

HOUSE BILL NO. 10

INTRODUCED BY QUILICI

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.** [Sections 1 through 15] implement the policy stated in 90-4-210.

NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 15], the following definitions apply:

(1) "Amoco payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the decision and order of the U.S. department of energy in Case No. HQF-0588 and any interest accrued on the payments.

(2) "Carryover" means unspent oil overcharge funds previously appropriated and incorporated into an approved program plan for one of the federal energy conservation programs, but not included in unspent project funds as defined in subsection (9).

(3) "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.

(4) "Diamond shamrock 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 southern district of Ohio eastern division in Civil Action No. C2-84-1432 and any interest accrued on the payments.

(5) "Exxon payments" means the oil overcharge payments made by the Exxon corporation to the U.S. treasury for distribution to the state of Montana pursuant to the order of the U.S. district court for the

1 District of Columbia in Civil Action No. 78-1035 and any interest accrued on the payments.

2 (6) "Getty oil payments" means the oil overcharge payments made to the U.S. treasury for  
3 distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action No. 77-347  
4 (MMS) in the U.S. district court for the district of Delaware and any interest accrued on the payments.

5 (7) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for  
6 distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court  
7 for the district of Kansas, Cause No. M.D.L. 378, and any interest accrued on the payments. The term also  
8 includes but is not limited to cities service payments, as defined in subsection (3), getty oil payments, as  
9 defined in subsection (6), texaco payments, as defined in subsection (8), and any unspent project funds,  
10 as defined in subsection (9).

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

14 (9) "Unspent project funds" means stripper well payments that were not expended or otherwise  
15 legally obligated during the 1997 biennium but were appropriated for the 1997 biennium in Chapter 63,  
16 Laws of 1995, in:

- 17 (a) section 4;
- 18 (b) section 5;
- 19 (c) section 6;
- 20 (d) section 7; and
- 21 (e) section 8.

22

23 **NEW SECTION. Section 3. Deposit of oil overcharge revenue.** All funds from stripper well, amoco,  
24 and exxon payments must be deposited by the state treasurer in the federal special revenue fund. All  
25 interest earned on any of these funds or payments also must be deposited in the federal special revenue  
26 fund.

27

28 **NEW SECTION. Section 4. Matching funds for low-income energy assistance -- appropriation.** (1)  
29 There is appropriated \$100,000 from the stripper well payments contained in the federal special revenue  
30 fund to the department of public health and human services for the purpose described in subsection (2).

1 (2) The department of public health and human services shall match private contributions to energy  
2 share, inc., to be used to provide emergency energy assistance to residents with incomes between 125%  
3 and 150% of poverty guidelines who are not eligible for federal low-income energy assistance. All of the  
4 funds appropriated to the department for this purpose under subsection (1) must be used for clients' fuel  
5 bills or other emergency energy needs.  
6

7 **NEW SECTION. Section 5. Recommissioning state-owned buildings -- appropriation.** There is  
8 appropriated \$80,000 from the stripper well payments contained in the federal special revenue fund to the  
9 department of environmental quality to identify and implement low-cost maintenance activities and  
10 modifications to equipment and procedures that will enable state building systems to operate at their  
11 designed efficiencies, reducing energy consumption in buildings by 5% to 10%.  
12

13 **NEW SECTION. Section 6. Infrastructure to support purchase and use of ethanol-fueled vehicles**  
14 **-- appropriation.** There is appropriated \$100,000 from the stripper well payments contained in the federal  
15 special revenue fund to the department of environmental quality to help establish a refueling infrastructure  
16 that will support the use of ethanol-fueled (E-85) vehicles. A one-time investment of oil overcharge dollars  
17 will be used to leverage private-sector funds to provide pilot alternative refueling stations to supply  
18 alternative-fueled vehicles.  
19

20 **NEW SECTION. Section 7. Reduce petroleum use in Yellowstone region -- appropriation.** There  
21 is appropriated \$75,000 from the stripper well payments contained in the federal special revenue fund to  
22 the department of environmental quality to promote expanded use of alternative fuels within Yellowstone  
23 park and to develop means of increasing energy-efficient tourist travel in the region.  
24

25 **NEW SECTION. Section 8. Small business and tribal environmental compliance loan fund program**  
26 **-- appropriation.** There is appropriated \$250,000 from the stripper well payments contained in the federal  
27 special revenue fund to the department of environmental quality to provide a grant to the department of  
28 commerce microbusiness finance program to offer loans to small businesses and tribal communities for  
29 pollution control equipment, petroleum-based chemical product substitution, equipment replacement,  
30 pollution prevention, energy conservation, and waste minimization.

1           **NEW SECTION. Section 9. Recycling for mercury-containing lamps -- appropriation.** There is  
2 appropriated \$36,000 from the stripper well payments contained in the federal special revenue fund to the  
3 department of environmental quality to reduce disposal costs and enhance energy savings from lighting  
4 retrofits by providing equipment and training to establish a self-sustaining lamp recycling program.

5  
6           **NEW SECTION. Section 10. Home energy rating system -- appropriation.** There is appropriated  
7 \$120,000 from the stripper well payments contained in the federal special revenue fund to the department  
8 of environmental quality to work with representatives of the housing industry in a collaborative effort to  
9 identify a home energy rating system applicable to Montana.

10  
11           **NEW SECTION. Section 11. Promote energy-efficient transportation infrastructure -- appropriation.**  
12 There is appropriated \$140,000 from the stripper well payments contained in the federal special revenue  
13 fund to the department of environmental quality to work with local governments to promote the design and  
14 eventual construction of an inherently less polluting, more energy-efficient transportation infrastructure.

15  
16           **NEW SECTION. Section 12. Energy share foundation -- appropriation.** (1) Pursuant to subsection  
17 (2), there is appropriated \$100,000 from the stripper well payments contained in the federal special revenue  
18 fund to the department of public health and human services for the purpose described in subsection (2).

19           (2) The appropriation in subsection (1) is effective if a bill is passed and approved to establish a  
20 permanent foundation that may be capitalized through a combination of tax credits for energy providers and  
21 additional charges to those same companies that could be passed on to their energy customers.

22  
23           **NEW SECTION. Section 13. Carryover -- reappropriations.** There is reappropriated \$25,000 from  
24 the stripper well payments, \$50,000 from the Exxon payments, \$57,000 from the diamond shamrock  
25 payments, and \$1,500 from the Amoco payments contained in the federal special revenue fund to the  
26 department of environmental quality to fund the state energy program administered by the department  
27 pursuant to 10 CFR 420.

28  
29           **NEW SECTION. Section 14. Conditions applied to appropriations.** (1) The appropriations made  
30 in [sections 4 through 13] are biennial appropriations.

1           (2) One-half of the total amount appropriated to each program in [sections 4 through 13] is  
2 appropriated in fiscal year 1998 and the remainder is appropriated in fiscal year 1999. As biennial  
3 appropriations, the unexpended funds appropriated in fiscal year 1998 may be carried forward within each  
4 program to fiscal year 1999.

5           (3) The appropriations in [section 13] are limited to available funds. Expenditures of carryover  
6 funds may not exceed the actual amount of unspent funds available.

7  
8           NEW SECTION. Section 15. Appropriations prioritized. (1) The appropriations in [sections 4  
9 through 12] are approved in order of priority as they appear in [sections 4 through 12], with the  
10 appropriation in [section 4] having the highest priority and the appropriation in [section 12] having the  
11 lowest priority. If the U.S. department of energy does not approve one or more of the programs that are  
12 funded by [sections 4 through 12], any stripper well payments that are not used to fund the higher-priority  
13 program must be provided to the lower-ranked program up to the amounts appropriated in [sections 4  
14 through 12].

15           (2) If stripper well payments are insufficient to fully fund the appropriations made in [sections 4  
16 through 12], allocations to the lowest-ranking program must be reduced until the deficiency is eliminated.  
17 If the deficiency is in excess of the appropriation to the lowest-ranking program, the next lowest-ranking  
18 program must have its appropriation reduced until the deficiency is eliminated and so forth as the programs  
19 are prioritized. These priorities must be applied to one-half of the total amount appropriated in [sections  
20 4 through 12] for fiscal year 1998 and to the remaining appropriation for fiscal year 1999.

21           (3) In order to provide continuity for the programs when establishing the appropriations for each  
22 fiscal year of the 1999 biennium, anticipated stripper well payments that will be received under terms of  
23 the stripper well agreement during the biennium may be considered as available to fund the activities.

24           (4) The expenditure of money appropriated by [sections 4 through 12] may not exceed the amount  
25 of the stripper well payments available in the biennium.

26  
27           NEW SECTION. Section 16. Coordination instruction. If House Bill No. 12 is passed and approved,  
28 the stripper well payments appropriated in House Bill No. 12 have a higher priority than any appropriation  
29 of stripper well payments in [sections 4 through 12].

30



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3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

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5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS  
6 ADMINISTERED BY THE STATE OF MONTANA; AND PROVIDING AN EFFECTIVE DATE."7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:9  
10 NEW SECTION. **Section 1. Policy.** [Sections 1 through ~~45~~ 16] implement the policy stated in  
11 90-4-210.12  
13 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through ~~45~~ 16], the following  
14 definitions apply:15 (1) "Amoco payments" means the oil overcharge payments made to the U.S. treasury for  
16 distribution to the state of Montana pursuant to the decision and order of the U.S. department of energy  
17 in Case No. HQF-0588 and any interest accrued on the payments.18 (2) "Carryover" means unspent oil overcharge funds previously appropriated and incorporated into  
19 an approved program plan for one of the federal energy conservation programs, but not included in unspent  
20 project funds as defined in subsection (9).21 (3) "Cities service payments" means the oil overcharge payments made to the U.S. treasury for  
22 distribution to the state of Montana pursuant to the consent agreement between cities service oil and gas  
23 and the U.S. department of energy, as affirmed by the federal energy regulatory commission, and any  
24 interest accrued on the payments.25 (4) "Diamond shamrock payments" means the oil overcharge payments made to the U.S. treasury  
26 for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district  
27 court for the southern district of Ohio eastern division in Civil Action No. C2-84-1432 and any interest  
28 accrued on the payments.29 (5) "Exxon payments" means the oil overcharge payments made by the Exxon corporation to the  
30 U.S. treasury for distribution to the state of Montana pursuant to the order of the U.S. district court for the

1 District of Columbia in Civil Action No. 78-1035 and any interest accrued on the payments.

2 (6) "Getty oil payments" means the oil overcharge payments made to the U.S. treasury for  
3 distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action No. 77-347  
4 (MMS) in the U.S. district court for the district of Delaware and any interest accrued on the payments.

5 (7) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for  
6 distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court  
7 for the district of Kansas, Cause No. M.D.L. 378, and any interest accrued on the payments. The term also  
8 includes but is not limited to cities service payments, as defined in subsection (3), getty oil payments, as  
9 defined in subsection (6), texaco payments, as defined in subsection (8), and any unspent project funds,  
10 as defined in subsection (9).

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

14 (9) "Unspent project funds" means stripper well payments that were not expended or otherwise  
15 legally obligated during the 1997 biennium but were appropriated for the 1997 biennium in Chapter 63,  
16 Laws of 1995, in:

- 17 (a) section 4;
- 18 (b) section 5;
- 19 (c) section 6;
- 20 (d) section 7; and
- 21 (e) section 8.

22  
23 **NEW SECTION. Section 3. Deposit of oil overcharge revenue.** All funds from stripper well, amoco,  
24 and exxon payments must be deposited by the state treasurer in the federal special revenue fund. All  
25 interest earned on any of these funds or payments also must be deposited in the federal special revenue  
26 fund.

27  
28 **NEW SECTION. Section 4. Matching funds for low-income energy assistance -- appropriation.** (1)  
29 There is appropriated ~~\$100,000~~ \$250,000 from the stripper well payments contained in the federal special  
30 revenue fund to the department of public health and human services for the purpose described in



1 subsection (2).

2 (2) The department of public health and human services shall USE THE FUNDS APPROPRIATED  
 3 IN SUBSECTION (1) TO match private contributions to energy share, inc., to be used to provide emergency  
 4 energy assistance to residents with incomes between 125% and 150% of poverty guidelines who are not  
 5 eligible for federal low-income energy assistance. All of the funds appropriated to the department for this  
 6 purpose under subsection (1) must be used for clients' fuel bills or other emergency energy needs.

7  
 8 NEW SECTION. SECTION 5. LOW-INCOME HOMEWEATHERIZATION -- APPROPRIATION. THERE  
 9 IS APPROPRIATED \$150,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL  
 10 SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES FOR USE  
 11 IN THE HOME WEATHERIZATION PROGRAM CREATED IN 90-4-201.

12  
 13 NEW SECTION. Section 6. Recommissioning state-owned buildings -- appropriation. (1) There  
 14 is appropriated \$80,000 from the stripper well payments contained in the federal special revenue fund to  
 15 the department of environmental quality to identify and implement low-cost maintenance activities and  
 16 modifications to equipment and procedures that will enable state building systems to operate at their  
 17 designed efficiencies, reducing energy consumption in buildings by 5% to 10%.

18 (2) ALTHOUGH THE AGGREGATE ENERGY COST SAVINGS REALIZED FROM THIS PROGRAM  
 19 COULD BE SIGNIFICANT, THE AMOUNT OF SAVINGS REALIZED BY INDIVIDUAL AGENCIES IS NOT  
 20 LIKELY TO BE SUBSTANTIAL. THEREFORE, IT IS THE INTENT OF THE LEGISLATURE THAT AGENCIES  
 21 BE ALLOWED TO KEEP AND USE ANY ENERGY COST SAVINGS REALIZED AS AN INCENTIVE TO  
 22 PARTICIPATE IN THIS PROGRAM. THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL REPORT  
 23 THE AMOUNT OF SAVINGS TO THE 1999 LEGISLATURE, AT WHICH TIME THIS POLICY MAY BE  
 24 REEVALUATED.

25  
 26 ~~NEW SECTION. Section 6. Infrastructure to support purchase and use of ethanol fueled vehicles~~  
 27 ~~-- appropriation. There is appropriated \$100,000 from the stripper well payments contained in the federal~~  
 28 ~~special revenue fund to the department of environmental quality to help establish a refueling infrastructure~~  
 29 ~~that will support the use of ethanol fueled (E-85) vehicles. A one-time investment of oil overcharge dollars~~  
 30 ~~will be used to leverage private sector funds to provide pilot alternative refueling stations to supply~~

1 ~~alternative fueled vehicles.~~

2

3 NEW SECTION. Section 7. Reduce petroleum use in Yellowstone region -- appropriation. There  
4 is appropriated ~~\$75,000~~ \$25,000 from the stripper well payments contained in the federal special revenue  
5 fund to the department of environmental quality to promote expanded use of alternative fuels within  
6 Yellowstone park and ~~to develop means of increasing energy efficient tourist travel in the region~~  
7 NEIGHBORING MONTANA COMMUNITIES.

8

9 NEW SECTION. Section 8. Small business and tribal environmental compliance loan fund program  
10 -- appropriation. There is appropriated ~~\$250,000~~ \$180,000 from the stripper well payments contained in  
11 the federal special revenue fund to the department of environmental quality to provide a grant to the  
12 department of commerce microbusiness finance program to offer loans to small businesses and tribal  
13 communities for pollution control equipment, petroleum-based chemical product substitution, equipment  
14 replacement, pollution prevention, energy conservation, and waste minimization.

15

16 NEW SECTION. Section 9. Recycling for mercury-containing lamps -- appropriation. There is  
17 appropriated \$36,000 from the stripper well payments contained in the federal special revenue fund to the  
18 department of environmental quality to reduce disposal costs and enhance energy savings from lighting  
19 retrofits by providing equipment and training to establish a self-sustaining lamp recycling program.

20

21 NEW SECTION. Section 10. Home energy rating system -- appropriation. There is appropriated  
22 ~~\$120,000~~ \$80,000 from the stripper well payments contained in the federal special revenue fund to the  
23 department of environmental quality to work with representatives of the housing industry in a collaborative  
24 effort to identify AND ADOPT a home energy rating system applicable to Montana.

25

26 ~~NEW SECTION. Section 11. Promote energy efficient transportation infrastructure -- appropriation.~~  
27 ~~There is appropriated \$140,000 from the stripper well payments contained in the federal special revenue~~  
28 ~~fund to the department of environmental quality to work with local governments to promote the design and~~  
29 ~~eventual construction of an inherently less polluting, more energy efficient transportation infrastructure.~~

30

1           NEW SECTION. SECTION 11. LOW-INCOME HOME WEATHERIZATION -- APPROPRIATION.  
 2 THERE IS APPROPRIATED ANOTHER \$295,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN  
 3 THE FEDERAL SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN  
 4 SERVICES FOR USE IN THE HOME WEATHERIZATION PROGRAM CREATED IN 90-4-201.

5  
 6           NEW SECTION. SECTION 12. FOOD BANK NETWORK TRANSPORTATION -- APPROPRIATION.  
 7 THERE IS APPROPRIATED \$5,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL  
 8 SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES FOR USE  
 9 IN ASSISTING THE MONTANA FOOD BANK NETWORK WITH COORDINATED ENERGY-EFFICIENT  
 10 TRANSPORTATION OF FOOD TO DROP SITES AND LOCAL FOOD BANKS STATEWIDE.

11  
 12           NEW SECTION. Section 13. Energy share foundation -- appropriation. (1) Pursuant to subsection  
 13 (2), there is appropriated \$100,000 from the stripper well payments contained in the federal special revenue  
 14 fund to the department of public health and human services ~~for the purpose described in subsection (2)~~ TO  
 15 HELP CAPITALIZE A PERMANENT LOW-INCOME ENERGY FOUNDATION.

16           (2) The appropriation in subsection (1) is effective if a bill is passed and approved to establish a  
 17 permanent foundation that may be capitalized through a combination of tax credits for energy providers and  
 18 additional charges to those same companies that could be passed on to their energy customers.

19  
 20           NEW SECTION. Section 14. Carryover -- reappropriations. There is reappropriated \$25,000 from  
 21 the stripper well payments, \$50,000 from the Exxon payments, \$57,000 from the diamond shamrock  
 22 payments, and \$1,500 from the Amoco payments contained in the federal special revenue fund to the  
 23 department of environmental quality to fund the state energy program administered by the department  
 24 pursuant to 10 CFR 420.

25  
 26           NEW SECTION. Section 15. Conditions applied to appropriations. (1) The appropriations made  
 27 in [sections 4 through ~~13~~ 14] are biennial appropriations.

28           (2) One-half of the total amount appropriated to each program in [sections 4 through ~~13~~ 14] is  
 29 appropriated in fiscal year 1998 and the remainder is appropriated in fiscal year 1999. As biennial  
 30 appropriations, the unexpended funds appropriated in fiscal year 1998 may be carried forward within each

1 program to fiscal year 1999.

2 (3) The appropriations in [section ~~4~~ 14] are limited to available funds. Expenditures of carryover  
3 funds may not exceed the actual amount of unspent funds available.

4  
5 **NEW SECTION. Section 16. Appropriations prioritized.** (1) The appropriations in [sections 4  
6 through ~~4~~ 13] are approved in order of priority as they appear in [sections 4 through ~~4~~ 13], with the  
7 appropriation in [section 4] having the highest priority and the appropriation in [section ~~4~~ 13] having the  
8 lowest priority. If the U.S. department of energy does not approve one or more of the programs that are  
9 funded by [sections 4 through ~~4~~ 13], any stripper well payments that are not used to fund the  
10 higher-priority program must be provided to the lower-ranked program up to the amounts appropriated in  
11 [sections 4 through ~~4~~ 13].

12 (2) If stripper well payments are insufficient to fully fund the appropriations made in [sections 4  
13 through ~~4~~ 13], allocations to the lowest-ranking program must be reduced until the deficiency is  
14 eliminated. If the deficiency is in excess of the appropriation to the lowest-ranking program, the next  
15 lowest-ranking program must have its appropriation reduced until the deficiency is eliminated and so forth  
16 as the programs are prioritized. These priorities must be applied to one-half of the total amount  
17 appropriated in [sections 4 through ~~4~~ 13] for fiscal year 1998 and to the remaining appropriation for fiscal  
18 year 1999.

19 (3) In order to provide continuity for the programs when establishing the appropriations for each  
20 fiscal year of the 1999 biennium, anticipated stripper well payments that will be received under terms of  
21 the stripper well agreement during the biennium may be considered as available to fund the activities.

22 (4) The expenditure of money appropriated by [sections 4 through ~~4~~ 13] may not exceed the  
23 amount of the stripper well payments available in the biennium.

24  
25 **NEW SECTION. Section 17. Coordination instruction.** If House Bill No. 12 is passed and approved,  
26 the stripper well payments appropriated in House Bill No. 12 have a higher priority than any appropriation  
27 of stripper well payments in [sections 4 through ~~4~~ 13].

28  
29 **NEW SECTION. Section 18. Effective date.** [This act] is effective July 1, 1997.

30 -END-

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1 District of Columbia in Civil Action No. 78-1035 and any interest accrued on the payments.

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3 distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action No. 77-347  
4 (MMS) in the U.S. district court for the district of Delaware and any interest accrued on the payments.

5 (7) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for  
6 distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court  
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8 includes but is not limited to cities service payments, as defined in subsection (3), getty oil payments, as  
9 defined in subsection (6), texaco payments, as defined in subsection (8), and any unspent project funds,  
10 as defined in subsection (9).

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

14 (9) "Unspent project funds" means stripper well payments that were not expended or otherwise  
15 legally obligated during the 1997 biennium but were appropriated for the 1997 biennium in Chapter 63,  
16 Laws of 1995, in:

- 17 (a) section 4;
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23 **NEW SECTION. Section 3. Deposit of oil overcharge revenue.** All funds from stripper well, amoco,  
24 and exxon payments must be deposited by the state treasurer in the federal special revenue fund. All  
25 interest earned on any of these funds or payments also must be deposited in the federal special revenue  
26 fund.

27

28 **NEW SECTION. Section 4. Matching funds for low-income energy assistance -- appropriation.** (1)  
29 There is appropriated ~~\$100,000~~ \$250,000 \$180,000 from the stripper well payments contained in the  
30 federal special revenue fund to the department of public health and human services for the purpose

1 described in subsection (2).

2 (2) The department of public health and human services shall USE THE FUNDS APPROPRIATED  
3 IN SUBSECTION (1) TO match private contributions to energy share, inc., to be used to provide emergency  
4 energy assistance to residents with incomes between 125% and 150% of poverty guidelines who are not  
5 eligible for federal low-income energy assistance. All of the funds appropriated to the department for this  
6 purpose under subsection (1) must be used for clients' fuel bills or other emergency energy needs.

7  
8 NEW SECTION. SECTION 5. LOW-INCOME HOME WEATHERIZATION -- APPROPRIATION. THERE  
9 IS APPROPRIATED \$150,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL  
10 SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES FOR USE  
11 IN THE HOME WEATHERIZATION PROGRAM CREATED IN 90-4-201.

12  
13 NEW SECTION. Section 6. Recommissioning state-owned buildings -- appropriation. (1) There  
14 is appropriated \$80,000 from the stripper well payments contained in the federal special revenue fund to  
15 the department of environmental quality to identify and implement low-cost maintenance activities and  
16 modifications to equipment and procedures that will enable state building systems to operate at their  
17 designed efficiencies, reducing energy consumption in buildings by 5% to 10%.

18 (2) ALTHOUGH THE AGGREGATE ENERGY COST SAVINGS REALIZED FROM THIS PROGRAM  
19 COULD BE SIGNIFICANT, THE AMOUNT OF SAVINGS REALIZED BY INDIVIDUAL AGENCIES IS NOT  
20 LIKELY TO BE SUBSTANTIAL. THEREFORE, IT IS THE INTENT OF THE LEGISLATURE THAT AGENCIES  
21 BE ALLOWED TO KEEP AND USE ANY ENERGY COST SAVINGS REALIZED AS AN INCENTIVE TO  
22 PARTICIPATE IN THIS PROGRAM. THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL REPORT  
23 THE AMOUNT OF SAVINGS TO THE 1999 LEGISLATURE, AT WHICH TIME THIS POLICY MAY BE  
24 REEVALUATED.

25  
26 NEW SECTION. Section 6. Infrastructure to support purchase and use of ethanol fueled vehicles  
27 -- appropriation. There is appropriated \$100,000 from the stripper well payments contained in the federal  
28 special revenue fund to the department of environmental quality to help establish a refueling infrastructure  
29 that will support the use of ethanol fueled (E-85) vehicles. A one-time investment of oil overcharge dollars  
30 will be used to leverage private sector funds to provide pilot alternative refueling stations to supply

1 ~~alternative fueled vehicles.~~

2  
3 NEW SECTION. SECTION 7. INFRASTRUCTURE TO SUPPORT PURCHASE AND USE OF  
4 ETHANOL-FUELED VEHICLES -- APPROPRIATION. THERE IS APPROPRIATED \$70,000 FROM THE  
5 STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL SPECIAL REVENUE FUND TO THE  
6 DEPARTMENT OF ENVIRONMENTAL QUALITY TO HELP ESTABLISH A REFUELING INFRASTRUCTURE  
7 THAT WILL SUPPORT THE USE OF ETHANOL-FUELED (E-85) VEHICLES. A ONE-TIME INVESTMENT OF  
8 OIL OVERCHARGE DOLLARS WILL BE USED TO LEVERAGE PRIVATE SECTOR FUNDS TO PROVIDE PILOT  
9 ALTERNATIVE REFUELING STATIONS TO SUPPLY ALTERNATIVE-FUELED VEHICLES.

10  
11 NEW SECTION. Section 8. Reduce petroleum use in Yellowstone region -- appropriation. There  
12 is appropriated ~~\$75,000~~ \$25,000 from the stripper well payments contained in the federal special revenue  
13 fund to the department of environmental quality to promote expanded use of alternative fuels within  
14 Yellowstone park and ~~to develop means of increasing energy efficient tourist travel in the region~~  
15 NEIGHBORING MONTANA COMMUNITIES.

16  
17 NEW SECTION. Section 9. Small business and tribal environmental compliance loan fund program  
18 -- appropriation. There is appropriated ~~\$250,000~~ \$180,000 from the stripper well payments contained in  
19 the federal special revenue fund to the department of environmental quality to provide a grant to the  
20 department of commerce microbusiness finance program to offer loans to small businesses and tribal  
21 communities for pollution control equipment, petroleum-based chemical product substitution, equipment  
22 replacement, pollution prevention, energy conservation, and waste minimization.

23  
24 NEW SECTION. Section 10. Recycling for mercury-containing lamps -- appropriation. There is  
25 appropriated \$36,000 from the stripper well payments contained in the federal special revenue fund to the  
26 department of environmental quality to reduce disposal costs and enhance energy savings from lighting  
27 retrofits by providing equipment and training to establish a self-sustaining lamp recycling program.

28  
29 NEW SECTION. Section 11. Home energy rating system -- appropriation. There is appropriated  
30 ~~\$120,000~~ \$80,000 from the stripper well payments contained in the federal special revenue fund to the



1 department of environmental quality to work with representatives of the housing industry in a collaborative  
 2 effort to identify AND ADOPT a home energy rating system applicable to Montana.

3  
 4 ~~NEW SECTION. Section 11. Promote energy efficient transportation infrastructure -- appropriation.~~  
 5 ~~There is appropriated \$140,000 from the stripper well payments contained in the federal special revenue~~  
 6 ~~fund to the department of environmental quality to work with local governments to promote the design and~~  
 7 ~~eventual construction of an inherently less polluting, more energy efficient transportation infrastructure.~~

8  
 9 NEW SECTION. SECTION 12. LOW-INCOME HOME WEATHERIZATION -- APPROPRIATION.  
 10 THERE IS APPROPRIATED ANOTHER \$295,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN  
 11 THE FEDERAL SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN  
 12 SERVICES FOR USE IN THE HOME WEATHERIZATION PROGRAM CREATED IN 90-4-201.

13  
 14 NEW SECTION. SECTION 13. FOOD BANK NETWORK TRANSPORTATION -- APPROPRIATION.  
 15 THERE IS APPROPRIATED \$5,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL  
 16 SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES FOR USE  
 17 IN ASSISTING THE MONTANA FOOD BANK NETWORK WITH COORDINATED ENERGY-EFFICIENT  
 18 TRANSPORTATION OF FOOD TO DROP SITES AND LOCAL FOOD BANKS STATEWIDE.

19  
 20 ~~NEW SECTION. Section 13. Energy share foundation -- appropriation. (1) Pursuant to subsection~~  
 21 ~~(2), there is appropriated \$100,000 from the stripper well payments contained in the federal special revenue~~  
 22 ~~fund to the department of public health and human services for the purpose described in subsection (2) TO~~  
 23 ~~HELP CAPITALIZE A PERMANENT LOW INCOME ENERGY FOUNDATION.~~

24 ~~(2) The appropriation in subsection (1) is effective if a bill is passed and approved to establish a~~  
 25 ~~permanent foundation that may be capitalized through a combination of tax credits for energy providers and~~  
 26 ~~additional charges to those same companies that could be passed on to their energy customers.~~

27  
 28 NEW SECTION. Section 14. Carryover -- reappropriations. There is reappropriated \$25,000 from  
 29 the stripper well payments, \$50,000 from the exxon payments, \$57,000 from the diamond shamrock  
 30 payments, and \$1,500 from the amoco payments contained in the federal special revenue fund to the

1 department of environmental quality to fund the state energy program administered by the department  
2 pursuant to 10 CFR 420.

3

4 **NEW SECTION. Section 15. Conditions applied to appropriations.** (1) The appropriations made  
5 in [sections 4 through ~~43~~ 14] are biennial appropriations.

6 (2) One-half of the total amount appropriated to each program in [sections 4 through ~~43~~ 14] is  
7 appropriated in fiscal year 1998 and the remainder is appropriated in fiscal year 1999. As biennial  
8 appropriations, the unexpended funds appropriated in fiscal year 1998 may be carried forward within each  
9 program to fiscal year 1999.

10 (3) The appropriations in [section ~~43~~ 14] are limited to available funds. Expenditures of carryover  
11 funds may not exceed the actual amount of unspent funds available.

12

13 **NEW SECTION. Section 16. Appropriations prioritized.** (1) The appropriations in [sections 4  
14 through ~~42~~ 13] are approved in order of priority as they appear in [sections 4 through ~~42~~ 13], with the  
15 appropriation in [section 4] having the highest priority and the appropriation in [section ~~42~~ 13] having the  
16 lowest priority. If the U.S. department of energy does not approve one or more of the programs that are  
17 funded by [sections 4 through ~~42~~ 13], any stripper well payments that are not used to fund the  
18 higher-priority program must be provided to the lower-ranked program up to the amounts appropriated in  
19 [sections 4 through ~~42~~ 13].

20 (2) If stripper well payments are insufficient to fully fund the appropriations made in [sections 4  
21 through ~~42~~ 13], allocations to the lowest-ranking program must be reduced until the deficiency is  
22 eliminated. If the deficiency is in excess of the appropriation to the lowest-ranking program, the next  
23 lowest-ranking program must have its appropriation reduced until the deficiency is eliminated and so forth  
24 as the programs are prioritized. These priorities must be applied to one-half of the total amount  
25 appropriated in [sections 4 through ~~42~~ 13] for fiscal year 1998 and to the remaining appropriation for fiscal  
26 year 1999.

27 (3) In order to provide continuity for the programs when establishing the appropriations for each  
28 fiscal year of the 1999 biennium, anticipated stripper well payments that will be received under terms of  
29 the stripper well agreement during the biennium may be considered as available to fund the activities.

30 (4) The expenditure of money appropriated by [sections 4 through ~~42~~ 13] may not exceed the

1 amount of the stripper well payments available in the biennium.

2

3 NEW SECTION. **Section 17. Coordination instruction.** If House Bill No. 12 is passed and approved,  
4 the stripper well payments appropriated in House Bill No. 12 have a higher priority than any appropriation  
5 of stripper well payments in [sections 4 through ~~42~~ 13].

6

7 NEW SECTION. **Section 18. Effective date.** [This act] is effective July 1, 1997.

8

-END-

APPROVED BY COM ON  
FINANCE & CLAIMS

1 HOUSE BILL NO. 10  
2 INTRODUCED BY QUILICI  
3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING  
4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS  
6 ADMINISTERED BY THE STATE OF MONTANA; AND PROVIDING AN EFFECTIVE DATE."  
7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE  
REPRINTED. PLEASE REFER TO THIRD READING COPY  
(BLUE) FOR COMPLETE TEXT.**

## 1 HOUSE BILL NO. 10

2 INTRODUCED BY QUILICI

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS  
6 ADMINISTERED BY THE STATE OF MONTANA; AND PROVIDING AN EFFECTIVE DATE."7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:9  
10 NEW SECTION. **Section 1. Policy.** [Sections 1 through ~~45-16~~ 15] implement the policy stated in  
11 90-4-210.12  
13 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through ~~45-16~~ 15], the following  
14 definitions apply:15 (1) "Amoco payments" means the oil overcharge payments made to the U.S. treasury for  
16 distribution to the state of Montana pursuant to the decision and order of the U.S. department of energy  
17 in Case No. HQF-0588 and any interest accrued on the payments.18 (2) "Carryover" means unspent oil overcharge funds previously appropriated and incorporated into  
19 an approved program plan for one of the federal energy conservation programs, but not included in unspent  
20 project funds as defined in subsection (9).21 (3) "Cities service payments" means the oil overcharge payments made to the U.S. treasury for  
22 distribution to the state of Montana pursuant to the consent agreement between cities service oil and gas  
23 and the U.S. department of energy, as affirmed by the federal energy regulatory commission, and any  
24 interest accrued on the payments.25 (4) "Diamond shamrock payments" means the oil overcharge payments made to the U.S. treasury  
26 for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district  
27 court for the southern district of Ohio eastern division in Civil Action No. C2-84-1432 and any interest  
28 accrued on the payments.29 (5) "Exxon payments" means the oil overcharge payments made by the Exxon Corporation to the  
30 U.S. treasury for distribution to the state of Montana pursuant to the order of the U.S. district court for the

1 District of Columbia in Civil Action No. 78-1035 and any interest accrued on the payments.

2 (6) "Getty oil payments" means the oil overcharge payments made to the U.S. treasury for  
3 distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action No. 77-347  
4 (MMS) in the U.S. district court for the district of Delaware and any interest accrued on the payments.

5 (7) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for  
6 distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court  
7 for the district of Kansas, Cause No. M.D.L. 378, and any interest accrued on the payments. The term also  
8 includes but is not limited to cities service payments, as defined in subsection (3), getty oil payments, as  
9 defined in subsection (6), texaco payments, as defined in subsection (8), and any unspent project funds,  
10 as defined in subsection (9).

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

14 (9) "Unspent project funds" means stripper well payments that were not expended or otherwise  
15 legally obligated during the 1997 biennium but were appropriated for the 1997 biennium in Chapter 63,  
16 Laws of 1995, in:

- 17 (a) section 4;
- 18 (b) section 5;
- 19 (c) section 6;
- 20 (d) section 7; and
- 21 (e) section 8.

22

23 **NEW SECTION. Section 3. Deposit of oil overcharge revenue.** All funds from stripper well, amoco,  
24 and exxon payments must be deposited by the state treasurer in the federal special revenue fund. All  
25 interest earned on any of these funds or payments also must be deposited in the federal special revenue  
26 fund.

27

28 **NEW SECTION. Section 4. Matching funds for low-income energy assistance -- appropriation.** (1)  
29 There is appropriated ~~\$100,000~~ \$250,000 \$180,000 from the stripper well payments contained in the  
30 federal special revenue fund to the department of public health and human services for the purpose

1 described in subsection (2).

2 (2) The department of public health and human services shall USE THE FUNDS APPROPRIATED  
 3 IN SUBSECTION (1) TO match private contributions to energy share, inc., to be used to provide emergency  
 4 energy assistance to residents with incomes between 125% and 150% of poverty guidelines who are not  
 5 eligible for federal low-income energy assistance. All of the funds appropriated to the department for this  
 6 purpose under subsection (1) must be used for clients' fuel bills or other emergency energy needs.

7  
 8 NEW SECTION. SECTION 5. LOW-INCOME HOMEWEATHERIZATION -- APPROPRIATION. THERE  
 9 IS APPROPRIATED \$150,000 \$230,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE  
 10 FEDERAL SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES  
 11 FOR USE IN THE HOME WEATHERIZATION PROGRAM CREATED IN 90-4-201.

12  
 13 NEW SECTION. Section 6. Recommissioning state-owned buildings -- appropriation. (1) There  
 14 is appropriated \$80,000 from the stripper well payments contained in the federal special revenue fund to  
 15 the department of environmental quality to identify and implement low-cost maintenance activities and  
 16 modifications to equipment and procedures that will enable state building systems to operate at their  
 17 designed efficiencies, reducing energy consumption in buildings by 5% to 10%.

18 (2) ALTHOUGH THE AGGREGATE ENERGY COST SAVINGS REALIZED FROM THIS PROGRAM  
 19 COULD BE SIGNIFICANT, THE AMOUNT OF SAVINGS REALIZED BY INDIVIDUAL AGENCIES IS NOT  
 20 LIKELY TO BE SUBSTANTIAL. THEREFORE, IT IS THE INTENT OF THE LEGISLATURE THAT AGENCIES  
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 23 THE AMOUNT OF SAVINGS TO THE 1999 LEGISLATURE, AT WHICH TIME THIS POLICY MAY BE  
 24 REEVALUATED.

25  
 26 NEW SECTION. Section 6. Infrastructure to support purchase and use of ethanol-fueled vehicles  
 27 -- appropriation. There is appropriated \$100,000 from the stripper well payments contained in the federal  
 28 special revenue fund to the department of environmental quality to help establish a refueling infrastructure  
 29 that will support the use of ethanol-fueled (E-85) vehicles. A one-time investment of oil overcharge dollars  
 30 will be used to leverage private-sector funds to provide pilot alternative refueling stations to supply

1 ~~alternative fueled vehicles.~~

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3 NEW SECTION. SECTION 7. INFRASTRUCTURE TO SUPPORT PURCHASE AND USE OF  
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14 Yellowstone park and ~~to develop means of increasing energy efficient tourist travel in the region~~  
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20 department of commerce microbusiness finance program to offer loans to small businesses and tribal  
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22 replacement, pollution prevention, energy conservation, and waste minimization.

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24 NEW SECTION. Section 10. Recycling for mercury-containing lamps -- appropriation. There is  
25 appropriated \$36,000 from the stripper well payments contained in the federal special revenue fund to the  
26 department of environmental quality to reduce disposal costs and enhance energy savings from lighting  
27 retrofits by providing equipment and training to establish a self-sustaining lamp recycling program.

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1 department of environmental quality to work with representatives of the housing industry in a collaborative  
 2 effort to identify AND ADOPT a home energy rating system applicable to Montana.

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 4 ~~NEW SECTION. Section 11. Promote energy efficient transportation infrastructure -- appropriation.~~  
 5 ~~There is appropriated \$140,000 from the stripper well payments contained in the federal special revenue~~  
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 7 ~~eventual construction of an inherently less polluting, more energy efficient transportation infrastructure.~~

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 9 NEW SECTION. SECTION 11. LOW-INCOME HOME WEATHERIZATION -- APPROPRIATION.  
 10 THERE IS APPROPRIATED ANOTHER \$295,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN  
 11 THE FEDERAL SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN  
 12 SERVICES FOR USE IN THE HOME WEATHERIZATION PROGRAM CREATED IN 90-4-201.

13  
 14 NEW SECTION. SECTION 12. FOOD BANK NETWORK TRANSPORTATION -- APPROPRIATION.  
 15 THERE IS APPROPRIATED \$5,000 FROM THE STRIPPER WELL PAYMENTS CONTAINED IN THE FEDERAL  
 16 SPECIAL REVENUE FUND TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES FOR USE  
 17 IN ASSISTING THE MONTANA FOOD BANK NETWORK WITH COORDINATED ENERGY-EFFICIENT  
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24 ~~(2) The appropriation in subsection (1) is effective if a bill is passed and approved to establish a~~  
 25 ~~permanent foundation that may be capitalized through a combination of tax credits for energy providers and~~  
 26 ~~additional charges to those same companies that could be passed on to their energy customers.~~

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1 department of environmental quality to fund the state energy program administered by the department  
2 pursuant to 10 CFR 420.

3  
4 **NEW SECTION. Section 14. Conditions applied to appropriations.** (1) The appropriations made  
5 in [sections 4 through ~~13-14~~ 13] are biennial appropriations.

6 (2) One-half of the total amount appropriated to each program in [sections 4 through ~~13-14~~ 13]  
7 is appropriated in fiscal year 1998 and the remainder is appropriated in fiscal year 1999. As biennial  
8 appropriations, the unexpended funds appropriated in fiscal year 1998 may be carried forward within each  
9 program to fiscal year 1999.

10 (3) The appropriations in [section ~~13-14~~ 13] are limited to available funds. Expenditures of  
11 carryover funds may not exceed the actual amount of unspent funds available.

12  
13 **NEW SECTION. Section 15. Appropriations prioritized.** (1) The appropriations in [sections 4  
14 through ~~12-13~~ 12] are approved in order of priority as they appear in [sections 4 through ~~12-13~~ 12], with  
15 the appropriation in [section 4] having the highest priority and the appropriation in [section ~~12-13~~ 12]  
16 having the lowest priority. If the U.S. department of energy does not approve one or more of the programs  
17 that are funded by [sections 4 through ~~12-13~~ 12], any stripper well payments that are not used to fund the  
18 higher-priority program must be provided to the lower-ranked program up to the amounts appropriated in  
19 [sections 4 through ~~12-13~~ 12].

20 (2) If stripper well payments are insufficient to fully fund the appropriations made in [sections 4  
21 through ~~12-13~~ 12], allocations to the lowest-ranking program must be reduced until the deficiency is  
22 eliminated. If the deficiency is in excess of the appropriation to the lowest-ranking program, the next  
23 lowest-ranking program must have its appropriation reduced until the deficiency is eliminated and so forth  
24 as the programs are prioritized. These priorities must be applied to one-half of the total amount  
25 appropriated in [sections 4 through ~~12-13~~ 12] for fiscal year 1998 and to the remaining appropriation for  
26 fiscal year 1999.

27 (3) In order to provide continuity for the programs when establishing the appropriations for each  
28 fiscal year of the 1999 biennium, anticipated stripper well payments that will be received under terms of  
29 the stripper well agreement during the biennium may be considered as available to fund the activities.

30 (4) The expenditure of money appropriated by [sections 4 through ~~12-13~~ 12] may not exceed the

1 amount of the stripper well payments available in the biennium.

2

3 NEW SECTION. Section 16. Coordination instruction. If House Bill No. 12 is passed and approved,  
4 the stripper well payments appropriated in House Bill No. 12 have a higher priority than any appropriation  
5 of stripper well payments in [sections 4 through ~~12-13~~ 12].

6

7 NEW SECTION. Section 17. Effective date. [This act] is effective July 1, 1997.

8

-END-