

HOUSE BILL NO. 563

INTRODUCED BY SPAETH

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

IN THE HOUSE

FEBRUARY 3, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
FEBRUARY 4, 1989	FIRST READING.
MARCH 16, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 18, 1989	PRINTING REPORT.
MARCH 20, 1989	SECOND READING, DO PASS.
MARCH 21, 1989	ENGROSSING REPORT.
MARCH 22, 1989	THIRD READING, PASSED. AYES, 89; NOES, 8.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 22, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
APRIL 5, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 6, 1989	SECOND READING, CONCURRED IN.
APRIL 10, 1989	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

APRIL 10, 1989	RECEIVED FROM SENATE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 563
2 INTRODUCED BY Spaeth
3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL
6 OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF
7 MONTANA; AND PROVIDING AN EFFECTIVE DATE."
8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10 NEW SECTION. Section 1. Policy. As a result of
11 overcharges on the sales of domestic crude oil, the federal
12 courts have ordered or approved settlements requiring the
13 repayment of the total amount of overcharges, plus interest,
14 into an escrow account to be distributed by the U.S.
15 treasury to the states, territories, and possessions of the
16 United States. It is the policy of this state to use the oil
17 overcharge money distributed to the state to supplement
18 state and federal programs that the state administers and to
19 use the money in a manner consistent with federal court
20 orders establishing or approving the payment of the funds to
21 the state of Montana.
22 NEW SECTION. Section 2. Definitions. As used in [this
23 act], the following definitions apply:
24 (1) (a) "Stripper well payments" means the oil
25 overcharge payments made to the U.S. treasury for

1 distribution to the state of Montana as the result of the
2 final settlement agreement in the U.S. district court for
3 the district of Kansas, Cause No. M.D.L. 378, and any
4 interest accrued on the payments. The term also includes but
5 is not limited to Texaco payments, as defined in subsection
6 (2), and any unspent project funds, as defined in
7 subsection (3).

8 (b) The term does not include stripper well payments
9 that have been expended or legally obligated or have been
10 incorporated into any of the existing federal energy
11 programs as the result of prior appropriations by the
12 legislature.

13 (2) "Texaco payments" means the oil overcharge payments
14 made to the U.S. treasury for distribution to the state of
15 Montana pursuant to the Texaco final consent order, 53 Fed.
16 Reg. 32929, August 29, 1988, and any interest accrued on the
17 payments.

18 (3) "Unspent project funds" means stripper well
19 payments that were not expended or otherwise legally
20 obligated during the 1989 biennium but were appropriated for
21 the 1989 biennium in House Bill 621, Laws of 1987, in:

22 (a) section 4, subsection (5);
23 (b) section 9, subsections (8) and (9); and
24 (c) section 10.

25 NEW SECTION. Section 3. Deposit of oil overcharge

revenue. All funds from stripper well payments must be deposited by the state treasurer in the federal special revenue fund. All interest earned on any of these funds or payments must also be deposited in the federal special revenue fund.

NEW SECTION. **Section 4. Low-income home weatherization -- appropriation.** There is appropriated \$500,000 from the stripper well payments contained in the federal special revenue fund to the department of social and rehabilitation services for use in the home weatherization program created in 90-4-201.

NEW SECTION. **Section 5. Matching funds for low-income energy assistance -- appropriation.** (1) There is appropriated \$50,000 from the stripper well payments contained in the federal special revenue fund to the department of social and rehabilitation services for each year in the biennium ending June 30, 1991, for the purpose described in subsection (2).

(2) The department of social and rehabilitation services shall match private contributions to energy share, inc., to be used to assist persons not eligible for federal low-income energy assistance whose income is less than 150% of the federal poverty threshold published by the U.S. bureau of the census in the most recent edition of its publication, Poverty in the United States 1986 (Current

Population Reports, Series P-60, No. 160). All of the funds appropriated to the department for this purpose under subsection (1) must be used for clients' fuel bills or other energy needs.

NEW SECTION. **Section 6. Transloading facility -- appropriation.** (1) There is appropriated \$300,000 from the stripper well payments contained in the federal special revenue fund to the department of commerce for the project described in subsection (2).

(2) The department of commerce is authorized to issue to the city of Shelby, Montana, a grant for the construction of a truck/train transloading facility. The city of Shelby submitted its proposal to construct a transloading facility following the department's issuance of requests for proposals as required in section 5, House Bill 621, Laws of 1987. The department ranked Shelby's proposal second in its evaluation of the proposals it received and could not fund the project in the 1989 biennium.

NEW SECTION. **Section 7. State building energy bond program -- appropriation.** (1) There is appropriated \$550,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation for the purpose described in subsection (2).

(2) If LC 227 [__ Bill No. __] is passed and approved,

1 the department will use the state of Montana's tax-exempt
 2 bonding authority to raise capital to install cost-effective
 3 energy retrofit measures on state buildings. Proceeds from
 4 the bond sales will pay design and construction costs for
 5 the installation of energy retrofit measures. Principal and
 6 interest on the bonds will be retired with the energy
 7 savings from the installed improvements. After the program
 8 is established, it will be revenue-neutral and
 9 self-sustaining. The stripper well payments appropriated to
 10 the department in subsection (1) are provided to initiate
 11 the program and must be used to conduct engineering studies
 12 to identify cost-effective energy retrofit opportunities in
 13 state-owned buildings, to train facility staff to maintain
 14 energy savings, and to administer the program.

15 NEW SECTION. **Section 8.** Technical assistance to local
 16 governments -- appropriation. There is appropriated \$100,000
 17 from the stripper well payments contained in the federal
 18 special revenue fund to the department of natural resources
 19 and conservation to award a grant to a public or private
 20 entity to provide technical assistance to local government
 21 entities for the purpose of identifying energy conservation
 22 measures. The grant must be approved pursuant to 10 CFR
 23 465.8.

24 NEW SECTION. **Section 9.** Institutional conservation
 25 program -- appropriation. There is appropriated \$950,000

1 from the stripper well payments contained in the federal
 2 special revenue fund to the department of natural resources
 3 and conservation for use in the institutional conservation
 4 program for schools and hospitals administered by the
 5 department pursuant to 10 CFR 455.

6 NEW SECTION. **Section 10.** Biennial appropriations.
 7 Except for the low-income energy assistance appropriation
 8 provided in [section 5], the appropriations made in [this
 9 act] are biennial appropriations.

10 NEW SECTION. **Section 11.** Appropriations prioritized.
 11 The appropriations in [this act] are approved in order of
 12 priority as they appear in [sections 4 through 9], with the
 13 appropriation in [section 4] having the highest priority and
 14 the appropriation in [section 9] having the lowest priority.
 15 If the U.S. department of energy does not approve one or
 16 more of the programs that are funded by [this act] or if LC
 17 227 [__ Bill No. __] is not passed and approved, any
 18 stripper well payments that are not used to fund higher
 19 priority programs must be provided to lower ranked programs
 20 up to the amounts appropriated in [this act]. If stripper
 21 well payments are insufficient to fully fund the
 22 appropriations made in [this act], the lowest ranking
 23 program must have its appropriation reduced until the
 24 deficiency is eliminated. If the deficiency is in excess of
 25 the appropriation to the lowest ranking program, the next

LC 1165/01

1 lowest ranking program must have its appropriation reduced
2 until the deficiency is eliminated, and so forth as the
3 programs are prioritized. The expenditures authorized by
4 [this act] may not exceed the amount of stripper well
5 payments available in the biennium.

6 NEW SECTION. **Section 12.** Effective date. [This act] is
7 effective July 1, 1989.

-End-

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 563

INTRODUCED BY SPAETH

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL
OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF
MONTANA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Policy. As a result of
overcharges on the sales of domestic crude oil, the federal
courts have ordered or approved settlements requiring the
repayment of the total amount of overcharges, plus interest,
into an escrow account to be distributed by the U.S.
treasury to the states, territories, and possessions of the
United States. It is the policy of this state to use the oil
overcharge money distributed to the state to supplement
state and federal programs that the state administers and to
use the money in a manner consistent with federal court
orders establishing or approving the payment of the funds to
the state of Montana.

NEW SECTION. Section 2. Definitions. As used in [this
act], the following definitions apply:

(1) "CITIES SERVICE PAYMENTS" MEANS THE OIL OVERCHARGE
PAYMENTS MADE TO THE U.S. TREASURY FOR DISTRIBUTION TO THE

STATE OF MONTANA PURSUANT TO THE CONSENT AGREEMENT BETWEEN
CITIES SERVICE OIL AND GAS AND THE U.S. DEPARTMENT OF ENERGY
AS AFFIRMED BY THE FEDERAL ENERGY REGULATORY COMMISSION AND
ANY INTEREST ACCRUED ON THE PAYMENTS.

(2) "GETTY OIL PAYMENTS" MEANS THE OIL OVERCHARGE
PAYMENTS MADE TO THE U.S. TREASURY FOR DISTRIBUTION TO THE
STATE OF MONTANA PURSUANT TO THE ORDER OF DISBURSEMENT
ISSUED IN CIVIL ACTION NO. 77-347 (MMS) IN THE U. S.
DISTRICT COURT FOR THE DISTRICT OF DELAWARE AND ANY INTEREST
ACCRUED ON THE PAYMENTS.

(3) (a) "Stripper well payments" means the oil
overcharge payments made to the U.S. treasury for
distribution to the state of Montana as the result of the
final settlement agreement in the U.S. district court for
the district of Kansas, Cause No. M.D.L. 378, and any
interest accrued on the payments. The term also includes but
is not limited to CITIES SERVICE PAYMENTS, AS DEFINED IN
SUBSECTION (1), GETTY OIL PAYMENTS, AS DEFINED IN SUBSECTION
(2), Texaco TEXACO payments, as defined in subsection (2),
(4), and any unspent project funds, as defined in subsection
(5).

(b) The term does not include stripper well payments
that have been expended or legally obligated or have been
incorporated into any of the existing federal energy
programs as the result of prior appropriations by the

1 legislature.

2 {2}{4} "Texaco payments" means the oil overcharge
3 payments made to the U.S. treasury for distribution to the
4 state of Montana pursuant to the Texaco TEXACO final consent
5 order, 53 Fed. Reg. 32929, August 29, 1988, and any interest
6 accrued on the payments.

7 {3}{5} "Unspent project funds" means stripper well
8 payments that were not expended or otherwise legally
9 obligated during the 1989 biennium but were appropriated for
10 the 1989 biennium in House Bill 621, Laws of 1987, in:

- 11 (a) section 4, subsection (5);
- 12 (b) section 9, subsections (8) and (9); and
- 13 (c) section 10.

14 NEW SECTION. Section 3. Deposit of oil overcharge
15 revenue. All funds from stripper well payments must be
16 deposited by the state treasurer in the federal special
17 revenue fund. All interest earned on any of these funds or
18 payments must also be deposited in the federal special
19 revenue fund.

20 NEW SECTION. SECTION 4. PAYMENT OF ATTORNEY'S FEES
21 AND COSTS -- APPROPRIATION. THERE IS APPROPRIATED \$35,000
22 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL
23 SPECIAL REVENUE FUND TO THE DEPARTMENT OF JUSTICE TO PAY
24 ATTORNEY'S FEES AND COSTS INCURRED IN CONNECTION WITH
25 RECOVERING SUCH PAYMENTS.

1 NEW SECTION. Section 5. Low-income home
2 weatherization -- appropriation. There is appropriated
3 ~~\$500,000~~ \$900,000 from the stripper well payments contained
4 in the federal special revenue fund to the department of
5 social and rehabilitation services for use in the home
6 weatherization program created in 90-4-201.

7 NEW SECTION. Section 6. Matching funds for low-income
8 energy assistance -- appropriation. (1) There is
9 appropriated \$50,000 from the stripper well payments
10 contained in the federal special revenue fund to the
11 department of social and rehabilitation services for each
12 year in the biennium ending June 30, 1991, for the purpose
13 described in subsection (2).

14 (2) The department of social and rehabilitation
15 services shall match private contributions to energy share,
16 inc., to be used to assist persons not eligible for federal
17 low-income energy assistance whose income is less than 150%
18 of the federal poverty threshold published by the U.S.
19 bureau of the census in the most recent edition of its
20 publication, Poverty in the United States 1986 (Current
21 Population Reports, Series P-60, No. 160). All of the funds
22 appropriated to the department for this purpose under
23 subsection (1) must be used for clients' fuel bills or other
24 energy needs.

25 NEW SECTION. SECTION 7. BIOLOGICAL AGENTS FOR WEED

CONTROL -- APPROPRIATION. THERE IS APPROPRIATED \$150,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL SPECIAL REVENUE FUND TO THE DEPARTMENT OF AGRICULTURE TO CONTINUE THE COLLECTION AND DISTRIBUTION OF BIOLOGICAL AGENTS TO CONTROL LEAFY SPURGE AND SPOTTED KNAPWEED. THE PROJECT WILL REDUCE ENERGY CONSUMPTION BY REDUCING THE NEED FOR REPEATED CHEMICAL APPLICATIONS AND WILL BUILD UPON THE ACCOMPLISHMENTS DERIVED FROM THE FUNDING PROVIDED IN SECTION 8, HOUSE BILL 621, LAWS OF 1987.

NEW SECTION. Section 8. Transloading facility -- appropriation. (1) There is appropriated \$300,000 from the stripper well payments contained in the federal special revenue fund to the department of commerce for the project described in subsection (2).

(2) The department of commerce is authorized to issue to ~~the city of Shelby~~ TOOLE COUNTY, Montana, a grant for the construction of a truck/train transloading facility. ~~The city of--Shelby~~ TOOLE COUNTY submitted its proposal to construct a transloading facility following the department's issuance of requests for proposals as required in section 5, House Bill 621, Laws of 1987. The department ranked ~~Shelby's~~ TOOLE COUNTY'S proposal second in its evaluation of the proposals it received and could not fund the project in the 1989 biennium.

NEW SECTION. Section 9. State building energy bond

program -- appropriation. (1) There is appropriated \$550,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation for the purpose described in subsection (2).

(2) If LC 227 [__ Bill No. __] is passed and approved, the department will use the state of Montana's tax-exempt bonding authority to raise capital to install cost-effective energy retrofit measures on state buildings. Proceeds from the bond sales will pay design and construction costs for the installation of energy retrofit measures. Principal and interest on the bonds will be retired with the energy savings from the installed improvements. After the program is established, it will be revenue-neutral and self-sustaining. The stripper well payments appropriated to the department in subsection (1) are provided to initiate the program and must be used to conduct engineering studies to identify cost-effective energy retrofit opportunities in state-owned buildings, to train facility staff to maintain energy savings, and to administer the program.

NEW SECTION. Section 10. Technical assistance to local governments -- appropriation. There is appropriated ~~\$100,000~~ \$235,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation to award a grant to a

1 public or private entity to provide technical assistance to
2 local government entities for the purpose of identifying
3 energy conservation measures. The grant must be approved
4 pursuant to 10 CFR 465.8.

5 NEW SECTION. Section 11. Institutional conservation
6 program -- appropriation. There is appropriated \$950,000
7 from the stripper well payments contained in the federal
8 special revenue fund to the department of natural resources
9 and conservation for use in the institutional conservation
10 program for schools and hospitals administered by the
11 department pursuant to 10 CFR 455.

12 NEW SECTION. Section 12. Biennial appropriations.
13 Except for the low-income energy assistance appropriation
14 provided in [section 5 6], the appropriations made in [this
15 act] are biennial appropriations.

16 NEW SECTION. Section 13. Appropriations prioritized.
17 The appropriations in [this act] are approved in order of
18 priority as they appear in [sections 4 through 9 11], with
19 the appropriation in [section 4] having the highest priority
20 and the appropriation in [section 9 11] having the lowest
21 priority. If the U.S. department of energy does not approve
22 one or more of the programs that are funded by [this act] or
23 if LC 227 [__ Bill No. __] is not passed and approved, any
24 stripper well payments that are not used to fund higher
25 priority programs must be provided to lower ranked programs

1 up to the amounts appropriated in [this act]. If stripper
2 well payments are insufficient to fully fund the
3 appropriations made in [this act], the lowest ranking
4 program must have its appropriation reduced until the
5 deficiency is eliminated. If the deficiency is in excess of
6 the appropriation to the lowest ranking program, the next
7 lowest ranking program must have its appropriation reduced
8 until the deficiency is eliminated, and so forth as the
9 programs are prioritized. IN ORDER TO PROVIDE CONTINUITY
10 FOR THE PROGRAMS WHEN ESTABLISHING THE APPROPRIATIONS FOR
11 THE 1990-91 BIENNIUM, ANTICIPATED GETTY OIL AND TEXACO OIL
12 PAYMENTS THAT WILL BE RECEIVED UNDER THE TERMS OF THE
13 AGREEMENTS DURING THE BIENNIUM MAY BE CONSIDERED TO
14 ESTABLISH APPROPRIATIONS TO FUND THE ACTIVITIES. THE
15 APPROPRIATION PROVIDED FOR IN [SECTION 10] MUST NOT BE MADE
16 UNTIL THE STATE HAS ACTUALLY RECEIVED PAYMENTS THAT ARE
17 SUFFICIENT TO FUND ALL HIGHER RANKED PROGRAMS APPROVED FOR
18 FUNDING BY THE U.S. DEPARTMENT OF ENERGY. The expenditures
19 authorized by [this act] may not exceed the amount of
20 stripper well payments available in the biennium.

21 NEW SECTION. Section 14. Effective date. [This act]
22 is effective July 1, 1989.

-End-

HOUSE BILL NO. 563

INTRODUCED BY SPAETH

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. **Section 1.** Policy. As a result of overcharges on the sales of domestic crude oil, the federal courts have ordered or approved settlements requiring the repayment of the total amount of overcharges, plus interest, into an escrow account to be distributed by the U.S. treasury to the states, territories, and possessions of the United States. It is the policy of this state to use the oil overcharge money distributed to the state to supplement state and federal programs that the state administers and to use the money in a manner consistent with federal court orders establishing or approving the payment of the funds to the state of Montana.

NEW SECTION. **Section 2.** Definitions. As used in [this act], the following definitions apply:

(1) "CITIES SERVICE PAYMENTS" MEANS THE OIL OVERCHARGE PAYMENTS MADE TO THE U.S. TREASURY FOR DISTRIBUTION TO THE

STATE OF MONTANA PURSUANT TO THE CONSENT AGREEMENT BETWEEN CITIES SERVICE OIL AND GAS AND THE U.S. DEPARTMENT OF ENERGY AS AFFIRMED BY THE FEDERAL ENERGY REGULATORY COMMISSION AND ANY INTEREST ACCRUED ON TH : PAYMENTS.

(2) "GETTY OIL PAYMENTS" MEANS THE OIL OVERCHARGE PAYMENTS MADE TO THE U.S. TREASURY FOR DISTRIBUTION TO THE STATE OF MONTANA PURSUANT TO THE ORDER OF DISBURSEMENT ISSUED IN CIVIL ACTION NO. 77-347 (MMS) IN THE U. S. DISTRICT COURT FOR THE DISTRICT OF DELAWARE AND ANY INTEREST ACCRUED ON THE PAYMENTS.

~~{1}~~{3} (a) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court for the district of Kansas, Cause No. M.D.L. 378, and any interest accrued on the payments. The term also includes but is not limited to CITIES SERVICE PAYMENTS, AS DEFINED IN SUBSECTION (1), GETTY OIL PAYMENTS, AS DEFINED IN SUBSECTION (2), Texaco TEXACO payments, as defined in subsection {2} (4), and any unspent project funds, as defined in subsection {3} (5).

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1 legislature.

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3 payments made to the U.S. treasury for distribution to the
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16 deposited by the state treasurer in the federal special
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11 department of social and rehabilitation services for each
12 year in the biennium ending June 30, 1991, for the purpose
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14 (2) The department of social and rehabilitation
15 services shall match private contributions to energy share,
16 inc., to be used to assist persons not eligible for federal
17 low-income energy assistance whose income is less than 150%
18 of the federal poverty threshold published by the U.S.
19 bureau of the census in the most recent edition of its
20 publication, Poverty in the United States 1986 (Current
21 Population Reports, Series P-60, No. 160). All of the funds
22 appropriated to the department for this purpose under
23 subsection (1) must be used for clients' fuel bills or other
24 energy needs.

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NEW SECTION. Section 8. Transloading facility -- appropriation. (1) There is appropriated \$300,000 from the stripper well payments contained in the federal special revenue fund to the department of commerce for the project described in subsection (2).

(2) The department of commerce is authorized to issue to the city of Sheiby TOOLE COUNTY, Montana, a grant for the construction of a truck/train transloading facility. The city of Sheiby TOOLE COUNTY submitted its proposal to construct a transloading facility following the department's issuance of requests for proposals as required in section 5, House Bill 621, Laws of 1987. The department ranked Sheiby's TOOLE COUNTY'S proposal second in its evaluation of the proposals it received and could not fund the project in the 1989 biennium.

NEW SECTION. Section 9. State building energy bond

program -- appropriation. (1) There is appropriated \$550,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation for the purpose described in subsection (2).

(2) If LC 227 [__ Bill No. __] is passed and approved, the department will use the state of Montana's tax-exempt bonding authority to raise capital to install cost-effective energy retrofit measures on state buildings. Proceeds from the bond sales will pay design and construction costs for the installation of energy retrofit measures. Principal and interest on the bonds will be retired with the energy savings from the installed improvements. After the program is established, it will be revenue-neutral and self-sustaining. The stripper well payments appropriated to the department in subsection (1) are provided to initiate the program and must be used to conduct engineering studies to identify cost-effective energy retrofit opportunities in state-owned buildings, to train facility staff to maintain energy savings, and to administer the program.

NEW SECTION. Section 10. Technical assistance to local governments -- appropriation. There is appropriated ~~\$100,000~~ \$235,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation to award a grant to a

1 public or private entity to provide technical assistance to
2 local government entities for the purpose of identifying
3 energy conservation measures. The grant must be approved
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6 program -- appropriation. There is appropriated \$950,000
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15 act] are biennial appropriations.

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17 The appropriations in [this act] are approved in order of
18 priority as they appear in [sections 4 through 9 11], with
19 the appropriation in [section 4] having the highest priority
20 and the appropriation in [section 9 11] having the lowest
21 priority. If the U.S. department of energy does not approve
22 one or more of the programs that are funded by [this act] or
23 if LC 227 [__ Bill No. __] is not passed and approved, any
24 stripper well payments that are not used to fund higher
25 priority programs must be provided to lower ranked programs

1 up to the amounts appropriated in [this act]. If stripper
2 well payments are insufficient to fully fund the
3 appropriations made in [this act], the lowest ranking
4 program must have its appropriation reduced until the
5 deficiency is eliminated. If the deficiency is in excess of
6 the appropriation to the lowest ranking program, the next
7 lowest ranking program must have its appropriation reduced
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9 programs are prioritized. IN ORDER TO PROVIDE CONTINUITY
10 FOR THE PROGRAMS WHEN ESTABLISHING THE APPROPRIATIONS FOR
11 THE 1990-91 BIENNIUM, ANTICIPATED GETTY OIL AND TEXACO OIL
12 PAYMENTS THAT WILL BE RECEIVED UNDER THE TERMS OF THE
13 AGREEMENTS DURING THE BIENNIUM MAY BE CONSIDERED TO
14 ESTABLISH APPROPRIATIONS TO FUND THE ACTIVITIES. THE
15 APPROPRIATION PROVIDED FOR IN [SECTION 10] MUST NOT BE MADE
16 UNTIL THE STATE HAS ACTUALLY RECEIVED PAYMENTS THAT ARE
17 SUFFICIENT TO FUND ALL HIGHER RANKED PROGRAMS APPROVED FOR
18 FUNDING BY THE U.S. DEPARTMENT OF ENERGY. The expenditures
19 authorized by [this act] may not exceed the amount of
20 stripper well payments available in the biennium.

21 NEW SECTION. Section 14. Effective date. [This act]
22 is effective July 1, 1989.

-End-

HOUSE BILL NO. 563

INTRODUCED BY SPAETH

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Policy. As a result of overcharges on the sales of domestic crude oil, the federal courts have ordered or approved settlements requiring the repayment of the total amount of overcharges, plus interest, into an escrow account to be distributed by the U.S. treasury to the states, territories, and possessions of the United States. It is the policy of this state to use the oil overcharge money distributed to the state to supplement state and federal programs that the state administers and to use the money in a manner consistent with federal court orders establishing or approving the payment of the funds to the state of Montana.

NEW SECTION. Section 2. Definitions. As used in [this act], the following definitions apply:

(1) "CITIES SERVICE PAYMENTS" MEANS THE OIL OVERCHARGE PAYMENTS MADE TO THE U.S. TREASURY FOR DISTRIBUTION TO THE

STATE OF MONTANA PURSUANT TO THE CONSENT AGREEMENT BETWEEN CITIES SERVICE OIL AND GAS AND THE U.S. DEPARTMENT OF ENERGY AS AFFIRMED BY THE FEDERAL ENERGY REGULATORY COMMISSION AND ANY INTEREST ACCRUED ON TH : PAYMENTS.

(2) "GETTY OIL PAYMENTS" MEANS THE OIL OVERCHARGE PAYMENTS MADE TO THE U.S. TREASURY FOR DISTRIBUTION TO THE STATE OF MONTANA PURSUANT TO THE ORDER OF DISBURSEMENT ISSUED IN CIVIL ACTION NO. 77-347 (MMS) IN THE U. S. DISTRICT COURT FOR THE DISTRICT OF DELAWARE AND ANY INTEREST ACCRUED ON THE PAYMENTS.

{1}{3} (a) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court for the district of Kansas, Cause No. M.D.L. 378, and any interest accrued on the payments. The term also includes but is not limited to CITIES SERVICE PAYMENTS, AS DEFINED IN SUBSECTION (1), GETTY OIL PAYMENTS, AS DEFINED IN SUBSECTION (2), Texaco TEXACO payments, as defined in subsection {2} (4), and any unspent project funds, as defined in subsection {3} (5).

(b) The term does not include stripper well payments that have been expended or legally obligated or have been incorporated into any of the existing federal energy programs as the result of prior appropriations by the

1 legislature.

2 ~~{2}~~(4) "Texaco payments" means the oil overcharge
3 payments made to the U.S. treasury for distribution to the
4 state of Montana pursuant to the Texaco TEXACO final consent
5 order, 53 Fed. Reg. 32929, August 29, 1988, and any interest
6 accrued on the payments.

7 ~~{3}~~(5) "Unspent project funds" means stripper well
8 payments that were not expended or otherwise legally
9 obligated during the 1989 biennium but were appropriated for
10 the 1989 biennium in House Bill 621, Laws of 1987, in:

11 (a) section 4, subsection (5);

12 (b) section 9, subsections (8) and (9); and

13 (c) section 10.

14 NEW SECTION. Section 3. Deposit of oil overcharge
15 revenue. All funds from stripper well payments must be
16 deposited by the state treasurer in the federal special
17 revenue fund. All interest earned on any of these funds or
18 payments must also be deposited in the federal special
19 revenue fund.

20 NEW SECTION. SECTION 4. PAYMENT OF ATTORNEY'S FEES
21 AND COSTS -- APPROPRIATION. THERE IS APPROPRIATED \$35,000
22 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL
23 SPECIAL REVENUE FUND TO THE DEPARTMENT OF JUSTICE TO PAY
24 ATTORNEY'S FEES AND COSTS INCURRED IN CONNECTION WITH
25 RECOVERING SUCH PAYMENTS.

1 NEW SECTION. Section 5. Low-income home
2 weatherization -- appropriation. There is appropriated
3 ~~\$500,000~~ \$900,000 from the stripper well payments contained
4 in the federal special revenue fund to the department of
5 social and rehabilitation services for use in the home
6 weatherization program created in 90-4-201.

7 NEW SECTION. Section 6. Matching funds for low-income
8 energy assistance -- appropriation. (1) There is
9 appropriated \$50,000 from the stripper well payments
10 contained in the federal special revenue fund to the
11 department of social and rehabilitation services for each
12 year in the biennium ending June 30, 1991, for the purpose
13 described in subsection (2).

14 (2) The department of social and rehabilitation
15 services shall match private contributions to energy share,
16 inc., to be used to assist persons not eligible for federal
17 low-income energy assistance whose income is less than 150%
18 of the federal poverty threshold published by the U.S.
19 bureau of the census in the most recent edition of its
20 publication, Poverty in the United States 1986 (Current
21 Population Reports, Series P-60, No. 160). All of the funds
22 appropriated to the department for this purpose under
23 subsection (1) must be used for clients' fuel bills or other
24 energy needs.

25 NEW SECTION. SECTION 7. BIOLOGICAL AGENTS FOR WEED

1 CONTROL -- APPROPRIATION. THERE IS APPROPRIATED \$150,000
 2 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL
 3 SPECIAL REVENUE FUND TO THE DEPARTMENT OF AGRICULTURE TO
 4 CONTINUE THE COLLECTION AND DISTRIBUTION OF BIOLOGICAL
 5 AGENTS TO CONTROL LEAFY SPURGE AND SPOTTED Knapweed. THE
 6 PROJECT WILL REDUCE ENERGY CONSUMPTION BY REDUCING THE NEED
 7 FOR REPEATED CHEMICAL APPLICATIONS AND WILL BUILD UPON THE
 8 ACCOMPLISHMENTS DERIVED FROM THE FUNDING PROVIDED IN SECTION
 9 8, HOUSE BILL 621, LAWS OF 1987.

10 NEW SECTION. Section 8. Transloading facility --
 11 appropriation. (1) There is appropriated \$300,000 from the
 12 stripper well payments contained in the federal special
 13 revenue fund to the department of commerce for the project
 14 described in subsection (2).

15 (2) The department of commerce is authorized to issue
 16 to the city of Shelby TOOLE COUNTY, Montana, a grant for the
 17 construction of a truck/train transloading facility. The
 18 city of -- Shelby TOOLE COUNTY submitted its proposal to
 19 construct a transloading facility following the department's
 20 issuance of requests for proposals as required in section 5,
 21 House Bill 621, Laws of 1987. The department ranked Shelby's
 22 TOOLE COUNTY'S proposal second in its evaluation of the
 23 proposals it received and could not fund the project in the
 24 1989 biennium.

25 NEW SECTION. Section 9. State building energy bond

1 program -- appropriation. (1) There is appropriated \$550,000
 2 from the stripper well payments contained in the federal
 3 special revenue fund to the department of natural resources
 4 and conservation for the purpose described in subsection
 5 (2).

6 (2) If LC 227 [__ Bill No. __] is passed and approved,
 7 the department will use the state of Montana's tax-exempt
 8 bonding authority to raise capital to install cost-effective
 9 energy retrofit measures on state buildings. Proceeds from
 10 the bond sales will pay design and construction costs for
 11 the installation of energy retrofit measures. Principal and
 12 interest on the bonds will be retired with the energy
 13 savings from the installed improvements. After the program
 14 is established, it will be revenue-neutral and
 15 self-sustaining. The stripper well payments appropriated to
 16 the department in subsection (1) are provided to initiate
 17 the program and must be used to conduct engineering studies
 18 to identify cost-effective energy retrofit opportunities in
 19 state-owned buildings, to train facility staff to maintain
 20 energy savings, and to administer the program.

21 NEW SECTION. Section 10. Technical assistance to
 22 local governments -- appropriation. There is appropriated
 23 ~~\$100,000~~ \$235,000 from the stripper well payments contained
 24 in the federal special revenue fund to the department of
 25 natural resources and conservation to award a grant to a

1 public or private entity to provide technical assistance to
2 local government entities for the purpose of identifying
3 energy conservation measures. The grant must be approved
4 pursuant to 10 CFR 465.8.

5 NEW SECTION. Section 11. Institutional conservation
6 program -- appropriation. There is appropriated \$950,000
7 from the stripper well payments contained in the federal
8 special revenue fund to the department of natural resources
9 and conservation for use in the institutional conservation
10 program for schools and hospitals administered by the
11 department pursuant to 10 CFR 455.

12 NEW SECTION. Section 12. Biennial appropriations.
13 Except for the low-income energy assistance appropriation
14 provided in [section 5 6], the appropriations made in [this
15 act] are biennial appropriations.

16 NEW SECTION. Section 13. Appropriations prioritized.
17 The appropriations in [this act] are approved in order of
18 priority as they appear in [sections 4 through 9 11], with
19 the appropriation in [section 4] having the highest priority
20 and the appropriation in [section 9 11] having the lowest
21 priority. If the U.S. department of energy does not approve
22 one or more of the programs that are funded by [this act] or
23 if LC 227 [__ Bill No. __] is not passed and approved, any
24 stripper well payments that are not used to fund higher
25 priority programs must be provided to lower ranked programs

1 up to the amounts appropriated in [this act]. If stripper
2 well payments are insufficient to fully fund the
3 appropriations made in [this act], the lowest ranking
4 program must have its appropriation reduced until the
5 deficiency is eliminated. If the deficiency is in excess of
6 the appropriation to the lowest ranking program, the next
7 lowest ranking program must have its appropriation reduced
8 until the deficiency is eliminated, and so forth as the
9 programs are prioritized. IN ORDER TO PROVIDE CONTINUITY
10 FOR THE PROGRAMS WHEN ESTABLISHING THE APPROPRIATIONS FOR
11 THE 1990-91 BIENNIUM, ANTICIPATED GETTY OIL AND TEXACO OIL
12 PAYMENTS THAT WILL BE RECEIVED UNDER THE TERMS OF THE
13 AGREEMENTS DURING THE BIENNIUM MAY BE CONSIDERED TO
14 ESTABLISH APPROPRIATIONS TO FUND THE ACTIVITIES. THE
15 APPROPRIATION PROVIDED FOR IN [SECTION 10] MUST NOT BE MADE
16 UNTIL THE STATE HAS ACTUALLY RECEIVED PAYMENTS THAT ARE
17 SUFFICIENT TO FUND ALL HIGHER RANKED PROGRAMS APPROVED FOR
18 FUNDING BY THE U.S. DEPARTMENT OF ENERGY. The expenditures
19 authorized by [this act] may not exceed the amount of
20 stripper well payments available in the biennium.

21 NEW SECTION. Section 14. Effective date. [This act]
22 is effective July 1, 1989.

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