

1 *House* BILL NO. *687*  
 2 INTRODUCED BY *Spink*  
 3 BY REQUEST OF THE GOVERNOR  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE WITHIN THE  
 6 DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION THE MONTANA  
 7 COMMISSION FOR THE RESEARCH OF COAL GASIFICATION AND RELATED  
 8 FUELS; TO DEFINE TERMS; TO PROVIDE FOR THE POWERS AND DUTIES  
 9 OF THE COMMISSION; TO PROVIDE FOR THE STRUCTURE OF THE  
 10 COMMISSION AND ITS STAFF WITHIN THE DEPARTMENT; TO AUTHORIZE  
 11 THE COMMISSION TO OBTAIN GRANTS AND LOANS TO STUDY, PLAN,  
 12 DESIGN, AND ENGAGE IN COOPERATIVE FEASIBILITY RESEARCH  
 13 PROGRAMS WITH AGENCIES OF THE FEDERAL GOVERNMENT; AND TO  
 14 PROVIDE FOR THE APPLICABILITY OF SPECIFIC LAWS TO THE  
 15 COMMISSION."

16  
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 Section 1. Short title. This act shall be known as the  
 19 "Montana Coal Gasification and Related Fuels Research Act of  
 20 1977".

21 Section 2. Legislative findings. The legislature  
 22 finds that programs exist within agencies of the federal  
 23 government to facilitate the design and construction of  
 24 second generation coal gasification technologies; that these  
 25 programs are designed to reduce financial risks to sponsors

1 of those programs and to assist in the study, planning,  
 2 design, and feasibility research of those technologies; that  
 3 the state of Montana is an appropriate sponsor of a program  
 4 designed to participate in a cooperative effort with the  
 5 federal government to study, plan, design, and engage in  
 6 feasibility research of coal gasification technology to  
 7 apply to Montana's needs and available resources.

8 Section 3. Declaration of state necessity — public  
 9 policy and purpose. (1) The general welfare of the people  
 10 of Montana, in view of the state's population growth and  
 11 expanding economy and the declining intrastate availability  
 12 of certain forms of fuel, requires that coal and related  
 13 fuel resources be put to optimum beneficial use and not be  
 14 wasted.

15 (2) The public policy of the state is to promote  
 16 conservation, development, and beneficial use of the state's  
 17 coal and natural gas resources to secure maximum economic  
 18 security, social well being, and environmental protection  
 19 for its citizens.

20 (3) The state, in the exercise of its sovereign power,  
 21 acting through the Montana commission for the research of  
 22 coal gasification and related fuels, created in [section 5],  
 23 should become involved cooperatively in appropriate federal  
 24 programs to study and engage in research of coal  
 25 gasification technologies so as to achieve efficient

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1 utilization, conservation, and protection of the state's  
2 coal and natural gas resources.

3 (4) The efficient utilization of coal and natural gas  
4 resources and the economic distribution thereof are vital to  
5 the people to insure adequate future supplies for domestic,  
6 commercial, industrial, agricultural, and other beneficial  
7 uses.

8 (5) The public interest requires that further  
9 definitive study, design, and research projects,  
10 environmental impact studies and other feasibility studies,  
11 and the design of a system of works, plants, and facilities  
12 for the conservation, development, conversion, storage,  
13 distribution, and utilization of coal and related fuel  
14 resources be undertaken with the cooperation and assistance  
15 of federal government programs designed to accomplish these  
16 purposes and tasks, which cooperative and assistance  
17 programs are in all respects for the welfare and benefit of  
18 the people of the state.

19 (6) It is in the public interest and for a public  
20 purpose that the commission be empowered to participate in  
21 the study, planning, design, and feasibility research of  
22 coal gasification plants and other related fuel-producing  
23 facilities as hereinafter provided in order to meet the  
24 future energy needs of the state and its inhabitants and to  
25 promote the efficient conservation and utilization of its

1 natural fuel resources within reasonable environmental  
2 limits.

3 (7) It is in the public interest of the state and for  
4 a public purpose that the commission be empowered to  
5 participate jointly with others, both public and private, in  
6 the study, planning, design, and feasibility research of  
7 coal gasification plants and other related fuel-producing  
8 facilities as hereinafter provided as a means of achieving  
9 the economies and efficiencies made possible by the proper  
10 planning, financing, sizing, and location of such projects  
11 which may not be practical or advisable for the commission  
12 acting alone.

13 Section 4. Definitions. As used in this act, the  
14 following definitions apply:

15 (1) "Commission" means the Montana commission for the  
16 research of coal gasification and related fuels.

17 (2) "Project" means any effort or cooperative effort  
18 or joint participation in programs for the research of coal  
19 gasification and other matters incidental or related  
20 thereto, including plants and facilities for the production,  
21 storage, and distribution of the gas and fuel produced  
22 thereby.

23 (3) "Demonstration program" means a program of study,  
24 planning, design, and research engaged in by the commission  
25 in a cooperative joint effort with the federal energy

1 research and development administration (ERDA) or its  
2 successor agency.

3 Section 5. Commission — composition — allocation —  
4 designation. (1) There is a Montana commission for the  
5 research of coal gasification and related fuels.

6 (2) The commission consists of seven members, as  
7 follows:

8 (a) the governor;

9 (b) the lieutenant governor;

10 (c) the director of the department of natural  
11 resources and conservation;

12 (d) four members appointed by the governor as follows:

13 (i) one member representing the agricultural sector of  
14 the state;

15 (ii) one member representing the labor organization  
16 within the state;

17 (iii) one member representing the utilities within the  
18 state;

19 (iv) one member from the public at large, who is not a  
20 representative of, or employed in, the sectors of the  
21 economy represented by the other three executive appointees.

22 (3) No more than two of the four executive appointees  
23 may be members of the same political party. They shall be  
24 persons who have proven abilities and expertise in their  
25 respective fields of endeavor and who are capable of

1 acquiring expertise in those subjects in which the  
2 commission is authorized to engage. The appointment of an  
3 executive appointee establishes a conclusive presumption  
4 that the executive appointee has met the qualifications  
5 prescribed by this subsection.

6 (4) The terms of the governor, lieutenant governor,  
7 and director of the department of natural resources and  
8 conservation shall coincide with the terms of their  
9 respective offices. The executive appointees shall serve  
10 6-year staggered terms. Initial terms shall be decided by  
11 lot. Two members shall serve 6-year terms, one member a  
12 4-year term, and one member a 2-year term. Thereafter, all  
13 terms are for 6 years.

14 (5) The governor is the chairman of the commission,  
15 and in his absence the lieutenant governor, who is the  
16 vice-chairman, shall act as chairman.

17 (6) The commission is designated as a quasi-judicial  
18 board for purposes of 82A-112. However, subsections (1) and  
19 (2) of 82A-112 do not apply to the commission.

20 (7) The commission is allocated to the department of  
21 natural resources and conservation for administrative  
22 purposes only as prescribed in 82A-108. However, the  
23 commission may hire its own personnel, and 82A-108 (2) (d)  
24 does not apply.

25 Section 6. Professional staff. (1) The commission

1 shall appoint professional managers, administrators, and  
 2 directors and shall staff its projects and demonstration  
 3 programs with managers, administrators, directors, and  
 4 employees who have proven expertise and professional ability  
 5 in the area of activity in which they are to participate or  
 6 direct. The commission may, without regard to the personnel  
 7 rules or state personnel classification system, employ and  
 8 contract for the personnel and services necessary to develop  
 9 the capability of analyzing and making recommendations to  
 10 the commission pursuant to this act.

11 (2) The administrator of the commission or a manager  
 12 of any of the commission's projects or demonstration  
 13 programs may attend all meetings of the commission and its  
 14 committees and take part in the discussion of any matters  
 15 within the scope of his functions but has no vote. The  
 16 administrator shall carry out the orders of the commission  
 17 and see that the laws and administrative rules pertaining to  
 18 matters within the scope of his responsibilities are carried  
 19 out or enforced. He shall keep the commission fully advised  
 20 as to the financial condition and needs of the commission's  
 21 projects and demonstration programs and shall prepare in  
 22 each year an expense and capital budget, and revisions of  
 23 the same, for the ensuing fiscal year in connection  
 24 therewith, and he shall perform such other duties as may be  
 25 imposed upon him by the commission.

1 (3) No commission professional employee, manager,  
 2 administrator, or director of any of the commission's  
 3 projects may make any contributions either in aid of or in  
 4 opposition to the election of any candidate for public  
 5 office or advocate or oppose any such election.

6 Section 7. Powers and duties of the commission. The  
 7 commission has the following powers and duties:

8 (1) to study, make recommendations, and encourage  
 9 research concerning the long-range programs relating to  
 10 coal, natural gas, and synthetic fuel resources and related  
 11 problems, including but not limited to conservation of coal,  
 12 development of natural gas and synthetic fuel resources,  
 13 environmental considerations in connection therewith, and  
 14 other related problems; to seek the cooperation and  
 15 assistance of coal and natural gas producers, institutions  
 16 of higher education, coal, natural gas, synthetic fuel, and  
 17 energy research institutions, other state agencies or  
 18 departments, the federal energy administration, the federal  
 19 energy research and development administration, and any  
 20 other federal agencies or other public and private persons,  
 21 firms, and corporations interested in finding solutions to  
 22 energy-related problems; to promote the establishment by the  
 23 federal government of a coal resource, research, and  
 24 development center and other federal energy projects in the  
 25 state, and to investigate other potentials for conserving

1 and effectively utilizing Montana natural fuel resources to  
 2 meet the state's energy needs with due attention to  
 3 environmental concerns; to engage in projects and  
 4 demonstration programs; and to disseminate relevant  
 5 information to the public for the purpose of consumer  
 6 education and protection;

7 (2) to adopt resolutions for the regulation of its  
 8 affairs and the conduct of its business and to prescribe  
 9 rules and policies in connection with the exercise and  
 10 performance of its powers and duties;

11 (3) to solicit, accept, and expend gifts, grants,  
 12 loans, loan guarantees, or any other form of assistance from  
 13 any source, including but not limited to the federal  
 14 government or any agencies thereof, and to comply with the  
 15 conditions and requirements respecting any gift, grant,  
 16 loans, loan guarantees, or other form of assistance;

17 (4) to enter into contracts with any person, firm, or  
 18 corporation, public or private, including universities,  
 19 institutions, governmental agencies, and other individuals,  
 20 companies, or organizations, and to engage in projects and  
 21 demonstration programs for the utilization of coal, natural  
 22 gas, and synthetic fuel resources. Research contracts may  
 23 be for but are not limited to the following purposes:

24 (a) to determine the feasibility of the commercial  
 25 implementation of technology to generate synthetic fuel

1 resources in Montana; and

2 (b) to determine the feasibility of the development of  
 3 technology and the initiation of coal gasification  
 4 demonstration plants which reasonably and feasibly may  
 5 result in production of synthetic gas and related fuel  
 6 resources; and

7 (c) to determine the feasibility of the site  
 8 acquisition, development, construction, modification,  
 9 reconstruction, improvement, betterment, ownership,  
 10 operation, and maintenance of coal gasification plants,  
 11 storage and distribution facilities therefor and the  
 12 financing thereof.

13 (5) to apply to the appropriate agencies of the state,  
 14 the United States, or any state thereof and to any other  
 15 agency having jurisdiction for such permits, licenses,  
 16 certificates, or approvals as may be necessary to properly  
 17 engage in the foregoing in the same manner as any other  
 18 person, firm, or corporation;

19 (6) to employ engineers, architects, attorneys, real  
 20 estate counselors, appraisers, financial advisors,  
 21 environmental advisors and consultants, and such other  
 22 experts and employees as may be required in the judgment of  
 23 the commission and to fix and pay their compensation from  
 24 funds available to the commission;

25 (7) to do all acts and things necessary, convenient or

1 desirable to carry out the purposes, and to exercise the  
2 powers granted to the commission.

3 Section 8. Government grants and loans. (1) The  
4 commission may make application and enter into contracts and  
5 accept grants-in-aid and loans and loan guarantees from the  
6 federal and state governments and their agencies for study,  
7 planning, design, and feasibility research of any coal  
8 gasification or related fuels project or facility or  
9 participate in any research demonstration programs or  
10 projects or perform any function which the commission is  
11 authorized to provide or perform.

12 (2) In order to exercise the authority granted by this  
13 section, the commission may:

14 (a) enter into and carry out contracts with the state  
15 or federal government or any agency or institution thereof  
16 under which such government, agency, or institution grants  
17 financial or other assistance to the municipality or joint  
18 agency;

19 (b) accept such assistance or funds as may be granted  
20 or loaned by the state or federal government with or without  
21 such a contract;

22 (c) agree to and comply with any reasonable conditions  
23 which are imposed upon such grants or loans;

24 (d) make expenditures from any funds so granted.

25 Section 9. Environmental and other considerations. The

1 commission and its projects or programs shall be governed  
2 and regulated, when applicable, by all laws and rules of the  
3 state including laws and rules relating to:

- 4 (1) major facility siting;
- 5 (2) air, water, and solid wastes emission controls;
- 6 (3) environmental quality standards;
- 7 (4) zoning standards;
- 8 (5) energy conservation laws;
- 9 (6) laws and rules governing utilities; and
- 10 (7) competitive bidding statutes; however, competitive

11 bidding is not required for property or services for which  
12 the commission, in its discretion, determines there is no  
13 competition or for which it is impracticable to secure  
14 competition, including contracts involving new technology  
15 and demonstration projects in connection therewith,  
16 contracts for other experimental development or research  
17 work, or contracts relating to design or construction of  
18 processes or technology which are so unique in character  
19 that it would be impractical to secure competition therefor,  
20 and for the manufacturing or furnishing of property in  
21 connection therewith.

22 Section 10. Construction. This act shall be  
23 interpreted to provide a complete method for the doing of  
24 those things authorized herein, and the commission in the  
25 exercise and performance of its powers, duties, and

1 functions shall be governed solely by this act except as  
2 otherwise expressly provided herein, and insofar as this act  
3 is inconsistent with any other general, special, or local  
4 law, this act is controlling. The object of this act is to  
5 promote the protection of coal and related fuel resources  
6 and thereby to promote the prosperity and welfare of the  
7 citizens of Montana, and its provisions shall be liberally  
8 construed to effectuate its purposes.

9 Section 11. Severability. If a part of this act is  
10 invalid, all valid parts that are severable from the invalid  
11 part remain in effect. If a part of this act is invalid in  
12 one or more of its applications, the part remains in effect  
13 in all valid applications that are severable from the  
14 invalid applications.

-End-

## STATE OF MONTANA

REQUEST NO. 421-77

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 8, 19 77, there is hereby submitted a Fiscal Note for House Bill 687 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 687 provides for the establishment of the Montana Commission for the Research of Coal Gasification and Related Fuels.

## ASSUMPTION:

The Commission will need an executive director, secretary, and operating expenses to take care of administrative tasks.

## FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Personal services	\$29,049	\$29,647
Operating expenses	10,000	10,000
Equipment	<u>2,000</u>	<u>500</u>
Additional cost of proposed legislation	<u>\$41,049</u>	<u>\$40,147</u>

*Richard J. Drury for*  
BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: 2-16-77



Approved by Committee  
on Natural Resources

1 HOUSE BILL NO. 687  
2 INTRODUCED BY LYNCH  
3 BY REQUEST OF THE GOVERNOR  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE WITHIN THE  
6 ~~DEPARTMENT--OF-NATURAL-RESOURCES-AND-CONSERVATION~~ GOVERNOR'S  
7 OFFICE THE MONTANA COMMISSION FOR THE RESEARCH OF COAL  
8 GASIFICATION AND RELATED FUELS; TO DEFINE TERMS; TO PROVIDE  
9 FOR THE POWERS AND DUTIES OF THE COMMISSION; TO PROVIDE FOR  
10 THE STRUCTURE OF THE COMMISSION AND ITS STAFF WITHIN THE  
11 DEPARTMENT; TO AUTHORIZE THE COMMISSION TO OBTAIN GRANTS AND  
12 LOANS TO STUDY, PLAN, DESIGN, AND ENGAGE IN COOPERATIVE  
13 FEASIBILITY RESEARCH PROGRAMS WITH AGENCIES OF THE FEDERAL  
14 GOVERNMENT; AND TO PROVIDE FOR THE APPLICABILITY OF SPECIFIC  
15 LAWS TO THE COMMISSION."

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23 government to facilitate the design and construction of  
24 second generation coal gasification technologies; that those  
25 programs are designed to reduce financial risks to sponsors

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2 design, and feasibility research of those technologies; that  
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4 designed to participate in a cooperative effort with the  
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18 security, social well being, and environmental protection  
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20 (3) The state, in the exercise of its sovereign power,  
21 acting through the Montana commission for the research of  
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23 should become involved cooperatively in appropriate federal  
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SECOND READING

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21 the study, planning, design, and feasibility research of  
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24 future energy needs of the state and its inhabitants and to  
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2 limits.

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9 the economies and efficiencies made possible by the proper  
10 planning, financing, sizing, and location of such projects  
11 which may not be practical or advisable for the commission  
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14 following definitions apply:

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18 or joint participation in programs for the research of coal  
19 gasification and other matters incidental or related  
20 thereto, including plants and facilities for the production,  
21 storage, and distribution of the gas and fuel produced  
22 thereby.

23 (3) "Demonstration program" means a program of study,  
24 planning, design, and research engaged in by the commission  
25 in a cooperative joint effort with the federal energy

1 research and development administration (ERDA) or its  
2 successor agency.

3 ~~(4) "ENERGY AND RESOURCE POLICY OFFICE" MEANS THE~~  
4 ~~ENERGY POLICY OFFICE WHICH MAY BE ESTABLISHED [BY HOUSE BILL~~  
5 ~~204] OR THE APPROPRIATE ENERGY POLICY AGENCY WITHIN THE~~  
6 ~~GOVERNOR'S OFFICE.~~

7 Section 5. Commission -- composition -- allocation --  
8 designation. (1) There is a Montana commission for the  
9 research of coal gasification and related fuels.

10 (2) The commission consists of seven members, as  
11 follows:

12 (a) the governor;

13 (b) the lieutenant governor;

14 (c) the director of the department of natural  
15 resources and conservation;

16 (d) four members appointed by the governor as follows:

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18 the state;

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20 within the state;

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22 state;

23 (iv) one member from the public at large, who is not a  
24 representative of, or employed in, the sectors of the  
25 economy represented by the other three executive appointees.

1 (3) No more than two of the four executive appointees  
2 may be members of the same political party. They shall be  
3 persons who have proven abilities and expertise in their  
4 respective fields of endeavor and who are capable of  
5 acquiring expertise in those subjects in which the  
6 commission is authorized to engage. The appointment of an  
7 executive appointee establishes a conclusive presumption  
8 that the executive appointee has met the qualifications  
9 prescribed by this subsection.

10 ~~(4) The terms of the governor, lieutenant governor~~  
11 ~~and director of the department of natural resources and~~  
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13 ~~respective offices. The executive appointees shall serve~~  
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17 ~~terms are for 6 years.~~

18 ~~(5)(4)~~ The governor is the chairman of the commission,  
19 and in his absence the lieutenant governor, who is the  
20 vice-chairman, shall act as chairman.

21 ~~(6)(2)~~ The commission is designated as a  
22 quasi-judicial board for purposes of 82A-112. However,  
23 subsections (1) and (2) of 82A-112 do not apply to the  
24 commission.

25 ~~(7)(6)~~ The commission is allocated to the department

1 of natural resources and conservation for administrative  
 2 purposes only as prescribed in 82A-108. However, the  
 3 commission may hire its own personnel, and 82A-108 (2)(d)  
 4 does not apply.

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 6 shall appoint professional managers, administrators, and  
 7 directors and shall staff its projects and demonstration  
 8 programs with managers, administrators, directors, and  
 9 employees who have proven expertise and professional ability  
 10 in the area of activity in which they are to participate or  
 11 direct. The commission may, without regard to the personnel  
 12 rules or state personnel classification system, employ and  
 13 contract for the personnel and services necessary to develop  
 14 the capability of analyzing and making recommendations to  
 15 the commission pursuant to this act.

16 (2) The administrator of the commission or a manager  
 17 of any of the commission's projects or demonstration  
 18 programs may attend all meetings of the commission and its  
 19 committees and take part in the discussion of any matters  
 20 within the scope of his functions but has no vote. The  
 21 administrator shall carry out the orders of the commission  
 22 and see that the laws and administrative rules pertaining to  
 23 matters within the scope of his responsibilities are carried  
 24 out or enforced. He shall keep the commission fully advised  
 25 as to the financial condition and needs of the commission's

1 projects and demonstration programs and shall prepare in  
 2 each year an expense and capital budget, and revisions of  
 3 the same, for the ensuing fiscal year in connection  
 4 therewith, and he shall perform such other duties as may be  
 5 imposed upon him by the commission.

6 (3) No commission professional employee, manager,  
 7 administrator, or director of any of the commission's  
 8 projects may make any contributions either in aid of or in  
 9 opposition to the election of any candidate for public  
 10 office or advocate or oppose any such election.

11 Section 7. Powers and duties of the commission. The  
 12 commission has the following powers and duties:

13 (1) to study, make recommendations, and encourage  
 14 research concerning the long-range programs relating to  
 15 coal, natural gas, and synthetic fuel resources and related  
 16 problems, including but not limited to conservation of coal,  
 17 development of natural gas and synthetic fuel resources,  
 18 environmental considerations in connection therewith, and  
 19 other related problems; to seek the cooperation and  
 20 assistance of coal and natural gas producers, institutions  
 21 of higher education, coal, natural gas, synthetic fuel, and  
 22 energy research institutions, other state agencies or  
 23 departments, the federal energy administration, the federal  
 24 energy research and development administration, and any  
 25 other federal agencies or other public and private persons,

1 firms, and corporations interested in finding solutions to  
 2 energy-related problems; to promote the establishment by the  
 3 federal government of a coal resource, research, and  
 4 development center and other federal energy projects in the  
 5 state, and to investigate other potentials for conserving  
 6 and effectively utilizing Montana natural fuel resources to  
 7 meet the state's energy needs with due attention to  
 8 environmental concerns; to engage in projects and  
 9 demonstration programs; and to disseminate relevant  
 10 information to the public for the purpose of consumer  
 11 education and protection;

12 (2) to adopt resolutions for the regulation of its  
 13 affairs and the conduct of its business and to prescribe  
 14 rules and policies in connection with the exercise and  
 15 performance of its powers and duties; ALL RULE MAKING AND  
 16 OTHER ACTIVITIES OF THE COMMISSION SHALL BE SUBJECT TO THE  
 17 PROVISIONS OF THE ADMINISTRATIVE PROCEDURE ACT (82-4201  
 18 THROUGH 82-4229) AND THE OPEN MEETINGS LAW (82-3401 THROUGH  
 19 82-3403), AND THE RECORDS AND MINUTES OF THE COMMISSION AND  
 20 ITS STAFF AND EMPLOYEES SHALL BE PUBLIC DOCUMENTS; HOWEVER,  
 21 ANY INFORMATION UNIQUE TO THE OWNER OR OPERATOR WHICH WOULD,  
 22 IF DISCLOSED, REVEAL METHODS OR PROCESSES ENTITLED TO  
 23 PROTECTION AS TRADE SECRETS, SHALL BE MAINTAINED AS  
 24 CONFIDENTIAL IF SO DETERMINED BY A COURT OF COMPETENT  
 25 JURISDICTION. THE OWNER OR OPERATOR SHALL FILE A

1 DECLARATORY JUDGMENT ACTION TO ESTABLISH THE EXISTENCE OF A  
 2 TRADE SECRET IF HE WISHES SUCH INFORMATION TO ENJOY  
 3 CONFIDENTIAL STATUS. THE COMMISSION SHALL BE SERVED IN ANY  
 4 SUCH ACTION, AND MAY INTERVENE AS A PARTY THEREIN. ANY TRADE  
 5 SECRETS NOT INTENDED TO BE PUBLIC WHEN SUBMITTED TO THE  
 6 COMMISSION SHALL BE SUBMITTED IN WRITING AND CLEARLY MARKED  
 7 AS CONFIDENTIAL.

8 (3) to solicit, accept, and expend gifts, grants,  
 9 loans, loan guarantees, or any other form of assistance from  
 10 any source, including but not limited to the federal  
 11 government or any agencies thereof, and to comply with the  
 12 conditions and requirements respecting any gift, grant,  
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 15 corporation, public or private, including universities,  
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 18 demonstration programs for the utilization of coal, natural  
 19 gas, and synthetic fuel resources. Research contracts may  
 20 be for but are not limited to the following purposes:

21 (a) to determine the feasibility of the commercial  
 22 implementation of technology to generate synthetic fuel  
 23 resources in Montana; and

24 (b) to determine the feasibility of the development of  
 25 technology and the initiation of coal gasification

1 demonstration plants which reasonably and feasibly may  
2 result in production of synthetic gas and related fuel  
3 resources; and

4 (c) to determine the feasibility of the site  
5 acquisition, development, construction, modification,  
6 reconstruction, improvement, betterment, ownership,  
7 operation, and maintenance of coal gasification plants,  
8 storage and distribution facilities therefor and the  
9 financing thereof.

10 (5) to apply to the appropriate agencies of the state,  
11 the United States, or any state thereof and to any other  
12 agency having jurisdiction for such permits, licenses,  
13 certificates, or approvals as may be necessary to properly  
14 engage in the foregoing in the same manner as any other  
15 person, firm, or corporation;

16 (6) to employ engineers, architects, attorneys, real  
17 estate counselors, appraisers, financial advisors,  
18 environmental advisors and consultants, and such other  
19 experts and employees as may be required in the judgment of  
20 the commission and to fix and pay their compensation from  
21 funds available to the commission;

22 (7) to do all acts and things necessary, convenient or  
23 desirable to carry out the purposes, and to exercise the  
24 powers granted to the commission.

25 Section 8. Government grants and loans. (1) The

1 commission may make application and enter into contracts and  
2 accept grants-in-aid and loans and loan guarantees from the  
3 federal and state governments and their agencies for study,  
4 planning, design, and feasibility research of any coal  
5 gasification or related fuels project or facility or  
6 participate in any research demonstration programs or  
7 projects or perform any function which the commission is  
8 authorized to provide or perform.

9 (2) In order to exercise the authority granted by this  
10 section, the commission may:

11 (a) enter into and carry out contracts with the state  
12 or federal government or any agency or institution thereof  
13 under which such government, agency, or institution grants  
14 financial or other assistance to the municipality or joint  
15 agency;

16 (b) accept such assistance or funds as may be granted  
17 or loaned by the state or federal government with or without  
18 such a contract;

19 (c) agree to and comply with any reasonable conditions  
20 which are imposed upon such grants or loans;

21 (d) make expenditures from any funds so granted.

22 Section 9. Environmental and other considerations. The  
23 commission and its projects or programs shall be governed  
24 and regulated, when applicable, by all laws and rules of the  
25 state including laws and rules relating to:

1 (1) major facility siting;  
 2 (2) air, water, and solid wastes emission controls;  
 3 (3) environmental quality standards;  
 4 (4) zoning standards;  
 5 (5) energy conservation laws;  
 6 (6) laws and rules governing utilities; and  
 7 (7) competitive bidding statutes; however, competitive  
 8 bidding is not required for property or services for which  
 9 the commission, in its discretion, determines there is no  
 10 competition or for which it is impracticable to secure  
 11 competition, including contracts involving new technology  
 12 and demonstration projects in connection therewith,  
 13 contracts for other experimental development or research  
 14 work, or contracts relating to design or construction of  
 15 processes or technology which are so unique in character  
 16 that it would be impractical to secure competition therefor,  
 17 and for the manufacturing or furnishing of property in  
 18 connection therewith.

19 Section 10. Construction. ~~This act shall be~~  
 20 ~~interpreted to provide a complete method for the doing of~~  
 21 ~~those things authorized herein and the commission in the~~  
 22 ~~exercise and performance of its powers, duties, and~~  
 23 ~~functions shall be governed solely by this act except as~~  
 24 ~~otherwise expressly provided herein and insofar as this act~~  
 25 ~~is inconsistent with any other general, special, or local~~

1 ~~law; this act is controlling. The object of this act is to~~  
 2 ~~promote the protection of coal and related fuel resources~~  
 3 ~~and thereby to promote the prosperity and welfare of the~~  
 4 ~~citizens of Montana and its provisions shall be liberally~~  
 5 ~~construed to effectuate its purposes. THE PURPOSE OF THIS~~  
 6 ~~ACT IS TO PROMOTE RESEARCH INTO METHODS FOR THE GASIFICATION~~  
 7 ~~OF COAL AND RELATED FUEL RESOURCES, AND THEREBY, TO PROMOTE~~  
 8 ~~THE PROSPERITY AND WELFARE OF THE CITIZENS OF MONTANA.~~  
 9 ~~HOWEVER, NOTHING IN THIS ACT MAY BE CONSTRUED AS PERMITTING~~  
 10 ~~THE COMMISSION OR ANY OTHER AGENCY OF STATE GOVERNMENT TO~~  
 11 ~~PROMOTE, FUND, OR ENGAGE IN THE CONSTRUCTION OR OPERATION OF~~  
 12 ~~ANY SYNTHETIC FUEL PRODUCTION PLANT, DEMONSTRATION OR PILOT~~  
 13 ~~PLANT, OR ANY RELATED FACILITIES OF ANY KIND, NOR TO APPLY~~  
 14 ~~FOR ANY LICENSE, PERMIT, CERTIFICATE, OR APPROVAL NECESSARY~~  
 15 ~~FOR CONSTRUCTION OR OPERATION OF SUCH FACILITIES, NOR TO~~  
 16 ~~SEEK OR DISBURSE FEDERAL OR OTHER FUNDS FOR ANY SUCH~~  
 17 ~~PURPOSES.~~

18 SECTION 11. REPORT AND TERMINATION. (1) THE  
 19 COMMISSION SHALL MAKE A REPORT OF ALL OF ITS ACTIVITIES TO  
 20 THE 1979 LEGISLATURE, AND AN ACCOUNTING OF ITS EXPENDITURES  
 21 AND RECEIPTS. RECEIPTS SHALL INCLUDE IN-KIND CONTRIBUTIONS  
 22 OF ALL ACTIVITIES OF OTHER STATE, FEDERAL OR MUNICIPAL  
 23 AGENCIES AND PRIVATE ORGANIZATIONS WHICH ARE CONTRIBUTED TO  
 24 THE COMMISSION AS INPUT INTO ITS RESEARCH AND STUDY OF COAL  
 25 GASIFICATION AND RELATED FUEL PRODUCING PROJECTS.

1        (2) THE COMMISSION AND ALL POWERS GRANTED TO IT BY  
 2 THIS ACT SHALL TERMINATE JUNE 30, 1979, UNLESS SPECIFICALLY  
 3 EXTENDED BY LAW.

4        SECTION 12. APPROPRIATIONS. THERE IS APPROPRIATED  
 5 FROM THE GENERAL FUND FOR THE BIENNIUM ENDING JUNE 30, 1979  
 6 TO THE MONTANA COMMISSION FOR THE RESEARCH OF COAL  
 7 GASIFICATION AND RELATED FUELS FOR THE PURPOSES SET FORTH IN  
 8 THIS ACT. THE FOLLOWING FUNDS:

	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>
	<u>ENDING</u>	<u>ENDING</u>
	<u>6/30/78</u>	<u>6/30/79</u>
<u>PERSONNEL</u>	<u>\$29,049</u>	<u>\$29,647</u>
<u>OPERATING EXPENSES</u>	<u>10,000</u>	<u>10,000</u>
<u>EQUIPMENT</u>	<u>2,000</u>	<u>500</u>
<u>TOTAL</u>	<u>\$41,049</u>	<u>\$40,147</u>

16        Section 13. Severability. If a part of this act is  
 17 invalid, all valid parts that are severable from the invalid  
 18 part remain in effect. If a part of this act is invalid in  
 19 one or more of its applications, the part remains in effect  
 20 in all valid applications that are severable from the  
 21 invalid applications.

-End-