a review by a board and the completion of a review by  
12 a board under ~~75-1-201(1)(b)(iv)(C)(iii) or (8) 75-1-201(9)~~ or subsection (10) of this section may not be included  
13 for the purposes of determining compliance with the time limits established for conducting an environmental  
14 review under this subsection or the time limits established for permitting in 75-2-211, 75-2-218, 75-20-216,  
15 75-20-231, 76-4-125, 82-4-122, 82-4-231, 82-4-337, and 82-4-432.

16 (5) An agency may extend the time limits in subsection (4) by notifying the project sponsor in writing that  
17 an extension is necessary and stating the basis for the extension. The agency may extend the time limit one time,  
18 and the extension may not exceed 50% of the original time period as listed in subsection (4). After one extension,  
19 the agency may not extend the time limit unless the agency and the project sponsor mutually agree to the  
20 extension.

21 (6) If the project sponsor disagrees with the need for the extension, the project sponsor may request that  
22 the appropriate board, if any, conduct a review of the agency's decision to extend the time period. The appropriate  
23 board may, at its discretion, submit an advisory recommendation to the agency regarding the issue.

24 (7) (a) Except as provided in subsection (7)(b), if an agency has not completed the environmental review  
25 by the expiration of the original or extended time period, the agency may not withhold a permit or other authority  
26 to act unless the agency makes a written finding that there is a likelihood that permit issuance or other approval  
27 to act would result in the violation of a statutory or regulatory requirement.

28 (b) Subsection (7)(a) does not apply to a permit granted under Title 75, chapter 2, or under Title 82,  
29 chapter 4, parts 1 and 2.

30 (8) Under this part, an agency may only request that information from the project sponsor that is relevant



1 to the environmental review required under this part.

2 (9) An agency shall ensure that the notification for any public scoping process associated with an  
3 environmental review conducted by the agency is presented in an objective and neutral manner and that the  
4 notification does not speculate on the potential impacts of the project.

5 (10) An agency may not require the project sponsor to provide engineering designs in greater detail than  
6 that necessary to fairly evaluate the proposed project. The project sponsor may request that the appropriate  
7 board, if any, review an agency's request regarding the level of design detail information that the agency believes  
8 is necessary to conduct the environmental review. The appropriate board may, at its discretion, submit an  
9 advisory recommendation to the agency regarding the issue.

10 (11) An agency shall, when appropriate, ~~consider~~ evaluate the cumulative impacts of a proposed project.  
11 However, related future actions may only be considered when these actions are under concurrent consideration  
12 by any agency through preimpact statement studies, separate impact statement evaluations, or permit processing  
13 procedures."  
14

15 **Section 4.** Section 75-1-220, MCA, is amended to read:

16 **"75-1-220. Definitions.** For the purposes of this part, the following definitions apply:

17 (1) "Alternatives analysis" means an evaluation of different parameters, mitigation measures, or control  
18 measures that would accomplish the same objectives as those included in the proposed action by the applicant.  
19 For a project that is not a state-sponsored project, it does not include an alternative facility or an alternative to  
20 the proposed project itself. THE TERM INCLUDES ALTERNATIVES REQUIRED PURSUANT TO TITLE 75, CHAPTER 20.

21 ~~(4)~~(2) "Appropriate board" means, for administrative actions taken under this part by the:

22 (a) department of environmental quality, the board of environmental review, as provided for in 2-15-3502;

23 (b) department of fish, wildlife, and parks, the fish, wildlife, and parks commission, as provided for in  
24 2-15-3402;

25 (c) department of transportation, the transportation commission, as provided for in 2-15-2502;

26 (d) department of natural resources and conservation for state trust land issues, the board of land  
27 commissioners, as provided for in Article X, section 4, of the Montana constitution;

28 (e) department of natural resources and conservation for oil and gas issues, the board of oil and gas  
29 conservation, as provided for in 2-15-3303; and

30 (f) department of livestock, the board of livestock, as provided for in 2-15-3102.

1           ~~(2)~~(3) "Complete application" means, for the purpose of complying with this part, an application for a  
 2 permit, license, or other authorization that contains all data, studies, plans, information, forms, fees, and  
 3 signatures required to be included with the application sufficient for the agency to approve the application under  
 4 the applicable statutes and rules.

5           ~~(3)~~(4) "Cumulative impacts" means the collective impacts on the human environment within the borders  
 6 of Montana of the proposed action when considered in conjunction with other past, present, and future actions  
 7 related to the proposed action by location or generic type.

8           ~~(4)~~(5) "Environmental review" means any environmental assessment, environmental impact statement,  
 9 or other written analysis required under this part by a state agency of a proposed action to determine, examine,  
 10 or document the effects and impacts of the proposed action on the quality of the human and physical environment  
 11 within the borders of Montana as required under this part.

12           ~~(5)~~(6) "Project sponsor" means any applicant, owner, operator, agency, or other entity that is proposing  
 13 an action that requires an environmental review. If the action involves state agency-initiated actions on state trust  
 14 lands, the term also includes each institutional beneficiary of any trust as described in The Enabling Act of  
 15 Congress (approved February 22, 1899, 25 Stat. 676), as amended, the Morrill Act of 1862 (7 U.S.C. 301 through  
 16 308), and the Morrill Act of 1890 (7 U.S.C. 321 through 329).

17           ~~(6)~~(7) "Public scoping process" means any process to determine the scope of an environmental review.

18           (8) (a) "State-sponsored project" means:

19           (i) a project, program, or activity initiated and directly undertaken by a state agency;

20           (ii) EXCEPT AS PROVIDED IN SUBSECTION (8)(B)(I)(D), a project or activity supported through a contract, grant,  
 21 subsidy, loan, or other form of funding assistance from a state agency, either singly or in combination with one  
 22 or more other state agencies; or

23           (iii) EXCEPT AS PROVIDED IN SUBSECTION (8)(B)(I)(D), a project or activity authorized by a state agency acting  
 24 in a land management capacity for a lease, easement, license, or other authorization to act.

25           (b) The term does not include:

26           (i) the issuance of permits, licenses, LEASES, EASEMENTS, GRANTS, LOANS, or other authorizations to act  
 27 by the:

28           (A) department of environmental quality pursuant to Titles 75, 76, or 82;

29           (B) department of fish, wildlife, and parks pursuant to Title 87, chapter 4, part 4;

30           (C) board of oil and gas conservation pursuant to Title 82, chapter 11; or

