



## 1 HOUSE BILL NO. 10

2 INTRODUCED BY BARDANOUE

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL  
6 OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF  
7 MONTANA; AND PROVIDING AN EFFECTIVE DATE."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. Section 1. Policy. As a result of  
11 overcharges on sales of domestic crude oil, the federal  
12 courts have ordered or approved settlements requiring the  
13 repayment of the total amount of overcharges, plus interest,  
14 into escrow accounts to be distributed by the U. S. treasury  
15 to the states, territories, and possessions of the United  
16 States. It is the policy of this state to use the oil  
17 overcharge money distributed to the state to supplement  
18 state and federal programs that the state administers and to  
19 use the money in a manner consistent with federal court  
20 orders establishing or approving the payment of the funds to  
21 the state of Montana.

22 NEW SECTION. Section 2. Definitions. As used in [this  
23 act], the following definitions apply:

24 (1) "Cities service payments" means the oil overcharge  
25 payments and any interest accrued on the payments made to

1 the U.S. treasury for distribution to the state of Montana  
2 pursuant to the consent agreement between cities service oil  
3 and gas and the U. S. department of energy as affirmed by  
4 the federal energy regulatory commission.

5 (2) "Exxon payments" means the oil overcharge payments  
6 made by the Exxon corporation to the U. S. treasury for  
7 distribution to the state of Montana pursuant to the order  
8 of the U. S. district court for the District of Columbia in  
9 Civil Action No. 78-1035.

10 (3) "Getty oil payments" means the oil overcharge  
11 payments made to the U. S. treasury for distribution to the  
12 state of Montana pursuant to the order of disbursement  
13 issued in Civil Action No. 77-347 (MMS) in the U. S.  
14 district court for the district of Delaware and any interest  
15 accrued on the payments.

16 (4) (a) "Stripper well payments" means the oil  
17 overcharge payments made to the U. S. treasury for  
18 distribution to the state of Montana as the result of the  
19 final settlement agreement in the U. S. district court for  
20 the district of Kansas, Cause No. M.D.L. 378, and any  
21 interest accrued on the payments. The term also includes but  
22 is not limited to cities service payments, as defined in  
23 subsection (1), Getty oil payments, as defined in subsection  
24 (3), Texaco payments, as defined in subsection (5), and any  
25 unspent project funds, as defined in subsection (6).

1 (b) The term does not include stripper well payments  
2 that have been expended or legally obligated or that have  
3 been incorporated into any of the existing federal energy  
4 programs as the result of prior appropriations by the  
5 legislature.

6 (5) "Texaco payments" means the oil overcharge payments  
7 made to the U. S. treasury for distribution to the state of  
8 Montana pursuant to the texaco final consent order, 53 Fed.  
9 Reg. 32929, August 29, 1988, and any interest accrued on the  
10 payments.

11 (6) "Unspent project funds" means stripper well  
12 payments that were not expended or otherwise legally  
13 obligated during the 1991 biennium but that were  
14 appropriated for the 1991 biennium in Chapter 597, Laws of  
15 1989, in:

- 16 (a) section 4;
- 17 (b) section 6(1);
- 18 (c) section 7;
- 19 (d) section 8(1); and
- 20 (e) section 9(1).

21 NEW SECTION. Section 3. Deposit of oil overcharge  
22 revenue. All funds from stripper well and exxon payments  
23 must be deposited by the state treasurer in the federal  
24 special revenue fund. All interest earned on these funds or  
25 payments must also be deposited in the federal special

1 revenue fund.

2 NEW SECTION. Section 4. Low-income home weatherization  
3 -- appropriation. There is appropriated \$600,000 from the  
4 exxon payments contained in the federal special revenue fund  
5 and \$600,000 from the stripper well payments contained in  
6 the federal special revenue fund to the department of social  
7 and rehabilitation services for use in the home  
8 weatherization program created in 90-4-201.

9 NEW SECTION. Section 5. Matching funds for low-income  
10 energy assistance -- appropriation. (1) There is  
11 appropriated \$100,000 from the stripper well payments  
12 contained in the federal special revenue fund to the  
13 department of social and rehabilitation services for the  
14 purpose described in subsection (2).

15 (2) The department of social and rehabilitation  
16 services shall match private contributions to energy share,  
17 inc., to be used to assist persons not eligible for federal  
18 low-income energy assistance whose income is less than 150%  
19 of the federal poverty threshold published by the U. S.  
20 bureau of the census in the most recent edition of its  
21 publication, Poverty in the United States. All of the funds  
22 appropriated under subsection (1) must be used for clients'  
23 fuel bills or other energy needs.

24 NEW SECTION. Section 6. Biological agents for weed  
25 control -- findings -- appropriation. There is appropriated

1 \$200,000 from the stripper well payments contained in the  
 2 federal special revenue fund to the department of  
 3 agriculture to continue the collection and distribution of  
 4 biological agents to control leafy spurge and spotted  
 5 knapweed. The project will reduce energy consumption by  
 6 reducing the need for repeated chemical applications and  
 7 will build upon the accomplishments derived from the funding  
 8 provided in section 8, House Bill 621, Laws of 1987, and in  
 9 section 7, Chapter 597, Laws of 1989.

10 NEW SECTION. **Section 7.** Safflower oil as diesel fuel  
 11 substitute or extender -- appropriation. There is  
 12 appropriated \$200,000 from the stripper well payments  
 13 contained in the federal special revenue fund to the  
 14 department of natural resources and conservation for the  
 15 demonstration of vegetable oil fuel substitutes or extenders  
 16 designed to reduce petroleum consumption and result in a new  
 17 potential cash crop for Montana farmers. Stripper well funds  
 18 must be matched at least dollar for dollar with private or  
 19 federal revenue, or both. The appropriation must be used to:

20 (1) contract with Montana farmers to grow high oleic  
 21 safflower strains such as montola 2000, which was developed  
 22 by the Montana state university agricultural experiment  
 23 station through previous research funded by the department  
 24 of natural resources and conservation;

25 (2) field-test lube oil additive mixes to minimize

1 polymerization in diesel engines that use vegetable oil  
 2 fuel;

3 (3) evaluate engine testing results from safflower fuel  
 4 oil use; and

5 (4) perform preliminary market development for montola  
 6 2000 or other high oleic strains.

7 NEW SECTION. **Section 8.** Technical assistance to local  
 8 governments -- appropriation. There is appropriated \$126,000  
 9 from the stripper well payments contained in the federal  
 10 special revenue fund to the department of natural resources  
 11 and conservation to award a grant to a public or private  
 12 entity to provide technical assistance to local government  
 13 entities for the purpose of identifying energy conservation  
 14 measures. The grant must be approved pursuant to 10 CFR  
 15 465.8.

16 NEW SECTION. **Section 9.** Agricultural energy  
 17 conservation program -- appropriation. There is appropriated  
 18 \$100,000 from the stripper well payments contained in the  
 19 federal special revenue fund to the department of natural  
 20 resources and conservation for use by the conservation  
 21 districts in funding local energy efficiency or renewable  
 22 energy projects, such as solar livestock watering systems,  
 23 stock water tank insulation and solar heating, and farming  
 24 techniques to more efficiently use irrigation water,  
 25 pesticides, and fertilizers.

1        NEW SECTION. Section 10. Low-income                    leaking  
2        underground home heating oil tank replacement assistance  
3        program -- appropriation. (1) There is appropriated \$200,000  
4        from the stripper well payment contained in the federal  
5        special revenue fund to the department of health and  
6        environmental sciences for the purpose described in  
7        subsection (2).

8        (2) The department of health and environmental sciences  
9        shall remove and replace home heating oil tanks and lines  
10       that are losing fuel to the ground or that were over 30  
11       years old in 1986 as reported pursuant to Rule 16.45.901,  
12       Administrative Rules of Montana, and that serve residences  
13       occupied by low-income home energy assistance recipients.  
14       The department of health and environmental sciences shall  
15       supply the most economical and environmentally safe  
16       alternative to replace the systems it removes and shall  
17       consider fuel-switching options in choosing among  
18       replacement alternatives.

19       (3) The department of health and environmental sciences  
20       shall consult with the department of natural resources and  
21       conservation when it evaluates the economics of various  
22       replacement alternatives. The department of health and  
23       environmental sciences shall, whenever possible, supplement  
24       the funding provided in this section by using heating  
25       conversion or furnace repair or replacement funds provided

1       through the federal low-income home energy assistance or  
2       weatherization assistance programs.

3       (4) The funds appropriated in this section may not be  
4       spent to clean soil or water contaminated by fuel lost from  
5       leaking home heating oil tanks or lines.

6       NEW SECTION. Section 11. Institutional conservation  
7       program -- appropriation. There is appropriated \$700,000  
8       from the stripper well payments contained in the federal  
9       special revenue fund to the department of natural resources  
10       and conservation for use in the institutional conservation  
11       program for schools and hospitals administered by the  
12       department pursuant to 10 CFR 455.

13       NEW SECTION. Section 12. Conditions applied to  
14       appropriations. The appropriations made in [sections 4  
15       through 11] are biennial appropriations subject to the  
16       following conditions:

17       (1) One-half of the total amount appropriated to each  
18       program in [sections 4 through 11] is appropriated in fiscal  
19       year 1992 and one-half is appropriated in fiscal year 1993.  
20       As biennial appropriations, the unexpended funds  
21       appropriated in fiscal year 1992 may be carried forward  
22       within each program to the second year of the 1993 biennium.

23       (2) The Exxon payments appropriated in [section 4] are  
24       to be authorized in fiscal year 1992 and in fiscal year 1993  
25       to the extent they are available before any stripper well

1 payments appropriated in [section 4] are authorized.

2 NEW SECTION. Section 13. Appropriations prioritized.  
 3 The appropriations in [sections 4 through 11] are approved  
 4 in order of priority as they appear in [sections 4 through  
 5 11], with the appropriation in [section 4] having the  
 6 highest priority and the appropriation in [section 11]  
 7 having the lowest priority. If the U.S. department of energy  
 8 does not approve one or more of the programs that are funded  
 9 by [sections 4 through 11], any stripper well payments that  
 10 are not used to fund higher priority programs must be  
 11 provided to lower ranked programs up to the amounts  
 12 appropriated in [sections 4 through 11]. If stripper well  
 13 payments are insufficient to fully fund the appropriations  
 14 made in [sections 4 through 11], the lowest ranking program  
 15 must have its appropriation reduced until the deficiency is  
 16 eliminated. If the deficiency is in excess of the  
 17 appropriation to the lowest ranking program, the next lowest  
 18 ranking program must have its appropriation reduced until  
 19 the deficiency is eliminated, and so forth as the programs  
 20 are prioritized. These priorities must be applied to  
 21 one-half of the total amount appropriated in [sections 4  
 22 through 11] for fiscal year 1992 and to the remaining  
 23 appropriation for fiscal year 1993. In order to provide  
 24 continuity for the programs when establishing the  
 25 appropriations for each fiscal year of the 1993 biennium,

1 anticipated stripper well payments that will be received  
 2 under terms of the agreements during the biennium may be  
 3 considered as available to fund the activities. If [LC 904]  
 4 \_\_ Bill No. \_\_ is passed and approved, the stripper well  
 5 payments appropriated in [LC 904] \_\_ Bill No. \_\_ have a  
 6 higher priority than any appropriation of stripper well  
 7 payments in [sections 4 through 11]. The expenditures  
 8 authorized by [sections 4 through 11] may not exceed the  
 9 amount of the stripper well and exxon payments available in  
 10 the biennium.

11 NEW SECTION. Section 14. Effective date. [This act] is  
 12 effective July 1, 1991.

-End-

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

HOUSE BILL NO. 10

INTRODUCED BY BARDANOUE

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL  
OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF  
MONTANA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Policy.** As a result of  
overcharges on sales of domestic crude oil, the federal  
courts have ordered or approved settlements requiring the  
repayment of the total amount of overcharges, plus interest,  
into escrow accounts to be distributed by the U. S. treasury  
to the states, territories, and possessions of the United  
States. It is the policy of this state to use the oil  
overcharge money distributed to the state to supplement  
state and federal programs that the state administers and to  
use the money in a manner consistent with federal court  
orders establishing or approving the payment of the funds to  
the state of Montana.

NEW SECTION. **Section 2. Definitions.** As used in [this  
act], the following definitions apply:

(1) "Cities service payments" means the oil overcharge  
payments and any interest accrued on the payments made to

the U.S. treasury for distribution to the state of Montana  
pursuant to the consent agreement between cities service oil  
and gas and the U. S. department of energy as affirmed by  
the federal energy regulatory commission.

(2) "Exxon payments" means the oil overcharge payments  
made by the exxon corporation to the U. S. treasury for  
distribution to the state of Montana pursuant to the order  
of the U. S. district court for the District of Columbia in  
Civil Action No. 78-1035.

(3) "Getty oil payments" means the oil overcharge  
payments made to the U. S. treasury for distribution to the  
state of Montana pursuant to the order of disbursement  
issued in Civil Action No. 77-347 (MMS) in the U. S.  
district court for the district of Delaware and any interest  
accrued on the payments.

(4) (a) "Stripper well payments" means the oil  
overcharge payments made to the U. S. treasury for  
distribution to the state of Montana as the result of the  
final settlement agreement in the U. S. district court for  
the district of Kansas, Cause No. M.D.L. 378, and any  
interest accrued on the payments. The term also includes but  
is not limited to cities service payments, as defined in  
subsection (1), getty oil payments, as defined in subsection  
(3), texaco payments, as defined in subsection (5), and any  
unspent project funds, as defined in subsection (6).

1 (b) The term does not include stripper well payments  
2 that have been expended or legally obligated or that have  
3 been incorporated into any of the existing federal energy  
4 programs as the result of prior appropriations by the  
5 legislature.

6 (5) "Texaco payments" means the oil overcharge payments  
7 made to the U. S. treasury for distribution to the state of  
8 Montana pursuant to the texaco final consent order, 53 Fed.  
9 Reg. 32929, August 29, 1988, and any interest accrued on the  
10 payments.

11 (6) "Unspent project funds" means stripper well  
12 payments that were not expended or otherwise legally  
13 obligated during the 1991 biennium but that were  
14 appropriated for the 1991 biennium in Chapter 597, Laws of  
15 1989, in:

- 16 (a) section 4;
- 17 (b) section 6(1);
- 18 (c) section 7;
- 19 (d) section 8(1); and
- 20 (e) section 9(1).

21 NEW SECTION. Section 3. Deposit of oil overcharge  
22 revenue. All funds from stripper well and Exxon payments  
23 must be deposited by the state treasurer in the federal  
24 special revenue fund. All interest earned on these funds or  
25 payments must also be deposited in the federal special

1 revenue fund.

2 NEW SECTION. Section 4. Low-income home weatherization  
3 -- appropriation. There is appropriated \$600,000 from the  
4 Exxon payments contained in the federal special revenue fund  
5 and ~~\$600,000~~ \$550,000 from the stripper well payments  
6 contained in the federal special revenue fund to the  
7 department of social and rehabilitation services for use in  
8 the home weatherization program created in 90-4-201.

9 NEW SECTION. Section 5. Matching funds for low-income  
10 energy assistance -- appropriation. (1) There is  
11 appropriated \$100,000 from the stripper well payments  
12 contained in the federal special revenue fund to the  
13 department of social and rehabilitation services for the  
14 purpose described in subsection (2).

15 (2) The department of social and rehabilitation  
16 services shall match private contributions to energy share,  
17 inc., to be used to assist persons not eligible for federal  
18 low-income energy assistance whose income is less than 150%  
19 of the federal poverty threshold published by the U. S.  
20 bureau of the census in the most recent edition of its  
21 publication, Poverty in the United States. All of the funds  
22 appropriated under subsection (1) must be used for clients'  
23 fuel bills or other energy needs.

24 NEW SECTION. Section 6. Biological agents for weed  
25 control -- findings -- appropriation. There is appropriated

1 \$200,000 from the stripper well payments contained in the  
 2 federal special revenue fund to the department of  
 3 agriculture to continue the collection and distribution of  
 4 biological agents to control leafy spurge and spotted  
 5 knapweed. The project will reduce energy consumption by  
 6 reducing the need for repeated chemical applications and  
 7 will build upon the accomplishments derived from the funding  
 8 provided in section 8, House Bill 621, Laws of 1987, and in  
 9 section 7, Chapter 597, Laws of 1989.

10 NEW SECTION. Section 7. Safflower oil as diesel fuel  
 11 substitute or extender -- appropriation. There is  
 12 appropriated \$200,000 from the stripper well payments  
 13 contained in the federal special revenue fund to the  
 14 department of natural resources and conservation for the  
 15 demonstration of vegetable oil fuel substitutes or extenders  
 16 designed to reduce petroleum consumption and result in a new  
 17 potential cash crop for Montana farmers. Stripper well funds  
 18 must be matched at least dollar for dollar with private or  
 19 federal revenue, or both. The appropriation must be used to:

20 (1) contract with Montana farmers to grow high oleic  
 21 safflower strains such as montola 2000, which was developed  
 22 by the Montana state university agricultural experiment  
 23 station through previous research funded by the department  
 24 of natural resources and conservation;

25 (2) field-test lube oil additive mixes to minimize

1 polymerization in diesel engines that use vegetable oil  
 2 fuel;

3 (3) evaluate engine testing results from safflower fuel  
 4 oil use; and

5 (4) perform preliminary market development for montola  
 6 2000 or other high oleic strains.

7 NEW SECTION. Section 8. Technical assistance to local  
 8 governments -- appropriation. There is appropriated ~~\$126,000~~  
 9 \$235,000 from the stripper well payments contained in the  
 10 federal special revenue fund to the department of natural  
 11 resources and conservation to award a grant to a public or  
 12 private entity to provide technical assistance to local  
 13 government entities for the purpose of ~~identifying--energy~~  
 14 conservation-measures: DEVELOPING A PROGRAM FOR RETROFITTING  
 15 LOCAL GOVERNMENT BUILDINGS WITH ENERGY CONSERVATION  
 16 MEASURES, SIMILAR TO THE STATE BUILDING ENERGY CONSERVATION  
 17 PROGRAM ESTABLISHED BY TITLE 90, CHAPTER 4, PART 6, FOR  
 18 STATE BUILDINGS. PRIORITY MUST BE GIVEN TO DEVELOPING A  
 19 SELF-SUSTAINING LOCAL GOVERNMENT BUILDING ENERGY  
 20 CONSERVATION PROGRAM. THE PROGRAM MAY BE BASED UPON  
 21 MECHANISMS THAT INCLUDE BUT ARE NOT LIMITED TO LEVERAGING  
 22 PRIVATE AND PUBLIC FUNDS, SELLING THE ENERGY SAVINGS TO  
 23 UTILITIES, POOLING GROUPS OF LOCAL GOVERNMENT FACILITIES  
 24 INTO LARGER RETROFIT PACKAGES FOR FINANCING OR SALE TO  
 25 UTILITIES, AND WORKING WITH THE DEPARTMENT TO POOL STATE AND

1 LOCAL GOVERNMENT RETROFIT PACKAGES FOR SALE TO UTILITIES.  
 2 THE DEPARTMENT SHALL SUBMIT TO THE 53RD LEGISLATURE A REPORT  
 3 THAT IS BASED UPON THE WORK COMPLETED BY THE LOCAL  
 4 GOVERNMENT ENTITY AND THAT INCLUDES OPTIONS AND  
 5 RECOMMENDATIONS FOR A SELF-SUSTAINING LOCAL GOVERNMENT  
 6 BUILDING CONSERVATION PROGRAM AND THE LEGISLATION NECESSARY  
 7 TO IMPLEMENT THE PROGRAM. THE DEPARTMENT SHALL ALSO PROVIDE  
 8 GENERAL TECHNICAL ASSISTANCE TO LOCAL JURISDICTIONS AND  
 9 AWARD MATCHING GRANTS FOR SPECIFIC ENERGY CONSERVATION  
 10 DEMONSTRATION PROJECTS THAT OFFER OPPORTUNITIES FOR  
 11 LONG-TERM ENERGY SAVINGS. The grant must be approved  
 12 pursuant to 10 CFR 465.8.

13 NEW SECTION. Section 9. Agricultural energy  
 14 conservation program -- appropriation. There is appropriated  
 15 \$100,000 from the stripper well payments contained in the  
 16 federal special revenue fund to the department of natural  
 17 resources and conservation for use by the conservation  
 18 districts in funding local energy efficiency or renewable  
 19 energy projects, such as solar livestock watering systems,  
 20 stock water tank insulation and solar heating, and farming  
 21 techniques to more efficiently use irrigation water,  
 22 pesticides, and fertilizers.

23 NEW SECTION. Section 10. Low-income leaking  
 24 underground home heating oil tank replacement assistance  
 25 program -- appropriation. (1) There is appropriated \$200,000

1 from the stripper well payment contained in the federal  
 2 special revenue fund to the department of health and  
 3 environmental sciences for the purpose described in  
 4 subsection (2).

5 (2) The department of health and environmental sciences  
 6 shall remove and replace home heating oil tanks and lines  
 7 that are losing fuel to the ground or that were over 30  
 8 years old in 1986 as reported pursuant to Rule 16.45.901,  
 9 Administrative Rules of Montana, and that serve residences  
 10 occupied by low-income home energy assistance recipients.  
 11 The department of health and environmental sciences shall  
 12 supply the most economical and environmentally safe  
 13 alternative to replace the systems it removes and shall  
 14 consider fuel-switching options in choosing among  
 15 replacement alternatives.

16 (3) The department of health and environmental sciences  
 17 shall consult with the department of natural resources and  
 18 conservation when it evaluates the economics of various  
 19 replacement alternatives. The department of health and  
 20 environmental sciences shall, whenever possible, supplement  
 21 the funding provided in this section by using heating  
 22 conversion or furnace repair or replacement funds provided  
 23 through the federal low-income home energy assistance or  
 24 weatherization assistance programs.

25 (4) The funds appropriated in this section may not be

1 spent to clean soil or water contaminated by fuel lost from  
2 leaking home heating oil tanks or lines.

3 NEW SECTION. Section 11. Institutional conservation  
4 program -- appropriation. There is appropriated \$700,000  
5 \$650,000 from the stripper well payments contained in the  
6 federal special revenue fund to the department of natural  
7 resources and conservation for use in the institutional  
8 conservation program for schools and hospitals administered  
9 by the department pursuant to 10 CFR 455.

10 NEW SECTION. Section 12. Conditions applied to  
11 appropriations. The appropriations made in [sections 4  
12 through 11] are biennial appropriations subject to the  
13 following conditions:

14 (1) One-half of the total amount appropriated to each  
15 program in [sections 4 through 11] is appropriated in fiscal  
16 year 1992 and one-half is appropriated in fiscal year 1993.  
17 As biennial appropriations, the unexpended funds  
18 appropriated in fiscal year 1992 may be carried forward  
19 within each program to the second year of the 1993 biennium.

20 (2) The exxon payments appropriated in [section 4] are  
21 to be authorized in fiscal year 1992 and in fiscal year 1993  
22 to the extent they are available before any stripper well  
23 payments appropriated in [section 4] are authorized.

24 NEW SECTION. Section 13. Appropriations prioritized.  
25 The appropriations in [sections 4 through 11] are approved

1 in order of priority as they appear in [sections 4 through  
2 11], with the appropriation in [section 4] having the  
3 highest priority and the appropriation in [section 11]  
4 having the lowest priority. If the U.S. department of energy  
5 does not approve one or more of the programs that are funded  
6 by [sections 4 through 11], any stripper well payments that  
7 are not used to fund higher priority programs must be  
8 provided to lower ranked programs up to the amounts  
9 appropriated in [sections 4 through 11]. If stripper well  
10 payments are insufficient to fully fund the appropriations  
11 made in [sections 4 through 11], the lowest ranking program  
12 must have its appropriation reduced until the deficiency is  
13 eliminated. If the deficiency is in excess of the  
14 appropriation to the lowest ranking program, the next lowest  
15 ranking program must have its appropriation reduced until  
16 the deficiency is eliminated, and so forth as the programs  
17 are prioritized. These priorities must be applied to  
18 one-half of the total amount appropriated in [sections 4  
19 through 11] for fiscal year 1992 and to the remaining  
20 appropriation for fiscal year 1993. In order to provide  
21 continuity for the programs when establishing the  
22 appropriations for each fiscal year of the 1993 biennium,  
23 anticipated stripper well payments that will be received  
24 under terms of the agreements during the biennium may be  
25 considered as available to fund the activities. If [LC 904]

HB 0010/02

1   \_\_ Bill No. \_\_ is passed and approved, the stripper well  
2   payments appropriated in [LC 904] \_\_ Bill No. \_\_ have a  
3   higher priority than any appropriation of stripper well  
4   payments in [sections 4 through 11]. The expenditures  
5   authorized by [sections 4 through 11] may not exceed the  
6   amount of the stripper well and exxon payments available in  
7   the biennium.

8       NEW SECTION.   **Section 14.**   Effective date. [This act] is  
9   effective July 1, 1991.

-End-

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14 into escrow accounts to be distributed by the U. S. treasury  
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16 States. It is the policy of this state to use the oil  
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18 distribution to the state of Montana as the result of the  
19 final settlement agreement in the U. S. district court for  
20 the district of Kansas, Cause No. M.D.L. 378, and any  
21 interest accrued on the payments. The term also includes but  
22 is not limited to cities service payments, as defined in  
23 subsection (1), Getty oil payments, as defined in subsection  
24 (3), Texaco payments, as defined in subsection (5), and any  
25 unspent project funds, as defined in subsection (6).

1 (b) The term does not include stripper well payments  
2 that have been expended or legally obligated or that have  
3 been incorporated into any of the existing federal energy  
4 programs as the result of prior appropriations by the  
5 legislature.

6 (5) "Texaco payments" means the oil overcharge payments  
7 made to the U. S. treasury for distribution to the state of  
8 Montana pursuant to the texaco final consent order, 53 Fed.  
9 Reg. 32929, August 29, 1988, and any interest accrued on the  
10 payments.

11 (6) "Unspent project funds" means stripper well  
12 payments that were not expended or otherwise legally  
13 obligated during the 1991 biennium but that were  
14 appropriated for the 1991 biennium in Chapter 597, Laws of  
15 1989, in:

- 16 (a) section 4;
- 17 (b) section 6(1);
- 18 (c) section 7;
- 19 (d) section 8(1); and
- 20 (e) section 9(1).

21 **NEW SECTION. Section 3. Deposit of oil overcharge**  
22 **revenue.** All funds from stripper well and exxon payments  
23 must be deposited by the state treasurer in the federal  
24 special revenue fund. All interest earned on these funds or  
25 payments must also be deposited in the federal special

1 revenue fund.

2 **NEW SECTION. Section 4. Low-income home weatherization**  
3 **-- appropriation.** There is appropriated \$600,000 from the  
4 exxon payments contained in the federal special revenue fund  
5 and ~~\$600,000~~ \$550,000 from the stripper well payments  
6 contained in the federal special revenue fund to the  
7 department of social and rehabilitation services for use in  
8 the home weatherization program created in 90-4-201.

9 **NEW SECTION. Section 5. Matching funds for low-income**  
10 **energy assistance -- appropriation.** (1) There is  
11 appropriated \$100,000 from the stripper well payments  
12 contained in the federal special revenue fund to the  
13 department of social and rehabilitation services for the  
14 purpose described in subsection (2).

15 (2) The department of social and rehabilitation  
16 services shall match private contributions to energy share,  
17 inc., to be used to assist persons not eligible for federal  
18 low-income energy assistance whose income is less than 150%  
19 of the federal poverty threshold published by the U. S.  
20 bureau of the census in the most recent edition of its  
21 publication, Poverty in the United States. All of the funds  
22 appropriated under subsection (1) must be used for clients'  
23 fuel bills or other energy needs.

24 **NEW SECTION. Section 6. Biological agents for weed**  
25 **control -- findings -- appropriation.** There is appropriated

1 \$200,000 from the stripper well payments contained in the  
 2 federal special revenue fund to the department of  
 3 agriculture to continue the collection and distribution of  
 4 biological agents to control leafy spurge and spotted  
 5 knapweed. The project will reduce energy consumption by  
 6 reducing the need for repeated chemical applications and  
 7 will build upon the accomplishments derived from the funding  
 8 provided in section 8, House Bill 621, Laws of 1987, and in  
 9 section 7, Chapter 597, Laws of 1989.

10 NEW SECTION. Section 7. Safflower oil as diesel fuel  
 11 substitute or extender -- appropriation. There is  
 12 appropriated \$200,000 from the stripper well payments  
 13 contained in the federal special revenue fund to the  
 14 department of natural resources and conservation for the  
 15 demonstration of vegetable oil fuel substitutes or extenders  
 16 designed to reduce petroleum consumption and result in a new  
 17 potential cash crop for Montana farmers. Stripper well funds  
 18 must be matched at least dollar for dollar with private or  
 19 federal revenue, or both. The appropriation must be used to:

20 (1) contract with Montana farmers to grow high oleic  
 21 safflower strains such as montola 2000, which was developed  
 22 by the Montana state university agricultural experiment  
 23 station through previous research funded by the department  
 24 of natural resources and conservation;

25 (2) field-test lube oil additive mixes to minimize

1 polymerization in diesel engines that use vegetable oil  
 2 fuel;

3 (3) evaluate engine testing results from safflower fuel  
 4 oil use; and

5 (4) perform preliminary market development for montola  
 6 2000 or other high oleic strains.

7 NEW SECTION. Section 8. Technical assistance to local  
 8 governments -- appropriation. There is appropriated ~~126,000~~  
 9 235,000 from the stripper well payments contained in the  
 10 federal special revenue fund to the department of natural  
 11 resources and conservation to award a grant to a public or  
 12 private entity to provide technical assistance to local  
 13 government entities for the purpose of ~~identifying--energy~~  
 14 conservation-measures: DEVELOPING A PROGRAM FOR RETROFITTING  
 15 LOCAL GOVERNMENT BUILDINGS WITH ENERGY CONSERVATION  
 16 MEASURES, SIMILAR TO THE STATE BUILDING ENERGY CONSERVATION  
 17 PROGRAM ESTABLISHED BY TITLE 90, CHAPTER 4, PART 6, FOR  
 18 STATE BUILDINGS. PRIORITY MUST BE GIVEN TO DEVELOPING A  
 19 SELF-SUSTAINING LOCAL GOVERNMENT BUILDING ENERGY  
 20 CONSERVATION PROGRAM. THE PROGRAM MAY BE BASED UPON  
 21 MECHANISMS THAT INCLUDE BUT ARE NOT LIMITED TO LEVERAGING  
 22 PRIVATE AND PUBLIC FUNDS, SELLING THE ENERGY SAVINGS TO  
 23 UTILITIES, POOLING GROUPS OF LOCAL GOVERNMENT FACILITIES  
 24 INTO LARGER RETROFIT PACKAGES FOR FINANCING OR SALE TO  
 25 UTILITIES, AND WORKING WITH THE DEPARTMENT TO POOL STATE AND

1 LOCAL GOVERNMENT RETROFIT PACKAGES FOR SALE TO UTILITIES.  
 2 THE DEPARTMENT SHALL SUBMIT TO THE 53RD LEGISLATURE A REPORT  
 3 THAT IS BASED UPON THE WORK COMPLETED BY THE LOCAL  
 4 GOVERNMENT ENTITY AND THAT INCLUDES OPTIONS AND  
 5 RECOMMENDATIONS FOR A SELF-SUSTAINING LOCAL GOVERNMENT  
 6 BUILDING CONSERVATION PROGRAM AND THE LEGISLATION NECESSARY  
 7 TO IMPLEMENT THE PROGRAM. THE DEPARTMENT SHALL ALSO PROVIDE  
 8 ALLOW GRANT FUNDS NOT USED BY THE LOCAL GOVERNMENT ENTITY TO  
 9 DEVELOP THE LOCAL GOVERNMENT RETROFIT PROGRAM TO BE USED TO  
 10 SUPPORT GENERAL TECHNICAL ASSISTANCE TO LOCAL JURISDICTIONS  
 11 AND AWARD MATCHING GRANTS FOR SPECIFIC ENERGY CONSERVATION  
 12 DEMONSTRATION PROJECTS THAT OFFER OPPORTUNITIES FOR  
 13 LONG-TERM ENERGY SAVINGS. The grant must be approved  
 14 pursuant to 10 CFR 465.8.

15 NEW SECTION. Section 9. Agricultural energy  
 16 conservation program -- appropriation. There is appropriated  
 17 \$100,000 from the stripper well payments contained in the  
 18 federal special revenue fund to the department of natural  
 19 resources and conservation for use by the conservation  
 20 districts in funding local energy efficiency or renewable  
 21 energy projects, such as solar livestock watering systems,  
 22 stock water tank insulation and solar heating, and farming  
 23 techniques to more efficiently use irrigation water,  
 24 pesticides, and fertilizers.

25 NEW SECTION. Section 10. Low-income leaking

1 underground home heating oil tank replacement assistance  
 2 program -- appropriation. (1) There is appropriated \$200,000  
 3 from the stripper well payment contained in the federal  
 4 special revenue fund to the department of health and  
 5 environmental sciences for the purpose described in  
 6 subsection (2).

7 (2) The department of health and environmental sciences  
 8 shall remove and replace home heating oil tanks and lines  
 9 that are losing fuel to the ground or that were over 30  
 10 years old in 1986 as reported pursuant to Rule 16.45.901,  
 11 Administrative Rules of Montana, and that serve residences  
 12 occupied by low-income home energy assistance recipients.  
 13 The department of health and environmental sciences shall  
 14 supply the most economical and environmentally safe  
 15 alternative to replace the systems it removes and shall  
 16 consider fuel-switching options in choosing among  
 17 replacement alternatives.

18 (3) The department of health and environmental sciences  
 19 shall consult with the department of natural resources and  
 20 conservation when it evaluates the economics of various  
 21 replacement alternatives. The department of health and  
 22 environmental sciences shall, whenever possible, supplement  
 23 the funding provided in this section by using heating  
 24 conversion or furnace repair or replacement funds provided  
 25 through the federal low-income home energy assistance or

1 weatherization assistance programs.

2 (4) The funds appropriated in this section may not be  
 3 spent to clean soil or water contaminated by fuel lost from  
 4 leaking home heating oil tanks or lines.

5 NEW SECTION. **Section 11.** Institutional conservation  
 6 program -- appropriation. There is appropriated \$700,000  
 7 \$650,000 from the stripper well payments contained in the  
 8 federal special revenue fund to the department of natural  
 9 resources and conservation for use in the institutional  
 10 conservation program for schools and hospitals administered  
 11 by the department pursuant to 10 CFR 455.

12 NEW SECTION. **Section 12.** Conditions applied to  
 13 appropriations. The appropriations made in [sections 4  
 14 through 11] are biennial appropriations subject to the  
 15 following conditions:

16 (1) One-half of the total amount appropriated to each  
 17 program in [sections 4 through 11] is appropriated in fiscal  
 18 year 1992 and one-half is appropriated in fiscal year 1993.  
 19 As biennial appropriations, the unexpended funds  
 20 appropriated in fiscal year 1992 may be carried forward  
 21 within each program to the second year of the 1993 biennium.

22 (2) The Exxon payments appropriated in [section 4] are  
 23 to be authorized in fiscal year 1992 and in fiscal year 1993  
 24 to the extent they are available before any stripper well  
 25 payments appropriated in [section 4] are authorized.

1 NEW SECTION. **Section 13.** Appropriations prioritized.  
 2 The appropriations in [sections 4 through 11] are approved  
 3 in order of priority as they appear in [sections 4 through  
 4 11], with the appropriation in [section 4] having the  
 5 highest priority and the appropriation in [section 11]  
 6 having the lowest priority. If the U.S. department of energy  
 7 does not approve one or more of the programs that are funded  
 8 by [sections 4 through 11], any stripper well payments that  
 9 are not used to fund higher priority programs must be  
 10 provided to lower ranked programs up to the amounts  
 11 appropriated in [sections 4 through 11]. If stripper well  
 12 payments are insufficient to fully fund the appropriations  
 13 made in [sections 4 through 11], the lowest ranking program  
 14 must have its appropriation reduced until the deficiency is  
 15 eliminated. If the deficiency is in excess of the  
 16 appropriation to the lowest ranking program, the next lowest  
 17 ranking program must have its appropriation reduced until  
 18 the deficiency is eliminated, and so forth as the programs  
 19 are prioritized. These priorities must be applied to  
 20 one-half of the total amount appropriated in [sections 4  
 21 through 11] for fiscal year 1992 and to the remaining  
 22 appropriation for fiscal year 1993. In order to provide  
 23 continuity for the programs when establishing the  
 24 appropriations for each fiscal year of the 1993 biennium,  
 25 anticipated stripper well payments that will be received

1 under terms of the agreements during the biennium may be  
2 considered as available to fund the activities. If [LC 904]  
3 \_\_ Bill No. \_\_ is passed and approved, the stripper well  
4 payments appropriated in [LC 904] \_\_ Bill No. \_\_ have a  
5 higher priority than any appropriation of stripper well  
6 payments in [sections 4 through 11]. The expenditures  
7 authorized by [sections 4 through 11] may not exceed the  
8 amount of the stripper well and Exxon payments available in  
9 the biennium.

10 NEW SECTION. Section 14. Effective date. [This act] is  
11 effective July 1, 1991.

-End-

## 1 HOUSE BILL NO. 10

2 INTRODUCED BY BARDANOUVE

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL  
6 OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF  
7 MONTANA; AND PROVIDING AN EFFECTIVE DATE."8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:10 NEW SECTION. Section 1. Policy. As a result of  
11 overcharges on sales of domestic crude oil, the federal  
12 courts have ordered or approved settlements requiring the  
13 repayment of the total amount of overcharges, plus interest,  
14 into escrow accounts to be distributed by the U. S. treasury  
15 to the states, territories, and possessions of the United  
16 States. It is the policy of this state to use the oil  
17 overcharge money distributed to the state to supplement  
18 state and federal programs that the state administers and to  
19 use the money in a manner consistent with federal court  
20 orders establishing or approving the payment of the funds to  
21 the state of Montana.22 NEW SECTION. Section 2. Definitions. As used in [this  
23 act], the following definitions apply:24 (1) "Cities service payments" means the oil overcharge  
25 payments and any interest accrued on the payments made to1 the U.S. treasury for distribution to the state of Montana  
2 pursuant to the consent agreement between cities service oil  
3 and gas and the U. S. department of energy as affirmed by  
4 the federal energy regulatory commission.5 (2) "Exxon payments" means the oil overcharge payments  
6 made by the exxon corporation to the U. S. treasury for  
7 distribution to the state of Montana pursuant to the order  
8 of the U. S. district court for the District of Columbia in  
9 Civil Action No. 78-1035.10 (3) "Getty oil payments" means the oil overcharge  
11 payments made to the U. S. treasury for distribution to the  
12 state of Montana pursuant to the order of disbursement  
13 issued in Civil Action No. 77-347 (MMS) in the U. S.  
14 district court for the district of Delaware and any interest  
15 accrued on the payments.16 (4) (a) "Stripper well payments" means the oil  
17 overcharge payments made to the U. S. treasury for  
18 distribution to the state of Montana as the result of the  
19 final settlement agreement in the U. S. district court for  
20 the district of Kansas, Cause No. M.D.L. 378, and any  
21 interest accrued on the payments. The term also includes but  
22 is not limited to cities service payments, as defined in  
23 subsection (1), getty oil payments, as defined in subsection  
24 (3), texaco payments, as defined in subsection (5), and any  
25 unspent project funds, as defined in subsection (6).

1 (b) The term does not include stripper well payments  
2 that have been expended or legally obligated or that have  
3 been incorporated into any of the existing federal energy  
4 programs as the result of prior appropriations by the  
5 legislature.

6 (5) "Texaco payments" means the oil overcharge payments  
7 made to the U. S. treasury for distribution to the state of  
8 Montana pursuant to the texaco final consent order, 53 Fed.  
9 Reg. 32929, August 29, 1988, and any interest accrued on the  
10 payments.

11 (6) "Unspent project funds" means stripper well  
12 payments that were not expended or otherwise legally  
13 obligated during the 1991 biennium but that were  
14 appropriated for the 1991 biennium in Chapter 597, Laws of  
15 1989, in:

- 16 (a) section 4;
- 17 (b) section 6(1);
- 18 (c) section 7;
- 19 (d) section 8(1); and
- 20 (e) section 9(1).

21 NEW SECTION. Section 3. Deposit of oil overcharge  
22 revenue. All funds from stripper well and exxon payments  
23 must be deposited by the state treasurer in the federal  
24 special revenue fund. All interest earned on these funds or  
25 payments must also be deposited in the federal special

1 revenue fund.

2 NEW SECTION. Section 4. Low-income home weatherization  
3 -- appropriation. There is appropriated \$600,000 from the  
4 exxon payments contained in the federal special revenue fund  
5 and ~~\$600,000~~ \$550,000 from the stripper well payments  
6 contained in the federal special revenue fund to the  
7 department of social and rehabilitation services for use in  
8 the home weatherization program created in 90-4-201.

9 NEW SECTION. Section 5. Matching funds for low-income  
10 energy assistance -- appropriation. (1) There is  
11 appropriated \$100,000 from the stripper well payments  
12 contained in the federal special revenue fund to the  
13 department of social and rehabilitation services for the  
14 purpose described in subsection (2).

15 (2) The department of social and rehabilitation  
16 services shall match private contributions to energy share,  
17 inc., to be used to assist persons not eligible for federal  
18 low-income energy assistance whose income is less than 150%  
19 of the federal poverty threshold published by the U. S.  
20 bureau of the census in the most recent edition of its  
21 publication, Poverty in the United States. All of the funds  
22 appropriated under subsection (1) must be used for clients'  
23 fuel bills or other energy needs.

24 NEW SECTION. Section 6. Biological agents for weed  
25 control -- findings -- appropriation. There is appropriated

1 \$200,000 from the stripper well payments contained in the  
 2 federal special revenue fund to the department of  
 3 agriculture to continue the collection and distribution of  
 4 biological agents to control leafy spurge and spotted  
 5 knapweed. The project will reduce energy consumption by  
 6 reducing the need for repeated chemical applications and  
 7 will build upon the accomplishments derived from the funding  
 8 provided in section 8, House Bill 621, Laws of 1987, and in  
 9 section 7, Chapter 597, Laws of 1989.

10 NEW SECTION. Section 7. Safflower oil as diesel fuel  
 11 substitute or extender -- appropriation. There is  
 12 appropriated \$200,000 from the stripper well payments  
 13 contained in the federal special revenue fund to the  
 14 department of natural resources and conservation for the  
 15 demonstration of vegetable oil fuel substitutes or extenders  
 16 designed to reduce petroleum consumption and result in a new  
 17 potential cash crop for Montana farmers. Stripper well funds  
 18 must be matched at least dollar for dollar with private or  
 19 federal revenue, or both. The appropriation must be used to:

- 20 (1) contract with Montana farmers to grow high oleic
- 21 safflower strains such as montola 2000, which was developed
- 22 by the Montana state university agricultural experiment
- 23 station through previous research funded by the department
- 24 of natural resources and conservation;
- 25 (2) field-test lube oil additive mixes to minimize

1 polymerization in diesel engines that use vegetable oil  
 2 fuel;

3 (3) evaluate engine testing results from safflower fuel  
 4 oil use; and

5 (4) perform preliminary market development for montola  
 6 2000 or other high oleic strains.

7 NEW SECTION. Section 8. Technical assistance to local  
 8 governments -- appropriation. There is appropriated ~~\$126,000~~  
 9 \$235,000 from the stripper well payments contained in the  
 10 federal special revenue fund to the department of natural  
 11 resources and conservation to award a grant to a public or  
 12 private entity to provide technical assistance to local  
 13 government entities for the purpose of ~~identifying--energy~~  
 14 conservation-measures: DEVELOPING A PROGRAM FOR RETROFITTING  
 15 LOCAL GOVERNMENT BUILDINGS WITH ENERGY CONSERVATION  
 16 MEASURES, SIMILAR TO THE STATE BUILDING ENERGY CONSERVATION  
 17 PROGRAM ESTABLISHED BY TITLE 90, CHAPTER 4, PART 6, FOR  
 18 STATE BUILDINGS. PRIORITY MUST BE GIVEN TO DEVELOPING A  
 19 SELF-SUSTAINING LOCAL GOVERNMENT BUILDING ENERGY  
 20 CONSERVATION PROGRAM. THE PROGRAM MAY BE BASED UPON  
 21 MECHANISMS THAT INCLUDE BUT ARE NOT LIMITED TO LEVERAGING  
 22 PRIVATE AND PUBLIC FUNDS, SELLING THE ENERGY SAVINGS TO  
 23 UTILITIES, POOLING GROUPS OF LOCAL GOVERNMENT FACILITIES  
 24 INTO LARGER RETROFIT PACKAGES FOR FINANCING OR SALE TO  
 25 UTILITIES, AND WORKING WITH THE DEPARTMENT TO POOL STATE AND

1 LOCAL GOVERNMENT RETROFIT PACKAGES FOR SALE TO UTILITIES.  
 2 THE DEPARTMENT SHALL SUBMIT TO THE 53RD LEGISLATURE A REPORT  
 3 THAT IS BASED UPON THE WORK COMPLETED BY THE LOCAL  
 4 GOVERNMENT ENTITY AND THAT INCLUDES OPTIONS AND  
 5 RECOMMENDATIONS FOR A SELF-SUSTAINING LOCAL GOVERNMENT  
 6 BUILDING CONSERVATION PROGRAM AND THE LEGISLATION NECESSARY  
 7 TO IMPLEMENT THE PROGRAM. THE DEPARTMENT SHALL ALSO PROVIDE  
 8 ALLOW GRANT FUNDS NOT USED BY THE LOCAL GOVERNMENT ENTITY TO  
 9 DEVELOP THE LOCAL GOVERNMENT RETROFIT PROGRAM TO BE USED TO  
 10 SUPPORT GENERAL TECHNICAL ASSISTANCE TO LOCAL JURISDICTIONS  
 11 AND AWARD MATCHING GRANTS FOR SPECIFIC ENERGY CONSERVATION  
 12 DEMONSTRATION PROJECTS THAT OFFER OPPORTUNITIES FOR  
 13 LONG-TERM ENERGY SAVINGS. The grant must be approved  
 14 pursuant to 10 CFR 465.8.

15 NEW SECTION. Section 9. Agricultural energy  
 16 conservation program -- appropriation. There is appropriated  
 17 \$100,000 from the stripper well payments contained in the  
 18 federal special revenue fund to the department of natural  
 19 resources and conservation for use by the conservation  
 20 districts in funding local energy efficiency or renewable  
 21 energy projects, such as solar livestock watering systems,  
 22 stock water tank insulation and solar heating, and farming  
 23 techniques to more efficiently use irrigation water,  
 24 pesticides, and fertilizers.

25 NEW SECTION. Section 10. Low-income leaking

1 underground home heating oil tank replacement assistance  
 2 program -- appropriation. (1) There is appropriated \$200,000  
 3 from the stripper well payment contained in the federal  
 4 special revenue fund to the department of health and  
 5 environmental sciences for the purpose described in  
 6 subsection (2).

7 (2) The department of health and environmental sciences  
 8 shall remove and replace home heating oil tanks and lines  
 9 that are losing fuel to the ground or that were over 30  
 10 years old in 1986 as reported pursuant to Rule 16.45.901,  
 11 Administrative Rules of Montana, and that serve residences  
 12 occupied by low-income home energy assistance recipients.  
 13 The department of health and environmental sciences shall  
 14 supply the most economical and environmentally safe  
 15 alternative to replace the systems it removes and shall  
 16 consider fuel-switching options in choosing among  
 17 replacement alternatives.

18 (3) The department of health and environmental sciences  
 19 shall consult with the department of natural resources and  
 20 conservation when it evaluates the economics of various  
 21 replacement alternatives. The department of health and  
 22 environmental sciences shall, whenever possible, supplement  
 23 the funding provided in this section by using heating  
 24 conversion or furnace repair or replacement funds provided  
 25 through the federal low-income home energy assistance or

1 weatherization assistance programs.

2 (4) The funds appropriated in this section may not be  
3 spent to clean soil or water contaminated by fuel lost from  
4 leaking home heating oil tanks or lines.

5 NEW SECTION. Section 11. Institutional conservation  
6 program -- appropriation. There is appropriated ~~\$700,000~~  
7 \$650,000 from the stripper well payments contained in the  
8 federal special revenue fund to the department of natural  
9 resources and conservation for use in the institutional  
10 conservation program for schools and hospitals administered  
11 by the department pursuant to 10 CFR 455.

12 NEW SECTION. Section 12. Conditions applied to  
13 appropriations. The appropriations made in [sections 4  
14 through 11] are biennial appropriations subject to the  
15 following conditions:

16 (1) One-half of the total amount appropriated to each  
17 program in [sections 4 through 11] is appropriated in fiscal  
18 year 1992 and one-half is appropriated in fiscal year 1993.  
19 As biennial appropriations, the unexpended funds  
20 appropriated in fiscal year 1992 may be carried forward  
21 within each program to the second year of the 1993 biennium.

22 (2) The Exxon payments appropriated in [section 4] are  
23 to be authorized in fiscal year 1992 and in fiscal year 1993  
24 to the extent they are available before any stripper well  
25 payments appropriated in [section 4] are authorized.

1 NEW SECTION. Section 13. Appropriations prioritized.  
2 The appropriations in [sections 4 through 11] are approved  
3 in order of priority as they appear in [sections 4 through  
4 11], with the appropriation in [section 4] having the  
5 highest priority and the appropriation in [section 11]  
6 having the lowest priority. If the U.S. department of energy  
7 does not approve one or more of the programs that are funded  
8 by [sections 4 through 11], any stripper well payments that  
9 are not used to fund higher priority programs must be  
10 provided to lower ranked programs up to the amounts  
11 appropriated in [sections 4 through 11]. If stripper well  
12 payments are insufficient to fully fund the appropriations  
13 made in [sections 4 through 11], the lowest ranking program  
14 must have its appropriation reduced until the deficiency is  
15 eliminated. If the deficiency is in excess of the  
16 appropriation to the lowest ranking program, the next lowest  
17 ranking program must have its appropriation reduced until  
18 the deficiency is eliminated, and so forth as the programs  
19 are prioritized. These priorities must be applied to  
20 one-half of the total amount appropriated in [sections 4  
21 through 11] for fiscal year 1992 and to the remaining  
22 appropriation for fiscal year 1993. In order to provide  
23 continuity for the programs when establishing the  
24 appropriations for each fiscal year of the 1993 biennium,  
25 anticipated stripper well payments that will be received

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1 under terms of the agreements during the biennium may be  
2 considered as available to fund the activities. If [LC 904]  
3 \_\_ Bill No. \_\_ is passed and approved, the stripper well  
4 payments appropriated in [LC 904] \_\_ Bill No. \_\_ have a  
5 higher priority than any appropriation of stripper well  
6 payments in [sections 4 through 11]. The expenditures  
7 authorized by [sections 4 through 11] may not exceed the  
8 amount of the stripper well and Exxon payments available in  
9 the biennium.

10 NEW SECTION. **Section 14.** Effective date. [This act] is  
11 effective July 1, 1991.

-End-