

4 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE STATE BUILDING ENERGY
5 CONSERVATION PROGRAM FROM THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO THE
6 ARCHITECTURE AND ENGINEERING DIVISION OF THE DEPARTMENT OF ADMINISTRATION;
7 ALLOWING THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO RETAIN CERTAIN FEDERAL
8 FUNDING; AMENDING SECTIONS 90-4-602, 90-4-605, 90-4-607, 90-4-615, AND 90-4-616, MCA; AND
9 PROVIDING AN EFFECTIVE DATE."

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

13 **Section 1.** Section 90-4-602, MCA, is amended to read:

14 **"90-4-602. Definitions.** As used in this part, unless the context requires otherwise, the following
15 definitions apply:

16 (1) "Board" means the board of examiners provided for in 2-15-1007.

17 (2) "Cost" includes the expenses related to planning, design, construction, and installation of
18 energy conservation improvements and any administrative expenses of the ~~department~~division incurred in
19 performance of its duties under the energy conservation program.

20 (3) "Department" "Division" means the ~~department of environmental quality architecture and~~
21 engineering division of the department of administration provided for in 2-15-3504 17-7-201.

22 (4) "Energy conservation program" means a program for the financing, acquisition, construction,
23 and installation of alternative energy systems, as defined in 15-32-102, or equipment, systems, and
24 improvements in state-owned buildings, structures, and facilities that save energy or water.

25 (5) "Energy conservation program bonds" includes all series of bonds issued to finance any portion
26 of the energy conservation program

(6) "Energy cost savings" means the savings in utility costs to a state agency as a result of an

1 **Section 4.** Section 90-4-615, MCA, is amended to read:

2 **"90-4-615. Energy conservation repayment account.** (1) There is an energy conservation
3 repayment account in the state special revenue fund established in 17-2-102.

4 (2) There must be deposited in the energy conservation repayment account:

5 (a) the amount of energy costs saved as a result of energy conservation projects in state buildings,
6 facilities, or structures using appropriations from the energy conservation capital projects account or the general
7 fund for the energy conservation program;

8 (b) interest earned on the account;

9 (c) interest earned on the energy conservation capital projects account created in 90-4-617; and

10 (d) funds transferred to the account by the legislature.

11 (3) Money in the energy conservation repayment account is available to the ~~department of~~
12 ~~environmental quality division~~ by appropriation to fund the costs of the energy conservation program for:

13 (a) conducting energy analysis;

14 (b) data collection and analysis;

15 (c) program administration and oversight; and

16 (d) monitoring the results of state building energy conservation projects.

17 (4) If the unencumbered funds in the account at the end of a biennium exceed \$2 million, the

18 ~~department division~~ shall transfer to the energy conservation capital projects account the amount of funds in
19 excess of \$2 million."

21 **Section 5.** Section 90-4-616, MCA, is amended to read:

22 **"90-4-616. Transfer of energy savings from projects.** (1) In preparing the executive budget each
23 biennium, for each state agency participating in the energy conservation program by using appropriations from
24 the general fund or the energy conservation capital projects account created in 90-4-617, the governor shall
25 include an estimate of the energy cost savings expected for that agency in each year of the biennium.

26 (2) Each session, the legislature shall review the governor's submission pursuant to 90-4-606 and
27 subsection (1) of this section and, unless the legislature disapproves, shall include in the general appropriations

1 act authority for each participating state agency, subject to [section-5 6], to transfer funds in an amount equal to
2 the agency's estimated energy cost savings to the energy conservation repayment account established in 90-4-
3 615. Except as provided in [section-5 6], These these transfers must continue until the cost of the project,
4 including energy analysis, acquisition and installation costs of energy saving equipment or systems, and the
5 cost of the construction of improvements in state buildings, facilities, or structures, plus annual interest
6 payments of 3% of the unpaid balance of the cost of the project, has been paid into the energy conservation
7 repayment account.

8 (3) The current level utility appropriations of state agencies participating in the energy conservation
9 program must be reduced by the sum of the amounts approved to be transferred pursuant to subsection (2).

10 (4) Upon-On request of the department division, each participating state agency shall transfer the
11 amounts approved pursuant to subsection (2)."

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13 **NEW SECTION. Section 6. Grandfathering -- retention of funds.** (1) The department of
14 environmental quality shall retain federal American Recovery and Reinvestment Act funds allocated in
15 accordance with Chapter 478, Laws of 2009, to the state energy building conservation program, including:

16 (a) transfers after July 1, 2025, made by participating state agencies pursuant to 90-4-616 for the
17 unpaid balance of projects funded with federal American Recovery and Reinvestment Act funds;

18 (b) interest payments pursuant to 90-4-616 on projects funded with federal American Recovery
19 and Reinvestment Act funds; and

20 (c) interest earned on short-term investment pool investments of federal American Recovery and
21 Reinvestment Act funds.

22 (2) The department of environmental quality may use the funds for activities consistent with
23 applicable federal requirements and in accordance with guidance provided by the federal department of energy
24 for the repurposing of funds.

25

26 **NEW SECTION. Section 7. Codification instruction.** [Section-5 6] is intended to be codified as an
27 integral part of Title 90, chapter 4, part 6, and the provisions of Title 90, chapter 4, part 6, apply to [section-5 6].