

HOUSE BILL NO. 909

INTRODUCED BY MANUEL

BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE

IN THE HOUSE

February 20, 1985

Introduced and referred to
Committee on Appropriations.

April 1, 1985

Committee recommend bill do pass
as amended. Report adopted.

Bill printed and placed on
members' desks.

Second reading, do pass.

Third reading, passed.

Transmitted to Senate.

IN THE SENATE

April 3, 1985

Introduced and referred to
Committee on Finance and Claims.

April 19, 1985

Committee recommend bill be
concurrent in. Report adopted.

Statement of Intent attached.

April 22, 1985

Second reading, concurred in.

April 23, 1985

Third reading, concurred in.
Ayes, 49; Noes, 0.

Returned to House with Statement
of Intent.

IN THE HOUSE

April 23, 1985

Received from Senate.

Second reading, Statement of
Intent concurred in.

Third reading, Statement of
Intent concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 909
 2 INTRODUCED BY Manuel
 3 BY REQUEST OF THE HOUSE
 4 APPROPRIATIONS COMMITTEE

5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE
 7 ADMINISTRATION AND AWARDED OF GRANTS TO STATE GOVERNMENTAL
 8 UNITS FOR ENERGY CONSERVATION MEASURES; AMENDING SECTIONS
 9 90-4-102, 90-4-104, AND 90-4-106, MCA; AND PROVIDING AN
 10 IMMEDIATE EFFECTIVE DATE."
 11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 90-4-102, MCA, is amended to read:
 14 "90-4-102. Definitions. As used in this part, the
 15 following definitions apply:

16 (1) "Alternative renewable energy source" means a form
 17 of energy or matter, such as solar energy, wind energy, or
 18 methane from solid waste, capable of being converted into
 19 forms of energy useful to mankind, and the technology
 20 necessary to make this conversion, when the source is not
 21 exhaustible in terms of this planet and when the source or
 22 the technology are not in general commercial use.

23 (2) "Energy conservation" means reducing waste or
 24 dissipation of energy or reducing the amount of energy
 25 required to accomplish a given quantity of work through

1 increases in efficiency of energy use, production, or
 2 distribution.

3 (3) "Person" means a natural person, corporation,
 4 partnership, or other business entity, association, trust,
 5 foundation, any educational or scientific institution, or
 6 any governmental unit.

7 (4) "Department" means the Montana department of
 8 natural resources and conservation.

9 (5) (a) "State governmental unit" means:

10 (i) the state;

11 (ii) the legislature;

12 (iii) any executive branch department, office, or
 13 agency;

14 (iv) the university system; or

15 (v) the supreme court or any office thereof.

16 (b) The term does not include:

17 (i) a county, incorporated city, town, or other local
 18 governmental unit or a public corporation or district
 19 created pursuant to state law; or

20 (ii) any other public body of the state not described
 21 in subsection (5)(a)."

22 Section 2. Section 90-4-104, MCA, is amended to read:
 23 "90-4-104. General powers of department. The
 24 department may:

25 (1) employ a staff adequate to administer this part;



1 (2) retain professional consultants and advisors;
 2 (3) adopt rules governing applications, and granting,
 3 administration, and repayment of funds;
 4 (4) adopt rules governing applications for and
 5 administration and awarding of loans;
 6 (5) adopt rules governing the application for and
 7 administration and awarding of grants to state governmental
 8 units under [section 4];
 9 ~~(5)~~(6) consider applications and award grants or
 10 loans, subject to the availability of funds and to the
 11 appropriation of such funds by the legislature, from the
 12 alternative energy and energy conservation research
 13 development and demonstration funds for projects that will
 14 further the purposes of this part;
 15 ~~(6)~~(7) appoint an alternative energy advisory
 16 committee composed of representatives of state agencies and
 17 citizen members with expertise in alternative energy and
 18 energy conservation matters. The appointment of any such
 19 advisory committee shall be in keeping with 2-15-122."
 20 Section 3. Section 90-4-106, MCA, is amended to read:
 21 "90-4-106. Criteria for grant or loan awards. The
 22 department may award grants or loans to applicants under
 23 90-4-105 in accordance with the following criteria:
 24 (1) A grant may cover a period exceeding 1 year,
 25 provided that all funds for the grant must be encumbered or

1 accrued from the program appropriation for the year the
 2 grant is authorized.
 3 (2) The department may give preference to projects
 4 which are also supported by funding from the federal
 5 government or other persons, provided the projects are
 6 consistent with the other objectives of the department. The
 7 purpose of this preference is to use the alternative energy
 8 and energy conservation research development and
 9 demonstration account for matching moneys in order to
 10 support more substantial research or commercialization.
 11 (3) The department may give preference to research
 12 centers unattached to existing educational institutions
 13 where several investigators can share supporting services.
 14 However, this shall not be interpreted to prohibit the
 15 department from awarding grants or loans to existing
 16 educational institutions.
 17 (4) The department may give preference to research
 18 centers which make information available to individuals,
 19 small businesses, and small communities seeking the use of
 20 renewable energy sources and energy conservation in their
 21 homes, plants, places of business, and small communities.
 22 (5) All information resulting from such research shall
 23 be made available to the public.
 24 (6) The department may expend or commit available
 25 alternative energy and energy conservation research

1 development and demonstration funds. The department may
 2 commit funds for demonstration purposes only when in its
 3 judgment such expenditures or commitments have good
 4 potential for producing savings of nonrenewable energy
 5 sources. The department may not commit funds for
 6 demonstration purposes when any of the following conditions
 7 are present:

8 (a) previous commitments of a similar nature were not
 9 productive;

10 (b) a similar demonstration has been conducted within
 11 close geographic proximity of the geographic location of the
 12 proposed demonstration project, other than a project
 13 proposed for funding under [section 4];

14 (c) the proposed demonstration project would not
 15 further the purpose of this part."

16 NEW SECTION. Section 4. State governmental unit
 17 grants. (1) The department may award grants from the
 18 alternative energy and energy conservation research
 19 development and demonstration account to state governmental
 20 units. These grants must be used to further the purposes of
 21 this part by providing money for state governmental units
 22 for energy conservation measures.

23 (2) State governmental units must apply to the
 24 department for grants.

25 (3) The department shall prescribe the form for

1 applications and develop criteria for awarding grants under
 2 this section, including provisions requiring matching funds
 3 or repayment of grant funds to the alternative energy and
 4 energy conservation research development and demonstration
 5 account.

6 NEW SECTION. Section 5. Codification instruction.
 7 Section 4 is intended to be codified as an integral part of
 8 Title 90, chapter 4, part 1, and the provisions of Title 90,
 9 chapter 4, part 1, apply to section 4.

10 NEW SECTION. Section 6. Extension of authority. Any
 11 existing authority of the department of natural resources
 12 and conservation to make rules on the subject of the
 13 provisions of this act is extended to the provisions of this
 14 act.

15 NEW SECTION. Section 7. Effective date. This act is
 16 effective on passage and approval.

-End-

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 90-4-102, 90-4-104, AND 90-4-106, MCA; AND PROVIDING AN
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Section 1. Section 90-4-102, MCA, is amended to read:

"90-4-102. Definitions. As used in this part, the
 following definitions apply:

(1) "Alternative renewable energy source" means a form
 of energy or matter, such as solar energy, wind energy, or
 methane from solid waste, capable of being converted into
 forms of energy useful to mankind, and the technology
 necessary to make this conversion, when the source is not
 exhaustible in terms of this planet and when the source or
 the technology are not in general commercial use.

(2) "Energy conservation" means reducing waste or
 dissipation of energy or reducing the amount of energy
 required to accomplish a given quantity of work through

increases in efficiency of energy use, production, or
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(3) "Person" means a natural person, corporation,
 partnership, or other business entity, association, trust,
 foundation, any educational or scientific institution, or
 any governmental unit.

(4) "Department" means the Montana department of
 natural resources and conservation.

(5) (a) "State governmental unit" means:

(i) the state;

(ii) the legislature;

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 agency;

(iv) the university system; or

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(b) The term does not include:

(i) a county, incorporated city, town, or other local
 governmental unit or a public corporation or district
 created pursuant to state law; or

(ii) any other public body of the State not described
 in subsection (5)(a)."

Section 2. Section 90-4-104, MCA, is amended to read:

"90-4-104. General powers of department. The
 department may:

(1) employ a staff adequate to administer this part;

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1 (2) retain professional consultants and advisors;
 2 (3) adopt rules governing applications, and granting,
 3 administration, and repayment of funds;
 4 (4) adopt rules governing applications for and
 5 administration and awarding of loans;
 6 (5) adopt rules governing the application for and
 7 administration and awarding of grants to state governmental
 8 units under [section 4];
 9 ~~(5)~~(6) consider applications and award grants or
 10 loans, subject to the availability of funds and to the
 11 appropriation of such funds by the legislature, from the
 12 alternative energy and energy conservation research
 13 development and demonstration funds for projects that will
 14 further the purposes of this part;
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 16 committee composed of representatives of state agencies and
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 19 advisory committee shall be in keeping with 2-15-122."
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 21 "90-4-106. Criteria for grant or loan awards. The
 22 department may award grants or loans to applicants under
 23 90-4-105 in accordance with the following criteria:
 24 (1) A grant may cover a period exceeding 1 year,
 25 provided that all funds for the grant must be encumbered or

1 accrued from the program appropriation for the year the
 2 grant is authorized.
 3 (2) The department may give preference to projects
 4 which are also supported by funding from the federal
 5 government or other persons, provided the projects are
 6 consistent with the other objectives of the department. The
 7 purpose of this preference is to use the alternative energy
 8 and energy conservation research development and
 9 demonstration account for matching moneys in order to
 10 support more substantial research or commercialization.
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 12 centers unattached to existing educational institutions
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1 development and demonstration funds. The department may
 2 commit funds for demonstration purposes only when in its
 3 judgment such expenditures or commitments have good
 4 potential for producing savings of nonrenewable energy
 5 sources. The department may not commit funds for
 6 demonstration purposes when any of the following conditions
 7 are present:

8 (a) previous commitments of a similar nature were not
 9 productive;

10 (b) a similar demonstration has been conducted within
 11 close geographic proximity of the geographic location of the
 12 proposed demonstration project, other than a project
 13 proposed for funding under [section 4];

14 (c) the proposed demonstration project would not
 15 further the purpose of this part."

16 NEW SECTION. Section 4. State governmental unit
 17 grants. (1) (A) THE PRIOR TO JULY 1, 1987, THE department
 18 may award grants from the alternative energy and energy
 19 conservation research development and demonstration account
 20 to state governmental units. These grants must be used to
 21 further the purposes of this part by providing money for
 22 state governmental units for energy conservation measures.

23 ~~{2}~~(B) State governmental units must apply to the
 24 department for grants.

25 ~~{3}~~(C) The department shall prescribe the form for

1 applications and develop criteria for awarding grants under
 2 this section, including provisions requiring matching funds
 3 or repayment of grant funds to the alternative energy and
 4 energy conservation research development and demonstration
 5 account.

6 (2) (A) AFTER JUNE 30, 1987, THE DEPARTMENT MAY AWARD
 7 GRANTS FROM THE ALTERNATIVE ENERGY AND ENERGY CONSERVATION
 8 DEVELOPMENT AND DEMONSTRATION ACCOUNT TO SUCH STATE
 9 GOVERNMENTAL UNITS THAT HAVE HAD PROJECTS APPROVED BY THE
 10 LEGISLATURE.

11 (B) (I) STATE GOVERNMENTAL UNITS MUST APPLY TO THE
 12 DEPARTMENT FOR GRANTS.

13 (II) THE DEPARTMENT SHALL PRESCRIBE THE FORM FOR
 14 APPLICATIONS AND DEVELOP CRITERIA FOR PRIORITIZING GRANTS.

15 (III) THE DEPARTMENT SHALL PRIORITIZE GRANT
 16 APPLICATIONS SUBMITTED TO IT AND SHALL SUBMIT ITS
 17 RECOMMENDATIONS ON THE GRANTING OF AWARDS TO STATE
 18 GOVERNMENTAL UNITS WITH ITS BUDGET REQUEST AS PROVIDED IN
 19 17-7-111. THE RECOMMENDATIONS MUST INCLUDE THE NAMES OF
 20 PROPOSED PROJECTS, THEIR COST, AND THE EXPECTED ANNUAL
 21 ENERGY SAVINGS, IF ANY, RESULTING FROM THE GRANT.

22 (C) EACH AGENCY AWARDED A GRANT BY THE LEGISLATURE
 23 UNDER THE PROVISIONS OF SUBSECTION (2) WILL HAVE ITS BUDGET
 24 REDUCED COMMENSURATE WITH THE ESTIMATED ENERGY SAVINGS
 25 RESULTING FROM THE GRANT.

1 NEW SECTION. Section 5. Codification instruction.
2 Section 4 is intended to be codified as an integral part of
3 Title 90, chapter 4, part 1, and the provisions of Title 90,
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6 existing authority of the department of natural resources
7 and conservation to make rules on the subject of the
8 provisions of this act is extended to the provisions of this
9 act.

10 NEW SECTION. Section 7. Effective date. This act is
11 effective on passage and approval.

-End-

1 STATEMENT OF INTENT

2 HOUSE BILL 909

3 House Finance and Claims Committee

4
5 A statement of intent is required for this bill because
6 it directs the department of natural resources and
7 conservation to adopt rules for repayment of grants and
8 awarding of grants to state governmental units. In adopting
9 rules, the department should develop selection criteria that
10 include, at a minimum, payback criteria for investments to
11 pay for themselves through energy savings. The department
12 should consult with the department of administration when
13 developing rules for awarding grants to state governmental
14 units.

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