

HOUSE BILL NO. 39

INTRODUCED BY PECK

BY REQUEST OF THE DEPARTMENT OF
NATURAL RESOURCES AND CONSERVATION

IN THE HOUSE

June 20, 1986	Introduced and referred to Committee on Natural Resources.
June 23, 1986	Committee recommend bill do pass as amended. Report adopted.
June 24, 1986	Bill printed and placed on members' desks.
	Second reading, do pass as amended.
	Third reading, passed.
	Transmitted to Senate.

IN THE SENATE

June 25, 1986	Introduced and referred to Committee on Taxation.
June 27, 1986	Committee recommend bill be concurrent in as amended. Report adopted.
	Second reading, concurred in.
	Third reading, concurred in. Ayes, 48; Noes, 2.
	Returned to House with amendments.

IN THE HOUSE

June 28, 1986

Received from Senate.

Second reading, amendments
concurred in.

Third reading, amendments
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 (3) adopt rules governing applications, granting,
2 administration, and repayment of funds;

3 (4) adopt rules governing applications for and
4 administration and awarding of loans;

5 (5) adopt rules governing the application for and
6 administration, and awarding, and repayment of grants to
7 state governmental units under 90-4-109;

8 (6) consider applications and award grants or loans,
9 subject to the availability of funds and to the
10 appropriation of such funds by the legislature, from the
11 alternative energy and energy conservation research
12 development and demonstration funds for projects that will
13 further the purposes of this part;

14 (7) appoint an alternative energy advisory committee
15 composed of representatives of state agencies and citizen
16 members with expertise in alternative energy and energy
17 conservation matters. The appointment of any such advisory
18 committee shall be in keeping with 2-15-122."

19 Section 2. Section 90-4-109, MCA, is amended to read:
20 "90-4-109. State governmental unit grants. (1) (a)
21 ~~Prior--to--July-17,1987, the~~ The department may award grants
22 from the alternative energy and energy conservation research
23 development and demonstration account to state governmental
24 units. These grants must be used to further the purposes of
25 this part by providing money for state governmental units

for energy conservation measures.

(b) State governmental units must apply to the department for grants.

(c) The department shall prescribe the form for applications and develop criteria for awarding grants under this section, including provisions requiring matching funds or repayment of grant funds to the alternative energy and energy conservation research development and demonstration account.

~~{2}--(a)--After--June--30,--1987,--the--department--may--award--grants--from--the--alternative--energy--and--energy--conservation--development---and---demonstration---account---to---such---state--governmental--units--that--have--had--projects--approved--by--the--legislature--~~

~~{b}--(i)--State--governmental--units--must--apply--to--the--department--for--grants--~~

~~{ii}--The--department--shall--prescribe--the--form---for--applications--and--develop--criteria--for--prioritizing--grants--~~

~~{iii}--The---department---shall---prioritize---grant--applications---submitted---to---it---and--shall--submit--its--recommendations--on--the--granting--of---awards---to---state--governmental--units--with--its--budget--request--as--provided--in--17-7-111--The--recommendations--must--include--the--names--of--proposed--projects,--their--cost,--and--the--expected--annual--energy--savings,--if--any,--resulting--from--the--grant--~~

~~{c}--Each--agency--awarded--a--grant--by--the--legislature--under--the--provisions--of--subsection--(2)--will--have--its--budget--reduced--commensurate--with--the--estimated--energy--savings--resulting--from--the--grant--~~

(2) All grants awarded under this section must be administered by the department of administration according to Title 18, chapter 2."

Section 3. Section 90-4-111, MCA, is amended to read:

"90-4-111. Biennial report. The department shall monitor the grants awarded under 90-4-106 and 90-4-109 and shall report its expenditures and other information concerning the implementation and effectiveness of specific projects or programs for which grants were awarded under this part to the legislature at the beginning of each regular legislative session."

NEW SECTION. Section 4. Annual allocation of funds.

(1) Each fiscal year the department shall allocate the funds appropriated from the alternative energy and energy conservation research development and demonstration account for the following:

(a) grants under 90-4-104 and 90-4-106;

(b) loans under 90-4-104 and 90-4-106;

(c) grants to state governmental units under 90-4-109;

(d) program administration; and

(e) matching federal energy programs and petroleum

1 violation escrow account money if consistent with the
2 purposes of this chapter.

3 (2) To assure that the program offers the greatest
4 possible benefits during the fiscal year, the department may
5 reallocate funds among the categories specified in this
6 section based on the availability of funds or the
7 applications it receives and the department's evaluation of
8 the relative merits of each project.

9 (3) From July 1, 1986, through June 30, 1989, the
10 department may elect not to allocate any funds or accept any
11 applications for the purpose of making grant or loan awards
12 under this part.

13 NEW SECTION. Section 5. Transfer. (1) On June 30,
14 1986, \$1,000,000 of the money available to the department of
15 natural resources and conservation in the alternative energy
16 and energy conservation research development and
17 demonstration account of the state special revenue fund must
18 be transferred to the general fund.

19 (2) On or before June 30, 1987, \$143,000 of the money
20 available to the department of natural resources and
21 conservation in the alternative energy and energy
22 conservation research development and demonstration account
23 of the state special revenue fund must be transferred to the
24 general fund.

25 NEW SECTION. Section 6. Extension of authority. Any

1 existing authority of the department of natural resources
2 and conservation or the department of administration to make
3 rules on the subject of the provisions of this act is
4 extended to the provisions of this act.

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

9 NEW SECTION. Section 8. Effective date. This act is
10 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB39, Version: As Originally Introduced Bill

DESCRIPTION OF PROPOSED LEGISLATION

House Bill 39 generally revises the renewable energy sources research and development status, including transferring \$1,143,000 from the alternative energy and energy conservation research development and demonstration account to the general fund over the next year.

ASSUMPTIONS

1. The Department will not allocate any funds or accept any applications for grant and loan awards under Sections 90-4-104 and 90-4-106 during FY87, 88, and 89.
2. The Department will allocate grants to state governmental units to retrofit state buildings under Section 90-4-109.
3. The Department will monitor grants and loans previously awarded under Sections 90-4-106 and 90-4-109.
4. The Department will transfer \$1,000,000 on June 30, 1986 and \$143,000 by June 30, 1987 from the alternative energy and energy conservation research development and demonstration account to the general fund.

FISCAL IMPACTS (FY87)

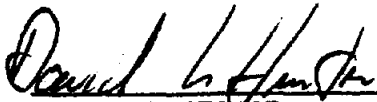
Expenditures:

Personal Services	(51,315)
Operating Expenses	(632,611)
Grants	(459,074)
Total Expenditures	(1,143,000)

AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES (FY87)

Grants and loans that will not be distributed to the communities are:

Grants	\$459,074
Loans	\$602,611

 6/23/86
BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 6/23/86
PRIMARY SPONSOR DATE

Fiscal Note for HB 39

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Page 2

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION

The proposed legislation will delay the grant and loan awards for three years (fiscal years 87, 88, and 89).

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION

This bill does not include the additional \$207,000 that the House requested be transferred from the alternative energy and energy conservation research, development, and demonstration account (grants budget) to the general fund or the 5 percent (\$54,000) program reduction included in HB30.

APPROVED BY COMM. ON
NATURAL RESOURCES

HOUSE BILL NO. 39
INTRODUCED BY PECK
BY REQUEST OF THE DEPARTMENT OF
NATURAL RESOURCES AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
RENEWABLE ENERGY SOURCES RESEARCH AND DEVELOPMENT STATUTES;
PROVIDING FOR THE ADOPTION OF RULES FOR THE REPAYMENT OF
GRANTS TO STATE GOVERNMENTAL UNITS; REQUIRING A BIENNIAL
REPORT FOR GRANTS TO STATE GOVERNMENTAL UNITS; REQUIRING
THAT GRANTS TO STATE GOVERNMENTAL UNITS BE ADMINISTERED
ACCORDING TO TITLE 18, CHAPTER 2, MCA, BY THE DEPARTMENT OF
ADMINISTRATION; ESTABLISHING AN ANNUAL ALLOCATION OF FUNDS;
REQUIRING SUBMISSION OF A RENEWABLE ENERGY AND CONSERVATION
PLAN TO EACH GENERAL SESSION OF THE LEGISLATURE;
TRANSFERRING MONEY TO THE GENERAL FUND FROM THE ALTERNATIVE
ENERGY AND ENERGY CONSERVATION RESEARCH DEVELOPMENT AND
DEMONSTRATION ACCOUNT; AMENDING SECTIONS 90-4-104, 90-4-109,
AND 90-4-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE."

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

Section 1. 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;
- (2) retain professional consultants and advisors;
- (3) adopt rules governing applications, granting,
administration, and repayment of funds;
- (4) adopt rules governing applications for and
administration and awarding of loans;
- (5) adopt rules governing the application for and
administration, and awarding, and repayment of grants to
state governmental units under 90-4-109;
- (6) consider applications and award grants or loans,
subject to the availability of funds and to the
appropriation of such funds by the legislature, from the
alternative energy and energy conservation research
development and demonstration funds for projects that will
further the purposes of this part;
- (7) appoint an alternative energy advisory committee
composed of representatives of state agencies and citizen
members with expertise in alternative energy and energy
conservation matters. The appointment of any such advisory
committee shall be in keeping with 2-15-122."

Section 2. Section 90-4-109, MCA, is amended to read:

"90-4-109. State governmental unit grants. (1) (a)
~~Prior--to--July-17-1987--the~~ The department may award grants
from the alternative energy and energy conservation research
development and demonstration account to state governmental

SECOND READING

HB 39

1 units. These grants must be used to further the purposes of
2 this part by providing money for state governmental units
3 for energy conservation measures.

4 (b) State governmental units must apply to the
5 department for grants.

6 (c) The department shall prescribe the form for
7 applications and develop criteria for awarding grants under
8 this section, including provisions requiring matching funds
9 or repayment of grant funds to the alternative energy and
10 energy conservation research development and demonstration
11 account.

12 ~~{2}--(a)--After--June-30,-1987,-the-department-may-award~~
13 ~~grants-from-the-alternative-energy-and--energy--conservation~~
14 ~~development---and---demonstration---account---to---such---state~~
15 ~~governmental-units-that-have-had-projects--approved--by--the~~
16 ~~legislature.~~

17 ~~{b}--(i)--State--governmental--units--must--apply-to-the~~
18 ~~department-for-grants.~~

19 ~~{ii}--The--department--shall--prescribe--the--form---for~~
20 ~~applications--and--develop-criteria-for-prioritizing-grants.~~

21 ~~{iii}--The---department---shall---prioritize---grant~~
22 ~~applications---submitted---to---it---and---shall---submit---its~~
23 ~~recommendations--on--the--granting--of--awards---to---state~~
24 ~~governmental--units--with--its-budget-request-as-provided-in~~
25 ~~17-7-111.-The-recommendations--must--include--the--names--of~~

1 ~~proposed--projects,--their--cost,--and--the--expected-annual~~
2 ~~energy-savings,--if-any,--resulting-from-the-grant.~~

3 ~~{c}--Each-agency-awarded-a--grant--by--the--legislature~~
4 ~~under--the-provisions-of-subsection-{2}-will-have-its-budget~~
5 ~~reduced--commensurate--with--the--estimated--energy--savings~~
6 ~~resulting-from-the-grant.~~

7 {2} All grants awarded under this section must be
8 administered by the department of administration according
9 to Title 18, chapter 2."

10 Section 3. Section 90-4-111, MCA, is amended to read:

11 "90-4-111. Biennial report. The department shall
12 monitor the grants awarded under 90-4-106 and 90-4-109 and
13 shall report its expenditures and other information
14 concerning the implementation and effectiveness of specific
15 projects or programs for which grants were awarded under
16 this part to the legislature at the beginning of each
17 regular legislative session."

18 NEW SECTION. Section 4. Annual allocation of funds.

19 (1) Each fiscal year the department shall allocate the funds
20 appropriated from the alternative energy and energy
21 conservation research development and demonstration account
22 for the following:

23 (a) grants under 90-4-104 and 90-4-106;

24 (b) loans under 90-4-104 and 90-4-106;

25 (c) grants to state governmental units under 90-4-109;

(d) program administration; and

(e) matching federal energy programs and petroleum violation escrow account money if consistent with the purposes of this chapter.

(2) To assure that the program offers the greatest possible benefits during the fiscal year, the department may reallocate funds among the categories specified in this section based on the availability of funds or the applications it receives and the department's evaluation of the relative merits of each project.

(3) From July 1, 1986, through June 30, 1989 1987, the department may elect not to allocate any funds or accept any applications for the purpose of making grant or loan awards under this part.

NEW SECTION. SECTION 5. RENEWABLE ENERGY AND CONSERVATION PLAN. (1) THE DEPARTMENT SHALL DEVELOP A PLAN FOR RENEWABLE ENERGY AND CONSERVATION TECHNOLOGIES AND SHALL PROVIDE FOR CONTINUING PUBLIC REVIEW OF THE PLAN. THE PLAN MUST CONTAIN:

(A) AN EVALUATION TO DETERMINE IF ADDITIONAL INVESTMENT OF STATE FUNDS IN RENEWABLE ENERGY AND CONSERVATION TECHNOLOGIES IS WARRANTED AND WHERE THE INVESTMENT WOULD BE MOST EFFECTIVE;

(B) A PLAN FOR COORDINATING ENERGY CONSERVATION PROGRAMS IN MONTANA;

(C) A SUMMARY OF THE ACCOMPLISHMENTS OF THE RENEWABLE ENERGY GRANT AND LOAN PROGRAM;

(D) INVESTMENT CRITERIA, INCLUDING BUT NOT LIMITED TO PREFERENTIAL CONSIDERATION FOR TECHNOLOGIES THAT HAVE THE GREATEST POTENTIAL TO REDUCE RELIANCE ON NONRENEWABLE ENERGY SOURCES AND THAT PROMOTE ECONOMIC DEVELOPMENT; AND

(E) OTHER PLAN ELEMENTS CONSISTENT WITH THE PROGRAM PURPOSE PROVIDED IN 90-4-101.

(2) THE DEPARTMENT SHALL SUBMIT TO EACH GENERAL SESSION OF THE LEGISLATURE THE PLAN AND ANY SECTION THEREOF OR AMENDMENTS, ADDITIONS, OR REVISIONS THERETO. A PLAN MUST BE SUBMITTED BY JANUARY 1, 1987.

NEW SECTION. Section 6. Transfer. (1) On June 30, 1986, \$1,000,000 of the money available to the department of natural resources and conservation in the alternative energy and energy conservation research development and demonstration account of the state special revenue fund must be transferred to the general fund.

(2) On or before June 30, 1987, \$143,000 of the money available to the department of natural resources and conservation in the alternative energy and energy conservation research development and demonstration account of the state special revenue fund must be transferred to the general fund.

NEW SECTION. Section 7. Extension of authority. Any

1 existing authority of the department of natural resources
2 and conservation or the department of administration to make
3 rules on the subject of the provisions of this act is
4 extended to the provisions of this act.

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

10 NEW SECTION. Section 9. Effective date. This act is
11 effective on passage and approval.

-End-

1 HOUSE BILL NO. 39
2 INTRODUCED BY PECK
3 BY REQUEST OF THE DEPARTMENT OF
4 NATURAL RESOURCES AND CONSERVATION
5
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
7 RENEWABLE ENERGY SOURCES RESEARCH AND DEVELOPMENT STATUTES;
8 PROVIDING FOR THE ADOPTION OF RULES FOR THE REPAYMENT OF
9 GRANTS TO STATE GOVERNMENTAL UNITS; REQUIRING A BIENNIAL
10 REPORT FOR GRANTS TO STATE GOVERNMENTAL UNITS; REQUIRING
11 THAT GRANTS TO STATE GOVERNMENTAL UNITS EITHER BE REPAYED OR
12 THAT AGENCY BUDGETS BE REDUCED COMMENSURATE WITH DOCUMENTED
13 ENERGY SAVINGS; REQUIRING THAT GRANTS TO STATE GOVERNMENTAL
14 UNITS BE ADMINISTERED ACCORDING TO TITLE 18, CHAPTER 2, MCA,
15 BY THE DEPARTMENT OF ADMINISTRATION; ESTABLISHING AN ANNUAL
16 ALLOCATION OF FUNDS; REQUIRING SUBMISSION OF A RENEWABLE
17 ENERGY AND CONSERVATION PLAN TO EACH GENERAL SESSION OF THE
18 LEGISLATURE; TRANSFERRING MONEY TO THE GENERAL FUND FROM THE
19 ALTERNATIVE ENERGY AND ENERGY CONSERVATION RESEARCH
20 DEVELOPMENT AND DEMONSTRATION ACCOUNT; AMENDING SECTIONS
21 90-4-104, 90-4-109, AND 90-4-111, MCA; AND PROVIDING AN
22 IMMEDIATE EFFECTIVE DATE."
23
24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
25 Section 1. Section 90-4-104, MCA, is amended to read:

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2 department may:
3 (1) employ a staff adequate to administer this part;
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5 (3) adopt rules governing applications, granting,
6 administration, and repayment of funds;
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8 administration and awarding of loans;
9 (5) adopt rules governing the application for and
10 administration, ~~and AND awarding, and-repayment~~ of grants to
11 state governmental units under 90-4-109;
12 (6) ADOPT RULES GOVERNING THE REPAYMENT OF GRANTS TO
13 STATE GOVERNMENTAL UNITS AND THE REDUCTION OF AGENCY BUDGETS
14 UNDER 90-4-109;
15 ~~(7)~~ (7) consider applications and award grants or
16 loans, subject to the availability of funds and to the
17 appropriation of such funds by the legislature, from the
18 alternative energy and energy conservation research
19 development and demonstration funds for projects that will
20 further the purposes of this part;
21 ~~(7)~~ (8) appoint an alternative energy advisory
22 committee composed of representatives of state agencies and
23 citizen members with expertise in alternative energy and
24 energy conservation matters. The appointment of any such
25 advisory committee shall be in keeping with 2-15-122."

Section 2. Section 90-4-109, MCA, is amended to read:

"90-4-109. State governmental unit grants. (1) (a)

~~Prior to July 17, 1987, the~~ The department may award grants from the alternative energy and energy conservation research development and demonstration account to state governmental units. These grants must be used to further the purposes of this part by providing money for state governmental units for energy conservation measures.

(b) State governmental units must apply to the department for grants.

(c) The department shall prescribe the form for applications and develop criteria for awarding grants under this section, including provisions requiring matching funds or repayment of grant funds to the alternative energy and energy conservation research development and demonstration account.

(D) EACH AGENCY AWARDED A GRANT SHALL EITHER REPAY THE GRANT OR REDUCE ITS BUDGET COMMENSURATE WITH THE DOCUMENTED ENERGY SAVINGS RESULTING FROM THE GRANT.

~~(2) (a) After June 30, 1987, the department may award grants from the alternative energy and energy conservation development and demonstration account to such state governmental units that have had projects approved by the legislature.~~

~~(b) (i) State governmental units must apply to the~~

department for grants.

~~(ii) The department shall prescribe the form for applications and develop criteria for prioritizing grants.~~

~~(iii) The department shall prioritize grant applications submitted to it and shall submit its recommendations on the granting of awards to state governmental units with its budget request as provided in 17-7-111. The recommendations must include the names of proposed projects, their cost, and the expected annual energy savings, if any, resulting from the grant.~~

~~(c) Each agency awarded a grant by the legislature under the provisions of subsection (2) will have its budget reduced commensurate with the estimated energy savings resulting from the grant.~~

(2) All grants awarded under this section must be administered by the department of administration according to Title 18, chapter 2.

Section 3. Section 90-4-111, MCA, is amended to read:

"90-4-111. Biennial report. The department shall monitor the grants awarded under 90-4-106 and 90-4-109 and shall report its expenditures and other information concerning the implementation and effectiveness of specific projects or programs for which grants were awarded under this part to the legislature at the beginning of each regular legislative session."

1 NEW SECTION. Section 4. Annual allocation of funds.
 2 (1) Each fiscal year the department shall allocate the funds
 3 appropriated from the alternative energy and energy
 4 conservation research development and demonstration account
 5 for the following:

- 6 (a) grants under 90-4-104 and 90-4-106;
- 7 (b) loans under 90-4-104 and 90-4-106;
- 8 (c) grants to state governmental units under 90-4-109;
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- 10 (e) matching federal energy programs and petroleum
- 11 violation escrow account money if consistent with the
- 12 purposes of this chapter.

13 (2) To assure that the program offers the greatest
 14 possible benefits during the fiscal year, the department may
 15 reallocate funds among the categories specified in this
 16 section based on the availability of funds or the
 17 applications it receives and the department's evaluation of
 18 the relative merits of each project.

19 (3) From July 1, 1986, through June 30, ~~1989~~ 1987,
 20 the department may elect not to allocate any funds or accept
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 25 FOR RENEWABLE ENERGY AND CONSERVATION TECHNOLOGIES AND SHALL

1 PROVIDE FOR CONTINUING PUBLIC REVIEW OF THE PLAN. THE PLAN
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3 (A) AN EVALUATION TO DETERMINE IF ADDITIONAL
 4 INVESTMENT OF STATE FUNDS IN RENEWABLE ENERGY AND
 5 CONSERVATION TECHNOLOGIES IS WARRANTED AND WHERE THE
 6 INVESTMENT WOULD BE MOST EFFECTIVE;

7 (B) A PLAN FOR COORDINATING ENERGY CONSERVATION
 8 PROGRAMS IN MONTANA;

9 (C) A SUMMARY OF THE ACCOMPLISHMENTS OF THE RENEWABLE
 10 ENERGY GRANT AND LOAN PROGRAM;

11 (D) INVESTMENT CRITERIA, INCLUDING BUT NOT LIMITED TO
 12 PREFERENTIAL CONSIDERATION FOR TECHNOLOGIES THAT HAVE THE
 13 GREATEST POTENTIAL TO REDUCE RELIANCE ON NONRENEWABLE ENERGY
 14 SOURCES AND THAT PROMOTE ECONOMIC DEVELOPMENT; AND

15 (E) OTHER PLAN ELEMENTS CONSISTENT WITH THE PROGRAM
 16 PURPOSE PROVIDED IN 90-4-101.

17 (2) THE DEPARTMENT SHALL SUBMIT TO EACH GENERAL
 18 SESSION OF THE LEGISLATURE THE PLAN AND ANY SECTION THEREOF
 19 OR AMENDMENTS, ADDITIONS, OR REVISIONS THERETO. A PLAN MUST
 20 BE SUBMITTED BY JANUARY 1, 1987.

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 22 1986, \$1,000,000 of the money available to the department of
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 25 demonstration account of the state special revenue fund must

1 be transferred to the general fund.

2 (2) On or before June 30, 1987, \$143,000 of the money
3 available to the department of natural resources and
4 conservation in the alternative energy and energy
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7 general fund.

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10 and conservation or the department of administration to make
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12 extended to the provisions of this act.

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HOUSE BILL NO. 39

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BY REQUEST OF THE DEPARTMENT OF
NATURAL RESOURCES AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
RENEWABLE ENERGY SOURCES RESEARCH AND DEVELOPMENT STATUTES;
PROVIDING FOR THE ADOPTION OF RULES FOR THE REPAYMENT OF
GRANTS TO STATE GOVERNMENTAL UNITS; REQUIRING A BIENNIAL
REPORT FOR GRANTS TO STATE GOVERNMENTAL UNITS; REQUIRING
THAT GRANTS TO STATE GOVERNMENTAL UNITS EITHER BE REPAYED OR
THAT AGENCY BUDGETS BE REDUCED COMMENSURATE WITH DOCUMENTED
ENERGY SAVINGS; REQUIRING THAT GRANTS TO STATE GOVERNMENTAL
UNITS BE ADMINISTERED ACCORDING TO TITLE 18, CHAPTER 2, MCA,
BY THE DEPARTMENT OF ADMINISTRATION; ESTABLISHING AN ANNUAL
ALLOCATION OF FUNDS; ~~REQUIRING--SUBMISSION-OF-A-RENEWABLE~~
~~ENERGY-AND-CONSERVATION-PLAN-TO-EACH-GENERAL-SESSION-OF--THE~~
~~LEGISLATURE~~; TRANSFERRING MONEY TO THE GENERAL FUND FROM THE
ALTERNATIVE ENERGY AND ENERGY CONSERVATION RESEARCH
DEVELOPMENT AND DEMONSTRATION ACCOUNT; AMENDING S. ONS
90-4-104, 90-4-109, AND 90-4-111, MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE."

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

Section 1. 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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administration, and repayment of funds;
- (4) adopt rules governing applications for and
administration and awarding of loans;
- (5) adopt rules governing the application for and
administration and AND awarding, and repayment of grants to
state governmental units under 90-4-109;

(6) ADOPT RULES GOVERNING THE REPAYMENT OF GRANTS TO
STATE GOVERNMENTAL UNITS AND THE REDUCTION OF AGENCY BUDGETS
UNDER 90-4-109;

~~(7)~~ (7) consider applications and award grants or
loans, subject to the availability of funds and to the
appropriation of such funds by the legislature, from the
alternative energy and energy conservation research
development and demonstration funds for projects that will
further the purposes of this part;

~~(7)~~ (8) appoint an alternative energy advisory
committee composed of representatives of state agencies and
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advisory committee shall be in keeping with 2-15-122."

Reference Bill

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"90-4-109. State governmental unit grants. (1) (a)

~~Prior to July 1, 1987, the~~ The department may award grants from the alternative energy and energy conservation research development and demonstration account to state governmental units. These grants must be used to further the purposes of this part by providing money for state governmental units for energy conservation measures.

(b) State governmental units must apply to the department for grants.

(c) The department shall prescribe the form for applications and develop criteria for awarding grants under this section, including provisions requiring matching funds or repayment of grant funds to the alternative energy and energy conservation research development and demonstration account.

(D) EACH AGENCY AWARDED A GRANT SHALL EITHER REPAY THE GRANT OR REDUCE ITS BUDGET COMMENSURATE WITH THE DOCUMENTED ENERGY SAVINGS RESULTING FROM THE GRANT.

~~{2}--(a)--After--June--30,--1987,--the--department--may--award grants--from--the--alternative--energy--and--energy--conservation development--and--demonstration--account--to--such--state governmental--units--that--have--had--projects--approved--by--the legislature.~~

~~{b}--(i)--State--governmental--units--must--apply--to--the~~

department-for-grants.

~~{ii}--The--department--shall--prescribe--the--form--for applications--and--develop--criteria--for--prioritizing--grants.~~

~~{iii}--The--department--shall--prioritize--grant applications--submitted--to--it--and--shall--submit--its recommendations--on--the--granting--of--awards--to--state governmental--units--with--its--budget--request--as--provided--in 17-7-111. The recommendations--must--include--the--names--of proposed--projects,--their--cost,--and--the--expected--annual energy--savings,--if--any,--resulting--from--the--grant.~~

~~{c}--Each--agency--awarded--a--grant--by--the--legislature under--the--provisions--of--subsection--{2}--will--have--its--budget reduced--commensurate--with--the--estimated--energy--savings resulting--from--the--grant.~~

(2) All grants awarded under this section must be administered by the department of administration according to Title 18, chapter 2.

Section 3. Section 90-4-111, MCA, is amended to read:

"90-4-111. Biennial report. The department shall monitor the grants awarded under 90-4-106 and 90-4-109 and shall report its expenditures and other information concerning the implementation and effectiveness of specific projects or programs for which grants were awarded under this part to the legislature at the beginning of each regular legislative session."

NEW SECTION. Section 4. Annual allocation of funds.

(1) Each fiscal year the department shall allocate the funds appropriated from the alternative energy and energy conservation research development and demonstration account for the following:

- (a) grants under 90-4-104 and 90-4-106;
- (b) loans under 90-4-104 and 90-4-106;
- (c) grants to state governmental units under 90-4-109;
- (d) program administration; and

(e) matching federal energy programs and petroleum violation escrow account money if consistent with the purposes of this chapter.

(2) To assure that the program offers the greatest possible benefits during the fiscal year, the department may reallocate funds among the categories specified in this section based on the availability of funds or the applications it receives and the department's evaluation of the relative merits of each project.

(3) From July 1, 1986, through June 30, 1989 1987, the department may elect not to allocate any funds or accept any applications for the purpose of making grant or loan awards under this part.

NEW SECTION. SECTION 5. RENEWABLE ENERGY AND CONSERVATION PLAN. (1) THE DEPARTMENT SHALL DEVELOP A PLAN FOR RENEWABLE ENERGY AND CONSERVATION TECHNOLOGIES AND SHALL

PROVIDE FOR CONTINUING PUBLIC REVIEW OF THE PLAN. THE PLAN MUST CONTAIN:

(A) AN EVALUATION TO DETERMINE IF ADDITIONAL INVESTMENT OF STATE FUNDS IN RENEWABLE ENERGY AND CONSERVATION TECHNOLOGIES IS WARRANTED AND WHERE THE INVESTMENT WOULD BE MOST EFFECTIVE;

(B) A PLAN FOR COORDINATING ENERGY CONSERVATION PROGRAMS IN MONTANA;

(C) A SUMMARY OF THE ACCOMPLISHMENTS OF THE RENEWABLE ENERGY GRANT AND LOAN PROGRAM;

(D) INVESTMENT CRITERIA, INCLUDING BUT NOT LIMITED TO PREFERENTIAL CONSIDERATION FOR TECHNOLOGIES THAT HAVE THE GREATEST POTENTIAL TO REDUCE RELIANCE ON NONRENEWABLE ENERGY SOURCES AND THAT PROMOTE ECONOMIC DEVELOPMENT; AND

(E) OTHER PLAN ELEMENTS CONSISTENT WITH THE PROGRAM PURPOSE PROVIDED IN 90-4-101.

(2) THE DEPARTMENT SHALL SUBMIT TO EACH GENERAL SESSION OF THE LEGISLATURE THE PLAN AND ANY SECTION THEREOF OR AMENDMENTS, ADDITIONS, OR REVISIONS THERETO. A PLAN MUST BE SUBMITTED BY JANUARY 1, 1987.

NEW SECTION. Section 5. Transfer. (1) On June 30, 1986, \$1,000,000 of the money available to the department of natural resources and conservation in the alternative energy and energy conservation research development and demonstration account of the state special revenue fund must

1 be transferred to the general fund.

2 (2) On or before June 30, 1987, ~~\$143,000~~ \$350,000 of
3 the money available to the department of natural resources
4 and conservation in the alternative energy and energy
5 conservation research development and demonstration account
6 of the state special revenue fund must be transferred to the
7 general fund.

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

13 NEW SECTION. Section 7. Codification instruction.
14 ~~Section SECTIONS~~ SECTION 4 ~~is AND-5-ARE IS~~ intended to be
15 codified as an integral part of Title 90, chapter 4, part 1,
16 and the provisions of Title 90, chapter 4, part 1, apply to
17 ~~section SECTIONS~~ SECTION 4 ~~AND-5.~~

18 NEW SECTION. Section 8. Effective date. This act is
19 effective on passage and approval.

-End-

STANDING COMMITTEE REPORT

JUNE 27, 1986

MR. PRESIDENT

We, your committee on TAXATION

having had under consideration HOUSE BILL No. 39

third reading copy (blue color)

REVISING STATE GOVERNMENTAL UNITS PORTION OF RENEWABLE ENERGY FUNDS

Respectfully report as follows: That HOUSE BILL No. 39

be amended as follows:

1. Title, lines 16-18.

Following: "FUNDS;" on line 16

Strike: "REQUIRING SUBMISSION OF A RENEWABLE ENERGY AND CONSERVATION PLAN TO EACH GENERAL SESSION OF THE LEGISLATURE;"

2. Page 5, line 23 through line 20, page 6.

Following: line 22

Strike: Section 5 in its entirety

Renumber: subsequent sections

3. Page 7, line 2.

Following: "1987,"

Strike: "\$143,000"

Insert: "\$350,000"

4. Page 7, line 14.

Following: "Section"

Strike: "SECTIONS"

Insert: "Section"

Following: "is"

Strike: "AND 5 ARE"

Insert: "is"

5. Page 7, line 17.

Following: line 16

Strike: "SECTIONS"

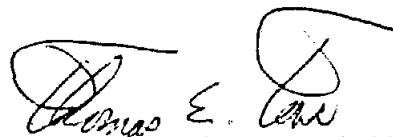
Insert: "section"

Following: "4"

Strike: "AND 5"

AND AS SO AMENDED, BE CONCURRED IN

XXXXXX



Senator Thomas E. Towe,

Chairman.

eg-
6-27-86
2:10