

1 HOUSE BILL NO. 586

2 INTRODUCED BY Jim Stack

3 BY REQUEST OF THE DEPARTMENT OF

4 NATURAL RESOURCES AND CONSERVATION

5

6 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING

7 HYDROELECTRIC POWER GENERATION REVENUES DERIVED FROM STATE

8 WATER CONSERVATION PROJECTS TO REPAIR AND REHABILITATE STATE

9 WATER CONSERVATION PROJECTS; AUTHORIZING THE DEPARTMENT OF

10 NATURAL RESOURCES AND CONSERVATION TO TRANSFER FUNDS FROM

11 THE STATE WATER PROJECT HYDROELECTRIC POWER GENERATION

12 SPECIAL REVENUE ACCOUNT AND THE BROADWATER REPLACEMENT AND

13 RENEWAL ACCOUNT FOR PAYMENT OF DEBT SERVICE ON WATER PROJECT

14 BONDS; AMENDING SECTIONS 17-7-502 AND 85-1-510, MCA; AND

15 PROVIDING AN EFFECTIVE DATE."

16

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

18 NEW SECTION. Section 1. state water project

19 hydroelectric power generation special revenue account

20 created -- revenues allocated. (1) There is a state water

21 project hydroelectric power generation special revenue

22 account within the state special revenue fund established in

23 17-2-102.

24 (2) Except as provided in the applicable bond

25 resolution, all revenues derived from hydroelectric power

1 generation at state water conservation projects under Title

2 85, chapter 1, must be paid into this account as received.

3 (3) The revenues received under this section must be

4 used to repair and rehabilitate state-owned water projects

5 and works and to pay the cost of financing those activities.

6 (4) The funds deposited in the state water project

7 hydroelectric power generation special revenue account under

8 this section but not appropriated during the biennium and

9 money appropriated from the account but not expended during

10 the biennium for which it is appropriated must remain in the

11 account for future appropriation under this section and may

12 not be appropriated from the account except as authorized

13 under this section.

14 (5) There is a statutory appropriation pursuant to

15 17-7-502 to allow the department to transfer available funds

16 from the state water project hydroelectric power generation

17 special revenue account when needed to pay debt service on

18 state water project bonds, including but not limited to

19 broadwater power project bonds.

20 (6) There is a statutory appropriation pursuant to

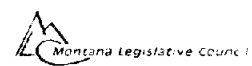
21 17-7-502 for the department to transfer available funds from

22 the broadwater replacement and renewal account when needed

23 to pay debt service on the broadwater power project bonds.

24 **Section 2.** Section 17-7-502, MCA, is amended to read:

25 "17-7-502. Statutory appropriations -- definition --



-2- INTRODUCTION BILL
NO 586

1 requisites for validity. (1) A statutory appropriation is an
 2 appropriation made by permanent law that authorizes spending
 3 by a state agency without the need for a biennial
 4 legislative appropriation or budget amendment.

5 (2) Except as provided in subsection (4), to be
 6 effective, a statutory appropriation must comply with both
 7 of the following provisions:

8 (a) The law containing the statutory authority must be
 9 listed in subsection (3).

10 (b) The law or portion of the law making a statutory
 11 appropriation must specifically state that a statutory
 12 appropriation is made as provided in this section.

13 (3) The following laws are the only laws containing
 14 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
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1 and section 13, House Bill No. 861, Laws of 1985; and
 2 [section 1].

3 (4) There is a statutory appropriation to pay the
 4 principal, interest, premiums, and costs of issuing, paying,
 5 and securing all bonds, notes, or other obligations, as due,
 6 that have been authorized and issued pursuant to the laws of
 7 Montana. Agencies that have entered into agreements
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 9 treasurer, for deposit in accordance with 17-2-101 through
 10 17-2-107, as determined by the state treasurer, an amount
 11 sufficient to pay the principal and interest as due on the
 12 bonds or notes have statutory appropriation authority for
 13 such payments. (In subsection (3), pursuant to sec. 10, Ch.
 14 664, L. 1987, the inclusion of 39-71-2504 terminates June
 15 30, 1991.)"

16 **Section 3.** Section 85-1-510, MCA, is amended to read:

17 **"85-1-510. Sale of power and allocation of revenues.**
 18 (1) If the operator of a small-scale hydroelectric
 19 generation facility under this chapter and a public utility
 20 or an electric cooperative are unable to mutually agree to a
 21 contract for the sale of electricity or a price for the
 22 electricity purchased by the utility or electric
 23 cooperative, the public service commission shall require the
 24 utility or electric cooperative to purchase the power under
 25 rates and terms established as provided in 85-1-511 through

1 85-1-513.

2 (2) The revenues derived from hydroelectric power
3 generation under this part must be deposited in the state
4 water project hydroelectric power generation special revenue
5 account created under [section 1]. The funds in the account
6 must be used to repair and rehabilitate state-owned water
7 projects and works and to pay the cost of financing those
8 activities."

9 NEW SECTION. Section 4. Codification instruction.
10 [Section 1] is intended to be codified as an integral part
11 of Title 85, chapter 1, part 2, and the provisions of Title
12 85, chapter 1, part 2, apply to [section 1].

13 NEW SECTION. Section 5. Effective date. [This act] is
14 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0586, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

This legislation allocates hydroelectric power generation revenue derived from state water conservation projects to a state water project hydroelectric power generation special revenue account when that revenue exceeds bond requirements. It stipulates that funds from the account are to be used to repair and rehabilitate state-owned water projects or, if needed, to pay for debt service on state water project bonds. It also stipulates that funds from the Broadwater renewal and replacement account can be used to pay debt service, if needed on the Broadwater power project bonds.

ASSUMPTIONS:


1. This act creates the state water project hydroelectric power generation special revenue account. It also stipulates what funds are to be deposited in it and what they are to be used for. The act does not appropriate funds for repairing and rehabilitating state-owned water projects.
2. The act creates a statutory appropriation to use funds from this new account when needed to pay debt service on state water project bonds, but it is not expected that this will be necessary in the 1993 biennium.
3. The act also creates a statutory appropriation to transfer funds from the Broadwater replacement and renewal account if needed to pay debt service on the Broadwater power project bonds, but this is not expected to be necessary in the 1993 biennium.

FISCAL IMPACT:

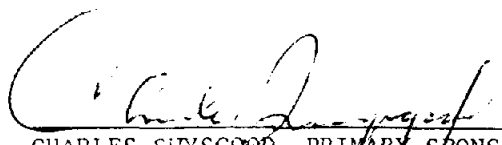
None

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Appropriate funds would be deposited directly into the state water project hydroelectric power generation special revenue account to be used for repair and rehabilitation of state-owned water projects instead of being deposited into the water development state special revenue fund.



ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



CHARLES SWYSGOOD, PRIMARY SPONSOR DATE
Fiscal Note for HB0586, as introduced

HB 586

APPROVED BY COMM. ON NATURAL RESOURCES

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22 account within the state special revenue fund established in
23 17-2-102.

24 (2) Except as provided in the applicable bond
25 resolution, all revenues derived from hydroelectric power

1 generation at state water conservation projects under Title
2 85, chapter 1, must be paid into this account as received.

3 (3) The revenues received under this section must be
4 used to repair and rehabilitate state-owned water projects
5 and works and to pay the cost of financing those activities.

6 (4) The funds deposited in the state water project
7 hydroelectric power generation special revenue account under
8 this section but not appropriated during the biennium and
9 money appropriated from the account but not expended during
10 the biennium for which it is appropriated must remain in the
11 account for future appropriation under this section and may
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18 state water project bonds, including but not limited to
19 broadwater power project bonds.

20 (6) There is a statutory appropriation pursuant to
21 17-7-502 for the department to transfer available funds from
22 the broadwater replacement and renewal account when needed
23 to pay debt service on the broadwater power project bonds.

24 Section 2. Section 17-7-502, MCA, is amended to read:
25 "17-7-502. Statutory appropriations -- definition --



1 **requisites for validity. (1) A statutory appropriation is an**
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1 **and section 13, House Bill No. 861, Laws of 1985; and**
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 23 cooperative, the public service commission shall require the
 24 utility or electric cooperative to purchase the power under
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4 water project hydroelectric power generation special revenue
5 account created under [section 1]. The funds in the account
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7 projects and works and to pay the cost of financing those
8 activities."

9 NEW SECTION. Section 4. Codification instruction.
10 [Section 1] is intended to be codified as an integral part
11 of Title 85, chapter 1, part 2, and the provisions of Title
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