

HOUSE BILL NO. 314

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A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO THE GENERATION OF ENERGY AND TRANSMISSION OF ELECTRICITY; ESTABLISHING A STATE ENERGY AUTHORITY; PROVIDING THE AUTHORITY WITH CERTAIN POWERS; REQUIRING THAT STATE AGENCIES COOPERATE WITH THE AUTHORITY; CREATING A SPECIAL REVENUE ACCOUNT; STATUTORILY APPROPRIATING MONEY FROM THE WHOLESALE ENERGY TRANSACTION TAX TO THE AUTHORITY TO SUPPORT ITS ACTIVITIES; PROVIDING DEFINITIONS; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-72-106 AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

NEW SECTION. **Section 1. Short title.** [Sections 1 through 40 11] may be cited as the "Montana Energy Authority Act".

NEW SECTION. **Section 2. Purpose.** The legislature finds and declares that:

- (1) Montana is endowed with significant and diverse energy resources. The development of Montana's energy resources is essential to a healthy state economy.
- (2) Montana's energy resources provide a tremendous opportunity to diversify the state's economy and to stabilize and increase revenue to the state;
- (3) energy generation and electric transmission constraints impede the development of the state's energy resources;
- (4) an essential function of government and its public purpose is to assist with the removal of energy generation and electric transmission impediments to facilitate the development of Montana's energy resources;

1 (5) development of Montana's energy resources promotes the public interest by increasing
2 employment, stimulating economic activity, augmenting sources of tax revenue, fostering economic stability,
3 and improving the state's economy; and

4 (6) it is in the public interest that the energy authority has the ability to facilitate the planning,
5 development, economic analysis, and coordination of energy generation and electric transmission.

6
7 **NEW SECTION. Section 3. Definitions.** As used in [sections 1 through ~~40~~ 11], unless the context
8 clearly indicates otherwise, the following definitions apply:

9 (1) "Authority" means the energy authority established in [section 4].

10 (2) "Department" means the department of ~~commerce~~ ENVIRONMENTAL QUALITY provided for in 2-
11 ~~15-1804~~ 2-15-3501.

12
13 **NEW SECTION. Section 4. Energy authority -- composition -- allocation.** (1) There is an energy
14 authority created to diversify and expand the state's economy by developing and advising in this state the
15 energy production facilities and the electric transmission facilities necessary to produce and transport energy to
16 markets within the state and regionally.

17 (2) The authority is allocated to the department of ~~commerce~~ ENVIRONMENTAL QUALITY for
18 administrative purposes only as prescribed in 2-15-121. However, the authority may hire its own executive
19 director, and 2-15-121(2)(d) does not apply.

20 (3) (a) The authority is composed of ~~44~~ 13 members appointed by the governor, INCLUDING FOUR
21 EX OFFICIO, NONVOTING MEMBERS, in the same manner as provided in 2-15-124, except as otherwise provided in
22 this section, AND TWO EX OFFICIO LEGISLATIVE LIAISONS WHO ARE VOTING MEMBERS ~~and except that the requirement~~
23 ~~that at least one member be an attorney does not apply~~. The authority must be representative of state and local
24 utilities, cooperatives, developers, and stakeholders engaged in the sustainment and development of the state's
25 energy future.

26 (4) (a) Except as provided in subsection (4)(b), appointed members serve staggered terms of 3
27 years.

28 (b) The initial appointments are as follows:

- 1 (i) four members appointed to 1-year terms;
- 2 (ii) four members appointed to 2-year terms; and
- 3 (iii) ~~six~~ FIVE members appointed to 3-year terms.
- 4 (5) In selecting the members, the governor shall:
- 5 (a) consider each prospective member's knowledge and understanding of the structural and
- 6 financial dimensions of the energy generation and electric transmission components of the state's economy;
- 7 (b) ensure that ~~six~~ FOUR members broadly represent, as evidenced by their background,
- 8 experience, and livelihood, the following categories of energy consumption:
- 9 (i) residential;
- 10 (ii) SMALL BUSINESS;
- 11 ~~(ii)~~(iii) agricultural; and
- 12 ~~(iii)~~(iv) commercial and industrial enterprise;
- 13 (c) choose two members with experience in electric transmission, AND distribution, ~~and energy~~
- 14 ~~generation issues; and~~ REQUIRING THAT:
- 15 (I) ONE MEMBER REPRESENTS PRIVATE SECTOR DEVELOPMENT; AND
- 16 (II) ONE MEMBER REPRESENTS AN INVESTOR-OWNED UTILITY;
- 17 (D) CHOOSE ONE MEMBER WITH EXPERIENCE IN ENERGY GENERATION ISSUES;
- 18 (E) choose ~~two members~~ ONE MEMBER with experience in renewable energy; AND
- 19 (F) CHOOSE ONE MEMBER WITH EXPERIENCE IN COAL RECOVERY FOR COAL-FIRED GENERATION.
- 20 (6) The membership of the authority must include the following four EX OFFICIO, NONVOTING
- 21 members appointed by the governor:
- 22 (a) a representative of the department of commerce;
- 23 (b) a representative of the department of environmental quality;
- 24 (c) a representative of the public service commission; and
- 25 (d) a representative of the governor's office.
- 26 (7) THE AUTHORITY MUST INCLUDE TWO EX OFFICIO, LEGISLATIVE LIAISONS TO THE AUTHORITY, ONE OF
- 27 WHOM MUST BE A SENATOR APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE MUST BE A REPRESENTATIVE
- 28 APPOINTED BY THE SPEAKER OF THE HOUSE. THE LIAISONS MAY NOT BE FROM THE SAME POLITICAL PARTY.

1 PREFERENCE IN APPOINTMENTS IS GIVEN TO LEGISLATORS WHO HAVE BACKGROUND OR KNOWLEDGE IN ENERGY
2 GENERATION AND ELECTRIC DISTRIBUTION AND TRANSMISSION. THE LEGISLATIVE LIAISONS SHALL SERVE FROM
3 APPOINTMENT THROUGH EACH EVEN-NUMBER CALENDAR YEAR AND MAY ATTEND ALL AUTHORITY MEETINGS.
4 LEGISLATIVE LIAISONS APPOINTED PURSUANT TO THIS SUBSECTION ARE ENTITLED TO COMPENSATION AND EXPENSES,
5 AS PROVIDED IN 5-2-302, TO BE PAID BY THE LEGISLATIVE COUNCIL.

6
7 **NEW SECTION. Section 5. Compensation -- per diem.** Members of the authority may not receive a
8 salary but are entitled to compensation as provided in 2-15-122 for each day they are engaged in the
9 transaction of official business. Members must be reimbursed for travel expenses, as provided in 2-18-501
10 through 2-18-503, incurred while on official business.

11
12 **NEW SECTION. Section 6. Election of officers -- frequency of meetings -- quorum.** (1) The
13 members of the authority shall annually elect a presiding officer and a vice presiding officer from among the
14 authority membership, EXCLUDING THE EX OFFICIO, NONVOTING MEMBERS PURSUANT TO [SECTION 4]. The presiding
15 officer and vice presiding officer shall each serve a 1-year term.

16 (2) The authority shall meet at least every 90 days and at other times as called by the presiding
17 officer or by any six members of the authority.

18 (3) ~~Eight~~ Six members of the authority constitute a quorum for the transaction of all business,
19 including the election of officers.

20
21 **NEW SECTION. Section 7. Authority powers.** The state energy authority may:
22 (1) facilitate the planning, development, economic analysis, and coordination of facilities within and
23 outside of the state;
24 (2) employ officers, agents, and employees that the authority considers necessary in carrying out
25 the provisions of [sections 1 through ~~40~~ 11];
26 (3) contract for legal, financial, engineering, and other professional services necessary in carrying
27 out the provisions of [sections 1 through ~~40~~ 11];
28 (4) receive by gift, grant, donation, or otherwise money, aid, or assistance from the federal

1 government, the state, any political subdivision, or any other public or private entity;

2 (5) assist in investigating, planning, establishing, and coordinating corridors for electric
3 transmission through all energy generating resource types;

4 (6) participate in regional energy transmission organizations established in response to or in
5 compliance with an order of the federal energy regulatory commission or any regional electric transmission
6 initiatives;

7 (7) participate in a regional organization established for the purpose of planning, analyzing, and
8 coordinating energy generation projects, electric transmission projects and transmission infrastructure;

9 (8) report any findings and recommendations as requested by the governor or the legislature; and

10 (9) perform other functions necessary to carry out the provisions of [sections 1 through 40 11].

11

12 NEW SECTION. Section 8. ANNUAL REPORT. BEFORE SEPTEMBER 1 OF EACH YEAR, THE AUTHORITY
13 SHALL PREPARE AND SUBMIT AN ANNUAL REPORT SUMMARIZING THE AUTHORITY'S ACTIVITIES, INCLUDING ANY POLICY OR
14 FUNDING RECOMMENDATIONS NECESSARY TO ADVANCE MONTANA'S ENERGY FUTURE, TO THE ENERGY AND
15 TELECOMMUNICATIONS INTERIM COMMITTEE IN ACCORDANCE WITH 5-11-210.

16

17 NEW SECTION. Section 9. Interagency cooperation. (1) State agencies shall cooperate with the
18 authority in planning, permitting, and constructing facilities.

19 (2) Within the limits of available resources, state agencies shall provide scientific, economic, and
20 other relevant data requested by the authority.

21

22 NEW SECTION. Section 10. Administrative costs. (1) (a) The authority may be assessed costs by
23 the department, on request or pursuant to 2-15-121, for the services the department provides, including but not
24 limited to:

25 (i) personal services costs;

26 (ii) operating costs;

27 (iii) office and office equipment costs; and

28 (iv) other administrative costs.

- 1 (b) The costs charged must have a substantial relationship to the costs of services provided.
2 (2) The department shall provide an annual accounting to the authority of the incurred and indirect
3 costs that are attributable to the program.
4

5 NEW SECTION. **Section 11. Special revenue account -- statutory appropriation.** (1) There is a
6 Montana energy generation and electric transmission special revenue account within the state special revenue
7 fund established in 17-2-102.

8 (2) (a) Money received from the wholesale energy transaction tax, as provided in 15-72-106, must
9 be deposited in the account.

10 (b) Money deposited in the account is statutorily appropriated, as provided in 17-7-502, to the
11 energy authority to meet the administrative costs of the authority.
12

13 **Section 12.** Section 15-72-106, MCA, is amended to read:

14 **"15-72-106. Collection of wholesale energy transaction tax -- disposition of revenue.** (1) A
15 transmission services provider shall collect the tax imposed under 15-72-104 from the taxpayer and pay the tax
16 collected to the department. If the transmission services provider collects a tax in excess of the tax imposed by
17 15-72-104, both the tax and the excess must be remitted to the department.

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

19 (3) The Except as provided in subsection (4), the wholesale energy transaction tax collected under
20 this part must, in accordance with the provisions of 17-2-124, be deposited in the general fund.

21 (4) Beginning on July 1, 2025, an amount sufficient to fund the activities of the energy authority
22 established in [section 4], as determined by the authority, but not to exceed \$700,000 of the wholesale energy
23 transaction tax collected under this part, must be deposited annually in the state special revenue account
24 provided for in [section 40 11]."
25

26 **Section 13.** Section 17-7-502, MCA, is amended to read:

27 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
28 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without

1 the need for a biennial legislative appropriation or budget amendment.

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

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

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

7 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-
8 11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-
9 807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-316; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121;
10 15-1-142; 15-1-143; 15-1-218; 15-1-2302; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-
11 117; 15-39-110; 15-65-121; 15-70-128; 15-70-131; 15-70-132; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-
12 3-212; 17-3-222; 17-3-241; 17-6-101; 17-6-214; 17-7-133; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-410;
13 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-3-
14 369; 20-7-1709; 20-8-107; 20-9-250; 20-9-534; 20-9-622; [20-15-328]; 20-26-617; 20-26-1503; 22-1-327; 22-3-
15 116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-
16 204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-4-1506; 44-12-213; 44-13-102; 50-
17 1-115; 53-1-109; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-3-415; 67-1-
18 309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-151; 76-
19 13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-2-
20 203; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 87-5-909;
21 90-1-115; 90-1-205; 90-1-504; 90-6-331; ~~and 90-9-306; and [section 40 11].~~

22 (4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees
23 associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due
24 in the ordinary course or when earlier called for redemption or defeased, that have been authorized and issued
25 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
26 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined
27 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have
28 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the

1 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement
2 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410
3 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental
4 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on
5 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
6 terminates June 30, 2025; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates
7 September 30, 2025; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027;
8 pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs.
9 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch.
10 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021,
11 the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-
12 310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates
13 June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30, 2025;
14 pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to
15 sec. 1, Ch. 20, L. 2023, sec. 2, Ch. 20, L. 2023, and sec. 3, Ch. 20, L. 2023, the inclusion of 81-1-112, 81-1-
16 113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 9, Ch. 44, L. 2023, the inclusion of 15-1-142
17 terminates December 31, 2025; pursuant to sec. 10, Ch. 47, L. 2023, the inclusion of 15-1-2302 terminates
18 June 30, 2025; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031;
19 pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to
20 sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L.
21 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 10, Ch. 758, L. 2023, the inclusion
22 of 44-4-1506 terminates June 30, 2027; and pursuant to sec. 10, Ch. 764, L. 2023, the inclusion of 15-1-143
23 terminates December 31, 2025.)"

24
25 **NEW SECTION. Section 14. Codification instruction.** [Sections 1 through 40 11] are intended to be
26 codified as a new chapter of Title 90, and the provisions of Title 90 apply to [sections 1 through 40 11].

27
28 **NEW SECTION. Section 15. Severability.** If a part of [this act] is invalid, all valid parts that are

1 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
2 the part remains in effect in all valid applications that are severable from the invalid applications.

3

4 NEW SECTION. Section 16. Effective date. [This act] is effective July 1, 2025.

5

6 NEW SECTION. SECTION 17. TERMINATION. [SECTIONS 1 THROUGH 13] TERMINATES DECEMBER 31,
7 2031.

8

- END -