

**BUSINESS REPORT**

**MONTANA SENATE  
62nd LEGISLATURE - REGULAR SESSION**

**SENATE FREE CONFERENCE COMMITTEE**

**Date:** Tuesday, April 26, 2011  
**Place:** Capitol

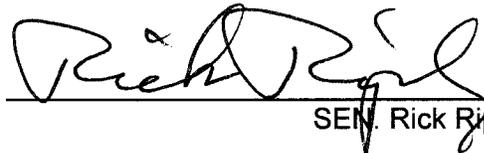
**Time:** 3:50 P.M.  
**Room:** 335

**BILLS and RESOLUTIONS HEARD:**

**EXECUTIVE ACTION TAKEN:**

HB 611

**Comments:**

  
SEN. Rick Ripley, Chair

# MONTANA STATE SENATE

## ROLL CALL

# FREE CONFERENCE COMMITTEE

Date: 4-26-2011 HB/SB No. 611

NAME	PRESENT	ABSENT/ EXCUSED
Sen. Ripley	✓	
Sen. Hawks	✓	
Sen. Jones	✓	
Rep. McGillvray	✓	
Rep. Esp	✓	
Rep. Mehlhoff	✓	

Staff: Jaret Coles

Secretary: Nadine Spencer

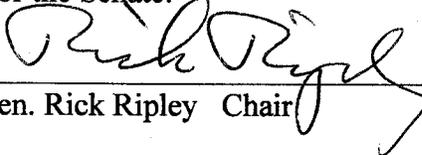


**FREE CONFERENCE COMMITTEE  
on House Bill 611  
Report No. 001, April 27, 2011**

Mr. President and Mr. Speaker:

We, your Free Conference Committee met and considered **House Bill 611** (reference copy -- salmon) and recommend this Free Conference Committee report be adopted.

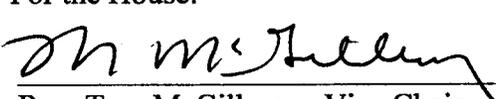
For the Senate:

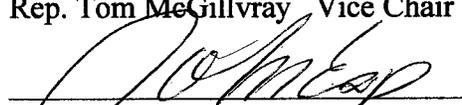
  
Sen. Rick Ripley Chair

Sen. Bob Hawks

  
Sen. Lew Jones  
  
Amendment Coordinator

For the House:

  
Rep. Tom McGillvray Vice Chair

  
Rep. John Esp

  
Rep. Robert (Bob) Mehlhoff

And, recommend that **House Bill 611** (reference copy -- salmon) be amended as follows:

1. Title, page 1, line 4.  
**Strike:** "VARIOUS"

2. Title, page 1, line 5.  
**Strike:** "TO" through "ACT"

3. Title, page 1, line 6 through line 8.  
**Strike:** "PROVIDING" on page 1, line 6 through "PAYMENT;" on line

**ADOPT  
REJECT**

**Amendment # HB 611-001**



8

4. Title, page 1, line 10.

**Following:** "~~COMMERCE,~~"

**Insert:** "REVISING THE USE OF THE RESEARCH AND COMMERCIALIZATION ACCOUNT TO INCLUDE THE DEPARTMENT OF AGRICULTURE;"

5. Title, page 1, line 10 and 11.

**Strike:** "~~,"~~ on line 10 through "20-9-516~~7,~~" on line 11

**Following:** "~~90-1-203,~~"

**Insert:** "AND 90-3-1003,"

6. Page 2, line 5 through page 5, line 17.

**Strike:** section 2 through section 3 in their entirety

**Renumber:** subsequent sections

7. Page 6, line 28.

**Insert:** "**Section 2.** Section 90-3-1003, MCA, is amended to read:

**"90-3-1003. Research and commercialization account -- use.**

(1) The research and commercialization account provided for in 90-3-1002 is statutorily appropriated, as provided in 17-7-502, to the board of research and commercialization technology, provided for in 2-15-1819, for the purposes provided in this section.

(2) The establishment of the account in 90-3-1002 is intended to enhance the economic growth opportunities for Montana and constitute a public purpose.

(3) The account may be used only for:

(a) loans that are to be used for research and commercialization projects to be conducted at research and commercialization centers located in Montana;

(b) grants that are to be used for production agriculture research, development, and commercialization projects, clean coal research and development projects, or renewable resource research and development projects to be conducted at research and commercialization centers located in Montana;

(c) matching funds for grants from nonstate sources that are to be used for research and commercialization projects to be conducted at research and commercialization centers located in Montana; ~~or~~

(d) the Montana food and agricultural development program provided for in 80-11-901; or

~~(d)~~(e) administrative costs that are incurred by the board in carrying out the provisions of this part.

(4) At least ~~20%~~ \$195,000 of the account funds ~~approved for research and commercialization projects~~ must be directed distributed on an annual basis to the department of agriculture to support and administer the Montana food and agricultural development program provided for in 80-11-901 toward projects that enhance production agriculture.

(5) (a) At least 30% of the account funds approved for

research and commercialization projects must be directed toward projects that enhance clean coal research and development or renewable resource research and development.

(b) If the board is not in receipt of a qualified application for a project to enhance clean coal research and development or renewable resource research and development, subsection (5)(a) does not apply.

(6) An applicant for a grant shall provide matching funds from nonstate sources equal to 25% of total project costs. The requirement to provide matching funds is a qualifier, but not a criterion, for approval of a grant.

(7) The board shall establish policies, procedures, and criteria that achieve the objectives in its research and commercialization strategic plan for the awarding of grants and loans. The criteria must include:

(a) the project's potential to diversify or add value to a traditional basic industry of the state's economy;

(b) whether the project shows promise for enhancing technology-based sectors of Montana's economy or promise for commercial development of discoveries;

(c) whether the project employs or otherwise takes advantage of existing research and commercialization strengths within the state's public university and private research establishment;

(d) whether the project involves a realistic and achievable research project design;

(e) whether the project develops or employs an innovative technology;

(f) verification that the project activity is located within the state;

(g) whether the project's research team possesses sufficient expertise in the appropriate technology area to complete the research objective of the project;

(h) verification that the project was awarded based on its scientific merits, following review by a recognized federal agency, philanthropic foundation, or other private funding source; and

(i) whether the project includes research opportunities for students.

(8) The board shall direct the state treasurer to distribute funds for approved projects. Unallocated interest and earnings from the account must be retained in the account. Repayments of loans and any agreements authorizing the board to take a financial right to licensing or royalty fees paid in connection with the transfer of technology from a research and commercialization center to another nonstate organization or ownership of corporate stock in a private sector organization must be deposited in the account.

(9) The board shall refer grant applications to external peer review groups. The board shall compile a list of persons willing to serve on peer review groups for purposes of this section. The peer review group shall review the application and

make a recommendation to the board as to whether the application for a grant should be approved. The board shall review the recommendation of the peer review group and either approve or deny a grant application.

(10) The board shall identify whether a grant or loan is to be used for basic research, applied research, or some combination of both. For the purposes of this section, "applied research" means research that is conducted to attain a specific benefit or solve a practical problem and "basic research" means research that is conducted to uncover the basic function or mechanism of a scientific question.

(11) For the purposes of this section:

(a) "clean coal research and development" means research and development of projects that would advance the efficiency, environmental performance, and cost-competitiveness of using coal as an energy source well beyond the current level of technology used in commercial service;

(b) "renewable resource research and development" means research and development that would advance:

(i) the use of any of the sources of energy listed in 69-3-2003(10) to produce electricity; and

(ii) the efficiency, environmental performance, and cost-competitiveness of using renewable resources as an energy source well beyond the current level of technology used in commercial service.""

**Renumber:** subsequent sections

8. Page 6, line 29 through line 30.

**Strike:** section 4 in its entirety

- END -

# MONTANA STATE SENATE

## ROLL CALL VOTE

### **FREE CONFERENCE COMMITTEE**

Date: 4-26-2011 (HB)/SB No. 611

*Amendment #B061110.adw*

NAME	AYE	NO
Sen. Ripley		✓
Sen. Hawks	✓	
Sen. Jones		✓
Rep. McGillvray		✓
Rep. Esp		✓
Rep. Mehlhoff	✓	

Vote by chamber:

Senate: Aye 1 No 2

House: Aye 1 No 2

# MONTANA STATE SENATE

## ROLL CALL VOTE

### **FREE CONFERENCE COMMITTEE**

Date: 4-26-2011 **(HB)** / SB No. 611  
HB 061108.abs

NAME	AYE	NO
Sen. Ripley	✓	
Sen. Hawks	✓	
Sen. Jones	✓	
Rep. McGillvray	✓	
Rep. Esp	✓	
Rep. Mehlhoff	✓	

Vote by chamber:

Senate: Aye 3 No         

House: Aye 3 No

# MONTANA STATE SENATE

## ROLL CALL VOTE

### **FREE CONFERENCE COMMITTEE**

Date: 4-26-2011

HB/SB No. 611

*Accept Committee Report*

NAME	AYE	NO
Sen. Ripley	✓	
Sen. Hawks		✓
Sen. Jones	✓	
Rep. McGillvray	✓	
Rep. Esp	✓	
Rep. mehlhoff	✓	

Vote by chamber:

Senate: Aye 2 No 1

House: Aye 3 No

