AN ACT REVISING THE DEFINITION OF "LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICE" TO INCLUDE A MASONRY HEATER AND AN OUTDOOR HYDRONIC HEATER FOR THE PURPOSE OF CLAIMING THE TAX CREDIT FOR INSTALLING AN ALTERNATIVE ENERGY SYSTEM; AMENDING SECTIONS 15-32-102 AND 15-32-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

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

Section 1. Section 15-32-102, MCA, is amended to read:

"15-32-102. Definitions. As used in this part, the following definitions apply:

(1) "Alternative energy system" means the generation system or equipment used to convert energy sources into usable sources using fuel cells that do not require hydrocarbon fuel, geothermal systems, low-emission wood or biomass, wind, photovoltaics, geothermal, small hydropower plants under 1 megawatt, and other recognized nonfossil forms of energy generation.

(2) "Building" means:
(a) a single or multiple dwelling, including a mobile home or manufactured home; or
(b) a building used for commercial, industrial, or agricultural purposes that is enclosed with walls and a roof.

(3) "Capital investment" means any material or equipment purchased and installed in a building or land with or without improvements.

(4) "Energy conservation purpose" means one or both of the following results of an investment:
(a) reducing the waste or dissipation of energy; or
(b) reducing the amount of energy required to accomplish a given quantity of work.

(5) "Geothermal system" means a system that transfers energy either from the ground, by way of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a residential building.
"Low-emission wood or biomass combustion device" means a wood-burning appliance:

(a) a wood burning appliance that is:
   (i) certified by the U.S. environmental protection agency pursuant to 40 CFR 60.533; or
   (ii) qualified for the phase 2 white tag under the U.S. environmental protection agency method 28 OWHH for outdoor hydronic heaters;

(b) an appliance that uses wood pellets as its primary source of fuel; or

(c) a masonry heater constructed or installed in compliance with the requirements for masonry heaters in the International Residential Code for One- and Two-Family Dwellings.

"Passive solar system" means a direct thermal energy system that uses the structure of a building and its operable components to provide heating or cooling during the appropriate times of the year by using the climate resources available at the site. The term includes only those portions and components of a building that are expressly designed and required for the collection, storage, and distribution of solar energy and that are not standard components of a conventional building.

"Recognized nonfossil forms of energy generation" means:

(a) a system that captures energy or converts energy sources into usable sources, including electricity, by using:
   (i) solar energy, including passive solar systems;
   (ii) wind;
   (iii) solid waste;
   (iv) the decomposition of organic wastes;
   (v) geothermal;
   (vi) fuel cells that do not require hydrocarbon fuel; or
   (vii) an alternative energy system;

(b) a system that produces electric power from biomass or solid wood wastes; or

(c) a small system that uses water power by means of an impoundment that is not over 20 acres in surface area."

Section 2. Section 15-32-201, MCA, is amended to read:

"15-32-201. Amount of credit -- to whom available. (1) A resident individual taxpayer who completes
installation of an energy system using a recognized nonfossil form of energy generation, as defined in 15-32-102, in to provide heat for the taxpayer's principal dwelling after December 31, 2001, is entitled allowed to claim a tax credit in an amount equal to the cost of the system, including installation costs, less grants received, not to exceed $500, against the income tax liability imposed against the taxpayer pursuant to chapter 30.

(2) A resident individual taxpayer who completes installation of an energy system using a low-emission wood or biomass combustion device, as defined in 15-32-102, in to provide heat for the taxpayer's principal dwelling after December 31, 2001, is entitled allowed to claim a tax credit in an amount equal to the cost of the system, including the installation costs, not to exceed $500, against the income tax liability imposed against the taxpayer pursuant to Title 15, chapter 30."

Section 3. Effective date. [This act] is effective on passage and approval.

Section 4. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to masonry heaters installed after December 31, 2008, and to tax years beginning after December 31, 2008.

- END -
I hereby certify that the within bill, HB 0262, originated in the House.

________________________________________
Chief Clerk of the House

________________________________________
Speaker of the House

Signed this __________________________ day
of _________________________, 2009.

________________________________________
President of the Senate

Signed this __________________________ day
of _________________________, 2009.
HOUSE BILL NO. 262
INTRODUCED BY B. EBINGER, DRISCOLL, PHILLIPS

AN ACT REVISING THE DEFINITION OF "LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICE" TO INCLUDE A MASONRY HEATER AND AN OUTDOOR HYDRONIC HEATER FOR THE PURPOSE OF CLAIMING THE TAX CREDIT FOR INSTALLING AN ALTERNATIVE ENERGY SYSTEM; AMENDING SECTIONS 15-32-102 AND 15-32-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.