

HOUSE BILL NO. 526

INTRODUCED BY IVERSON, THOFT, MARKS,
REHBERG, QUILICI, PECK, HANNAH, GAGE, SPAETH,
HARP, PAVLOVICH, GIACOMETTO, JERGESON

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

IN THE HOUSE

FEBRUARY 1, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON APPROPRIATIONS.

FIRST READING.

MARCH 20, 1989

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 21, 1989

PRINTING REPORT.

MARCH 22, 1989

SECOND READING, DO PASS.

ENGROSSING REPORT.

MARCH 23, 1989

THIRD READING, PASSED.
AYES, 79; NOES, 19.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 27, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON FINANCE & CLAIMS.

FIRST READING.

APRIL 6, 1989

COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 10, 1989

SECOND READING, CONCURRED IN.

APRIL 12, 1989

THIRD READING, CONCURRED IN.
AYES, 47; NOES, 1.

RETURNED TO HOUSE.

APRIL 12, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *HOUSE* BILL NO. *526*
 2 INTRODUCED BY *[Signature]*
 3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
 4 *[Signature]* AND CONSERVATION *[Signature]*
 5 *[Signature]*
 6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
 7 ALLOCATION OF COAL SEVERANCE TAX REVENUES TO THE ALTERNATIVE
 8 ENERGY AND ENERGY CONSERVATION RESEARCH DEVELOPMENT AND
 9 DEMONSTRATION ACCOUNT; TRANSFERRING THE UNOBLIGATED CASH
 10 BALANCE FROM THE ALTERNATIVE ENERGY AND ENERGY CONSERVATION
 11 RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT TO THE
 12 GENERAL FUND; AMENDING SECTIONS 15-35-108, 22-2-304,
 13 90-3-101, AND 90-4-103, MCA; AND PROVIDING AN EFFECTIVE
 14 DATE."

15
 16 WHEREAS, elimination of the allocation of coal
 17 severance tax revenues in section 15-35-108, MCA, to the
 18 alternative energy and energy conservation research
 19 development and demonstration account would allow those
 20 revenues to be deposited in the state general fund from
 21 which the Legislature can appropriate that money to fund the
 22 Department of Natural Resources and Conservation.

23
 24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25 **Section 1.** Section 15-35-108, MCA, is amended to read:

1 *15-35-108. Disposal of severance taxes. Severance
 2 taxes collected under this chapter must be allocated
 3 according to the provisions in effect on the date the tax is
 4 due under 15-35-104. Severance taxes collected under the
 5 provisions of this chapter are allocated as follows:

6 (1) To the trust fund created by Article IX, section
 7 5, of the Montana constitution, 50% of total coal severance
 8 tax collections. The trust fund moneys shall be deposited
 9 in the fund established under 17-6-203(5) and invested by
 10 the board of investments as provided by law.

11 (2) Starting July 1, 1987, and ending June 30, 1993,
 12 12% of coal severance tax collections are allocated to the
 13 highway reconstruction trust fund account in the state
 14 special revenue fund.

15 (3) Coal severance tax collections remaining after the
 16 allocations provided by subsections (1) and (2) are
 17 allocated in the following percentages of the remaining
 18 balance:

19 ~~{a}--4-1/2%--to--the--state--special--revenue--fund--to--the~~
 20 ~~credit--of--the--alternative--energy--research--development--and~~
 21 ~~demonstration--account;~~

22 ~~{b}~~{a} 4% until June 30, 1989, to the state special
 23 revenue fund to the credit of the local impact account and
 24 thereafter 20% to the state special revenue fund to the
 25 credit of the ~~local-impact-and~~ education trust fund account

and 17.5% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the education trust fund account.

{c}(b) 44.2% until June 30, 1989, and thereafter 10% to the state special revenue fund for state equalization aid to public schools of the state;

{d}(c) 1% to the state special revenue fund to the credit of the county land planning account;

{e}(d) 1 1/4% to the credit of the renewable resource development bond fund;

{f}(e) after June 30, 1989, 5% to a nonexpendable trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol, and other cultural and aesthetic projects. Income from this trust fund shall be appropriated as follows:

(i) 1/3 for protection of works of art in the state capitol and other cultural and aesthetic projects; and

(ii) 2/3 for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102;

{g}(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the

costs of participating in regional and national networking;

{h}(g) 1/2 of 1% to the state special revenue fund for conservation districts;

{i}(h) 1 1/4% to the debt service fund type to the credit of the water development debt service fund;

{j}(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

{k}(j) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state."

Section 2. Section 90-4-103, MCA, is amended to read:

"90-4-103. Alternative energy and energy conservation research development and demonstration account established -- allocation of funds. (1) There is within the state special revenue fund an alternative energy and energy conservation research development and demonstration account. ~~Moneys--are~~ Money is paid into this account under ~~15-35-108~~ from repayments of grants and loans previously awarded from this account by the department of natural resources and conservation and by the department of commerce through the science and technology research program of the Montana science and technology development board under 90-3-101 as it read before [the effective date of this act]. The state treasurer shall draw warrants payable from this account upon order of the department.

(2) 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.

(3) 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."

NEW SECTION. **Section 3.** Transfer of alternative energy unobligated cash balance to general fund. The unobligated cash balance from the alternative energy and energy conservation research development and demonstration account at the end of fiscal year 1989 is transferred to the general fund.

NEW SECTION. **Section 4.** Unobligated cash balance defined. As used in [section 3], "unobligated cash balance

from the alternative energy and energy conservation research development and demonstration account" is the fund balance at the end of fiscal year 1989 less all accruals, loan receivables, and any other legal obligations of either the department of natural resources and conservation or the department of commerce that encumber funds in the account.

Section 5. Section 22-2-304, MCA, is amended to read:

"22-2-304. Cultural and aesthetic project appropriations -- administration. (1) The legislature must appropriate funds from the income of the trust fund created in 15-35-108~~(3)(f)~~(3)(e) before any grant for a cultural or aesthetic project is awarded.

(2) Costs incurred by the Montana arts council for accounting, correspondence, project visits, and solicitation of proposals related to cultural and aesthetic project grants and the costs of the advisory committee established in 2-15-1521 shall be paid from appropriations from the income of the trust fund.

(3) Grant proposals are heard by a legislative appropriations subcommittee.

(4) Grant proposals approved by the legislature are administered by the Montana arts council."

Section 6. Section 90-3-101, MCA, is amended to read:

"90-3-101. Purpose. ~~(1)~~ It is the purpose of this chapter to strengthen and diversify Montana's economy by

1 establishing a public-private sector partnership to
2 encourage scientific and technological development within
3 the state in order to keep pace with a transforming economic
4 structure and to create new jobs and expand small business
5 opportunities.

6 (2) ~~Because the alternative energy and energy~~
7 ~~conservation research development and demonstration program,~~
8 ~~administered by the department of natural resources and~~
9 ~~conservation, which presently receives 4 1/2% of the coal~~
10 ~~severance taxes allocated pursuant to 15-35-108, would~~
11 ~~overlap and supplement the program created by this chapter~~
12 ~~and because the alternative energy and energy conservation~~
13 ~~research development and demonstration account has a~~
14 ~~carryover from the 1985 biennium and the department of~~
15 ~~natural resources and conservation is not presently planning~~
16 ~~to utilize the entire allocated amount it will receive~~
17 ~~during the 1987 biennium, this chapter contemplates a~~
18 ~~temporary, one-time appropriation of a portion of the~~
19 ~~allocation to the alternative energy and energy conservation~~
20 ~~research development and demonstration account for funding~~
21 ~~the science and technology research program of the Montana~~
22 ~~science and technology development board created in this~~
23 ~~chapter. The use of funds appropriated from the alternative~~
24 ~~energy and energy conservation research development and~~
25 ~~demonstration account established by 90-4-103 for the~~

1 purposes of this chapter for the 1987 biennium is
2 specifically authorized."

3 NEW SECTION. **Section 7.** Extension of authority. Any
4 existing authority to make rules on the subject of the
5 provisions of [this act] is extended to the provisions of
6 [this act].

7 NEW SECTION. **Section 8.** Effective date. [This act] is
8 effective July 1, 1989.

-End-

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 526

INTRODUCED BY IVERSON, THOFT, MARKS,

REHBERG, QUILICI, PECK, HANNAH, GAGE, SPAETH,

HARP, PAVLOVICH, GIACOMETTO, JERGSON

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES

AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE ALLOCATION OF COAL SEVERANCE TAX REVENUES TO THE ALTERNATIVE ENERGY AND ENERGY CONSERVATION RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT; TRANSFERRING THE UNOBLIGATED CASH BALANCE FROM THE ALTERNATIVE ENERGY AND ENERGY CONSERVATION RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT TO THE GENERAL FUND; AMENDING SECTIONS 15-35-108, 22-2-304, 90-3-101, AND 90-4-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, elimination of the allocation of coal severance tax revenues in section 15-35-108, MCA, to the alternative energy and energy conservation research development and demonstration account would allow those revenues to be deposited in the state general fund from which the Legislature can appropriate that money to fund the Department of Natural Resources and Conservation.

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

Section 1. Section 15-35-108, MCA, is amended to read:

"15-35-108. Disposal of severance taxes. Severance taxes collected under this chapter must be allocated according to the provisions in effect on the date the tax is due under 15-35-104. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Starting July 1, 1987, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

~~{a}--4-1/2% to the state special revenue fund and to the credit of the alternative energy research development and demonstration account;~~

~~{b}{a}~~ 4% until June 30, 1989, to the state special revenue fund to the credit of the local impact account and

1 thereafter 20% to the state special revenue fund to the
2 credit of the ~~local-impact-and~~ education trust fund account
3 and 17.5% to the credit of the local impact account.
4 Unencumbered funds remaining in the local impact account at
5 the end of each biennium are allocated to the education
6 trust fund account.

7 {c}{b} 44.2% until June 30, 1989, and thereafter 10%
8 to the state special revenue fund for state equalization aid
9 to public schools of the state;

10 {d}{c} 1% to the state special revenue fund to the
11 credit of the county land planning account;

12 {e}{d} 1 1/4% to the credit of the renewable resource
13 development bond fund;

14 {f}{e} after June 30, 1989, 5% to a nonexpendable
15 trust fund for the purpose of parks acquisition or
16 management, protection of works of art in the state capitol,
17 and other cultural and aesthetic projects. Income from this
18 trust fund shall be appropriated as follows:

19 (i) 1/3 for protection of works of art in the state
20 capitol and other cultural and aesthetic projects; and

21 (ii) 2/3 for the acquisition, development, operation,
22 and maintenance of any sites and areas described in
23 23-1-102;

24 {g}{f} 1% to the state special revenue fund to the
25 credit of the state library commission for the purposes of

1 providing basic library services for the residents of all
2 counties through library federations and for payment of the
3 costs of participating in regional and national networking;
4 {h}{g} 1/2 of 1% to the state special revenue fund for
5 conservation districts;

6 {i}{h} 1 1/4% to the debt service fund type to the
7 credit of the water development debt service fund;

8 {j}{i} 2% to the state special revenue fund for the
9 Montana Growth Through Agriculture Act;

10 {k}{j} all other revenues from severance taxes
11 collected under the provisions of this chapter to the credit
12 of the general fund of the state."

13 **Section 2.** Section 90-4-103, MCA, is amended to read:

14 "90-4-103. Alternative energy and energy conservation
15 research development and demonstration account established
16 -- allocation of funds. (1) There is within the state
17 special revenue fund an alternative energy and energy
18 conservation research development and demonstration account.
19 ~~Moneys--are~~ Money is paid into this account under--15-35-108
20 from repayments of grants and loans previously awarded from
21 this account by the department of natural resources and
22 conservation and by the department of commerce through the
23 science and technology research program of the Montana
24 science and technology development board under 90 3-101 as
25 it read before [the effective date of this act]. The state

1 treasurer shall draw warrants payable from this account upon
2 order of the department.

3 (2) Each fiscal year the department shall allocate the
4 funds appropriated from the alternative energy and energy
5 conservation research development and demonstration account
6 for the following:

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

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

20 NEW SECTION. Section 3. Transfer of alternative
21 energy unobligated cash balance to general fund. (1) The
22 unobligated cash balance from the alternative energy and
23 energy conservation research development and demonstration
24 account at the end of fiscal year 1989 is transferred to the
25 general fund.

1 (2) THE DEPARTMENT OF NATURAL RESOURCES AND
2 CONSERVATION SHALL RETAIN \$10,000 OF THE UNOBLIGATED CASH
3 BALANCE WITHIN THE ALTERNATIVE ENERGY AND ENERGY
4 CONSERVATION RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT
5 AT THE END OF FISCAL YEAR 1989 TO FULLY FUND ITS
6 APPROPRIATIONS IN THE 1990-91 BIENNIUM.

7 NEW SECTION. Section 4. Unobligated cash balance
8 defined. As used in [section 3], "unobligated cash balance
9 from the alternative energy and energy conservation research
10 development and demonstration account" is the fund balance
11 at the end of fiscal year 1989 less all accruals, loan
12 receivables, and any other legal obligations of either the
13 department of natural resources and conservation or the
14 department of commerce that encumber funds in the account.

15 Section 5. Section 22-2-304, MCA, is amended to read:
16 "22-2-304. Cultural and aesthetic project
17 appropriations -- administration. (1) The legislature must
18 appropriate funds from the income of the trust fund created
19 in 15-35-108(3)(f)(3)(e) before any grant for a cultural or
20 aesthetic project is awarded.

21 (2) Costs incurred by the Montana arts council for
22 accounting, correspondence, project visits, and solicitation
23 of proposals related to cultural and aesthetic project
24 grants and the costs of the advisory committee established
25 in 2-15-1521 shall be paid from appropriations from the

1 income of the trust fund.

2 (3) Grant proposals are heard by a legislative
3 appropriations subcommittee.

4 (4) Grant proposals approved by the legislature are
5 administered by the Montana arts council."

6 **Section 6.** Section 90-3-101, MCA, is amended to read:

7 "90-3-101. Purpose. {1} It is the purpose of this
8 chapter to strengthen and diversify Montana's economy by
9 establishing a public-private sector partnership to
10 encourage scientific and technological development within
11 the state in order to keep pace with a transforming economic
12 structure and to create new jobs and expand small business
13 opportunities.

14 {2}--Because---the---alternative---energy---and---energy
15 conservation-research-development-and-demonstration-program,
16 administered-by-the--department--of--natural--resources--and
17 conservation,--which--presently--receives-4-1/2%--of--the--coal
18 severance--taxes--allocated--pursuant--to--15-35-108,--would
19 overlap--and--supplement--the--program--created--by--this--chapter
20 and--because--the--alternative--energy--and--energy--conservation
21 research---development---and---demonstration--account--has--a
22 carryover--from--the--1985--biennium--and--the--department--of
23 natural-resources-and-conservation-is-not-presently-planning
24 to--utilize--the--entire--allocated--amount--it--will--receive
25 during--the--1987--biennium,--this--chapter--contemplates--a

1 temporary,--one-time--appropriation--of--a--portion--of--the
2 allocation-to-the-alternative-energy-and-energy-conservation
3 research-development-and-demonstration-account--for--funding
4 the--science--and-technology-research-program-of-the-Montana
5 science-and-technology-development--board--created--in--this
6 chapter,--The-use-of-funds-appropriated-from-the-alternative
7 energy--and--energy--conservation--research--development-and
8 demonstration--account--established--by--90-4-103--for--the
9 purposes---of---this---chapter--for--the--1987--biennium--is
10 specifically-authorized."

11 NEW SECTION. Section 7. Extension of authority. Any
12 existing authority to make rules on the subject of the
13 provisions of [this act] is extended to the provisions of
14 [this act].

15 NEW SECTION. SECTION 8. COORDINATION INSTRUCTION.
16 (1) IF HOUSE BILL NO. 683 IS NOT PASSED AND APPROVED,
17 [SECTION 3(2) OF THIS ACT] IS VOID.

18 (2) IF HOUSE BILL NO. 683 IS PASSED AND APPROVED, THE
19 LANGUAGE IN [SECTION 2 OF THIS ACT] THAT PROVIDES, "AND BY
20 THE DEPARTMENT OF COMMERCE THROUGH THE SCIENCE AND
21 TECHNOLOGY RESEARCH PROGRAM OF THE MONTANA SCIENCE AND
22 TECHNOLOGY BOARD UNDER 90-3-101 AS IT READ BEFORE [THE
23 EFFECTIVE DATE OF THIS ACT]"; IS VOID.

24 NEW SECTION. Section 9. Effective date. [This act] is
25 effective July 1, 1989.

-End-

1 HOUSE BILL NO. 526

2 INTRODUCED BY IVERSON, THOFT, MARKS,

3 REHBERG, QUILICI, PECK, HANNAH, GAGE, SPAETH,

4 HARP, PAVLOVICH, GIACOMETTO, JERGESON

5 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES

6 AND CONSERVATION

7
8 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
9 ALLOCATION OF COAL SEVERANCE TAX REVENUES TO THE ALTERNATIVE
10 ENERGY AND ENERGY CONSERVATION RESEARCH DEVELOPMENT AND
11 DEMONSTRATION ACCOUNT; TRANSFERRING THE UNOBLIGATED CASH
12 BALANCE FROM THE ALTERNATIVE ENERGY AND ENERGY CONSERVATION
13 RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT TO THE
14 GENERAL FUND; AMENDING SECTIONS 15-35-108, 22-2-304,
15 90-3-101, AND 90-4-103, MCA; AND PROVIDING AN EFFECTIVE
16 DATE."

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18 WHEREAS, elimination of the allocation of coal
19 severance tax revenues in section 15-35-108, MCA, to the
20 alternative energy and energy conservation research
21 development and demonstration account would allow those
22 revenues to be deposited in the state general fund from
23 which the Legislature can appropriate that money to fund the
24 Department of Natural Resources and Conservation.

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

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4 taxes collected under this chapter must be allocated
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7 provisions of this chapter are allocated as follows:

8 (1) To the trust fund created by Article IX, section
9 5, of the Montana constitution, 50% of total coal severance
10 tax collections. The trust fund moneys shall be deposited
11 in the fund established under 17-6-203(5) and invested by
12 the board of investments as provided by law.

13 (2) Starting July 1, 1987, and ending June 30, 1993,
14 12% of coal severance tax collections are allocated to the
15 highway reconstruction trust fund account in the state
16 special revenue fund.

17 (3) Coal severance tax collections remaining after the
18 allocations provided by subsections (1) and (2) are
19 allocated in the following percentages of the remaining
20 balance:

21 ~~{a}--4-1/2% to the state special revenue fund to the~~
22 ~~credit of the alternative energy research development and~~
23 ~~demonstration account;~~

24 ~~{b}{a} 4% until June 30, 1989, to the state special~~
25 ~~revenue fund to the credit of the local impact account and~~

1 thereafter 20% to the state special revenue fund to the
2 credit of the ~~local-impact-and~~ education trust fund account
3 and 17.5% to the credit of the local impact account.
4 Unencumbered funds remaining in the local impact account at
5 the end of each biennium are allocated to the education
6 trust fund account.

7 ~~(c)~~(b) 44.2% until June 30, 1989, and thereafter 10%
8 to the state special revenue fund for state equalization aid
9 to public schools of the state;

10 ~~(d)~~(c) 1% to the state special revenue fund to the
11 credit of the county land planning account;

12 ~~(e)~~(d) 1 1/4% to the credit of the renewable resource
13 development bond fund;

14 ~~(f)~~(e) after June 30, 1989, 5% to a nonexpendable
15 trust fund for the purpose of parks acquisition or
16 management, protection of works of art in the state capitol,
17 and other cultural and aesthetic projects. Income from this
18 trust fund shall be appropriated as follows:

19 (i) 1/3 for protection of works of art in the state
20 capitol and other cultural and aesthetic projects; and

21 (ii) 2/3 for the acquisition, development, operation,
22 and maintenance of any sites and areas described in
23 23-1-102;

24 ~~(g)~~(f) 1% to the state special revenue fund to the
25 credit of the state library commission for the purposes of

1 providing basic library services for the residents of all
2 counties through library federations and for payment of the
3 costs of participating in regional and national networking;
4 ~~(h)~~(g) 1/2 of 1% to the state special revenue fund for
5 conservation districts;

6 ~~(i)~~(h) 1 1/4% to the debt service fund type to the
7 credit of the water development debt service fund;

8 ~~(j)~~(i) 2% to the state special revenue fund for the
9 Montana Growth Through Agriculture Act;

10 ~~(k)~~(j) all other revenues from severance taxes
11 collected under the provisions of this chapter to the credit
12 of the general fund of the state."

13 **Section 2.** Section 90-4-103, MCA, is amended to read:

14 "90-4-103. Alternative energy and energy conservation
15 research development and demonstration account established
16 -- allocation of funds. (1) There is within the state
17 special revenue fund an alternative energy and energy
18 conservation research development and demonstration account.
19 ~~Moneys--are~~ Money is paid into this account ~~under 15-35-108~~
20 from repayments of grants and loans previously awarded from
21 this account by the department of natural resources and
22 conservation and by the department of commerce through the
23 science and technology research program of the Montana
24 science and technology development board under 90 3-101 as
25 it read before [the effective date of this act]. The state

1 treasurer shall draw warrants payable from this account upon
2 order of the department.

3 (2) Each fiscal year the department shall allocate the
4 funds appropriated from the alternative energy and energy
5 conservation research development and demonstration account
6 for the following:

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

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

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

10 (d) program administration; and

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

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

20 NEW SECTION. Section 3. Transfer of alternative
21 energy unobligated cash balance to general fund. (1) The
22 unobligated cash balance from the alternative energy and
23 energy conservation research development and demonstration
24 account at the end of fiscal year 1989 is transferred to the
25 general fund.

1 (2) THE DEPARTMENT OF NATURAL RESOURCES AND
2 CONSERVATION SHALL RETAIN \$10,000 OF THE UNOBLIGATED CASH
3 BALANCE WITHIN THE ALTERNATIVE ENERGY AND ENERGY
4 CONSERVATION RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT
5 AT THE END OF FISCAL YEAR 1989 TO FULLY FUND ITS
6 APPROPRIATIONS IN THE 1990-91 BIENNIUM.

7 NEW SECTION. Section 4. Unobligated cash balance
8 defined. As used in [section 3], "unobligated cash balance
9 from the alternative energy and energy conservation research
10 development and demonstration account" is the fund balance
11 at the end of fiscal year 1989 less all accruals, loan
12 receivables, and any other legal obligations of either the
13 department of natural resources and conservation or the
14 department of commerce that encumber funds in the account.

15 Section 5. Section 22-2-304, MCA, is amended to read:

16 "22-2-304. Cultural and aesthetic project
17 appropriations -- administration. (1) The legislature must
18 appropriate funds from the income of the trust fund created
19 in 15-35-108{3}{f}{(3)}{e} before any grant for a cultural or
20 aesthetic project is awarded.

21 (2) Costs incurred by the Montana arts council for
22 accounting, correspondence, project visits, and solicitation
23 of proposals related to cultural and aesthetic project
24 grants and the costs of the advisory committee established
25 in 2-15-1521 shall be paid from appropriations from the

1 income of the trust fund.

2 (3) Grant proposals are heard by a legislative
3 appropriations subcommittee.

4 (4) Grant proposals approved by the legislature are
5 administered by the Montana arts council."

6 **Section 6.** Section 90-3-101, MCA, is amended to read:

7 "90-3-101. Purpose. {1} It is the purpose of this
8 chapter to strengthen and diversify Montana's economy by
9 establishing a public-private sector partnership to
10 encourage scientific and technological development within
11 the state in order to keep pace with a transforming economic
12 structure and to create new jobs and expand small business
13 opportunities.

14 {2}--Because--the--alternative--energy--and--energy
15 conservation-research-development-and-demonstration-program,
16 administered-by-the--department--of--natural--resources--and
17 conservation,--which--presently--receives-4-1/2%--of--the--coal
18 severance--taxes--allocated--pursuant--to--15-35-108,--would
19 overlap--and--supplement--the--program--created--by--this--chapter
20 and--because--the--alternative--energy--and--energy--conservation
21 research--development--and--demonstration--account--has--a
22 carryover--from--the--1985--biennium--and--the--department--of
23 natural-resources-and-conservation-is-not-presently-planning
24 to--utilize--the--entire--allocated--amount--it--will--receive
25 during--the--1987--biennium,--this--chapter--contemplates--a

1 temporary--one-time--appropriation--of--a--portion--of--the
2 allocation--to--the--alternative--energy--and--energy--conservation
3 research-development-and-demonstration-account--for--funding
4 the--science--and--technology--research-program-of-the-Montana
5 science-and-technology-development--board--created--in--this
6 chapter.--The-use-of-funds-appropriated-from-the-alternative
7 energy--and--energy--conservation--research--development--and
8 demonstration--account--established--by--90-4-103--for--the
9 purposes--of--this--chapter--for--the--1987--biennium--is
10 specifically-authorized."

11 NEW SECTION. Section 7. Extension of authority. Any
12 existing authority to make rules on the subject of the
13 provisions of [this act] is extended to the provisions of
14 [this act].

15 NEW SECTION. SECTION 8. COORDINATION INSTRUCTION.
16 {1} IF HOUSE BILL NO. 683 IS NOT PASSED AND APPROVED,
17 {SECTION 3(2) OF THIS ACT} IS VOID.

18 {2} IF HOUSE BILL NO. 683 IS PASSED AND APPROVED, THE
19 LANGUAGE IN [SECTION 2 OF THIS ACT] THAT PROVIDES, "AND BY
20 THE DEPARTMENT OF COMMERCE THROUGH THE SCIENCE AND
21 TECHNOLOGY RESEARCH PROGRAM OF THE MONTANA SCIENCE AND
22 TECHNOLOGY BOARD UNDER 90-3-101 AS IT READ BEFORE [THE
23 EFFECTIVE DATE OF THIS ACT]," IS VOID.

24 NEW SECTION. Section 9. Effective date. [This act] is
25 effective July 1, 1989.

-End-

1 HOUSE BILL NO. 526

2 INTRODUCED BY IVERSON, THOFT, MARKS,
3 REHBERG, QUILICI, PECK, HANNAH, GAGE, SPAETH,
4 HARP, PAVLOVICH, GIACOMETTO, JERGESON
5 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
6 AND CONSERVATION

7
8 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
9 ALLOCATION OF COAL SEVERANCE TAX REVENUES TO THE ALTERNATIVE
10 ENERGY AND ENERGY CONSERVATION RESEARCH DEVELOPMENT AND
11 DEMONSTRATION ACCOUNT; TRANSFERRING THE UNOBLIGATED CASH
12 BALANCE FROM THE ALTERNATIVE ENERGY AND ENERGY CONSERVATION
13 RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT TO THE
14 GENERAL FUND; AMENDING SECTIONS 15-35-108, 22-2-304,
15 90-3-101, AND 90-4-103, MCA; AND PROVIDING AN EFFECTIVE
16 DATE."

17
18 WHEREAS, elimination of the allocation of coal
19 severance tax revenues in section 15-35-108, MCA, to the
20 alternative energy and energy conservation research
21 development and demonstration account would allow those
22 revenues to be deposited in the state general fund from
23 which the Legislature can appropriate that money to fund the
24 Department of Natural Resources and Conservation.

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

2 Section 1. Section 15-35-108, MCA, is amended to read:

3 "15-35-108. Disposal of severance taxes. Severance
4 taxes collected under this chapter must be allocated
5 according to the provisions in effect on the date the tax is
6 due under 15-35-104. Severance taxes collected under the
7 provisions of this chapter are allocated as follows:

8 (1) To the trust fund created by Article IX, section
9 5, of the Montana constitution, 50% of total coal severance
10 tax collections. The trust fund moneys shall be deposited
11 in the fund established under 17-6-203(5) and invested by
12 the board of investments as provided by law.

13 (2) Starting July 1, 1987, and ending June 30, 1993,
14 12% of coal severance tax collections are allocated to the
15 highway reconstruction trust fund account in the state
16 special revenue fund.

17 (3) Coal severance tax collections remaining after the
18 allocations provided by subsections (1) and (2) are
19 allocated in the following percentages of the remaining
20 balance:

21 ~~{a}--4-1/2% to the state special revenue fund--to--the~~
22 ~~credit--of--the--alternative-energy-research-development-and~~
23 ~~demonstration-account;~~

24 ~~{b}{a}~~ 4% until June 30, 1989, to the state special
25 revenue fund to the credit of the local impact account and

1 thereafter 20% to the state special revenue fund to the
2 credit of the ~~local-impact-and~~ education trust fund account
3 and 17.5% to the credit of the local impact account.
4 Unencumbered funds remaining in the local impact account at
5 the end of each biennium are allocated to the education
6 trust fund account.

7 ~~(c)(b)~~ 44.2% until June 30, 1989, and thereafter 10%
8 to the state special revenue fund for state equalization aid
9 to public schools of the state;

10 ~~(d)(c)~~ 1% to the state special revenue fund to the
11 credit of the county land planning account;

12 ~~(e)(d)~~ 1 1/4% to the credit of the renewable resource
13 development bond fund;

14 ~~(f)(e)~~ after June 30, 1989, 5% to a nonexpendable
15 trust fund for the purpose of parks acquisition or
16 management, protection of works of art in the state capitol,
17 and other cultural and aesthetic projects. Income from this
18 trust fund shall be appropriated as follows:

19 (i) 1/3 for protection of works of art in the state
20 capitol and other cultural and aesthetic projects; and

21 (ii) 2/3 for the acquisition, development, operation,
22 and maintenance of any sites and areas described in
23 23-1-102;

24 ~~(g)(f)~~ 1% to the state special revenue fund to the
25 credit of the state library commission for the purposes of

1 providing basic library services for the residents of all
2 counties through library federations and for payment of the
3 costs of participating in regional and national networking;
4 ~~(h)(g)~~ 1/2 of 1% to the state special revenue fund for
5 conservation districts;

6 ~~(i)(h)~~ 1 1/4% to the debt service fund type to the
7 credit of the water development debt service fund;

8 ~~(j)(i)~~ 2% to the state special revenue fund for the
9 Montana Growth Through Agriculture Act;

10 ~~(k)(j)~~ all other revenues from severance taxes
11 collected under the provisions of this chapter to the credit
12 of the general fund of the state."

13 **Section 2.** Section 90-4-103, MCA, is amended to read:

14 "90-4-103. Alternative energy and energy conservation
15 research development and demonstration account established
16 -- allocation of funds. (1) There is within the state
17 special revenue fund an alternative energy and energy
18 conservation research development and demonstration account.
19 Moneys--are Money is paid into this account under 15-35-108
20 from repayments of grants and loans previously awarded from
21 this account by the department of natural resources and
22 conservation and by the department of commerce through the
23 science and technology research program of the Montana
24 science and technology development board under 90-3-101 as
25 it read before [the effective date of this act]. The state

1 treasurer shall draw warrants payable from this account upon
2 order of the department.

3 (2) Each fiscal year the department shall allocate the
4 funds appropriated from the alternative energy and energy
5 conservation research development and demonstration account
6 for the following:

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

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

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

10 (d) program administration; and

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

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

20 NEW SECTION. Section 3. Transfer of alternative
21 energy unobligated cash balance to general fund. (1) The
22 unobligated cash balance from the alternative energy and
23 energy conservation research development and demonstration
24 account at the end of fiscal year 1989 is transferred to the
25 general fund.

1 (2) THE DEPARTMENT OF NATURAL RESOURCES AND
2 CONSERVATION SHALL RETAIN \$10,000 OF THE UNOBLIGATED CASH
3 BALANCE WITHIN THE ALTERNATIVE ENERGY AND ENERGY
4 CONSERVATION RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT
5 AT THE END OF FISCAL YEAR 1989 TO FULLY FUND ITS
6 APPROPRIATIONS IN THE 1990-91 BIENNIUM.

7 NEW SECTION. Section 4. Unobligated cash balance
8 defined. As used in [section 3], "unobligated cash balance
9 from the alternative energy and energy conservation research
10 development and demonstration account" is the fund balance
11 at the end of fiscal year 1989 less all accruals, loan
12 receivables, and any other legal obligations of either the
13 department of natural resources and conservation or the
14 department of commerce that encumber funds in the account.

15 Section 5. Section 22-2-304, MCA, is amended to read:
16 "22-2-304. Cultural and aesthetic project
17 appropriations -- administration. (1) The legislature must
18 appropriate funds from the income of the trust fund created
19 in 15-35-108(f)(3)(e) before any grant for a cultural or
20 aesthetic project is awarded.

21 (2) Costs incurred by the Montana arts council for
22 accounting, correspondence, project visits, and solicitation
23 of proposals related to cultural and aesthetic project
24 grants and the costs of the advisory committee established
25 in 2-15-1521 shall be paid from appropriations from the

1 income of the trust fund.

2 (3) Grant proposals are heard by a legislative
3 appropriations subcommittee.

4 (4) Grant proposals approved by the legislature are
5 administered by the Montana arts council."

6 **Section 6.** Section 90-3-101, MCA, is amended to read:

7 "90-3-101. Purpose. {1} It is the purpose of this
8 chapter to strengthen and diversify Montana's economy by
9 establishing a public-private sector partnership to
10 encourage scientific and technological development within
11 the state in order to keep pace with a transforming economic
12 structure and to create new jobs and expand small business
13 opportunities.

14 {2}--Because---the---alternative---energy---and---energy
15 conservation-research-development-and-demonstration-program,
16 administered-by-the--department--of--natural--resources--and
17 conservation,--which--presently--receives-4-1/2%--of--the--coal
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21 research---development---and--demonstration--account--has--a
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23 natural-resources-and-conservation-is-not-presently-planning
24 to--utilize--the--entire--allocated--amount--it--will--receive
25 during--the--1987--biennium,--this--chapter--contemplates--a

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-End-

-8-