

1 HOUSE BILL NO. 12

2 INTRODUCED BY QUILICI, BERGSAGEL

3 BY REQUEST OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE OFFICE OF BUDGET
4 AND PROGRAM PLANNING5
6 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION
7 BONDS TO FUND THE STATE BUILDING ENERGY CONSERVATION PROGRAM; APPROVING ENERGY
8 CONSERVATION PROJECTS FOR FISCAL YEARS 1998 AND 1999; APPROPRIATING BOND PROCEEDS
9 TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY; PLEDGING THE CREDIT OF THE STATE OF
10 MONTANA TO SECURE THE BONDS TO BE ISSUED; REAPPROPRIATING STRIPPER-WELL PAYMENTS
11 CONTAINED IN THE FEDERAL SPECIAL REVENUE FUND; AND PROVIDING AN EFFECTIVE DATE."12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
1415 **NEW SECTION. Section 1. Stripper-well payments -- reappropriation -- definition -- priority.** (1)16 There is reappropriated from the stripper-well payments contained in the federal special revenue fund to
17 the department of environmental quality \$100,000 to fulfill duties authorized by 90-4-605 and 90-4-607.
18 The original appropriation was contained in section 9, Chapter 597, Laws of 1989. The reappropriation
19 is a biennial appropriation.20 (2) (a) "Stripper-well payments" means the oil overcharge payments made to the United States
21 treasury for distribution to the state of Montana as the result of the final settlement agreement in Cause
22 No. M.D.L. 378, United States district court for the district of Kansas, and any interest accrued on the
23 payments.24 (b) The term does not include stripper-well payments that have been expended or legally obligated
25 or have been incorporated into any of the existing federal energy programs as the result of prior
26 appropriations by the legislature.27 (3) The stripper-well payments reappropriated in this section have a higher priority than any other
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23 (2) In addition to the energy conservation projects listed in subsection (1), the department of
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27 (3) For purposes of this section, a "lost energy saving opportunity" means an opportunity to
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19 ~~(4)~~(5) If the costs of the projects authorized in subsections (1) and (2) are substantially below the
 20 bond amount authorized in [section 4], the department of environmental quality may fund projects that
 21 otherwise would be proposed as part of the state building energy conservation package for fiscal years
 22 2000 and 2001.

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 25 of examiners may, pursuant to 90-4-611, issue and sell bonds of the state in an aggregate principal amount
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 27 duties authorized by 90-4-605 and 90-4-607, as provided in [section 2]. The bonds are general obligations
 28 for which the full faith and credit and taxing powers of the state are pledged for payment of the principal
 29 and interest on the bonds. The bonds must be issued as provided by Title 17, chapter 5, part 8.

30 (2) The proceeds of the bonds, other than any premiums and accrued interest received, must be

1 deposited in the energy conservation program account established by 90-4-612. Premiums and accrued
2 interest must be deposited in the debt service fund established in 17-2-102. Proceeds of bonds deposited
3 in the energy conservation program account may be used to pay the costs of issuing the bonds, to fulfill
4 duties authorized by 90-4-605 and 90-4-607, and to fund the projects approved in [section 3]. For
5 purposes of 17-5-803 and 17-5-804, the energy conservation program account constitutes a capital
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7 may be used for the purposes authorized in this section without further budgetary authorization.

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9 NEW SECTION. **Section 5. Requirements for approval of state debt.** Because [section 4]
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13 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 1997.

14 -END-

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There is reappropriated from the stripper-well payments contained in the federal special revenue fund to the department of environmental quality \$100,000 to fulfill duties authorized by 90-4-605 and 90-4-607. The original appropriation was contained in section 9, Chapter 597, Laws of 1989. The reappropriation is a biennial appropriation.

(2) (a) "Stripper-well payments" means the oil overcharge payments made to the United States treasury for distribution to the state of Montana as the result of the final settlement agreement in Cause No. M.D.L. 378, United States district court for the district of Kansas, and any interest accrued on the payments.

(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 legislature.

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13 **NEW SECTION.** **Section 6. Effective date.** [This act] is effective July 1, 1997.

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-END-

APPROVED BY COM ON
FINANCE & CLAIMS

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 29 technically infeasible or uneconomical if the department of environmental quality is delayed in providing the
 30 necessary funds until specific legislative approval can be obtained.

1 (4) THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL ENCOURAGE AND USE, WHEN
 2 APPROPRIATE, PERFORMANCE CONTRACTING AND GUARANTEED SAVINGS ARRANGEMENTS WITH
 3 PRIVATE ENERGY SERVICE COMPANIES. THESE ARRANGEMENTS MUST BE COORDINATED BY THE
 4 DEPARTMENTS OF ENVIRONMENTAL QUALITY AND ADMINISTRATION. AGENCIES MAY ARRANGE
 5 FINANCING OTHER THAN STATE BONDS FOR ENERGY EFFICIENCY IMPROVEMENTS IN BUILDINGS
 6 SUPPORTED BY STUDENT FEES AND REVENUE. WHENEVER THESE IMPROVEMENTS ARE FINANCED
 7 IN WHOLE OR IN PART USING STATE GENERAL OBLIGATION BONDS, RESULTING ENERGY COST
 8 SAVINGS MUST BE TRANSFERRED TO THE ENERGY CONSERVATION PROGRAM ACCOUNT AS
 9 PROVIDED IN 90-4-614. WHENEVER THESE IMPROVEMENTS ARE FINANCED IN WHOLE OR IN PART
 10 USING OTHER STATE FINANCING, INCLUDING REVENUE BONDS AND THE INTERCAP PROGRAM
 11 OPERATED BY THE BOARD OF INVESTMENTS, RESULTING ENERGY COST SAVINGS IN EXCESS OF DEBT
 12 SERVICE, AS DETERMINED BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY, MUST BE
 13 TRANSFERRED TO THE ENERGY CONSERVATION PROGRAM ACCOUNT AS PROVIDED IN 90-4-614.
 14 WHENEVER THESE IMPROVEMENTS ARE FINANCED ENTIRELY BY PRIVATE SOURCES, THE FINANCING
 15 TERMS FOR THESE BUILDINGS MUST BE PROVIDED FOR IN A PERFORMANCE CONTRACT DEVELOPED
 16 JOINTLY BY THE AGENCY AND THE DEPARTMENTS OF ENVIRONMENTAL QUALITY AND
 17 ADMINISTRATION, AND ANY RESULTING ENERGY COST SAVINGS IN THESE BUILDINGS IN EXCESS OF
 18 DEBT SERVICE AND PROGRAM COSTS MAY NOT BE TRANSFERRED FROM THE AGENCY'S BUDGET.

19 ~~(4)~~(5) If the costs of the projects authorized in subsections (1) and (2) are substantially below the
 20 bond amount authorized in [section 4], the department of environmental quality may fund projects that
 21 otherwise would be proposed as part of the state building energy conservation package for fiscal years
 22 2000 and 2001.

23

24 **NEW SECTION. Section 4. Bond authorization -- appropriation of bond proceeds.** (1) The board
 25 of examiners may, pursuant to 90-4-611, issue and sell bonds of the state in an aggregate principal amount
 26 not to exceed \$5 million for fiscal years 1998 and 1999 for the projects approved in [section 3] and to fulfill
 27 duties authorized by 90-4-605 and 90-4-607, as provided in [section 2]. The bonds are general obligations
 28 for which the full faith and credit and taxing powers of the state are pledged for payment of the principal
 29 and interest on the bonds. The bonds must be issued as provided by Title 17, chapter 5, part 8.

30 (2) The proceeds of the bonds, other than any premiums and accrued interest received, must be

1 deposited in the energy conservation program account established by 90-4-612. Premiums and accrued
2 interest must be deposited in the debt service fund established in 17-2-102. Proceeds of bonds deposited
3 in the energy conservation program account may be used to pay the costs of issuing the bonds, to fulfill
4 duties authorized by 90-4-605 and 90-4-607, and to fund the projects approved in [section 3]. For
5 purposes of 17-5-803 and 17-5-804, the energy conservation program account constitutes a capital
6 projects account. The bond proceeds must be available to the department of environmental quality and
7 may be used for the purposes authorized in this section without further budgetary authorization.

8

9 **NEW SECTION.** Section 5. Requirements for approval of state debt. Because [section 4]
10 authorizes the creation of a state debt, a vote of two-thirds of the members of each house is required for
11 enactment of [section 4].

12

13 **NEW SECTION.** Section 6. Effective date. [This act] is effective July 1, 1997.

14

-END-