

1 SENATE BILL NO. 1

2 INTRODUCED BY D. SALOMON

3 BY REQUEST OF THE EDUCATION INTERIM COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT ALIGNING THE PAYMENT SCHEDULE FOR THE COAL-FIRED
6 GENERATING UNIT CLOSURE MITIGATION BLOCK GRANT WITH THE PAYMENT SCHEDULE FOR
7 GUARANTEED TAX BASE AID; AMENDING SECTION 20-9-638, MCA; AND PROVIDING AN EFFECTIVE
8 DATE."

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

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12 **Section 1.** Section 20-9-638, MCA, is amended to read:

13 **"20-9-638. Coal-fired generating unit closure mitigation block grant.** (1) (a) The office of public
14 instruction shall provide a coal-fired generating unit closure mitigation block grant to each school district with a
15 fiscal year 2017 taxable valuation that includes a coal-fired generating unit with a generating capacity that is
16 greater than or equal to 200 megawatts, was placed in service prior to 1980, and is retiring or planned for
17 retirement on or before July 1, 2022.

18 (b) The electronic reporting system that is used by the office of public instruction and school
19 districts must be used to allocate the block grant amount into each district's general fund budget as an
20 anticipated revenue source.

21 (2) Each year, 70% of each district's block grant must be distributed in ~~November~~ December and
22 30% of each district's block grant must be distributed in May at the same time that guaranteed tax base aid is
23 distributed.

24 (3) The block grant is equal to the amount received in fiscal year 2017 by the district general fund
25 from the block grants provided for in former 20-9-630(4)(a) as that section read prior to July 1, 2017.

26 (4) (a) If the owner of a coal-fired generating unit that is retired or planned for retirement on or
27 before July 1, 2022, makes a payment in accordance with a retirement plan approved by the department of
28 environmental quality or a transition agreement with the governor and attorney general for the purpose of

1 decommissioning requirements and a portion of the payment is allocated to a school district for the purposes of
2 school funding cost shifts, then that portion must repay to the state general fund the cost of the block grant
3 payments under this section, as discounted in accordance with an agreement for payment to the state, on the
4 following schedule, not to exceed the limitation provided in subsection (4)(b):

5 (i) if the generating unit closes prior to June 30, 2018, 100% of the total block grant payments
6 under this section must be returned to the general fund;

7 (ii) if the generating unit closes during fiscal year 2019, 90% of the block grant payments under
8 this section must be returned to the general fund;

9 (iii) if the generating unit closes during fiscal year 2020, 80% of the block grant payments under
10 this section must be returned to the general fund;

11 (iv) if the generating unit closes during fiscal year 2021, 70% of the block grant payments under
12 this section must be returned to the general fund; and

13 (v) if the generating unit closes during fiscal year 2022 or on July 1, 2022, 60% of the block grant
14 payments under this section must be returned to the general fund.

15 (b) Repayment under subsection (4)(a) may not exceed the amount of any portion of a payment
16 allocated to a school district in accordance with a retirement plan or a transition plan."

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18 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 2023.

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