

SENATE BILL 294

IN THE SENATE

January 30, 1979	Introduced and referred to Committee on Taxation.
January 31, 1979	Fiscal note requested.
February 5, 1979	Fiscal note returned.
April 20, 1979	Died in Committee.

Senate BILL NO. 294
Dow

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW ALTERNATIVE RENEWABLE ENERGY GRANTS TO RESEARCH, DEVELOP, OR MARKET THE BYPRODUCTS OF GASOHOL OR TO CONSTRUCT GASOHOL PLANTS; TO ALLOW GRANTEES TO OBTAIN PATENTS ON PROCESSES OR INVENTIONS RESULTING FROM SUCH GRANTS; TO ALLOCATE A LARGER PORTION OF THE COAL SEVERANCE TAX FUNDS TO THE ALTERNATIVE ENERGY RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT; AND AMENDING SECTIONS 15-35-108, 90-4-101, 90-4-105, AND 90-4-106, MCA."

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

Section 1. Section 90-4-101, MCA, is amended to read:

"90-4-101. Purpose. The purposes of this part 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 part may not be used to commercially market electricity or heat energy, or energy byproducts."

Section 2. Section 90-4-105, MCA, is amended to read:

"90-4-105. Applications for grants. (1) Any person may apply for a grant to enable him to:

(a) research, develop, or demonstrate alternative renewable energy sources;

(b) ~~research, develop, or market the byproducts of gasohol;~~ or

(c) ~~build gasohol plants.~~

(2) The department shall prescribe the form for applications. Applicants shall describe the nature of their proposed investigations ~~project~~, including practical applications of the possible results and time requirements."

Section 3. Section 90-4-106, MCA, is amended to read:

"90-4-106. Criteria for grant awards. The department may award grants to applicants under 90-4-105 in accordance with the following criteria:

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

(2) The department may give preference to projects which are also supported by grants from the federal government or other persons provided the grants are

1 consistent with the other objectives of the department. The
 2 purpose of this preference is to use the alternative energy
 3 research development and demonstration account for matching
 4 moneys in order to support more substantial research.

5 (3) The department may give preference to research
 6 centers unattached to existing educational institutions
 7 where several investigators can share supporting services.
 8 However, this shall not be interpreted to prohibit the
 9 department from awarding grants to existing educational
 10 institutions.

11 (4) The department may give preference to research
 12 centers which make information available to individuals,
 13 small 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
 17 grants described in 90-4-105(1)(a) shall be made available
 18 to the public and shall not become the private property of
 19 or under the exclusive control of any one company or person.
 20 The grantee may patent processes or inventions developed
 21 under a grant described in 90-4-105(1)(b).

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

1 (7) In any one year, the department may not award
 2 grants to governmental units for the purposes described in
 3 subsections (1)(b) and (1)(c) of 90-4-105 totaling more than
 4 5% of the money awarded in that year for such purposes."

5 Section 4. Section 15-35-108, MCA, is amended to read:
 6 "15-35-108. Disposal of severance taxes. Severance
 7 taxes collected under the provisions of this chapter are
 8 allocated as follows:

9 (1) To the trust fund created by Article IX, section
 10 5, of the Montana constitution, 25% of total collections a
 11 year. After December 31, 1979, 50% of coal severance tax
 12 collections are allocated to this trust fund. The trust fund
 13 moneys shall be deposited in the fund established under
 14 17-6-203(5) and invested by the board of investments as
 15 provided by law.

16 (2) Coal severance tax collections remaining after
 17 allocation to the trust fund under subsection (1) are
 18 allocated in the following percentages of the remaining
 19 balance:

20 (a) to the county in which coal is mined, 2% of the
 21 severance tax paid on the coal mined in that county until
 22 January 1, 1980, for such purposes as the governing body of
 23 the county may determine;

24 (b) ~~2-1/2%~~ 10% until December 31, 1979, and thereafter
 25 ~~5%~~ 15% to the earmarked revenue fund to the credit of the

1 alternative energy research development and demonstration
2 account;

3 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
4 to the earmarked revenue fund to the credit of the local
5 impact and education trust fund account;

6 (d) for each of the 2 fiscal years following June 30,
7 1977, 13% to the earmarked revenue fund to the credit of the
8 coal area highway improvement account;

9 (e) 10% to the earmarked revenue fund for state
10 equalization aid to public schools of the state;

11 (f) 1% to the earmarked revenue fund to the credit of
12 the county land planning account;

13 (g) 2 1/2% to the sinking fund to the credit of the
14 renewable resource development bond account;

15 (h) 2 1/2% through June 30, 1979, one-half to the
16 earmarked revenue fund for the purpose of acquisition,
17 operation, or maintenance of sites and areas described in
18 23-1-102 and protection of works of art in the state capitol
19 and other cultural and aesthetic projects, subject to
20 legislative appropriations, and one-half to the earmarked
21 revenue fund to be invested in a trust fund for the purpose
22 of parks acquisition or management. After June 30, 1979, 5%
23 to the trust fund for the purpose of parks acquisition or
24 management. Income from the fund established in this
25 subsection (h) may be appropriated for the acquisition of

1 sites and areas described in 23-1-102 and the operation and
2 maintenance of sites so acquired and protection of works of
3 art in the state capitol and other cultural and aesthetic
4 projects;

5 (i) all other revenues from severance taxes collected
6 under the provisions of this chapter to the credit of the
7 general fund of the state."

-End-

STATE OF MONTANA

REQUEST NO. 191-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 31, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 294 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

This proposed bill allows alternative renewable energy grants to research, develop, or market the byproducts of gasohol or to construct gasohol plants; to allow grantees to obtain patents on processes or inventions resulting from such grants; to allocate a larger portion of the coal severance tax funds to the alternative energy research development and demonstration account.

ASSUMPTIONS

1. The Department of Revenue projections of \$49.093 M in FY80 and \$54.272 in FY81 for coal severance tax are correct.
2. Coal tax collections are homogeneous. (One quarter of the estimated fiscal year collections is collected each quarter.)

FISCAL IMPACT

See attached sheet.

EFFECT ON LOCAL GOVERNMENTS

No impact.

PREPARED BY DEPARTMENT OF REVENUE

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BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/5/79

FISCAL IMPACT - (F.N. Req. 191-79 for SB 294)

MILLIONS OF DOLLARS

	FY 80			FY 81		
	Current Law	Proposed Law	Change	Current Law	Proposed Law	Change
Coal Tax Trust	\$15.342	\$15.342	\$ 0	\$27.136	\$27.136	\$ 0
County of Origin	.552	.552	0	0	0	0
Alternate Energy	.997	2.992	1.995	1.357	4.070	2.713
Local Impact	11.644	11.644	0	10.176	10.176	0
School Equalization	3.375	3.375	0	2.714	2.714	0
County Planning	.338	.338	0	.271	.271	0
Renewable Resources	.844	.844	0	.678	.678	0
Sites and Areas	1.457	1.457	0	1.357	1.357	0
General Fund	13.347	11.352	(1.995)	10.583	7.870	(2.713)
Coal Area Highway Improvement	1.197	1.197	0	0	0	0
	<u>\$49.093</u>	<u>\$49.093</u>	<u>\$ 0</u>	<u>\$54.272</u>	<u>\$54.272</u>	<u>\$ 0</u>