

1 *House* BILL NO. *732*
 2 INTRODUCED BY *Keja*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A MONTANA
 5 ENERGY CONSERVATION AND RENEWABLE RESOURCE FINANCIAL
 6 ASSISTANCE PROGRAM FOR EXISTING DWELLING UNITS."
 7

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

9 Section 1. Findings and purposes. (1) The rapid
 10 increases in the cost of nonrenewable energy sources for
 11 home heating have had adverse impacts on the purchasing
 12 power of all Montanans, particularly Montana citizens with
 13 moderate and low incomes. The installation of energy
 14 conservation measures and renewable resource energy measures
 15 on existing dwelling units of low and moderate income
 16 persons is a policy which will not only protect the
 17 purchasing power of low and moderate income persons but also
 18 provide considerable employment opportunity for unemployed
 19 Montanans. Therefore, the legislature finds that there is a
 20 need for a program to develop and demonstrate mechanisms for
 21 financing energy conservation and renewable resource energy
 22 measures which are accessible to low and moderate income
 23 Montanans and which will stimulate the employment of
 24 Montanans in the manufacture and installation of such
 25 measures.

1 (2) The purpose of this act is to direct the
 2 department of community affairs, through its human resources
 3 division, to undertake a program designed to test the
 4 feasibility and effectiveness of various forms of financial
 5 assistance for encouraging the installation or
 6 implementation of energy conservation and renewable energy
 7 measures on existing dwelling units occupied by persons with
 8 low and moderate incomes.

9 Section 2. Authority -- grants and loans. The
 10 department is authorized by this act to make available
 11 financial assistance in the form of grants, low interest
 12 rate loans, interest subsidies, loan guarantees, and such
 13 other forms of assistance as the director considers
 14 appropriate to carry out the purposes of this act.
 15 Assistance may be made available to both owners of dwelling
 16 units and to tenants occupying such units.

17 Section 3. Definitions. As used in this act, the
 18 following definitions apply:

19 (1) "Low income household" means a family or group of
 20 people living in the same dwelling with a total combined
 21 income of less than 125% of the poverty level established by
 22 the United States office of management and budget.

23 (2) "Moderate income household" means a family or
 24 group of people living in the same dwelling unit with a
 25 total combined income exceeding 125% of the poverty level

1 established by the office of management and budget but less
2 than the median family income for the state of Montana as
3 determined by the research and information division of the
4 department of community affairs.

5 (3) "Energy conservation measure" means modification
6 of an existing residential dwelling unit to increase its
7 thermal efficiency, including glazing, weatherstripping,
8 insulation, automatic pilot lights, duct insulation, waste
9 heat recovery, etc.

10 (4) "Renewable resource energy measure" means the
11 installation of technology that does not depend on fossil
12 fuel forms of energy for heating space or water for domestic
13 purposes in an existing residential dwelling unit.

14 (5) "Department" means the department of community
15 affairs.

16 (6) "Director" means the director of community
17 affairs.

18 Section 4. Duties -- director of community affairs. In
19 designing and implementing various forms of financial
20 assistance to accomplish the purposes of this act, the
21 director shall:

22 (1) provide assistance in a wide variety of geographic
23 areas. To the extent practicable, the director shall make at
24 least 60% of the funds appropriated under this act available
25 on an equal basis to the 12 governor's planning districts.

1 (2) evaluate the appropriateness of various forms or
2 combinations of financial incentives for different income
3 levels of owners and occupants of existing dwelling units;

4 (3) take into account and evaluate any other financial
5 assistance which may be available for the installation or
6 implementation of energy conservation or renewable energy
7 measures on existing dwelling units from the federal
8 government;

9 (4) make use of such local instrumentalities of the
10 state or other public or private entities as is considered
11 appropriate in carrying out the purposes of this act;

12 (5) consider, with respect to various forms of
13 assistance and procedures for their application:

14 (a) the extent to which energy conservation and
15 renewable resource energy measures are encouraged which
16 otherwise would not have been undertaken;

17 (b) the minimum amount of state subsidy necessary to
18 achieve the objectives of a statewide program;

19 (c) the costs of administering the assistance;

20 (d) the extent to which the assistance may be
21 encumbered by delays and uncertainty as to its availability
22 with respect to any particular applicant;

23 (e) the factors which may prevent some types of
24 assistance from being available in certain areas or for
25 certain classes of persons; and

1 (f) the extent to which fraudulent practices can be
2 prevented.

3 (6) in complying with the provisions of this section,
4 consult with other appropriate state, local, and federal
5 agencies.

6 Section 5. Grant limitations. (1) The amount of any
7 grant made to an individual pursuant to this act may not
8 exceed the lesser of:

9 (a) with respect to an energy conservation measure,
10 \$400 or 20% of the cost of installing or otherwise
11 implementing such measure; and

12 (b) with respect to an approved renewable resource
13 energy measure, \$2,000 or 25% of the cost of installing or
14 otherwise implementing such measure.

15 (2) No person is eligible for both financial
16 assistance under this act and a credit against income tax
17 for the same energy conservation measure or renewable
18 resource energy measure.

19 Section 6. Grant criteria -- efficiency. The director
20 may condition the availability of financial assistance with
21 respect to the installation and implementation of any
22 renewable resource energy measure on such measure's meeting
23 performance standards for reliability and efficiency, as may
24 be prescribed by units of the Montana university system,
25 federal agencies, or local instrumentalities, for the

1 purpose of protecting consumers.

2 Section 7. Authorized delegation of responsibilities.
3 In carrying out the financial assistance program required by
4 this act, the director is authorized to delegate
5 responsibilities to or contract with other state agencies,
6 units of the university system, or units of local government
7 or other public or private bodies as the director considers
8 desirable. The human resources division within the
9 department is directed to pursue and secure all federal
10 resources which may be appropriate for the furtherance of
11 the purposes of this act. The activities carried out under
12 this act shall be consistent with the Montana energy
13 conservation plan, and the director shall report on a
14 quarterly basis to the Montana energy advisory council or
15 other overall coordinative mechanism on energy policy
16 established by the legislature or executive order. Efforts
17 by the director to stimulate the manufacture of renewable
18 resource technology shall be closely coordinated with
19 84-7407 through 84-7413, which are administered by the
20 department of natural resources and conservation.

21 Section 8. Administration. (1) The department shall:

22 (a) within 90 days of the enactment of this
23 legislation, propose rules for implementing the purposes of
24 the act in accordance with the Montana Administrative
25 Procedure Act;

1 (b) upon adoption of the rules, make information about
2 the program and the eligibility requirements for
3 participating in the program generally available to the
4 public through the media;

5 (c) upon receipt of applications for financial
6 assistance, according to the procedures prescribed in the
7 rules, notify the applicants of the approval or disapproval
8 of their proposal within 60 days;

9 (d) upon completion of the installation of the energy
10 conservation measures or renewable resource energy measures
11 on existing residential dwelling units assisted through this
12 act, maintain records and develop reports on the level of
13 nonrenewable resource fuel savings, as a condition of the
14 assistance provided under this act.

15 (2) The department may:

16 (a) employ personnel and contract with other
17 appropriate state agencies or public and private entities to
18 carry out the purposes of this act with either 20% of the
19 funds appropriated under this act or \$200,000, whichever is
20 less;

21 (b) opt to administer the program through agreements
22 with private lending institutions, reimbursing them for the
23 amounts arrived at in the form of grants, interest
24 subsidies, or loan defaults, upon the receipt of properly
25 documented loan applications from the lending institutions.

1 Section 9. Appropriation. There is appropriated to the
2 department for the biennium ending June 30, 1979, the sum of
3 \$2 million for the purpose of making available financial
4 assistance to occupants of existing dwelling units with low
5 and moderate incomes to implement or install energy
6 conservation or renewable resource energy measures and to
7 administer this act, from the following sources:

8 (1) from the income from coal tax revenues invested in
9 the trust fund established by Article IX, section 5, of the
10 Montana constitution, so much as is available, not exceeding
11 \$2 million; and

12 (2) from the general fund, the amount by which the
13 income from the aforesaid coal tax trust fund revenues falls
14 short of \$2 million.

15 Section 10. Severability. If a part of this act is
16 invalid, all valid parts that are severable from the invalid
17 part remain in effect. If a part of this act is invalid in
18 one or more of its applications, the part remains in effect
19 in all valid applications that are severable from the
20 invalid applications.

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