

1 HOUSE BILL NO. 244

2 INTRODUCED BY R. ERICKSON

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR ENDOWED RESEARCH PROFESSORSHIPS AT
 5 THE UNIVERSITY OF MONTANA-MISSOULA AND MONTANA STATE UNIVERSITY-BOZEMAN;
 6 PROVIDING THAT THE GOAL OF THE ENDOWED RESEARCH PROFESSORSHIPS IS TO PROVIDE
 7 LONG-TERM ECONOMIC DEVELOPMENT FOR MONTANA THROUGH RESEARCH IN FIELDS RELATED TO
 8 TECHNOLOGY AND BIOTECHNOLOGY; INCREASING THE WHOLESALE ENERGY TRANSMISSION TAX
 9 TO FUND THE ENDOWED RESEARCH PROFESSORSHIPS; PROVIDING A STATUTORY APPROPRIATION;
 10 AMENDING SECTIONS 15-72-104, 15-72-106, AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE
 11 DATE."

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

14

15 NEW SECTION. **Section 1. Endowed research professorship account -- use -- statutory**
 16 **appropriation.** (1) There is an endowed research professorship account in the state special revenue fund.
 17 Money must be deposited in the account pursuant to 15-72-106.

18 (2) The account must be used to fund the creation of endowed research professorships at the
 19 university of Montana-Missoula and Montana state university-Bozeman. The endowed research
 20 professorships must be equally divided between the specified units. The endowed research professorships
 21 must be established in programs that teach subject matter related to technology and biotechnology. The
 22 goal of the endowed research professorships is to provide long-term economic development for Montana
 23 through research and intellectual property development in the subject matter.

24 (3) The endowed research professorship account is statutorily appropriated, as provided in
 25 17-7-502, to be allocated equally between the units specified in subsection (2).

26

27 **Section 2.** Section 15-72-104, MCA, is amended to read:

28 **"15-72-104. Wholesale energy transaction tax -- rate of tax -- exemptions -- cost recovery.** (1) (a)
 29 Except as provided in subsection (3), a wholesale energy transaction tax is imposed upon electricity
 30 transmitted within the state as provided in this section. The tax is imposed at a rate of ~~0.015~~ 0.030 cent

1 per kilowatt hour of electricity transmitted by a transmission services provider in the state.

2 (b) For electricity produced in the state for delivery outside of the state, the taxpayer is the person
3 owning or operating the electrical generation facility producing the electricity. The transmission services
4 provider shall collect the tax from the person based upon the kilowatt hours introduced onto transmission
5 lines from the electrical generation facility. The amount of kilowatt hours subject to tax must be reduced
6 by 5% to compensate for transmission line losses.

7 (c) For electricity produced in the state for delivery within the state, the taxpayer is the distribution
8 services provider. The transmission services provider shall collect the tax based upon the amount of
9 kilowatt hours of electricity delivered to the distribution services provider. The taxpayer may apply for a
10 refund for overpayment of taxes pursuant to 15-72-116.

11 (d) For electricity produced outside the state for delivery inside the state, the taxpayer is the
12 distribution services provider. The transmission services provider shall collect the tax based upon the
13 amount of kilowatt hours of electricity delivered to the distribution services provider.

14 (e) For electricity delivered to a distribution services provider that is a rural electric cooperative
15 for delivery to purchasers that have opted for customer choice under the provisions of Title 69, chapter
16 8, part 3, the taxpayer is the distribution services provider. The transmission services provider shall collect
17 the tax based on the amount of kilowatt hours of electricity delivered to the distribution services provider
18 that is attributable to customers that have opted for customer choice.

19 (f) For electricity delivered to a distribution services provider that prior to May 2, 1999, was
20 owned by a public utility as defined in 69-3-101, the tax is imposed on the successor distribution services
21 provider. The transmission services provider shall collect the tax based upon the amount of kilowatt hours
22 of electricity delivered to the distribution services provider.

23 (2) (a) If more than one transmission services provider transmits electricity, the last transmission
24 services provider transmitting or delivering the electricity shall collect the tax.

25 (b) If the transmission services provider is an agency of the United States government, the
26 distribution services provider receiving the electricity shall self-assess the tax subject to the provisions of
27 this part.

28 (c) If an electrical generation facility located within the state produces electricity for sale inside
29 and outside the state, sales within the state are considered to have come from electricity produced within
30 the state for purposes of the tax imposed by this section.

1 (3) (a) Electricity transmitted through the state that is not produced or delivered in the state is
2 exempt from the tax imposed by this section.

3 (b) Electricity produced in the state by an agency of the of the United States government for
4 delivery outside of the state is exempt from the tax imposed by this section.

5 (c) Electricity delivered to a distribution services provider that is a municipal utility described in
6 69-8-103(5)(b) or a rural electric cooperative organized under the provisions of Title 35, chapter 18, is
7 exempt from the tax imposed by this section.

8 (d) Electricity delivered to a purchaser that receives its power directly from a transmission or
9 distribution facility owned by an entity of the United States government on or before May 2, 1997, or
10 electricity that is transmitted exclusively on transmission or distribution facilities owned by an entity of
11 the United States government on or before May 2, 1997, is exempt from the tax imposed by this section.

12 [(e) Electricity delivered by a distribution services provider to a customer with loads of 1,000
13 kilowatts or greater that was first served by a public utility after December 31, 1996, is exempt from the
14 tax imposed by this section, provided that the customer purchases the electricity pursuant to a contract
15 or contracts that establish the purchase price or prices of electricity. The exemption allowed by this
16 subsection (3)(e) does not apply to electricity purchased under a renewal or extension of an existing
17 contract or existing contracts.]

18 (4) A distribution services provider is allowed to recover the tax imposed by this section and the
19 administrative costs to comply with this part in its rates. (Bracketed language terminates January 1,
20 2003--sec. 40, Ch. 556, L. 1999.)"

21

22 **Section 3.** Section 15-72-106, MCA, is amended to read:

23 **"15-72-106. Collection of wholesale energy transaction tax -- disposition of revenue.** (1) A
24 transmission services provider shall collect the tax imposed under 15-72-104 from the taxpayer and pay
25 the tax collected to the department. If the transmission services provider collects a tax in excess of the
26 tax imposed by 15-72-104, both the tax and the excess must be remitted to the department.

27 (2) A self-assessing distribution services provider is subject to the provisions of this part.

28 (3) ~~The One-half of the~~ wholesale energy transaction tax collected under this part must be
29 deposited in the general fund, and the remaining one-half of the tax must be deposited in the endowed
30 research professorship account in the state special revenue fund provided for in [section 1]."

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2 **Section 4.** Section 17-7-502, MCA, is amended to read:

3 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
4 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
5 without the need for a biennial legislative appropriation or budget amendment.

6 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
7 with both of the following provisions:

8 (a) The law containing the statutory authority must be listed in subsection (3).

9 (b) The law or portion of the law making a statutory appropriation must specifically state that a
10 statutory appropriation is made as provided in this section.

11 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901;
12 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706; 15-31-702;
13 15-34-115; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404;
14 16-1-406; 16-1-411; 17-3-106; 17-3-212; 17-3-222; 17-6-101; 17-7-304; 18-11-112; 19-3-319;
15 19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107;
16 [section 1]; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;
17 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623;
18 53-6-703; 53-24-206; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-505; 80-2-222;
19 80-4-416; 80-11-518; 81-5-111; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

20 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
21 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
22 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
23 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
24 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
25 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to
26 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
27 supplemental benefit; pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1,
28 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of
29 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability
30 is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1,

1 2014; and pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710
2 terminates June 30, 2005.)"

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4 NEW SECTION. **Section 5. Codification instruction.** [Section 1] is intended to be codified as an
5 integral part of Title 20, chapter 25, and the provisions of Title 20, chapter 25, apply to [section 1].

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7 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2001.

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