

HOUSE BILL NO. 10

INTRODUCED BY D. KASTEN

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

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A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; AMENDING SECTION 4, CHAPTER 49, LAWS OF 1999; AND PROVIDING EFFECTIVE DATES."

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

NEW SECTION. **Section 1. Policy.** [Sections 1 through 12] implement the policy stated in 90-4-210.

NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 12], the following definitions apply:

(1) "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.

(2) "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.

(3) "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.

(4) "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 District of Columbia in Civil Action No. 78-1035 and any interest accrued on the payments.

(5) "Getty oil payments" means the oil overcharge payments made to the U.S. treasury for



1 distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action No.
2 77-347 (MMS) in the U.S. district court for the district of Delaware and any interest accrued on the
3 payments.

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

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

12 (8) "Unspent project funds" means stripper well payments that were not expended or otherwise
13 legally obligated during the 2001 biennium but were appropriated for the 2001 biennium in sections 4
14 through 11, Chapter 49, Laws of 1999.

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16 NEW SECTION. **Section 3. Deposit of oil overcharge revenue.** All funds from stripper well and
17 Exxon payments must be deposited by the state treasurer in the federal special revenue fund. All interest
18 earned on any of these funds or payments also must be deposited in the federal special revenue fund.

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20 NEW SECTION. **Section 4. Food bank network transportation -- appropriation.** There is
21 appropriated \$15,000 from the stripper well payments contained in the federal special revenue fund to the
22 department of public health and human services for use in assisting the Montana food bank network with
23 coordinated energy-efficient transportation of food to drop sites and local food banks statewide.

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25 NEW SECTION. **Section 5. Efficient energy -- appropriation.** There is appropriated \$3,000 from
26 the stripper well payments contained in the federal special revenue fund to the department of
27 environmental quality to provide a grant to the ethanol producers and consumers for use in developing a
28 cooperative with assistance from Montana state university-northern.

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30 NEW SECTION. **Section 6. Transportation to nutrition sites -- appropriation.** There is appropriated

1 \$11,000 from the stripper well payments contained in the federal special revenue fund to the department
 2 of public health and human services for grants to the area agencies on aging to provide transportation for
 3 seniors to nutrition sites. The area agencies on aging shall apply to the department of public health and
 4 human services for these funds.

5

6 NEW SECTION. **Section 7. Promoting use of energy and water savings technologies on Montana**
 7 **farms and ranches -- appropriation.** There is appropriated \$5,000 from the stripper well payments
 8 contained in the federal special revenue fund to the department of environmental quality to provide a grant
 9 to the national center for appropriate technology to promote the use of soil moisture monitors on irrigated
 10 land.

11

12 NEW SECTION. **Section 8. Low-income weatherization -- appropriation.** There is appropriated
 13 \$229,000 from the stripper well payments contained in the federal special revenue fund to the department
 14 of public health and human services for use in the home weatherization program created in 90-4-201.

15

16 NEW SECTION. **Section 9. Low-income weatherization and energy assistance -- appropriation.**
 17 (1) There is appropriated \$300,000 from the stripper well payments contained in the federal special
 18 revenue fund to the department of public health and human services for the purpose described in
 19 subsection (2).

20 (2) ~~There is appropriated~~ OF THE AMOUNT APPROPRIATED IN SUBSECTION (1), THE DEPARTMENT IS DIRECTED
 21 TO CONTRACT up to \$90,000 for a grant to energy share, inc. to be used to address home heating
 22 emergencies encountered by households with incomes between 0% and 150% of federal poverty
 23 guidelines ~~who~~ THAT are not eligible for federal low-income energy assistance OR THAT HAVE NOT RECEIVED
 24 FEDERAL LOW-INCOME ENERGY ASSISTANCE IN THE CURRENT PROGRAM YEAR. There is appropriated \$210,000 to
 25 the department of public health and human services for use in the home weatherization program created
 26 in 90-4-201. The department will be responsible for allocating the funds, as they become available,
 27 between energy share, inc., and the department with 30% to energy share, inc. and 70% to the home
 28 weatherization program.

29

30 NEW SECTION. **Section 10. Carryover -- reappropriation.** There is reappropriated \$20,000 from

1 the stripper well payments and \$70,000 from the diamond shamrock payments contained in the federal
2 special revenue fund to the department of environmental quality to fund the state energy program
3 administered by the department pursuant to 10 CFR 420.

4

5 **NEW SECTION. Section 11. Conditions applied to appropriations.** (1) The appropriations made
6 in [sections 4 through 9] are biennial appropriations. One-half of the total amount appropriated to each
7 program in [sections 4 through 9] is appropriated in fiscal year 2002, and the remainder is appropriated
8 in fiscal year 2003. As biennial appropriations, the unexpended funds appropriated in fiscal year 2002
9 may be carried forward within each program to fiscal year 2003, subject to the specific language
10 conditions governing each appropriation.

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

13

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

21 (2) If stripper well payments are insufficient to fully fund the appropriations made in [sections 4
22 through 9], allocations to the lowest ranking program must be reduced until the deficiency is eliminated.
23 If the deficiency is in excess of the appropriation to the lowest ranking program, the next lowest ranking
24 program must have its appropriation reduced until the deficiency is eliminated and so forth as the programs
25 are prioritized. These priorities must be applied to one-half of the total amount appropriated in [sections
26 4 through 9] for fiscal year 2002 and to the remaining appropriation for fiscal year 2003.

27 (3) In order to provide continuity for the programs when establishing the appropriations for each
28 fiscal year of the 2003 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 9] may not exceed the amount

1 of the stripper well payments available in the biennium.

2

3 **Section 13.** Section 4, Chapter 49, Laws of 1999, is amended to read:

4 **"Section 4. Matching funds for low-income energy assistance -- appropriation.** (1) There is
5 appropriated \$300,000 from the stripper well payments contained in the federal special revenue fund to
6 the department of public health and human services for the purpose described in subsection (2) and under
7 the restrictions contained in subsection (3).

8 (2) The department of public health and human services shall match private contributions to
9 energy share, inc. to be used to address home heating emergencies encountered by households with
10 incomes between 0% and 150% of federal poverty guidelines who are not eligible for federal low-income
11 energy assistance or who have not received federal low-income energy assistance in the current program
12 year. All of the funds appropriated to the department for this purpose under subsection (1) must be used
13 for clients' emergency energy needs.

14 ~~(3) In the event a combination of the oil overcharge funds appropriated in subsection (1) and
15 universal system benefits funds designated to energy share, inc. exceeds \$400,000 in fiscal year 2000
16 or in fiscal year 2001, the excess amount must be subtracted from the appropriation of oil overcharge
17 funds provided in subsection (1) for that fiscal year and a like amount shall be added to the oil overcharge
18 funds appropriated in [section 5] for low-income home weatherization, except that the biennial
19 appropriation for low-income home weatherization provided in [section 5] shall not exceed \$695,000 under
20 any condition."~~

21

22 NEW SECTION. **Section 14. Coordination instruction.** If House Bill No. 12 is passed and approved,
23 the stripper well payments appropriated in House Bill No. 12 have a higher priority than any appropriation
24 of stripper well payments in [sections 4 through 10].

25

26 NEW SECTION. **Section 15. Effective dates.** (1) Except as provided in subsection (2), [this act]
27 is effective July 1, 2001.

28 (2) [Section 13 and this section] are effective on passage and approval.

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