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 2 INTRODUCTION BY ~~Alley Bradley Huenebens~~ ^{A. H.} BILL NO. 204
 3 ~~Spalden Vincent Metcalfe~~ ~~Stanley Cooper~~
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH AN OFFICE
 5 OF ENERGY AND RESOURCE POLICY WITHIN THE GOVERNOR'S OFFICE."
 6

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 8 Section 1. Findings and purposes. The legislature
 9 finds that the state needs a set of guiding policies on the
 10 use and development of energy resources; that the
 11 conservation and most efficient utilization of currently
 12 available energy is a goal as important as any other in the
 13 formulation of the state's energy policies; that state
 14 government needs a center for long-range planning and
 15 assessment of energy problems in future years; and that the
 16 governor's office is the best place from which to coordinate
 17 the various energy-related activities of the executive
 18 branch of state government. The purposes of this act are to
 19 establish an energy and resource policy office directly
 20 under the governor to replace the staff support heretofore
 21 furnished the Montana energy advisory council and to charter
 22 this office to recommend energy conservation techniques and
 23 other appropriate energy policies to the state.
 24 Section 2. Advisory council continued. The Montana
 25 energy advisory council, administratively established, may

1 be continued by the governor upon the following conditions:
 2 (1) the director of the office of energy and resource
 3 policy or a person designated by the director may call and
 4 shall chair meetings of the council;
 5 (2) the departments of community affairs, health and
 6 environmental sciences, natural resources and conservation,
 7 public service regulation, state lands, and such other
 8 agencies as the governor may designate shall each appoint
 9 one representative to the council; the governor shall
 10 designate the agency responsible for administering the state
 11 building code under chapter 21, Title 69, to appoint a
 12 representative to the council; and
 13 (3) the council shall assist the director of the
 14 office of energy and resource policy in the discharge of his
 15 duties under this act.
 16 Section 3. Energy and resource policy office --
 17 establishment -- director -- term -- staff. (1) There is an
 18 energy and resource policy office within the office of the
 19 governor.
 20 (2) The head of the energy and resource policy office
 21 is a director appointed by the governor to serve at the
 22 governor's pleasure. The appointment is subject to
 23 confirmation by the senate.
 24 (3) The director may employ such other persons as he
 25 considers necessary to carry out the functions of the

1 office.

2 Section 4. Conflict of interest -- prohibition. A
3 person may not serve as director of the office of energy and
4 resource policy unless, within 6 months following his
5 appointment, he has divested himself of any interest except
6 fully vested pension rights in any railroad, gas or electric
7 utility, coal or petroleum supplier, or manufacturer of any
8 major component of large energy facilities.

9 Section 5. Duties of the office. The director of the
10 office of energy and resource policy shall:

11 (1) serve as the central repository within the state
12 government for the energy and resource related research
13 carried on in and for the state;

14 (2) prepare recommendations for an emergency
15 allocation plan specifying actions to be taken in the event
16 of an impending serious shortage of energy;

17 (3) undertake a continuing assessment of trends in the
18 consumption of all forms of energy and analyze the social,
19 economic, and environmental consequences of those trends;

20 (4) collect and analyze data relating to present and
21 future demands and resources for all sources of energy and
22 project energy requirements for the state and various
23 service areas within the state;

24 (5) evaluate policies governing the fixing of rates
25 and prices for energy in terms of their relationship to

1 energy conservation and make recommendations with respect
2 to those policies;

3 (6) analyze energy related activities of agencies of
4 state government and make recommendations with respect to
5 those activities;

6 (7) prepare, on a continuing basis, recommendations
7 for a comprehensive energy policy for the state of Montana
8 and study the impact and relationship of the state energy
9 policies to international, national, and regional energy
10 policies;

11 (8) formulate a state program for energy conservation,
12 including without limitation general commercial, industrial,
13 and residential areas and the evaluation of energy systems
14 as they relate to lighting, heating, refrigeration, air
15 conditioning, building design and operation, and appliance
16 manufacturing and operation;

17 (9) inform and educate the public about ways of
18 conserving energy; and

19 (10) develop and prepare on a continuing basis, the
20 policy and plans required by 70-827(1)(a); and

21 (11) make an annual report to the legislature with
22 respect to activities of the office and other matters
23 relating to energy problems in Montana.

24 Section 6. Powers -- energy policy. The director of
25 the office of energy and resource policy may:

1 (1) do all things necessary to cooperate with the
2 United States government to carry out the purposes of this
3 act and to qualify for, accept, and disburse any private
4 grant intended to further the purposes of this act;

5 (2) dispense funds made available for the purpose of
6 research studies and projects of professional or civic
7 orientation which relate to energy conservation and other
8 energy policies of the state;

9 (3) contract for professional services if such work or
10 services cannot be satisfactorily performed by employees of
11 the office or personnel of another state agency detailed to
12 the office; and

13 (4) distribute informational materials to the public.

-End-

STATE OF MONTANA

REQUEST NO. 87-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 18, 19 77, there is hereby submitted a Fiscal Note for House Bill 204 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:

House Bill 204 is an act to establish an office of Energy and Resource Policy within the Governor's Office.

ASSUMPTIONS:

1. The present "Director" is the Lieutenant Governor. This act requires that the Director be appointed by and report directly to the Governor. This would require that an additional position be created since the Lieutenant Governor could not fill the Director's position as defined in House Bill 204.
2. The appointed Director would be paid \$28,000 a year beginning in FY 78 and would receive the increases given all other state employees.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>	<u>TOTAL</u>
Cost of proposed legislation:			
Personal services	\$145,862	\$151,385	\$297,247
Operating expenses	33,340	33,340	66,680
Equipment	<u>1,000</u>	<u>0</u>	<u>1,000</u>
	180,202	184,725	364,927
Less: Executive Budget Recommendation	<u>142,562</u>	<u>145,871</u>	<u>288,433</u>
Cost of proposed legislation above Executive Budget recommendation	<u>\$ 37,640</u>	<u>\$ 38,854</u>	<u>\$ 76,494</u>

Richard A. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-77

Approved by Committee on Natural Resources

1 INTRODUCED BY Spalden Palmer Vincent Metcalfe Bradley French Therrien Covey Zapp
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1 be continued by the governor upon the following conditions:

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HB 204

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12 the office; and

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-End-

1 HOUSE BILL NO. 204

2 INTRODUCED BY MELOY, BRADLEY, HUENNEKENS, PALMER,
3 SHELDEN, VINCENT, METCALF, ESTENSON, COONEY, HARPER

4
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14 ~~AMONG THE VARIOUS STATE AGENCIES, AND RENDER MORE EFFECTIVE~~
15 ~~THE ENERGY AND RESOURCE RELATED ACTIVITIES OF STATE~~
16 ~~GOVERNMENT;~~

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24 ~~(10)~~ inform and educate the public about ways of
25 conserving energy; and

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17 services cannot be satisfactorily performed by employees of
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19 the office; and

20 (4) distribute informational materials to the public.

-End-

April 16, 1977

STANDING COMMITTEE REPORT
Senate Committee on Taxation

That House Bill No. 204 be amended as follows:

1. Amend the title, line 6.

Following: line 5

Strike: "OF"

Insert: "to coordinate"

Following: "WITHIN"

Strike: "THE GOVERNOR'S OFFICE"

Insert: "the department of natural resources and conservation and to appropriate one-sixth of the income from the constitutional coal tax trust fund to fund the office"

2. Amend page 2, section 3, lines 17 through 25 through line 10 on page 3.

Following: line 16

Strike: line 17 through 25 on page 2 through line 10, page 3

Renumber: subsequent sections

3. Amend page 3, line 11.

Following: "Duties of"

Strike: "office"

Insert: "department of natural resources and conservation"

4. Amend page 3, section 5, line 12.

Following: line 11

Strike: "office of energy and resource policy"

Insert: "department of natural resources and conservation"

5. Amend page 5, line 7.

Following: line 6

Strike: "the office of energy and resource policy"

Insert: "natural resources and conservation"

6. Amend page 5, line 20.

Following: line 20

Insert: "Section 5. Energy conservation account. (1) There is within the coal tax constitutional trust fund, provided for by Article IX, section 5, of the Montana constitution, an energy conservation account.

(2) In the biennium ending June 30, 1979, one-sixth of the income of the coal tax constitutional trust fund, not to exceed \$1 million, shall be credited to the energy conservation account.

(3) The funds in the energy conservation account are to be used for carrying out the duties imposed by this act.

Section 6. Appropriation. (1) There is appropriated to the department of natural resources and conservation the money credited to the energy conservation account established under [section 5] for the biennium ending June 30, 1979. This appropriation is to be used to carry out the duties imposed by this act and to fund the programs established pursuant to [section 3].

(2) The department shall determine the allocation of the money appropriated under this section in consultation with the Montana energy advisory council."