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Senate BILL NO. 86  
INTRODUCED BY Lowell Watt Ryan Norman  
Romy

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A FUND FOR RESEARCH INTO ALTERNATIVE ENERGY SOURCES AND ALLOCATING CERTAIN REVENUE FROM COAL TAXES TO THE FUND; ESTABLISHING A BOARD TO MAKE GRANTS FROM THE FUND IN SUPPORT OF ALTERNATIVE ENERGY RESEARCH; AMENDING SECTION 84-1309.1, R.C.M. 1947."

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

Section 1. Purpose. The purposes of this act are to stimulate research into the development of energy sources which are harmonious with ecological stability by virtue of being renewable, thereby to lessen that reliance on nonrenewable energy sources which conflicts with the goal of long-range ecological stability, and to provide for the funding and administration of such research.

Section 2. Definitions. As used in this act:

(1) "alternative renewable energy source" means a form of energy or matter, such as solar energy, wind energy, or methane, capable of being converted into forms of energy useful to mankind, and the technology necessary to make this conversion, when the source is not exhaustible in terms of this planet and when the source or the technology are not in general commercial use; and

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(2) "person" means a natural person, corporation, partnership, or other business entity, association, trust, foundation, any educational or scientific institution, or any governmental unit.

Section 3. Alternative energy research account established. There is within the earmarked revenue fund an alternative energy research account. Moneys are paid into this account under section 84-1309.1. The state treasurer shall draw warrants payable from this account upon order of the coal board.

Section 4. Section 84-1309.1, R.C.M. 1947, is amended to read as follows:

"84-1309.1. Disposal of license taxes. License taxes collected under the provisions of this chapter are allocated as follows:

(1) To the county general fund from which coal was mined three cents (3¢) per ton.

(2) Five percent (5%) of total collections per year to the earmarked revenue fund, to the credit of the alternative energy research account.

~~(2)~~ (3) All other revenues from license taxes collected under the provisions of this chapter shall be deposited to the credit of the general fund of the state."

Section 5. Coal board established -- composition. (1) There is a coal board composed of seven (7) members.

9886

1 (2) The coal board is allocated to the office of the  
2 lieutenant governor for administrative purposes only as  
3 prescribed in section 82A-108.

4 (3) The members of the coal board are selected as  
5 follows:

6 (a) the board of health and environmental sciences  
7 shall designate two (2) of its members;

8 (b) the board of natural resources and conservation  
9 shall designate two (2) of its members;

10 (c) the board of land commissioners shall designate  
11 one (1) of its members; and

12 (d) the board of public education shall designate two  
13 (2) of its members.

14 Each person designated serves on the coal board at the  
15 pleasure of his designating board while he is a member of  
16 the designating board.

17 Section 6. Chairman -- meetings -- compensation. (1)  
18 The board shall elect a chairman from among its members.

19 (2) The board shall meet quarterly and may meet at  
20 other times as called by the chairman or a majority of the  
21 members.

22 (3) Members are entitled to compensation as provided  
23 for in section 82A-112(7).

24 Section 7. Coal board -- general powers. The board  
25 may:

1 (1) employ a full-time administrator and a secretary  
2 and hire suitable office facilities;

3 (2) retain professional consultants and advisors;

4 (3) adopt rules governing its proceedings;

5 (4) consider applications for grants and award grants,  
6 subject to the availability of funds, from the alternative  
7 energy research funds for research projects that will  
8 further the purposes of this act.

9 Section 8. Applications for grants. Any person may  
10 apply for a grant to enable him to investigate the  
11 development of alternative renewable energy sources. The  
12 coal board shall prescribe the form for applications.  
13 Applicants shall describe the nature of their proposed  
14 investigations, including practical applications of the  
15 possible results and time requirements.

16 Section 9. Criteria for grant awards. The coal board  
17 may award grants to applicants under section 8 of this act  
18 in accordance with the following criteria:

19 (1) A grant may cover a period not exceeding one (1)  
20 year, and the board may not commit itself to spending funds  
21 anticipated to be available more than one year after the  
22 grant period begins. The board may give an applicant a  
23 statement of intent to renew its support of his work,  
24 subject to the availability of funds and such other  
25 conditions as the board may express.

1           (2) The board may give preference to investigations  
2 which are also supported by grants from the federal  
3 government or other persons provided the grants are  
4 consistent with the other objectives of the board. The  
5 purpose of this preference is to use the alternative energy  
6 research account for matching moneys in order to support  
7 more substantial research.

8           (3) The board may give preference to research centers  
9 unattached to existing educational institutions where  
10 several investigators can share supporting services.

11           (4) The board may give preference to research centers  
12 which make information available to individuals, small  
13 businesses, and small communities seeking the use of  
14 renewable energy sources in their homes, plants, places of  
15 business, and small communities.

16           (5) All information resulting from such research shall  
17 be made available to the public and shall not become the  
18 private property of or under the exclusive control of any  
19 one (1) company or person.

-End-

9886

STATE OF MONTANA

REQUEST NO. 36-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 17, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 86 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to create a fund for research into development of alternative energy sources by allocating 5% of total strip mines license tax collections to an earmarked revenue fund.

ASSUMPTIONS:


1. Total strip mines license tax collections will be \$8,910,600 in FY 76 and \$11,271,500 in FY 77, of which \$8,168,850 and \$10,328,450 respectively will be deposited in the General Fund.
2. Staff of the board would consist of a full-time engineer and a secretary. Additional office space and equipment would be needed.
3. The seven board members would meet four times a year for two days at a cost of \$25 per day plus \$85 expenses per member.

FISCAL IMPACT:

Revenue	FY 76			FY 77		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
Strip mine license tax collections for deposit in General Fund.	<u>\$8,168,850</u>	<u>\$7,723,320</u>	<u>\$(445,530)</u>	<u>\$10,328,450</u>	<u>\$9,764,875</u>	<u>\$(563,575)</u>
Expenditure						
Increased expenditures under proposed law						
Personal Services			\$ 33,725			\$ 36,488
Operating Expenses			5,875			6,000
Equipment			2,000			0
			<u>\$ 41,600</u>			<u>\$ 42,488</u>

CONCLUSION:

Enactment of Senate Bill 86 would result in the creation of an earmarked revenue fund for alternative energy research of approximately \$1,009 million during the biennium with an accompanying decrease in General Fund revenue. Expenses of the coal board would cost an additional \$84,000 during the biennium.

  
 BUDGET DIRECTOR  
 Office of Budget and Program Planning  
 Date: 1/22/75

Approved by Committee  
on Taxation

SENATE BILL NO. 86

INTRODUCED BY TOWE, COLBERG, WATT, REGAN,

NORMAN, SEIBEL, ROMNEY

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A FUND FOR RESEARCH, ~~INTO~~ DEVELOPMENT AND DEMONSTRATION OF ALTERNATIVE ENERGY SOURCES AND ALLOCATING CERTAIN REVENUE FROM COAL TAXES TO THE FUND; ESTABLISHING--A--BOARD DIRECTING THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO MAKE GRANTS FROM THE FUND IN SUPPORT OF ALTERNATIVE ENERGY RESEARCH; PROVIDING FOR AN ALTERNATIVE ENERGY ADVISORY COMMITTEE; AMENDING SECTION 84-1309.1, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
(Strike everything after the enacting clause and insert:)

Section 1. There is a new R.C.M. section that reads as follows:

Purpose. The purposes of this act are to stimulate research, development, and demonstration of energy sources which are harmonious with ecological stability by virtue of being renewable, thereby to lessen that reliance on nonrenewable energy sources which conflicts with the goal of long-range ecological stability, and to provide for the funding and administration of such research, provided, that demonstration or development projects funded under this act

may not be used to commercially market electricity, heat energy, or energy by-products.

Section 2. There is a new R.C.M. section that reads as follows:

Definitions. As used in this act:

(1) "Alternative renewable energy source" means a form of energy or matter, such as solar energy, wind energy, or methane, capable of being converted into forms of energy useful to mankind, and the technology necessary to make this conversion, when the source is not exhaustible in terms of this planet and when the source or the technology are not in general commercial use.

(2) "Person" means a natural person, corporation, partnership, or other business entity, association, trust, foundation, any educational or scientific institution, or any governmental unit.

(3) "Department" means the Montana department of natural resources and conservation.

Section 3. There is a new R.C.M. section that reads as follows:

Alternative energy research development and demonstration account established. There is within the earmarked revenue fund an alternative energy research development and demonstration account. Moneys are paid into this account under section 84-1309.1. The state treasurer

1 shall draw warrants payable from this account upon order of  
2 the coal board.

3 Section 4. Section 84-1309.1, R.C.M. 1947, is amended  
4 to read as follows:

5 "84-1309.1. Disposal of license taxes. License taxes  
6 collected under the provisions of this chapter or severance  
7 taxes collected under such statutes as may be enacted in  
8 1975 are allocated as follows:

9 (1) To the county general fund from which coal was  
10 mined three cents (3¢) per ton.

11 (2) Five percent (5%) of total collections per year to  
12 the earmarked revenue fund, to the credit of the alternative  
13 energy research development and demonstration account.

14 ~~(2)~~ (3) All other revenues from license taxes  
15 collected under the provisions of this chapter shall be  
16 deposited to the credit of the general fund of the state."

17 Section 5. There is a new R.C.M. section that reads as  
18 follows:

19 Department -- general powers. The department may:

20 (1) employ a staff adequate to administer this act;  
21 (2) retain professional consultants and advisors;  
22 (3) adopt rules governing applications and granting of  
23 funds;

24 (4) consider applications for grants and award grants,  
25 subject to the availability of funds, and to the

1 appropriation of such funds by the legislature from the  
2 alternative energy research development and demonstration  
3 funds for projects that will further the purposes of this  
4 act;

5 (5) appoint an alternative energy advisory committee  
6 composed of representatives of state agencies and citizen  
7 members with expertise in alternative energy matters. The  
8 appointment of any such advisory committee shall be in  
9 keeping with section 82A-110.

10 Section 6. There is a new R.C.M. section that reads as  
11 follows:

12 Applications for grants. Any person may apply for a  
13 grant to enable him to research, develop or demonstrate  
14 alternative renewable energy sources. The department shall  
15 prescribe the form for applications. Applicants shall  
16 describe the nature of their proposed investigations,  
17 including practical applications of the possible results and  
18 time requirements.

19 Section 7. There is a new R.C.M. section that reads as  
20 follows:

21 Criteria for grant awards. The department may award  
22 grants to applicants under section 6 of this act in  
23 accordance with the following criteria:

24 (1) A grant may cover a period not exceeding one (1)  
25 year, and the department may not commit itself to spending

1 funds anticipated to be available more than one (1) year  
2 after the grant period begins. The department may give an  
3 applicant a statement of intent to renew its support of his  
4 work, subject to the availability of funds and such other  
5 conditions as the department may express.

6 (2) The department may give preference to projects  
7 which are also supported by grants from the federal  
8 government or other persons provided the grants are  
9 consistent with the other objectives of the board. The  
10 purpose of this preference is to use the alternative energy  
11 research development and demonstration account for matching  
12 moneys in order to support more substantial research.

13 (3) The department may give preference to research  
14 centers unattached to existing educational institutions  
15 where several investigators can share supporting services.  
16 However, this shall not be interpreted to prohibit the  
17 department from awarding grants to existing educational  
18 institutions.

19 (4) The department may give preference to research  
20 centers which make information available to individuals,  
21 small businesses, and small communities seeking the use of  
22 renewable energy sources in their homes, plants, places of  
23 business, and small communities.

24 (5) All information resulting from such research shall  
25 be made available to the public and shall not become the

1 private property of or under the exclusive control of any  
2 one (1) company or person.

3 (6) The department is under no requirement to expend  
4 or commit available alternative energy research, development  
5 and demonstration funds when in its judgment such  
6 expenditures or commitments would be unproductive.

-End-

1 SENATE BILL NO. 86

2 INTRODUCED BY TOWE, COLBERG, WATT, REGAN,

3 NORMAN, SEIBEL, ROMNEY

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A FUND FOR  
6 RESEARCH, ~~INFO~~ DEVELOPMENT AND DEMONSTRATION OF ALTERNATIVE  
7 ENERGY SOURCES AND ALLOCATING CERTAIN REVENUE FROM COAL  
8 TAXES TO THE FUND; ~~ESTABLISHING--A--BOARD~~ DIRECTING THE  
9 DEPARTMENT OF NATURAL---RESOURCES---AND---CONSERVATION  
10 INTERGOVERNMENTAL RELATIONS TO MAKE GRANTS FROM THE FUND IN  
11 SUPPORT OF ALTERNATIVE ENERGY RESEARCH; PROVIDING FOR AN  
12 ALTERNATIVE ENERGY ADVISORY COMMITTEE; AMENDING SECTION  
13 84-1309.1, R.C.M. 1947."

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
16 (Strike everything after the enacting clause and insert:)

17 Section 1. There is a new R.C.M. section that reads as  
18 follows:

19 Purpose. The purposes of this act are to stimulate  
20 research, development, and demonstration of energy sources  
21 which are harmonious with ecological stability by virtue of  
22 being renewable, thereby to lessen that reliance on  
23 nonrenewable energy sources which conflicts with the goal of  
24 long-range ecological stability, and to provide for the  
25 funding and administration of such research, provided, that

1 demonstration or development projects funded under this act  
2 may not be used to commercially market electricity, heat  
3 energy, or energy by-products.

4 Section 2. There is a new R.C.M. section that reads as  
5 follows:

6 Definitions. As used in this act:

7 (1) "Alternative renewable energy source" means a form  
8 of energy or matter, such as solar energy, wind energy, or  
9 methane FROM SOLID WASTE, capable of being converted into  
10 forms of energy useful to mankind, and the technology  
11 necessary to make this conversion, when the source is not  
12 exhaustible in terms of this planet and when the source or  
13 the technology are not in general commercial use.

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15 partnership, or other business entity, association, trust,  
16 foundation, any educational or scientific institution, or  
17 any governmental unit.

18 (3) "Department" means the Montana department of  
19 ~~natural---resources---and---conservation~~ INTERGOVERNMENTAL  
20 RELATIONS.

21 Section 3. There is a new R.C.M. section that reads as  
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23 Alternative energy research development and  
24 demonstration account established. There is within the  
25 earmarked revenue fund an alternative energy research



1 development and demonstration account. Moneys are paid into  
2 this account under section 84-1309.1. The state treasurer  
3 shall draw warrants payable from this account upon order of  
4 the coal board.

5 Section 4. Section 84-1309.1, R.C.M. 1947, is amended  
6 to read as follows:

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8 collected under the provisions of this chapter or severance  
9 taxes collected under such statutes as may be enacted in  
10 1975 are allocated as follows:

11 (1) To the county general fund from which coal was  
12 mined three cents (3¢) per ton.

13 (2) Five percent (5%) of total collections per year to  
14 the earmarked revenue fund, to the credit of the alternative  
15 energy research development and demonstration account.

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17 collected under the provisions of this chapter shall be  
18 deposited to the credit of the general fund of the state."

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- 22 (1) employ a staff adequate to administer this act;  
23 (2) retain professional consultants and advisors;  
24 (3) adopt rules governing applications and granting of  
25 funds;

1 (4) consider applications for grants and award grants,  
2 subject to the availability of funds, and to the  
3 appropriation of such funds by the legislature from the  
4 alternative energy research development and demonstration  
5 funds for projects that will further the purposes of this  
6 act;

7 (5) appoint an alternative energy advisory committee  
8 composed of representatives of state agencies and citizen  
9 members with expertise in alternative energy matters. The  
10 appointment of any such advisory committee shall be in  
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24 grants to applicants under section 6 of this act in  
25 accordance with the following criteria:

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 5 applicant a statement of intent to renew its support of his  
 6 work, subject to the availability of funds and such other  
 7 conditions as the department may express.

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 9 which are also supported by grants from the federal  
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 11 consistent with the other objectives of the board. The  
 12 purpose of this preference is to use the alternative energy  
 13 research development and demonstration account for matching  
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 2 be made available to the public and shall not become the  
 3 private property of or under the exclusive control of any  
 4 one (1) company or person.

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 6 or commit available alternative energy research, development  
 7 and demonstration funds when in its judgment such  
 8 expenditures or commitments would be unproductive.

9 SECTION 8. THERE IS A NEW R.C.M. SECTION THAT READS AS  
 10 FOLLOWS:  
 11 BIENNIAL REPORT. THE DEPARTMENT SHALL REPORT ITS  
 12 EXPENDITURES AND OTHER ACTIVITIES UNDER THIS ACT TO THE  
 13 LEGISLATURE AT THE BEGINNING OF EACH REGULAR LEGISLATIVE  
 14 SESSION.

-End-

HOUSE OF REPRESENTATIVES

March 20, 1975

HOUSE COMMITTEE ON TAXATION AMENDMENT TO SENATE BILL 86

Amend in the third reading copy as follows:

1. Amend in the title, page 1, line 10.  
Strike: "INTERGOVERNMENTAL RELATIONS"  
Insert: "NATURAL RESOURCES AND CONSERVATION"
2. Amend page 2, section 2 (3), lines 19 and 20.  
Following: "conservation"  
Strike: "INTERGOVERNMENTAL RELATIONS"  
Insert: "natural resources and conservation"

AS SO AMENDED  
BE CONCURRED IN

March 26, 1975

HOUSE OF REPRESENTATIVES

Committee of the Whole Amendment to SENATE BILL NO. 86,  
third reading copy, as follows:

1. Amend page 3, section 3, line 4

Following: "the"

Strike: "coal board"

Insert: "department"

AS SO AMENDED

BE CONCURRED IN

---

SENATE BILL NO. 86

INTRODUCED BY TOWE, COLBERG, WATT, REGAN,

NORMAN, SEIBEL, ROMNEY

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A FUND FOR RESEARCH, ~~INTO~~ DEVELOPMENT AND DEMONSTRATION OF ALTERNATIVE ENERGY SOURCES AND ALLOCATING CERTAIN REVENUE FROM COAL TAXES TO THE FUND; ~~ESTABLISHING--A--BOARD~~ DIRECTING THE DEPARTMENT OF ~~NATURAL---RESOURCES---AND---CONSERVATION INTERGOVERNMENTAL---RELATIONS~~ NATURAL RESOURCES AND CONSERVATION TO MAKE GRANTS FROM THE FUND IN SUPPORT OF ALTERNATIVE ENERGY RESEARCH; PROVIDING FOR AN ALTERNATIVE ENERGY ADVISORY COMMITTEE; AMENDING SECTION 84-1309.1, R.C.M. 1947."

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13 EXPENDITURES AND OTHER ACTIVITIES UNDER THIS ACT TO THE  
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-End-

1 SENATE BILL NO. 86  
 2 INTRODUCED BY TOWE, COLBERG, WATT, REGAN,  
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5 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A FUND FOR  
 6 RESEARCH, ~~INTO~~ DEVELOPMENT AND DEMONSTRATION OF ALTERNATIVE  
 7 ENERGY SOURCES AND ALLOCATING CERTAIN REVENUE FROM COAL  
 8 TAXES TO THE FUND; ~~ESTABLISHING--A--BOARD~~ DIRECTING THE  
 9 DEPARTMENT OF NATURAL---RESOURCES---AND---CONSERVATION  
 10 INTERGOVERNMENTAL---RELATIONS NATURAL RESOURCES AND  
 11 CONSERVATION TO MAKE GRANTS FROM THE FUND IN SUPPORT OF  
 12 ALTERNATIVE ENERGY RESEARCH; PROVIDING FOR AN ALTERNATIVE  
 13 ENERGY ADVISORY COMMITTEE; MAKING APPROPRIATIONS; AMENDING  
 14 SECTION 84-1309.1, R.C.M. 1947."

15  
 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 17 (Strike everything after the enacting clause and insert:)

18 Section 1. There is a new R.C.M. section that reads as  
 19 follows:

20 Purpose. The purposes of this act are to stimulate  
 21 research, development, and demonstration of energy sources  
 22 which are harmonious with ecological stability by virtue of  
 23 being renewable, thereby to lessen that reliance on  
 24 nonrenewable energy sources which conflicts with the goal of  
 25 long-range ecological stability, and to provide for the

1 funding and administration of such research, provided, that  
 2 demonstration or development projects funded under this act  
 3 may not be used to commercially market electricity, heat  
 4 energy, or energy by-products.

5 Section 2. There is a new R.C.M. section that reads as  
 6 follows:

7 Definitions. As used in this act:

8 (1) "Alternative renewable energy source" means a form  
 9 of energy or matter, such as solar energy, wind energy, or  
 10 methane FROM SOLID WASTE, capable of being converted into  
 11 forms of energy useful to mankind, and the technology  
 12 necessary to make this conversion, when the source is not  
 13 exhaustible in terms of this planet and when the source or  
 14 the technology are not in general commercial use.

15 (2) "Person" means a natural person, corporation,  
 16 partnership, or other business entity, association, trust,  
 17 foundation, any educational or scientific institution, or  
 18 any governmental unit.

19 (3) "Department" means the Montana department of  
 20 ~~natural---resources---and---conservation~~ INTERGOVERNMENTAL  
 21 RELATIONS NATURAL RESOURCES AND CONSERVATION.

22 Section 3. There is a new R.C.M. section that reads as  
 23 follows:

24 Alternative energy research development and  
 25 demonstration account established. There is within the



1 earmarked revenue fund an alternative energy research  
2 development and demonstration account. Moneys are paid into  
3 this account under section 84-1309.1. The state treasurer  
4 shall draw warrants payable from this account upon order of  
5 the ~~coal-board~~ DEPARTMENT.

6 Section 4. Section 84-1309.1, R.C.M. 1947, is amended  
7 to read as follows:

8 "84-1309.1. Disposal of license taxes. License taxes  
9 collected under the provisions of this chapter or severance  
10 taxes collected under such statutes as may be enacted in  
11 1975 are allocated as follows:

12 (1) To the county general fund from which coal was  
13 mined three cents (3¢) per ton.

14 (2) ~~Five-percent-(5%)~~ TWO AND ONE-HALF PERCENT (2  
15 1/2%) of total collections per year UNTIL DECEMBER 31, 1979  
16 AND THEREAFTER FOUR PERCENT (4%) OF TOTAL COLLECTIONS PER  
17 YEAR to the earmarked revenue fund, to the credit of the  
18 alternative energy research development and demonstration  
19 account.

20 ~~(2)--(3)~~ (3) All other revenues from license taxes  
21 collected under the provisions of this chapter shall be  
22 deposited to the credit of the general fund of the state."

23 Section 5. There is a new R.C.M. section that reads as  
24 follows:

25 Department -- general powers. The department may:

1 (1) employ a staff adequate to administer this act;  
2 (2) retain professional consultants and advisors;  
3 (3) adopt rules governing applications and granting of  
4 funds;

5 (4) consider applications for grants and award grants,  
6 subject to the availability of funds, and to the  
7 appropriation of such funds by the legislature from the  
8 alternative energy research development and demonstration  
9 funds for projects that will further the purposes of this  
10 act;

11 (5) appoint an alternative energy advisory committee  
12 composed of representatives of state agencies and citizen  
13 members with expertise in alternative energy matters. The  
14 appointment of any such advisory committee shall be in  
15 keeping with section 82A-110.

16 Section 6. There is a new R.C.M. section that reads as  
17 follows:

18 Applications for grants. Any person may apply for a  
19 grant to enable him to research, develop or demonstrate  
20 alternative renewable energy sources. The department shall  
21 prescribe the form for applications. Applicants shall  
22 describe the nature of their proposed investigations,  
23 including practical applications of the possible results and  
24 time requirements.

25 Section 7. There is a new R.C.M. section that reads as

1 follows:

2 Criteria for grant awards. The department may award  
3 grants to applicants under section 6 of this act in  
4 accordance with the following criteria:

5 (1) A grant may cover a period not exceeding one (1)  
6 year, and the department may not commit itself to spending  
7 funds anticipated to be available more than one (1) year  
8 after the grant period begins. The department may give an  
9 applicant a statement of intent to renew its support of his  
10 work, subject to the availability of funds and such other  
11 conditions as the department may express.

12 (2) The department may give preference to projects  
13 which are also supported by grants from the federal  
14 government or other persons provided the grants are  
15 consistent with the other objectives of the board. The  
16 purpose of this preference is to use the alternative energy  
17 research development and demonstration account for matching  
18 moneys in order to support more substantial research.

19 (3) The department may give preference to research  
20 centers unattached to existing educational institutions  
21 where several investigators can share supporting services.  
22 However, this shall not be interpreted to prohibit the  
23 department from awarding grants to existing educational  
24 institutions.

25 (4) The department may give preference to research

1 centers which make information available to individuals,  
2 small businesses, and small communities seeking the use of  
3 renewable energy sources in their homes, plants, places of  
4 business, and small communities.

5 (5) All information resulting from such research shall  
6 be made available to the public and shall not become the  
7 private property of or under the exclusive control of any  
8 one (1) company or person.

9 (6) The department is under no requirement to expend  
10 or commit available alternative energy research, development  
11 and demonstration funds when in its judgment such  
12 expenditures or commitments would be unproductive.

13 SECTION 8. THERE IS A NEW R.C.M. SECTION THAT READS AS  
14 FOLLOWS:

15 BIENNIAL REPORT. THE DEPARTMENT SHALL REPORT ITS  
16 EXPENDITURES AND OTHER ACTIVITIES UNDER THIS ACT TO THE  
17 LEGISLATURE AT THE BEGINNING OF EACH REGULAR LEGISLATIVE  
18 SESSION.

19 SECTION 9. THERE IS APPROPRIATED TO THE DEPARTMENT OF  
20 NATURAL RESOURCES AND CONSERVATION FROM THE ALTERNATIVE  
21 ENERGY RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT, FOR  
22 THE PURPOSE OF PUBLICIZING TAX INCENTIVES FOR ALTERNATIVE  
23 ENERGY DEVELOPMENT AND ENERGY CONSERVATION UNDER HOUSE BILL  
24 633, AS ENACTED, NOT TO EXCEED FIFTEEN THOUSAND DOLLARS  
25 (\$15,000), FOR THE FISCAL YEAR ENDING JUNE 30, 1976, AND FOR

1 MAKING GRANTS UNDER SECTION 7 OF THIS ACT ALL THE REMAINING  
2 FUNDS IN THE ALTERNATIVE ENERGY RESEARCH DEVELOPMENT AND  
3 DEMONSTRATION ACCOUNT FOR THE BIENNIUM ENDING JUNE 30, 1977.

-End-