

**Unofficial Draft Copy**

As of: September 22, 2006 (9:17am)

LC0066

\*\*\*\*\* Bill No. \*\*\*\*\*

Introduced By \*\*\*\*\*

By Request of the Legislative Finance Committee

A Bill for an Act entitled: "An Act revising and clarifying the governor's energy emergency authority related to a price of energy; and amending sections 10-3-312, and 90-4-302, MCA."

Be it enacted by the Legislature of the State of Montana:

**Section 1.** Section 10-3-312, MCA, is amended to read:

**"10-3-312. Maximum expenditure by governor --**

**appropriation.** (1) Whenever an emergency, including an energy emergency as defined in 90-4-302, or a disaster is declared by the governor, there is statutorily appropriated to the office of the governor, as provided in 17-7-502, and, subject to subsection (2), the governor is authorized to expend from the general fund an amount not to exceed \$16 million in any biennium, minus any amount appropriated pursuant to 10-3-310 in the same biennium. The statutory appropriation in this subsection may be used by any state agency designated by the governor.

(2) In the event of the recovery of money expended under this section, the spending authority must be reinstated to a level reflecting the recovery.

(3) If a disaster is declared by the president of the United States, there is statutorily appropriated to the office of the governor, as provided in 17-7-502, and the governor is

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authorized to expend from the general fund an amount not to exceed \$500,000 during the biennium to meet the state's share of the individual and family grant programs as provided in 42 U.S.C. 5178. The statutory appropriation in this subsection may be used by any state agency designated by the governor."

{ *Internal References to 10-3-312:*  
10-3-101 x      17-7-502 x }

**Section 2.** Section 90-4-302, MCA, is amended to read:

**"90-4-302. Definitions.** As used in this part, the following definitions apply:

(1) "Bulk pipeline terminal" means a facility that is primarily used for storage for the marketing of petroleum products and that has a total bulk storage capacity of 50,000 gallons or more.

(2) "Distributor" means any person, private corporation, partnership, producer, individual proprietorship, public utility, joint operating agency, or cooperative that engages in or is authorized to engage in the activity of generating, producing, transmitting, or distributing energy in this state.

(3) "Energy" means petroleum or other liquid fuels, natural or synthetic fuel gas, or electricity.

(4) "Energy emergency" means:

(a) an existing or imminent domestic, regional, or national shortage of energy ~~or a price of energy~~ that will result in curtailment of essential services or production of essential

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goods or the disruption of significant sectors of the economy unless action is taken to conserve or limit the use of the energy form involved and the allocation of available energy supplies among users or to increase the available supply of energy; or

(b) a price of energy that will:

(i) result in curtailment of essential services or production of essential goods or the disruption of significant sectors of the economy; or

(ii) impose a threat to the health or safety of vulnerable segments of the population.

(5) "Energy facility" means a facility that produces, extracts, converts, transports, or stores energy.

(6) "Energy supply alert" means a condition of energy supply on a national, regional, state, or local basis that foreseeably will affect significantly the availability of essential energy supplies ~~or the price of energy~~ within the ensuing 90-day period unless action is taken under 90-4-309 to reduce energy usage by state agencies and political subdivisions or action is taken to increase the supply of energy.

(7) "Person" means an individual, partnership, joint venture, private or public corporation, cooperative, association, firm, public utility, political subdivision, municipal corporation, government agency, joint operating agency, or any other entity, public or private, however organized.

(8) "Petroleum pipeline company" means a person who owns or operates in Montana any pipeline used for the transportation of petroleum products or their derivatives. This definition does not

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include pipelines used to transport crude petroleum from producing wells to refineries.

(9) "Petroleum products" means propane, butane, propane/butane mix, motor gasoline, kerosene and other middle distillates, aviation gasoline, jet fuel, number 4 fuel oil, residual fuel oil, and alcohol fuels, whether in natural or synthetic form.

(10) "Prime petroleum supplier" means the person who makes the first sale of a petroleum product into the state distribution system. Any person who is considered to be a Montana prime supplier by the U.S. department of energy is included in this definition.

(11) "Refiner" means a person that owns, operates, or controls the operations of one or more refineries located in Montana.

(12) "Refinery" means an industrial plant, regardless of capacity, that processes fossil or renewable feedstock or manufactures refined petroleum products, except when the plant exclusively produces petrochemicals."

{ *Internal References to 90-4-302: None.* }

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