

HOUSE BILL NO. 60

INTRODUCED BY DEBRUYCKER  
BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

IN THE HOUSE

DECEMBER 3, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
	FIRST READING.
DECEMBER 13, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
	PRINTING REPORT.
DECEMBER 14, 1993	SECOND READING, DO PASS.
	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 59; NOES, 40.
	TRANSMITTED TO SENATE.

IN THE SENATE

DECEMBER 15, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
DECEMBER 17, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
	SECOND READING, CONCURRED IN.
	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

DECEMBER 18, 1993	RECEIVED FROM SENATE.
	SECOND READING, AMENDMENTS NOT

CONCURRED IN.

ON MOTION, FREE CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

IN THE SENATE

DECEMBER 18, 1993

ON MOTION, FREE CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

FREE CONFERENCE COMMITTEE REPORTED.

FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

IN THE HOUSE

DECEMBER 18, 1993

FREE CONFERENCE COMMITTEE REPORTED.

SECOND READING, FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 60  
2 INTRODUCED BY Legislator [Signature]  
3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
4 AND CONSERVATION  
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE CLEAN  
7 COAL TECHNOLOGY DEMONSTRATION FUND; ELIMINATING THE CLEAN  
8 COAL TECHNOLOGY PROGRAM; AMENDING SECTION 17-5-703, MCA;  
9 REPEALING SECTIONS 15-24-2301, 15-24-2302, 90-4-901,  
10 90-4-902, 90-4-903, 90-4-904, 90-4-905, AND 90-4-906, MCA;  
11 SECTION 11, CHAPTER 722, LAWS OF 1991; AND SECTIONS 1, 2, 3,  
12 4, AND 5, CHAPTER 515, LAWS OF 1993; AND PROVIDING AN  
13 IMMEDIATE EFFECTIVE DATE."  
14

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

16 **Section 1.** Section 17-5-703, MCA, is amended to read:

17 "17-5-703. Coal severance tax trust funds. (1) The  
18 trust established under Article IX, section 5, of the  
19 Montana constitution ~~shall be~~ is composed of the following  
20 funds:

21 (a) a coal severance tax bond fund into which the  
22 constitutionally dedicated receipts from the coal severance  
23 tax ~~shall~~ must be deposited;

24 (b) a treasure state endowment fund;

25 ~~{c}--a-clean-coal-technology-demonstration-fund;~~

1 ~~{d}{(c)}~~ a coal severance tax permanent fund;  
2 ~~{e}{(d)}~~ a coal severance tax income fund; and  
3 ~~{f}{(e)}~~ a coal severance tax school bond contingency  
4 loan fund.

5 (2) The state treasurer shall determine the amount  
6 necessary to meet all principal and interest payments on  
7 bonds payable from the coal severance tax bond fund on the  
8 next two ensuing semiannual payment dates and retain that  
9 amount in the coal severance tax bond fund.

10 (3) (a) On January 21, 1992, and continuing as long as  
11 any school district bonds secured by state loans under  
12 20-9-466 are outstanding, the state treasurer shall from  
13 time to time and as provided in subsection (3)(b) transfer  
14 from the coal severance tax bond fund to the coal severance  
15 tax school bond contingency loan fund any amount in the coal  
16 severance tax bond fund in excess of the amount that is  
17 specified in subsection (2) to be retained in the fund.

18 (b) The state treasurer shall transfer the amount  
19 referred to in subsection (3)(a) until and unless the  
20 balance in the coal severance tax school bond contingency  
21 loan fund is equal to the amount due as principal of and  
22 interest on the school district bonds secured by state loans  
23 under 20-9-466 during the next following 12 months.

24 ~~{4}--Beginning-July-17-19917-and-ending-June--307--19977~~  
25 ~~from--any--amount--in--the--coal--severance-tax-bond-fund-in~~

~~excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3); the department of revenue shall, upon request from the department of natural resources and conservation, transfer an amount up to \$5 million per fiscal year to the clean coal technology demonstration fund.~~

~~{5}{4}~~ Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsections subsection (3) and {4}.

~~{6}{5}~~ (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in

the treasure state endowment fund."

NEW SECTION. Section 2. Repealer. Sections 15-24-2301, 15-24-2302, 90-4-901, 90-4-902, 90-4-903, 90-4-904, 90-4-905, and 90-4-906, MCA; section 11, Chapter 722, Laws of 1991; and sections 1, 2, 3, 4, and 5, Chapter 515, Laws of 1993, are repealed.

NEW SECTION. Section 3. Effective date. [This act] is 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 HB0060, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: This bill would repeal all statutes relating to the Clean Coal Technology Demonstration Program and fund; eliminate Department of Natural Resources and Conservation appropriation for the 1995 biennium; and provide an immediate effective date.

ASSUMPTIONS:

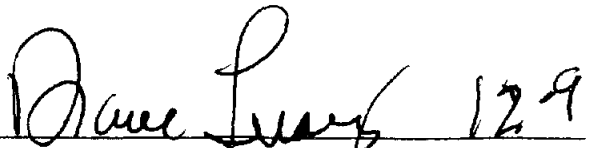
1. Montana has not been and will not be selected by the federal Department of Energy for clean coal technology demonstration funding; therefore, the coal severance tax clean coal technology demonstration fund, clean coal loans and tax exemption will be repealed.
2. No coal severance tax funds have been deposited into the Clean Coal Technology Demonstration Fund. The \$35 million in coal severance tax authorized for clean coal by the 1991 and 1993 legislatures will be available to treasure state endowment and the permanent fund.
3. HB02 is amended to reflect a \$53,425 FY94 and a \$3,425 FY95 general fund reduction upon passage of this bill.


FISCAL IMPACT:

	<u>FY '94</u>			<u>FY '95</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Funding:</u>						
General Fund*	\$53,425	0	(53,425)	3,425	0	(3,425)

\*Already included in HB2 reductions.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: The clean coal technology demonstration fund will be eliminated from the coal severance tax trust fund. These funds will no longer be specifically authorized to loan for clean coal projects. The funds will be available for deposit into the Treasure State Endowment Fund and the permanent trust fund. The additional deposits into the Treasure State Endowment Fund will increase the earnings that will become available to local governments in the future.

  
 DAVID LEWIS, BUDGET DIRECTOR      DATE  
 Office of Budget and Program Planning

  
 ROGER DEBRUYCKER, PRIMARY SPONSOR      DATE  
 Fiscal Note for HB0060, as introduced

HB 60

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

1 House BILL NO. 60  
2 INTRODUCED BY Regenold B. Buehler  
3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
4 AND CONSERVATION

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE CLEAN  
7 COAL TECHNOLOGY DEMONSTRATION FUND; ELIMINATING THE CLEAN  
8 COAL TECHNOLOGY PROGRAM; AMENDING SECTION 17-5-703, MCA;  
9 REPEALING SECTIONS 15-24-2301, 15-24-2302, 90-4-901,  
10 90-4-902, 90-4-903, 90-4-904, 90-4-905, AND 90-4-906, MCA;  
11 SECTION 11, CHAPTER 722, LAWS OF 1991; AND SECTIONS 1, 2, 3,  
12 4, AND 5, CHAPTER 515, LAWS OF 1993; AND PROVIDING AN  
13 IMMEDIATE EFFECTIVE DATE."

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

16 **Section 1.** Section 17-5-703, MCA, is amended to read:

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18 trust established under Article IX, section 5, of the  
19 Montana constitution ~~shall be~~ is composed of the following  
20 funds:

21 (a) a coal severance tax bond fund into which the  
22 constitutionally dedicated receipts from the coal severance  
23 tax ~~shall~~ must be deposited;

24 (b) a treasure state endowment fund;

25 ~~(c) a clean coal technology demonstration fund;~~

1 ~~(d)(c)~~ a coal severance tax permanent fund;  
2 ~~(e)(d)~~ a coal severance tax income fund; and  
3 ~~(f)(e)~~ a coal severance tax school bond contingency  
4 loan fund.

5 (2) The state treasurer shall determine the amount  
6 necessary to meet all principal and interest payments on  
7 bonds payable from the coal severance tax bond fund on the  
8 next two ensuing semiannual payment dates and retain that  
9 amount in the coal severance tax bond fund.

10 (3) (a) On January 21, 1992, and continuing as long as  
11 any school district bonds secured by state loans under  
12 20-9-466 are outstanding, the state treasurer shall from  
13 time to time and as provided in subsection (3)(b) transfer  
14 from the coal severance tax bond fund to the coal severance  
15 tax school bond contingency loan fund any amount in the coal  
16 severance tax bond fund in excess of the amount that is  
17 specified in subsection (2) to be retained in the fund.

18 (b) The state treasurer shall transfer the amount  
19 referred to in subsection (3)(a) until and unless the  
20 balance in the coal severance tax school bond contingency  
21 loan fund is equal to the amount due as principal of and  
22 interest on the school district bonds secured by state loans  
23 under 20-9-466 during the next following 12 months.

24 ~~(4) Beginning July 1, 1991, and ending June 30, 1997,~~  
25 ~~from any amount in the coal severance tax bond fund in~~

~~excess-of-the-amount-that-is-specified-in-subsection-(2)--to  
be--retained-in-the-fund-and-in-excess-of-any-amount-that-is  
required-to-be-transferred-by-subsection-(3)--the-department  
of-revenue--shall--upon--request--from--the--department--of  
natural-resources-and-conservation--transfer-an-amount-up-to  
\$5--million--per--fiscal--year--to-the-clean-coal-technology  
demonstration-fund.~~

~~†5†(4)~~ Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to ~~subsections subsection (3) and †4†~~.

~~†6†(5)~~ (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in

the treasure state endowment fund."

NEW SECTION. **Section 2. Repealer.** Sections 15-24-2301, 15-24-2302, 90-4-901, 90-4-902, 90-4-903, 90-4-904, 90-4-905, and 90-4-906, MCA; section 11, Chapter 722, Laws of 1991; and sections 1, 2, 3, 4, and 5, Chapter 515, Laws of 1993, are repealed.

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

-End-

1 House BILL NO. 60  
2 INTRODUCED BY Representative [Signature]  
3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
4 AND CONSERVATION  
5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE CLEAN  
7 COAL TECHNOLOGY DEMONSTRATION FUND; ELIMINATING THE CLEAN  
8 COAL TECHNOLOGY PROGRAM; AMENDING SECTION 17-5-703, MCA;  
9 REPEALING SECTIONS 15-24-2301, 15-24-2302, 90-4-901,  
10 90-4-902, 90-4-903, 90-4-904, 90-4-905, AND 90-4-906, MCA;  
11 SECTION 11, CHAPTER 722, LAWS OF 1991; AND SECTIONS 1, 2, 3,  
12 4, AND 5, CHAPTER 515, LAWS OF 1993; AND PROVIDING AN  
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18 trust established under Article IX, section 5, of the  
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22 constitutionally dedicated receipts from the coal severance  
23 tax ~~shall~~ must be deposited;  
24 (b) a treasure state endowment fund;  
25 ~~(c) --a clean coal technology demonstration fund;~~

1 ~~(d)(c)~~ a coal severance tax permanent fund;  
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19 referred to in subsection (3)(a) until and unless the  
20 balance in the coal severance tax school bond contingency  
21 loan fund is equal to the amount due as principal of and  
22 interest on the school district bonds secured by state loans  
23 under 20-9-466 during the next following 12 months.  
24 ~~(4) --Beginning July 17, 1991, and ending June 30, 1997,~~  
25 ~~from any amount in the coal severance tax bond fund in~~



~~excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3) to the department of revenue shall, upon request from the department of natural resources and conservation, transfer an amount up to \$5 million per fiscal year to the clean coal technology demonstration fund.~~

~~(5)(4)~~ Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to ~~subsections subsection (3) and (4)~~.

~~(6)(5)~~ (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in

the treasure state endowment fund."

NEW SECTION. **Section 2.** Repealer. Sections 15-24-2301, 15-24-2302, 90-4-901, 90-4-902, 90-4-903, 90-4-904, 90-4-905, and 90-4-906, MCA; section 11, Chapter 722, Laws of 1991; and sections 1, 2, 3, 4, and 5, Chapter 515, Laws of 1993, are repealed.

NEW SECTION. **Section 3.** Effective date. [This act] is effective on passage and approval.

-End-

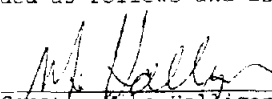
SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
December 17, 1993

Page 2 of 2  
December 17, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 60 (third reading copy -- blue), respectfully report that House Bill No. 60 be amended as follows and as so amended be concurred in.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 6.

Following: "THE"

Insert: "RESPONSIBILITIES OF THE DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION TO PRESCRIBE THE CONTENT OF AND REVIEW OF"

2. Title, line 7.

Strike: "FUND"

Insert: "LOAN APPLICATIONS"

Following: "ELIMINATING"

Insert: "FUND TRANSFERS TO"

3. Title, line 8.

Strike: "SECTION 17-5-703"

Insert: "SECTIONS 90-4-904 AND 90-4-905"

4. Title, lines 9 and 10.

Following: "REPEALING"

Strike: remainder of line 9 through "AND" on line 10

Insert: "SECTION"

5. Page 1, line 16 through page 4, line 1.

Strike: section 1 in its entirety

Insert: "Section 1. Section 90-4-904, MCA, is amended to read:

"90-4-904. Applications for clean coal technology demonstration loans. A person may apply for a clean coal technology demonstration loan for a clean coal technology project to be conducted in Montana. An application for a loan must be in a form prescribed by the department and contain or be accompanied by any information necessary to adequately describe the proposed project and necessary to evaluate the proposed project. An application for a project must be submitted to the department prior to the convening of a legislative session."

Section 2. Section 90-4-905, MCA, is amended to read:

"90-4-905. Eligibility for loan -- clean coal technology project designation. (1) In order for a project to be eligible for a clean coal technology demonstration loan, the department shall designate the project as a clean coal technology project. The department shall ensure, based on the application and the department's investigation and evaluation of the proposal, that the project loan will must be:

(a) used for a clean coal technology project in a commercial testing, pilot plant, or initial commercialization phase; and

(b) matched on at least a 4 to 1 basis from federal or private sources.

(2) Loans may not be recommended made for early stage planning or basic research activities."

Renumber: subsequent sections

6. Page 4, lines 2 through 4.

Following: "Repealer." on line 2

Strike: remainder of line 2 through "and" on line 4

Insert: "Section"

-END-

M- Amd. Coord.  
5/ Sec. of Senate

  
Senator Carrying Bill

171240SC.Sma

HB 60  
SENATE

HOUSE BILL NO. 60

INTRODUCED BY DEBRUYCKER

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE  
RESPONSIBILITIES OF THE DEPARTMENT OF NATURAL RESOURCES AND  
CONSERVATION TO PRESCRIBE THE CONTENT OF AND REVIEW OF CLEAN  
COAL TECHNOLOGY DEMONSTRATION FUND LOAN APPLICATIONS;  
ELIMINATING FUND TRANSFERS TO THE CLEAN COAL TECHNOLOGY  
PROGRAM; AMENDING SECTION 17-5-703 SECTIONS 90-4-904 AND  
90-4-905, MCA; REPEALING SECTIONS 15-24-2301, 15-24-2302,  
90-4-901, 90-4-902, 90-4-903, 90-4-904, 90-4-905, AND  
SECTION 90-4-906, MCA; SECTION 11, CHAPTER 722, LAWS OF  
1991; AND SECTIONS 1, 2, 3, 4, AND 5, CHAPTER 515, LAWS OF  
1993; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 17-5-703, MCA, is amended to read:

"17-5-703. Coal-severance-tax-trust-funds. (1) The  
trust established under Article IX, section 5, of the  
Montana constitution shall be is composed of the following  
funds:

(a) a coal-severance-tax-bond-fund into which the  
constitutionally-dedicated receipts from the coal-severance

tax shall must be deposited;

(b) a treasure-state-endowment-fund;

(c) a clean-coal-technology-demonstration-fund;

(d) ~~(c)~~ a coal-severance-tax-permanent-fund;

(e) ~~(d)~~ a coal-severance-tax-income-fund; and

(f) ~~(e)~~ a coal-severance-tax-school-bond-contingency  
loan-fund;

(2) The state treasurer shall determine the amount  
necessary to meet all principal and interest payments on  
bonds payable from the coal-severance-tax-bond-fund on the  
next two ensuing semiannual payment dates and retain that  
amount in the coal-severance-tax-bond-fund;

(3) (a) On January 21, 1992, and continuing as long as  
any school district bonds secured by state loans under  
20-9-466 are outstanding, the state treasurer shall from  
time to time and as provided in subsection (3)(b) transfer  
from the coal-severance-tax-bond-fund to the coal-severance  
tax-school-bond-contingency-loan-fund any amount in the coal  
severance-tax-bond-fund in excess of the amount that is  
specified in subsection (2) to be retained in the fund;

(b) The state treasurer shall transfer the amount  
referred to in subsection (3)(a) until and unless the  
balance in the coal-severance-tax-school-bond-contingency  
loan-fund is equal to the amount due as principal of and  
interest on the school district bonds secured by state loans

under 20-9-466 during the next following 12 months.

(4) Beginning July 1, 1991, and ending June 30, 1997, from any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3), the department of revenue shall, upon request from the department of natural resources and conservation, transfer an amount up to \$5 million per fiscal year to the clean coal technology demonstration fund.

(5)(4) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsections subsection (3) and (4).

(6)(5)(a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the

state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund."

#### SECTION 1. SECTION 90-4-904, MCA, IS AMENDED TO READ:

"90-4-904. Applications for clean coal technology demonstration loans. A person may apply for a clean coal technology demonstration loan for a clean coal technology project to be conducted in Montana. An application for a loan must be in a form prescribed by the department and contain or be accompanied by any information necessary to adequately describe the proposed project and necessary to evaluate the proposed project. An application for a project must be submitted to the department prior to the convening of a legislative session."

#### SECTION 2. SECTION 90-4-905, MCA, IS AMENDED TO READ:

"90-4-905. Eligibility for loan -- clean coal technology project designation. (1) In order for a project to be eligible for a clean coal technology demonstration loan, the department shall designate the project as a clean coal technology project. The department shall ensure, based on the application and the department's investigation and evaluation of the proposal, that the project loan will must be:

(a) used for a clean coal technology project in a

1 commercial testing, pilot plant, or initial  
2 commercialization phase; and

3 (b) matched on at least a 4 to 1 basis from federal or  
4 private sources.

5 (2) Loans may not be recommended made for early stage  
6 planning or basic research activities."

7 NEW SECTION. Section 3. Repealer. ~~SECTIONS 15-24-2301,~~  
8 ~~15-24-2302, ---90-4-901, ---90-4-902, ---90-4-903, ---90-4-904,~~  
9 ~~90-4-905, and~~ SECTION 90-4-906, MCA; section 11, Chapter  
10 722, Laws of 1991; and sections 1, 2, 3, 4, and 5, Chapter  
11 515, Laws of 1993, are repealed.

12 NEW SECTION. Section 4. Effective date. [This act] is  
13 effective on passage and approval.

-End-



## CONFERENCE COMMITTEE

on House Bill 60

Report No. 1, December 18, 1993

Page 1 of 1

Mr. Speaker and Mr. President:

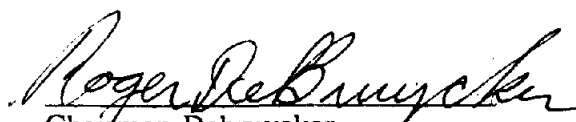
We, your <sup>free</sup> Conference Committee on **House Bill 60** met and considered Senate Amendments and recommend that **House Bill 60** (reference copy -- salmon) be amended as follows:

Reject and strike all Senate Amendments.

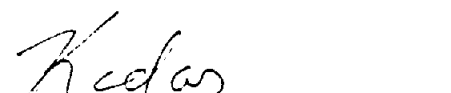
And this <sup>free</sup> Conference Committee report be adopted.


For the House:

For the Senate:

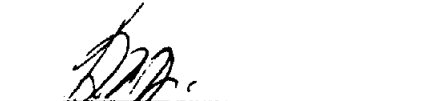
  
Chairman Debruycker

  
Chairman Towe

  
Representative Kadas

  
Senator Eck

  
Representative Royal Johnson

  
Senator Gage

ADOPT

REJECT

C.C.#1  
HB60  
181119CC.Hcr

1 HOUSE BILL NO. 60  
2 INTRODUCED BY DEBRUYCKER  
3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
4 AND CONSERVATION  
5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE  
7 ~~RESPONSIBILITIES--OF-THE-DEPARTMENT-OF-NATURAL-RESOURCES-AND~~  
8 ~~CONSERVATION-TO-PRESCRIBE-THE-CONTENT-OF-AND-REVIEW-OF~~ CLEAN  
9 COAL TECHNOLOGY DEMONSTRATION FUND FUND ~~LOAN--APPLICATIONS;~~  
10 ELIMINATING ~~FUND--TRANSFERS--TO~~ THE CLEAN COAL TECHNOLOGY  
11 PROGRAM; AMENDING SECTION-17-5-703 SECTION 17-5-703 SECTIONS  
12 ~~90-4-904-AND-90-4-905, MCA; REPEALING SECTIONS--15-24-2301,~~  
13 ~~15-24-2302,---90-4-901,---90-4-902,---90-4-903,---90-4-904,~~  
14 ~~90-4-905, AND SECTIONS 15-24-2301, 15-24-2302, 90-4-901,~~  
15 ~~90-4-902, 90-4-903, 90-4-904, 90-4-905, AND SECTION~~  
16 ~~90-4-906, MCA; SECTION 11, CHAPTER 722, LAWS OF 1991; AND~~  
17 ~~SECTIONS 1, 2, 3, 4, AND 5, CHAPTER 515, LAWS OF 1993; AND~~  
18 ~~PROVIDING AN IMMEDIATE EFFECTIVE DATE."~~  
19  
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
21 **Section 1.** ~~Section 17-5-703, MCA, is amended to read:--~~  
22 ~~"17-5-703.---Coal-severance-tax-trust--funds.---(1)---The~~  
23 ~~trust--established--under--Article--IX,--section--5,--of--the~~  
24 ~~Montana-constitution-shall-be is composed of--the--following~~  
25 ~~funds:~~

1 ~~(a)---a--coal--severance--tax--bond--fund--into-which-the~~  
2 ~~constitutionally-dedicated-receipts-from-the-coal--severance~~  
3 ~~tax-shall must be deposited;~~  
4 ~~(b)---a-treasure-state-endowment-fund;~~  
5 ~~(c)---a-clean-coal-technology-demonstration-fund;~~  
6 ~~(d)(e)---a-coal-severance-tax-permanent-fund;~~  
7 ~~(e)(d)---a-coal-severance-tax-income-fund;-and~~  
8 ~~(f)(e)---a--coal--severance--tax--school-bond-contingency~~  
9 ~~loan-fund;~~  
10 ~~(2)---The-state--treasurer--shall--determine--the--amount~~  
11 ~~necessary--to--meet--all--principal-and-interest-payments-on~~  
12 ~~bonds-payable-from-the-coal-severance-tax-bond-fund--on--the~~  
13 ~~next--two--ensuing--semiannual-payment-dates-and-retain-that~~  
14 ~~amount-in-the-coal-severance-tax-bond-fund;~~  
15 ~~(3)---(a)---On-January-21,1992,-and-continuing-as-long--as~~  
16 ~~any--school--district--bonds--secured--by--state-loans-under~~  
17 ~~20-9-466-are-outstanding,-the--state--treasurer--shall--from~~  
18 ~~time--to--time-and-as-provided-in-subsection-(3)(b)-transfer~~  
19 ~~from-the-coal-severance-tax-bond-fund-to-the-coal--severance~~  
20 ~~tax-school-bond-contingency-loan-fund-any-amount-in-the-coal~~  
21 ~~severance--tax--bond--fund--in--excess-of-the-amount-that-is~~  
22 ~~specified-in-subsection-(2)-to-be-retained-in-the-fund;~~  
23 ~~(b)---The--state--treasurer--shall--transfer--the--amount~~  
24 ~~referred-to--in--subsection--(3)(a)--until--and-unless--the~~  
25 ~~balance--in--the--coal-severance-tax-school-bond-contingency~~

loan fund is equal to the amount due as principal of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12 months:

(4) Beginning July 1, 1991, and ending June 30, 1997, from any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3), the department of revenue shall, upon request from the department of natural resources and conservation, transfer an amount up to \$5 million per fiscal year to the clean coal technology demonstration fund.

(5) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsections subsection (3) and (4).

(6) (5) (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the

treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-718. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.

**SECTION 1. SECTION 17-5-703, MCA, IS AMENDED TO READ:**

"17-5-703. Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution shall be is composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax shall must be deposited;

(b) a treasure state endowment fund;

(c) a clean coal technology demonstration fund;

(d) (c) a coal severance tax permanent fund;

(e) (d) a coal severance tax income fund; and

(f) (e) a coal severance tax school bond contingency loan fund.

(2) The state treasurer shall determine the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund on the next two ensuing semiannual payment dates and retain that amount in the coal severance tax bond fund.



(3) (a) On January 21, 1992, and continuing as long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12 months.

~~{4}--Beginning July 1, 1991, and ending June 30, 1997, from any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3), the department of revenue shall, upon request from the department of natural resources and conservation, transfer an amount up to \$5 million per fiscal year to the clean coal technology demonstration fund.~~

{5}(4) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure

state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsections subsection (3) and {4}.

{6}{5} (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund."

#### **SECTION 1--SECTION 90-4-904, MCA, IS AMENDED TO READ--**

"90-4-904--Applications--for--clean--coal--technology demonstration--loans--A--person--may--apply--for--a--clean--coal--technology--demonstration--loan--for--a--clean--coal--technology project--to--be--conducted--in--Montana--An--application--for--a loan--must--be--in--a--form--prescribed--by--the--department--and contain--or--be--accompanied--by--any--information--necessary--to adequately--describe--the--proposed--project--and--necessary--to

1 evaluate--the-proposed-project; An application for a project  
 2 must be submitted to the department prior to the convening  
 3 of a legislative session."

4 SECTION 2. SECTION 90-4-905, MCA, IS AMENDED TO READ:

5 "90-4-905. Eligibility for loan clean-coal  
 6 technology project designation--(1) In order for a project  
 7 to be eligible for a clean-coal technology demonstration  
 8 loan, the department shall designate the project as a clean  
 9 coal technology project. The department shall ensure, based  
 10 on the application and the department's investigation and  
 11 evaluation of the proposal, that the project loan will must  
 12 be:

13 (a) used for a clean-coal technology project in a  
 14 commercial testing, pilot plant, or initial  
 15 commercialization phase; and

16 (b) matched on at least a 4-to-1 basis from federal or  
 17 private sources;

18 (2) loans may not be recommended made for early stage  
 19 planning or basic research activities."

20 NEW SECTION. Section 2. Repealer. SECTIONS 15-24-2301,  
 21 15-24-2302, 90-4-901, 90-4-902, 90-4-903, 90-4-904,  
 22 90-4-905, and SECTION SECTIONS 15-24-2301, 15-24-2302,  
 23 90-4-901, 90-4-902, 90-4-903, 90-4-904, 90-4-905, AND  
 24 90-4-906, MCA; section 11, Chapter 722, Laws of 1991; and  
 25 sections 1, 2, 3, 4, and 5, Chapter 515, Laws of 1993, are

1 repealed.

2 NEW SECTION. Section 3. Effective date. [This act] is  
 3 effective on passage and approval.

-End-