

1 *Senate* BILL NO. 435  
 2 INTRODUCED BY *Eric*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO DIRECT THE  
 5 DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO PROVIDE  
 6 ASSISTANCE TO THE DEPARTMENT OF ADMINISTRATION, THE PUBLIC  
 7 SERVICE COMMISSION, AND LOCAL GOVERNMENTS ON QUESTIONS  
 8 RELATING TO ENERGY CONSERVATION; TO PROVIDE ENERGY  
 9 CONSERVATION INFORMATION TO THE PUBLIC; TO DEVELOP ENERGY  
 10 CONSERVATION PROGRAMS; TO CREATE AN ENERGY CONSERVATION  
 11 ACCOUNT TO BE FUNDED BY A PORTION OF THE INCOME OF THE COAL  
 12 TAX CONSTITUTIONAL TRUST FUND; AND TO APPROPRIATE MONEY TO  
 13 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR THE  
 14 PURPOSES OF THIS ACT."

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

17 Section 1. Energy conservation review. (1) The  
 18 department of natural resources and conservation shall  
 19 assist the department of administration in analyzing  
 20 existing and proposed state buildings and major state  
 21 purchases by reviewing and making recommendations to the  
 22 department of administration concerning:

- 23 (a) energy efficiency of proposed state construction
- 24 projects;
- 25 (b) life-cycle analysis of major state purchases; and

1 (c) energy use analysis and energy conservation  
 2 potential of existing state buildings.

3 (2) The recommendations of the department of natural  
 4 resources and conservation shall be included in the  
 5 long-range building program and shall be reported to the  
 6 legislature in 1979.

7 (3) Any local government unit may submit a building  
 8 code to the department of natural resources and conservation  
 9 for review with respect to energy conservation aspects of  
 10 the code. The department shall evaluate the code and make  
 11 recommendations to the local government as rapidly as  
 12 department resources and manpower will permit.

13 (4) The department of natural resources and  
 14 conservation shall recommend to the public service  
 15 commission energy conservation measures which can be taken  
 16 by the utility industry, including but not limited to audits  
 17 of industrial customers for energy utilization, peak pricing  
 18 programs, time-of-day rate structures, and other rate  
 19 structure alternatives.

20 (5) The department of natural resources and  
 21 conservation shall make information on energy conservation  
 22 techniques available to the citizens of Montana.

23 Section 2. Energy conservation program. (1) The  
 24 department of natural resources and conservation shall, in  
 25 consultation with the Montana energy advisory council,

1 develop an energy conservation program. This program should  
 2 include but is not limited to providing grants and loans to  
 3 homeowners for home weatherization and conversion of home  
 4 heating systems to utilize renewable resource energy  
 5 sources. Administration of programs developed pursuant to  
 6 this section need not be in the department of natural  
 7 resources and conservation but may be placed with any  
 8 appropriate department of the state.

9 (2) The department shall report to the 1979  
 10 legislature on energy conservation programs, including  
 11 suggested legislation. The report and any suggested  
 12 legislation shall be prepared by October 1, 1978.

13 Section 3. Energy conservation account. (1) There is  
 14 within the coal tax constitutional trust fund, provided for  
 15 by Article IX, section 5, of the Montana constitution, an  
 16 energy conservation account.

17 (2) Annually, one-sixth of the income of the coal tax  
 18 constitutional trust fund, not to exceed \$1 million, shall  
 19 be credited to the energy conservation account.

20 (3) The funds in the energy conservation account are  
 21 to be used for carrying out the duties imposed by this act  
 22 and for funding the programs developed pursuant to [section  
 23 2].

24 Section 4. Appropriation. (1) There is appropriated to  
 25 the department of natural resources and conservation the

1 money credited to the energy conservation account  
 2 established under [section 3] for the biennium ending June  
 3 30, 1979. This appropriation is to be used to carry out the  
 4 duties imposed by this act and to fund the programs  
 5 established pursuant to [section 2].

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

-End-

## FISCAL NOTE

Form BD 15

In compliance with a written request received March 21, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 435 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:

Senate Bill 435 directs the Department of Natural Resources to provide assistance to the Department of Administration, the Public Service Commission and local governments on questions relating to energy conservation. The bill also requires the Department to review existing and proposed state buildings and make recommendations concerning: (a) energy efficiency of proposed projects, (b) life cycle analysis, and (c) energy use analysis.

## ASSUMPTIONS:

## Department of Revenue:

1. It is assumed that the trust fund will be set at 25% of coal severance tax collections.
2. Income projections to the coal trust fund of \$210,000 in FY 78 and \$860,000 in FY 79 are correct.
3. One-sixth of the income to the trust fund will go into the energy conservation account (\$35,000 in FY 78, \$143,000 in FY 79).
4. Administrative costs will remain unchanged.

## Department of Natural Resources:

1. Four (4) positions and associated operational costs will be necessary to administer the act.

## FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Revenue:	<u>\$35,000</u>	<u>\$143,000</u>
Expenditures:		
Personal services	58,402	59,705
Operations	30,000	30,000
Capital	<u>6,000</u>	<u>1,000</u>
Total expenditures	<u>94,402</u>	<u>90,705</u>
Excess of revenue over expenditures	<u>(\$59,402)</u>	<u>\$ 52,295</u>

## CONCLUSION:

Over the biennium, sufficient funds will be available to fund the proposed legislation. A loan from the General Fund or some other source will be necessary to provide the necessary working capital in FY 78. Sufficient funds will be available in FY 79 to repay the loan.

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BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-22-77