

## 1 HOUSE BILL NO. 317

2 INTRODUCED BY R. COOK

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING TERMINATION DATES FOR STATUTORY  
 5 APPROPRIATIONS; ELIMINATING THE THREE-FIFTHS VOTE REQUIREMENT FOR REVISION OF THE  
 6 ENTITLEMENT SHARE PAYMENT; PROVIDING AN ALTERNATIVE MEANS OF FINANCING MANDATED  
 7 DUTIES OF LOCAL GOVERNMENTS AND SCHOOL DISTRICTS; AMENDING SECTIONS 2-17-105, 5-11-120,  
 8 5-11-407, 5-13-403, 7-4-2502, 10-1-108, 10-1-1202, 10-1-1303, 10-2-603, 10-3-203, 10-3-310, 10-3-312,  
 9 10-3-314, 10-4-301, 15-1-121, 15-1-218, 15-36-332, 15-37-117, 15-39-110, 15-65-121, 15-70-101, 15-70-369,  
 10 15-70-601, 16-11-509, 17-3-106, 17-3-112, 17-3-212, 17-3-222, 17-3-241, 17-6-101, 17-7-502, 18-11-112,  
 11 19-3-319, 19-6-404, 19-9-702, 19-13-604, 19-17-301, 19-18-512, 19-19-305, 19-19-506, 19-20-607, 19-21-203,  
 12 20-8-107, 20-9-534, 20-9-622, 20-26-1503, 22-3-1004, 23-4-105, 23-5-306, 23-5-409, 23-5-612, 23-7-301,  
 13 23-7-402, 37-43-204, 37-51-501, 39-71-503, 41-5-2011, 42-2-105, 44-4-1101, 44-12-206, 44-13-102, 50-4-623,  
 14 53-1-109, 53-24-108, 53-24-206, 60-11-115, 61-3-415, 69-3-870, 75-1-1101, 75-5-1108, 75-6-214, 75-11-313,  
 15 77-1-108, 77-2-362, 80-2-222, 80-4-416, 80-11-518, 81-10-103, 82-11-161, 87-1-603, 90-1-115, 90-1-203,  
 16 90-1-205, 90-1-504, 90-3-1003, 90-9-301, AND 90-9-306, MCA; AND PROVIDING AN EFFECTIVE DATE."

17

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

19

20 **Section 1.** Section 2-17-105, MCA, is amended to read:

21 **"2-17-105. Insurance on state buildings -- use of proceeds -- building replacement.** (1) Money  
 22 received by the state as indemnification for damage to state buildings, except buildings procured by the  
 23 department of transportation by purchase or condemnation for right-of-way purposes, must be deposited in the  
 24 state special revenue fund. The money is statutorily appropriated, as provided in 17-7-502, for the purposes of  
 25 subsections (2) and (3). The statutory appropriation is subject to termination as provided in 17-7-502.

26 (2) The money may only be:

27 (a) used to repair the damaged property;

28 (b) used to replace the damaged property, subject to the limitations in subsection (3); or

29 (c) transferred to the fund and account from which the premiums were paid on the policy covering the  
 30 building. Money transferred in this manner may not be spent by the institution or agency having custody of the

1 damaged property but must be available for future legislative appropriation. If the money is not spent or committed  
2 within 2 years from the time that it is received, the money automatically reverts to the fund and account from  
3 which the premiums were paid.

4 (3) If an insured building is totally destroyed or so badly damaged that repair is impractical, the governing  
5 board or officer responsible for the building may request that any money received by the state as indemnification  
6 for property damage be used to replace the building only if the proposed replacement is designed to be used for  
7 the same general purposes as the damaged or destroyed building. If the governing board or officer determines  
8 that the building should not be replaced, any money received by the state as indemnification for property damage  
9 over and above any outstanding debt on the building must be transferred as provided in subsection (2)(c)."

10

11 **Section 2.** Section 5-11-120, MCA, is amended to read:

12 **"5-11-120. Legislative branch retirement termination reserve account.** (1) There is a legislative  
13 branch retirement termination reserve account in the state special revenue fund. Money may be deposited in the  
14 account through an allocation of money to the account or as provided in 17-7-304.

15 (2) (a) The money in the account is statutorily appropriated, as provided in 17-7-502, to the legislative  
16 services division to be used only for staff retirement termination pay in the legislative branch. The statutory  
17 appropriation is subject to termination as provided in 17-7-502.

18 (b) The money in the account may be expended only with the approval of the appropriate branch division  
19 director for eligible termination pay expenditures for division staff.

20 (3) The account is limited to an amount to be calculated at the beginning of each biennium based on an  
21 analysis by branch division directors of the staff eligible for retirement within the biennium. For the 2009 biennium,  
22 the limit is set at \$400,000.

23 (4) The money in the account must be invested pursuant to Title 17, chapter 6. The income and earnings  
24 on the account must be deposited in the account."

25

26 **Section 3.** Section 5-11-407, MCA, is amended to read:

27 **"5-11-407. Legislative branch reserve account.** (1) There is a legislative branch reserve account in  
28 the state special revenue fund. Money may be deposited in the account through an allocation of money to the  
29 account or as provided in 17-7-304.

30 (2) (a) The money in the account is statutorily appropriated, as provided in 17-7-502, to the legislative

1 services division to be used only for major legislative branch information technology projects, including the  
 2 purchase of hardware, software, and consulting services for new initiatives and replacement and upgrading of  
 3 existing systems. The statutory appropriation is subject to termination as provided in 17-7-502.

4 (b) The money in the account may be expended only with the approval of the legislative council. The  
 5 legislative branch computer system planning council may make recommendations to the legislative council for  
 6 the use of the money in the account.

7 (3) The money in the account must be invested pursuant to Title 17, chapter 6. The income and earnings  
 8 on the account must be deposited in the account."

9

10 **Section 4.** Section 5-13-403, MCA, is amended to read:

11 **"5-13-403. Audit account -- appropriation and expenditures.** All money for audits transferred to the  
 12 legislative auditor as provided in 5-13-402 must be deposited in the state special revenue fund in the state  
 13 treasury to the credit of the office of the legislative auditor. The money deposited that is in excess of general and  
 14 pay plan appropriations is statutorily appropriated, as provided in 17-7-502, and may be expended by the  
 15 legislative auditor to pay expenses incurred in auditing state agencies pursuant to an operational plan approved  
 16 by the legislative audit committee. The statutory appropriation is subject to termination as provided in 17-7-502."

17

18 **Section 5.** Section 7-4-2502, MCA, is amended to read:

19 **"7-4-2502. Payment of salaries of county officials and assistants -- state share for county attorney**  
 20 **-- statutory appropriation.** (1) The salaries of the county officers and their assistants may be paid monthly, twice  
 21 monthly, or every 2 weeks out of the general fund of the county and upon the order of the board of county  
 22 commissioners.

23 (2) The funding for the salary and health insurance benefits for the county attorney is a shared  
 24 responsibility of the state and the county. The state's share is payable as provided in subsection (3).

25 (3) (a) ~~For~~ Subject to appropriation, each fiscal year, the department of justice shall pay to each county  
 26 and consolidated government the amount calculated under subsection (3)(b). Payments must be made quarterly.

27 (b) (i) For each county and consolidated government with a full-time county attorney, the amount paid  
 28 each fiscal year must be equal to 50% of 85% of a district court judge's salary most recently set under 3-5-211  
 29 plus an amount equal to 50% of the employer contribution for group benefits under 2-18-703(2) for an employee  
 30 as defined in 2-18-701.

1 (ii) For each county and consolidated government with a part-time county attorney, the total amount paid  
2 each fiscal year must be equal to the amount calculated under subsection (3)(b)(i) prorated according to the  
3 position's regular work hours.

4 (c) For the purpose of this subsection (3), the following definitions apply:

5 (i) "Full-time county attorney" means that as of July 1 immediately preceding the regular legislative  
6 session, the county attorney position has been established as a full-time position pursuant to 7-4-2706.

7 (ii) "Part-time county attorney" means that as of July 1 immediately preceding the regular legislative  
8 session, the county attorney position has been established as a part-time position pursuant to 7-4-2706.

9 (iii) "Salary" means wage plus the employer contributions required for retirement, workers' compensation  
10 insurance, and the Federal Insurance Contributions Act as determined for a district court judge.

11 (4) The amount to be paid to each county pursuant to subsection (3) is statutorily appropriated, as  
12 provided in 17-7-502, from the general fund to the department of justice. The statutory appropriation is subject  
13 to termination as provided in 17-7-502.

14 (5) The board may, under limitations and restrictions prescribed by law, fix the compensation of all county  
15 officers not otherwise fixed by law and provide for the payment of the compensation and may, for all or the  
16 remainder of each fiscal year, in conjunction with setting salaries for other officers as provided in 7-4-2504, set  
17 their salaries at the prior fiscal year level."

18

19 **Section 6.** Section 10-1-108, MCA, is amended to read:

20 **"10-1-108. Armories -- acquisition and sale -- proceeds -- account.** (1) A county, city, or town may  
21 convey or lease real property to the state for armories or other military facilities.

22 (2) A county, city, or town in which a unit of the national guard is organized and regularly stationed may  
23 provide any part of the funds to build an armory. The armory must be of sufficient size and suitable for the drill  
24 of the unit.

25 (3) (a) There is a Montana national guard land purchase account in the state special revenue fund. If  
26 the state sells an armory, the money from the sale must be deposited in the account.

27 (b) Money in the account is statutorily appropriated, as provided in 17-7-502, for the purposes described  
28 in subsection (4). The statutory appropriation is subject to termination as provided in 17-7-502.

29 (c) Any interest and income accruing on the account must be deposited in the state general fund.

30 (4) Money in the account may be used only for preparations to purchase or the purchase of land

1 necessary for the Montana national guard's mission and is expendable solely upon the authorization of the  
2 governor."

3

4 **Section 7.** Section 10-1-1202, MCA, is amended to read:

5 **"10-1-1202. Statutory appropriation.** The payment to a beneficiary certified pursuant to 10-1-1201 is  
6 statutorily appropriated, as provided in 17-7-502, from the general fund to the department of administration. The  
7 statutory appropriation is subject to termination as provided in 17-7-502."

8

9 **Section 8.** Section 10-1-1303, MCA, is amended to read:

10 **"10-1-1303. Fund account -- statutory appropriation.** (1) There is a Montana military family relief fund  
11 account in the state special revenue fund provided for in 17-2-102. All money transferred to the fund by the  
12 legislature, all monetary contributions, gifts, and grants donated to the fund, all contributions made to the fund  
13 pursuant to 15-30-2392, and all interest and income earned on money in the account must be deposited into the  
14 account.

15 (2) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for the  
16 purposes of this part. The statutory appropriation is subject to termination as provided in 17-7-502."

17

18 **Section 9.** Section 10-2-603, MCA, is amended to read:

19 **"10-2-603. Special revenue account -- use of funds -- solicitation.** (1) There is an account in the  
20 special revenue fund to the credit of the board for the state veterans' cemeteries.

21 (2) Plot allowances, donations to the cemetery program, and fund transfers pursuant to 15-1-122(2)(d)  
22 must be deposited into the account.

23 (3) The account is statutorily appropriated, as provided in 17-7-502, to the board and may be used only  
24 for the construction, maintenance, operation, and administration of the state veterans' cemeteries. The statutory  
25 appropriation is subject to termination as provided in 17-7-502.

26 (4) The board shall solicit veterans' license plate sales and donations on behalf of the state veterans'  
27 cemeteries."

28

29 **Section 10.** Section 10-3-203, MCA, is amended to read:

30 **"10-3-203. Acceptance of services, gifts, grants, and loans.** (1) Whenever the federal government

1 or any agency or officer of the federal government offers to the state, or through the state to any political  
2 subdivision of the state, services, equipment, supplies, materials, or funds by way of gift, grant, reimbursement  
3 of mutual aid, or loan for purposes of emergency or disaster services, the state, acting through the governor, or  
4 the political subdivision, acting through its executive officer or governing body, may accept the offer. Upon the  
5 acceptance, the governor of the state or the executive officer or governing body of the political subdivision may  
6 authorize any officer of the state or of the political subdivision to receive the services, equipment, supplies,  
7 materials, or funds on behalf of the state or political subdivision and subject to the terms of the offer and the rules,  
8 if any, of the agency making the offer.

9 (2) The funds, items, and services set forth in subsection (1) are statutorily appropriated, as provided  
10 in 17-7-502, to the governor for the purposes set forth in subsection (1) or to the department of natural resources  
11 and conservation for fire suppression purposes or costs. The statutory appropriation is subject to termination as  
12 provided in 17-7-502.

13

14 **Section 11.** Section 10-3-310, MCA, is amended to read:

15 **"10-3-310. Incident response -- authority -- appropriation -- expenditures -- recovery -- rules. (1)**

16 The governor may by executive order upon request of the local governing body or its authorized agent activate  
17 that part of the state disaster and emergency plan pertaining to incident response. The order may be issued for  
18 any year, for any part of a year, or upon occurrence of an incident.

19 (2) Upon approval of an executive order pursuant to this section:

20 (a) that part of the state disaster and emergency plan pertaining to incidents becomes effective;

21 (b) the division may use any of the resources usable by the division during a state of emergency or  
22 disaster to respond to the incident; and

23 (c) there is statutorily appropriated, as provided in 17-7-502, to the office of the governor, and the  
24 governor is authorized to expend from the general fund an amount not to exceed \$10,000 per incident and not  
25 to exceed \$100,000 for incidents in a biennium. The statutory appropriation is subject to termination as provided  
26 in 17-7-502.

27 (3) The governor may authorize the incurring of liabilities and expenses to be paid as other claims  
28 against the state from the general fund, in the amount necessary, upon activation of the incident response portion  
29 of the state disaster and emergency plan. Money appropriated by this section may be used only for incident  
30 response costs of the state and may not be used to reimburse a local government for incident response costs

1 incurred by that local government.

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

4 (5) The department may adopt rules to implement this section."  
5

6 **Section 12.** Section 10-3-312, MCA, is amended to read:

7 **"10-3-312. Maximum expenditure by governor -- appropriation.** (1) Whenever a disaster or an  
8 emergency, including an energy emergency as defined in 90-4-302 or an invasive species emergency declared  
9 under 80-7-1013, is declared by the governor, there is statutorily appropriated to the office of the governor, as  
10 provided in 17-7-502, and, subject to subsection (2), the governor is authorized to expend from the general fund  
11 an amount not to exceed \$16 million in any biennium, minus any amount appropriated pursuant to 10-3-310 in  
12 the same biennium. The statutory appropriation in this subsection may be used by any state agency designated  
13 by the governor and is subject to termination as provided in 17-7-502.

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

16 (3) If a disaster is declared by the president of the United States, there is statutorily appropriated to the  
17 office of the governor, as provided in 17-7-502, and the governor is authorized to expend from the general fund  
18 an amount not to exceed \$500,000 during the biennium to meet the state's share of the individual and family grant  
19 programs as provided in 42 U.S.C. 5178. The statutory appropriation in this subsection may be used by any state  
20 agency designated by the governor and is subject to termination as provided in 17-7-502.  
21

22 **Section 13.** Section 10-3-314, MCA, is amended to read:

23 **"10-3-314. Community disaster loans.** Whenever, at the request of the governor, the president has  
24 declared a major disaster to exist in this state, the governor is authorized:

25 (1) upon the governor's determination that a political subdivision of the state will suffer a substantial loss  
26 of tax and other revenue from an emergency or disaster and has demonstrated a need for financial assistance  
27 to perform its governmental functions, to apply to the federal government, on behalf of the political subdivision,  
28 for a loan. The proceeds are statutorily appropriated, as provided in 17-7-502, to the governor, who may receive  
29 and disburse the proceeds of any approved loan to any applicant political subdivision. The statutory appropriation  
30 is subject to termination as provided in 17-7-502.

1 (2) to determine the amount needed by any applicant political subdivision to restore or resume its  
2 governmental functions and to certify the same to the federal government. However, the application amount may  
3 not exceed 25% of the annual operating budget of the applicant for the fiscal year in which the emergency or  
4 disaster occurs.

5 (3) to recommend to the federal government, based upon the governor's review, the cancellation of all  
6 or any part of repayment when, in the first 3 full fiscal years following the emergency or disaster, the revenue of  
7 the political subdivision is insufficient to meet its operating expenses, including additional emergency-related or  
8 disaster-related expenses of the political subdivision."

9

10 **Section 14.** Section 10-4-301, MCA, is amended to read:

11 **"10-4-301. Establishment of emergency telecommunications accounts.** (1) There are established  
12 in the state special revenue fund in the state treasury:

13 (a) an account for all fees collected for basic 9-1-1 services pursuant to 10-4-201(1)(a);

14 (b) an account for all fees collected for enhanced 9-1-1 services pursuant to 10-4-201(1)(b); and

15 (c) an account for all fees collected for wireless enhanced 9-1-1 services pursuant to 10-4-201(1)(c). The  
16 money is allocated as follows:

17 (i) 50% of the account must be deposited in an account for distribution to the 9-1-1 jurisdictions; and

18 (ii) 50% of the account must be deposited in an account for distribution to wireless providers.

19 (2) All money received by the department of revenue pursuant to 10-4-201 must be paid to the state  
20 treasurer for deposit in the appropriate account. An amount equal to 2.74% of the money received pursuant to  
21 10-4-201 must be deposited in an account in the state special revenue fund to be used for the administration of  
22 this chapter. Any remaining funds at the end of a fiscal year must be equally distributed to each of the four  
23 accounts provided for in subsection (1).

24 (3) The accounts established in subsection (1) retain interest earned from the investment of money in  
25 the accounts.

26 (4) After payment of refunds pursuant to 10-4-205, the balance of the respective accounts must be used  
27 for the purposes described in part 1 of this chapter.

28 (5) The distribution of funds in the 9-1-1 emergency telecommunications accounts described in  
29 subsection (1), as required by 10-4-302, 10-4-311, and 10-4-313, is statutorily appropriated, as provided in  
30 17-7-502, to the department. The statutory appropriation is subject to termination as provided in 17-7-502.



1 (6) Expenditures for actual and necessary expenses required for the efficient administration of the plan  
2 must be made from appropriations made for that purpose."  
3

4 **Section 15.** Section 15-1-121, MCA, is amended to read:

5 **"15-1-121. Entitlement share payment -- appropriation.** (1) The amount calculated pursuant to this  
6 subsection, as adjusted pursuant to subsection (3)(a)(i), is each local government's base entitlement share. The  
7 department shall estimate the total amount of revenue that each local government received from the following  
8 sources for the fiscal year ending June 30, 2001:

9 (a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter  
10 584, Laws of 1999;

11 (b) vehicle, boat, and aircraft taxes and fees pursuant to:

12 (i) Title 23, chapter 2, part 5;

13 (ii) Title 23, chapter 2, part 6;

14 (iii) Title 23, chapter 2, part 8;

15 (iv) 61-3-317;

16 (v) 61-3-321;

17 (vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment  
18 of 61-3-509 in 2001;

19 (vii) Title 61, chapter 3, part 7;

20 (viii) 5% of the fees collected under 61-10-122;

21 (ix) 61-10-130;

22 (x) 61-10-148; and

23 (xi) 67-3-205;

24 (c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);

25 (d) district court fees pursuant to:

26 (i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);

27 (ii) 25-1-202;

28 (iii) 25-9-506; and

29 (iv) 27-9-103;

30 (e) certificate of title fees for manufactured homes pursuant to 15-1-116;

- 1 (f) financial institution taxes collected pursuant to the former provisions of Title 15, chapter 31, part 7;  
 2 (g) all beer, liquor, and wine taxes pursuant to:  
 3 (i) 16-1-404;  
 4 (ii) 16-1-406; and  
 5 (iii) 16-1-411;  
 6 (h) late filing fees pursuant to 61-3-220;  
 7 (i) title and registration fees pursuant to 61-3-203;  
 8 (j) veterans' cemetery license plate fees pursuant to 61-3-459;  
 9 (k) county personalized license plate fees pursuant to 61-3-406;  
 10 (l) special mobile equipment fees pursuant to 61-3-431;  
 11 (m) single movement permit fees pursuant to 61-4-310;  
 12 (n) state aeronautics fees pursuant to 67-3-101; and  
 13 (o) department of natural resources and conservation payments in lieu of taxes pursuant to Title 77,  
 14 chapter 1, part 5.

15 (2) (a) From the amounts estimated in subsection (1) for each county government, the department shall  
 16 deduct fiscal year 2001 county government expenditures for district courts, less reimbursements for district court  
 17 expenses, and fiscal year 2001 county government expenditures for public welfare programs to be assumed by  
 18 the state in fiscal year 2002.

19 (b) The amount estimated pursuant to subsections (1) and (2)(a) is each local government's base year  
 20 component. The sum of all local governments' base year components is the base year entitlement share pool.  
 21 For the purpose of calculating the sum of all local governments' base year components, the base year component  
 22 for a local government may not be less than zero.

23 (3) (a) The base year entitlement share pool must be increased annually by a growth rate as provided  
 24 for in this subsection (3). The amount determined through the application of annual growth rates is the entitlement  
 25 share pool for each fiscal year. By October 1 of each even-numbered year, the department shall calculate the  
 26 growth rate of the entitlement share pool for each year of the next biennium in the following manner:

27 (i) Before applying the growth rate for fiscal year 2007 to determine the fiscal year 2007 entitlement share  
 28 payments, the department shall subtract from the fiscal year 2006 entitlement share payments the following  
 29 amounts:

30 Beaverhead \$6,972

1	Big Horn	\$52,551
2	Blaine	\$13,625
3	Broadwater	\$2,564
4	Carbon	\$11,537
5	Carter	\$407
6	Cascade	\$100,000
7	Chouteau	\$3,536
8	Custer	\$7,011
9	Daniels	\$143
10	Dawson	\$3,893
11	Fallon	\$1,803
12	Fergus	\$9,324
13	Flathead	\$100,000
14	Gallatin	\$160,000
15	Garfield	\$91
16	Glacier	\$3,035
17	Golden Valley	\$2,282
18	Granite	\$4,554
19	Hill	\$31,740
20	Jefferson	\$5,700
21	Judith Basin	\$1,487
22	Lake	\$38,314
23	Lewis and Clark	\$160,000
24	Liberty	\$152
25	Lincoln	\$3,759
26	Madison	\$8,805
27	McCone	\$1,651
28	Meagher	\$2,722
29	Mineral	\$2,361
30	Missoula	\$200,000

1	Musselshell	\$23,275
2	Park	\$6,582
3	Petroleum	\$36
4	Phillips	\$653
5	Pondera	\$10,270
6	Powder River	\$848
7	Powell	\$5,146
8	Prairie	\$717
9	Ravalli	\$93,090
10	Richland	\$3,833
11	Roosevelt	\$9,526
12	Rosebud	\$19,971
13	Sanders	\$30,712
14	Sheridan	\$271
15	Stillwater	\$12,117
16	Sweet Grass	\$2,463
17	Teton	\$5,560
18	Toole	\$7,113
19	Treasure	\$54
20	Valley	\$6,899
21	Wheatland	\$918
22	Wibaux	\$72
23	Yellowstone	\$270,000
24	Anaconda-Deer Lodge	\$20,707
25	Butte-Silver Bow	\$53,057
26	Alberton	\$675
27	Bainville	\$258
28	Baker	\$2,828
29	Bearcreek	\$143
30	Belgrade	\$11,704

1	Belt	\$1,056
2	Big Sandy	\$1,130
3	Big Timber	\$2,910
4	Billings	\$163,499
5	Boulder	\$2,340
6	Bozeman	\$52,805
7	Bridger	\$1,303
8	Broadus	\$766
9	Broadview	\$258
10	Brockton	\$414
11	Browning	\$1,830
12	Cascade	\$1,374
13	Chester	\$1,430
14	Chinook	\$2,275
15	Choteau	\$3,050
16	Circle	\$1,018
17	Clyde Park	\$572
18	Colstrip	\$4,090
19	Columbia Falls	\$6,805
20	Columbus	\$3,245
21	Conrad	\$4,562
22	Culbertson	\$1,216
23	Cut Bank	\$5,316
24	Darby	\$1,348
25	Deer Lodge	\$5,708
26	Denton	\$503
27	Dillon	\$6,928
28	Dodson	\$194
29	Drummond	\$561
30	Dutton	\$661

1	East Helena	\$2,888
2	Ekalaka	\$689
3	Ennis	\$1,518
4	Eureka	\$1,733
5	Fairfield	\$1,120
6	Fairview	\$1,152
7	Flaxville	\$143
8	Forsyth	\$3,286
9	Fort Benton	\$2,579
10	Fort Peck	\$393
11	Froid	\$328
12	Fromberg	\$855
13	Geraldine	\$457
14	Glasgow	\$5,361
15	Glendive	\$8,099
16	Grass Range	\$254
17	Great Falls	\$96,422
18	Hamilton	\$7,148
19	Hardin	\$5,920
20	Harlem	\$1,422
21	Harlowton	\$1,678
22	Havre	\$16,223
23	Helena	\$45,877
24	Hingham	\$263
25	Hobson	\$397
26	Hot Springs	\$912
27	Hysham	\$482
28	Ismay	\$43
29	Joliet	\$1,006
30	Jordan	\$606

1	Judith Gap	\$263
2	Kalispell	\$28,144
3	Kevin	\$304
4	Laurel	\$10,804
5	Lavina	\$361
6	Lewistown	\$10,170
7	Libby	\$4,475
8	Lima	\$397
9	Livingston	\$12,145
10	Lodge Grass	\$889
11	Malta	\$3,389
12	Manhattan	\$2,485
13	Medicine Lake	\$410
14	Melstone	\$234
15	Miles City	\$14,152
16	Missoula	\$104,264
17	Moore	\$319
18	Nashua	\$536
19	Neihart	\$149
20	Opheim	\$180
21	Outlook	\$125
22	Philipsburg	\$1,612
23	Pinesdale	\$1,413
24	Plains	\$2,007
25	Plentywood	\$3,185
26	Plevna	\$225
27	Polson	\$7,722
28	Poplar	\$1,544
29	Red Lodge	\$3,903
30	Rexford	\$263

1	Richey	\$309
2	Ronan	\$3,262
3	Roundup	\$3,280
4	Ryegate	\$465
5	Saco	\$354
6	Scobey	\$1,798
7	Shelby	\$5,677
8	Sheridan	\$1,150
9	Sidney	\$7,747
10	Stanford	\$737
11	Stevensville	\$3,063
12	St. Ignatius	\$1,367
13	Sunburst	\$709
14	Superior	\$1,521
15	Terry	\$1,011
16	Thompson Falls	\$2,272
17	Three Forks	\$3,130
18	Townsend	\$3,286
19	Troy	\$1,654
20	Twin Bridges	\$695
21	Valier	\$817
22	Virginia City	\$223
23	Walkerville	\$1,183
24	West Yellowstone	\$2,083
25	Westby	\$263
26	White Sulphur Springs	\$1,734
27	Whitefish	\$9,932
28	Whitehall	\$1,889
29	Wibaux	\$893
30	Winifred	\$259



1	Winnett	\$314
2	Wolf Point	\$4,497

3 (ii) The department shall calculate the average annual growth rate of the Montana gross state product,  
4 as published by the bureau of economic analysis of the United States department of commerce, for the following  
5 periods:

6 (A) the last 4 calendar years for which the information has been published; and

7 (B) the 4 calendar years beginning with the year before the first year in the period referred to in  
8 subsection (3)(a)(ii)(A).

9 (iii) The department shall calculate the average annual growth rate of Montana personal income, as  
10 published by the bureau of economic analysis of the United States department of commerce, for the following  
11 periods:

12 (A) the last 4 calendar years for which the information has been published; and

13 (B) the 4 calendar years beginning with the year before the first year in the period referred to in  
14 subsection (3)(a)(iii)(A).

15 (b) (i) The entitlement share pool growth rate for the first year of the biennium must be the following  
16 percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(B) and (3)(a)(iii)(B):

17 (A) for counties, 54%;

18 (B) for consolidated local governments, 62%; and

19 (C) for incorporated cities and towns, 70%.

20 (ii) The entitlement share pool growth rate for the second year of the biennium must be the following  
21 percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(A) and (3)(a)(iii)(A):

22 (A) for counties, 54%;

23 (B) for consolidated local governments, 62%; and

24 (C) for incorporated cities and towns, 70%.

25 (4) As used in this section, "local government" means a county, a consolidated local government, an  
26 incorporated city, and an incorporated town. A local government does not include a tax increment financing  
27 district provided for in subsection (6). For purposes of calculating the base year component for a county or  
28 consolidated local government, the department shall include the revenue listed in subsection (1) for all special  
29 districts within the county or consolidated local government. The county or consolidated local government is  
30 responsible for making an allocation from the county's or consolidated local government's share of the entitlement

1 share pool to each special district within the county or consolidated local government in a manner that reasonably  
2 reflects each special district's loss of revenue sources listed in subsection (1).

3 (5) (a) The entitlement share pools calculated in this section and the block grants provided for in  
4 subsection (6) are statutorily appropriated, as provided in 17-7-502, from the general fund to the department for  
5 distribution to local governments. The statutory appropriation is subject to termination as provided in 17-7-502.  
6 ~~Each Subject to appropriation, each~~ local government is entitled to a pro rata share of each year's entitlement  
7 share pool based on the local government's base component in relation to the base year entitlement share pool.  
8 ~~The Subject to appropriation, the~~ distributions must be made on a quarterly basis.

9 (b) (i) The growth amount is the difference between the entitlement share pool in the current fiscal year  
10 and the entitlement share pool in the previous fiscal year. For the purposes of subsection (5)(b)(ii)(A), a county  
11 with a negative base year component has a base year component of zero. The growth factor in the entitlement  
12 share must be calculated separately for:

- 13 (A) counties;  
14 (B) consolidated local governments; and  
15 (C) incorporated cities and towns.

16 (ii) In each fiscal year, the growth amount for counties must be allocated as follows:

17 (A) 50% of the growth amount must be allocated based upon each county's percentage of the base year  
18 entitlement share pool for all counties; and

19 (B) 50% of the growth amount must be allocated based upon the percentage that each county's  
20 population bears to the state population not residing within consolidated local governments as determined by the  
21 latest interim year population estimates from the Montana department of commerce as supplied by the United  
22 States bureau of the census.

23 (iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as  
24 follows:

25 (A) 50% of the growth amount must be allocated based upon each consolidated local government's  
26 percentage of the base year entitlement share pool for all consolidated local governments; and

27 (B) 50% of the growth amount must be allocated based upon the percentage that each consolidated local  
28 government's population bears to the state's total population residing within consolidated local governments as  
29 determined by the latest interim year population estimates from the Montana department of commerce as  
30 supplied by the United States bureau of the census.

1 (iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

2 (A) 50% of the growth amount must be allocated based upon each incorporated city's or town's  
 3 percentage of the base year entitlement share pool for all incorporated cities and towns; and

4 (B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's  
 5 population bears to the state's total population residing within incorporated cities and towns as determined by the  
 6 latest interim year population estimates from the Montana department of commerce as supplied by the United  
 7 States bureau of the census.

8 (v) In each fiscal year, the amount of the entitlement share pool not represented by the growth amount  
 9 is distributed to each local government in the same manner as the entitlement share pool was distributed in the  
 10 prior fiscal year.

11 (6) (a) If a tax increment financing district was not in existence during the fiscal year ending June 30,  
 12 2000, then the tax increment financing district is not entitled to any block grant. If a tax increment financing district  
 13 referred to in subsection (6)(b) terminates, then the block grant provided for in subsection (6)(b) terminates.

14 (b) ~~One-half~~ Subject to appropriation, one-half of the payments provided for in this subsection (6)(b) must  
 15 be made by November 30 and the other half by May 31 of each year. Subject to subsection (6)(a), the entitlement  
 16 share for tax increment financing districts is as follows:

17	Cascade	Great Falls - downtown	\$468,966
18	Deer Lodge	TIF District 1	3,148
19	Deer Lodge	TIF District 2	3,126
20	Flathead	Kalispell - District 1	758,359
21	Flathead	Kalispell - District 2	5,153
22	Flathead	Kalispell - District 3	41,368
23	Flathead	Whitefish District	164,660
24	Gallatin	Bozeman - downtown	34,620
25	Lewis and Clark	Helena - #2	731,614
26	Missoula	Missoula - 1-1B & 1-1C	1,100,507
27	Missoula	Missoula - 4-1C	33,343
28	Silver Bow	Butte - uptown	283,801
29	Yellowstone	Billings	436,815

30 (7) The estimated base year entitlement share pool and any subsequent entitlement share pool for local

1 governments do not include revenue received from countywide transportation block grants.

2 (8) (a) If revenue that is included in the sources listed in subsections (1)(b) through (1)(o) is significantly  
3 reduced, except through legislative action, the department shall deduct the amount of revenue loss from the  
4 entitlement share pool beginning in the succeeding fiscal year and the department shall work with local  
5 governments to propose legislation to adjust the entitlement share pool to reflect an allocation of the loss of  
6 revenue.

7 (b) For the purposes of subsection (8)(a), a significant reduction is a loss that causes the amount of  
8 revenue received in the current year to be less than 95% of the amount of revenue received in the base year.

9 ~~—————(9) A three-fifths vote of each house is required to reduce the amount of the entitlement share calculated  
10 pursuant to subsections (1) through (3).~~

11 ~~(+0)(9)~~ When there has been an underpayment of a local government's share of the entitlement share  
12 pool, the department shall distribute the difference between the underpayment and the correct amount of the  
13 entitlement share. When there has been an overpayment of a local government's entitlement share, the local  
14 government shall remit the overpaid amount to the department.

15 ~~(+1)(10)~~ A local government may appeal the department's estimation of the base year component, the  
16 entitlement share pool growth rate, or a local government's allocation of the entitlement share pool, according  
17 to the uniform dispute review procedure in 15-1-211.

18 ~~(+2)(11)~~ A payment required pursuant to this section may not be offset by a debt owed to a state agency  
19 by a local government in accordance with Title 17, chapter 4, part 1."

20

21 **Section 16.** Section 15-1-218, MCA, is amended to read:

22 **"15-1-218. Out-of-state collections -- authority to enter into contracts -- statutory appropriation.**

23 The department may enter into contracts with out-of-state attorneys, other state tax agencies, and others located  
24 outside the state for out-of-state collections of taxes, fees, and other debt owed the state when the department  
25 determines that the amount collected under a contract will likely exceed the cost of collection. The department  
26 shall deposit the gross amount collected in the account or fund to which the tax, fee, or other debt was originally  
27 owed. The costs of collection are statutorily appropriated, as provided in 17-7-502, from the general fund to the  
28 department for the purposes of this section. The statutory appropriation is subject to termination as provided in  
29 17-7-502."

30

1           **Section 17.** Section 15-36-332, MCA, is amended to read:

2           **"15-36-332. Distribution of taxes to taxing units -- appropriation.** (1) (a) By Subject to appropriation,  
 3 by the dates referred to in subsection (6), the department shall distribute oil and natural gas production taxes  
 4 allocated under 15-36-331(3) to each eligible county.

5           (b) By Subject to appropriation, by the dates referred to in subsection (6), the department shall distribute  
 6 the amount deposited in the oil and gas natural resource distribution account under 15-36-331(2)(b) as provided  
 7 in subsection (8) of this section.

8           (2) (a) Each county treasurer shall distribute the amount of oil and natural gas production taxes  
 9 designated under subsection (1)(a), including the amounts referred to in subsection (2)(b), to the countywide  
 10 elementary and high school retirement funds, countywide transportation funds, and eligible school districts  
 11 according to the following schedule:

	Elementary	High School	Countywide	School
	Retirement	Retirement	Transportation	Districts
14 Big Horn	14.81%	10.36%	2.99%	26.99%
15 Blaine	5.86%	2.31%	2.71%	24.73%
16 Carbon	3.6%	6.62%	1.31%	49.18%
17 Chouteau	8.1%	4.32%	3.11%	23.79%
18 Custer	6.9%	3.4%	1.19%	31.25%
19 Daniels	0	7.77%	3.92%	48.48%
20 Dawson	5.53%	2.5%	1.11%	35.6%
21 Fallon	0	7.63%	1.24%	42.58%
22 Fergus	7.88%	4.84%	2.08%	53.25%
23 Garfield	4.04%	3.13%	5.29%	26.19%
24 Glacier	11.2%	4.87%	3.01%	46.11%
25 Golden Valley	0	11.52%	2.77%	54.65%
26 Hill	6.7%	4.07%	1.59%	49.87%
27 Liberty	4.9%	4.56%	1.15%	35.22%
28 McCone	4.18%	3.19%	2.58%	43.21%
29 Musselshell	5.98%	4.07%	3.53%	32.17%
30 Petroleum	0	11.92%	4.59%	55.48%

1	Phillips	0.43%	6.6%	1.08%	41.29%
2	Pondera	6.96%	5.06%	1.94%	45.17%
3	Powder River	3.96%	2.97%	4.57%	22.25%
4	Prairie	0	8.88%	1.63%	36.9%
5	Richland	4.1%	3.92%	2.26%	43.77%
6	Roosevelt	9.93%	7.37%	2.74%	40.94%
7	Rosebud	3.87%	2.24%	1.05%	72.97%
8	Sheridan	0	3.39%	2.22%	47.63%
9	Stillwater	6.87%	4.86%	1.63%	41.16%
10	Sweet Grass	6.12%	6.5%	2.4%	37.22%
11	Teton	6.88%	8.19%	3.8%	29.43%
12	Toole	2.78%	4.78%	1.3%	43.56%
13	Valley	2.26%	12.61%	4.63%	41.11%
14	Wibaux	0	4.1%	0.77%	31.46%
15	Yellowstone	7.98%	4.56%	1.07%	52.77%
16	All other counties	3.81%	7.84%	1.81%	41.04%

17 (b) (i) The county treasurer shall distribute 9.8% of the Custer County share to the countywide community  
 18 college district in Custer County.

19 (ii) The county treasurer shall distribute 14.5% of the Dawson County share to the countywide community  
 20 college district in Dawson County.

21 (3) The remaining oil and natural gas production taxes for each county must be used for the exclusive  
 22 use and benefit of the county, including districts within the county established by the county.

23 (4) (a) The county treasurer shall distribute oil and natural gas production taxes to school districts in each  
 24 county referred to in subsection (2) as provided in subsections (4)(b) through (4)(d).

25 (b) The amount distributed to each K-12 district within the county is equal to oil and natural gas  
 26 production taxes in the county multiplied by the ratio that oil and natural gas production taxes attributable to oil  
 27 and natural gas production in the K-12 school district bear to total oil and natural gas production taxes attributable  
 28 to total oil and natural gas production in the county and multiply that amount by the school district percentage  
 29 figure for the county referred to in subsection (2)(a).

30 (c) For the amount to be distributed to each elementary school district and to each high school district

1 under subsection (4)(d), the department shall first determine the amount of oil and natural gas taxes in the high  
2 school district that is attributable to oil and natural gas production in each elementary school district that is located  
3 in whole or in part within the exterior boundaries of a high school district and multiply that amount by the school  
4 district percentage figure for the county referred to in subsection (2)(a).

5 (d) (i) The amount distributed to each elementary school district that is located in whole or in part within  
6 the exterior boundaries of a high school district is equal to the amount determined in subsection (4)(c) multiplied  
7 by the ratio that the total mills of the elementary school district bear to the sum of the total mills of the elementary  
8 school district and the total mills of the high school district.

9 (ii) The amount distributed to the high school district is equal to the amount determined in subsection  
10 (4)(c) multiplied by the ratio that the total mills of the high school district bear to the sum of the total mills of each  
11 elementary school district referred to in subsection (4)(c) and the total mills of the high school district.

12 (5) (a) Oil and natural gas production taxes calculated for each school district under subsections (4)(b)  
13 through (4)(d) must be distributed to each school district in the relative proportion of the mill levy for each fund.

14 (b) If a distribution under subsection (5)(a) exceeds the total budget for a school district fund, the board  
15 of trustees of an elementary or high school district may reallocate the excess to any budgeted fund of the school  
16 district.

17 (6) ~~The~~ Subject to appropriation, the department shall remit the amounts to be distributed in this section  
18 to the county treasurer by the following dates:

19 (a) On or before August 1 of each year, the department shall remit to the county treasurer oil and natural  
20 gas production tax payments received for the calendar quarter ending March 31 of the current year.

21 (b) On or before November 1 of each year, the department shall remit to the county treasurer oil and  
22 natural gas production tax payments received for the calendar quarter ending June 30 of the current year.

23 (c) On or before February 1 of each year, the department shall remit to the county treasurer oil and  
24 natural gas production tax payments received for the calendar quarter ending September 30 of the previous year.

25 (d) On or before May 1 of each year, the department shall remit to the county treasurer oil and natural  
26 gas production tax payments received for the calendar quarter ending December 31 of the previous year.

27 (7) The department shall provide to each county by May 31 of each year the amount of gross taxable  
28 value represented by all types of production taxed under 15-36-304 for the previous calendar year multiplied by  
29 60%. The resulting value must be treated as taxable value for county classification purposes under 7-1-2111.

30 (8) ~~The~~ Subject to appropriation, the department shall distribute the funds received under

1 15-36-331(2)(b) to counties based on county oil and gas production. Of the distribution to a county, one-third must  
2 be distributed to the county government and two-thirds must be distributed to incorporated cities and towns within  
3 the county. If there is more than one incorporated city or town within the county, the city and town allocation must  
4 be distributed to the cities and towns based on their relative populations.

5 (9) The distributions to taxing units and to counties and incorporated cities and towns under this section  
6 are statutorily appropriated, as provided in 17-7-502, from the state special revenue fund. The statutory  
7 appropriation is subject to termination as provided in 17-7-502."

8

9 **Section 18.** Section 15-37-117, MCA, is amended to read:

10 **"15-37-117. Disposition of metalliferous mines license taxes.** (1) Metalliferous mines license taxes  
11 collected under the provisions of this part must, in accordance with the provisions of 17-2-124, be allocated as  
12 follows:

13 (a) to the credit of the general fund of the state, 57% of total collections each year;

14 (b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 2.5% of total  
15 collections each year;

16 (c) to the hard-rock mining reclamation debt service fund established in 82-4-312, 8.5% of total  
17 collections each year;

18 (d) to the natural resources operations state special revenue account established in 15-38-301, 7% of  
19 total collections each year; and

20 (e) subject to appropriation, within 60 days of the date the tax is payable pursuant to 15-37-105, to the  
21 county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or  
22 local government costs, under an impact plan for a large-scale mineral development prepared and approved  
23 pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if an  
24 impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year,  
25 to be allocated by the county commissioners as follows:

26 (i) not less than 37.5% to the county hard-rock mine trust account established in 7-6-2225; and

27 (ii) all money not allocated to the account pursuant to subsection (1)(e)(i) to be further allocated as  
28 follows:

29 (A) 33 1/3% is allocated to the county for general planning functions or economic development activities  
30 as described in 7-6-2225(3)(c) through (3)(e);



1 (B) 33 1/3% is allocated to the elementary school districts within the county that have been affected by  
2 the development or operation of the metal mine; and

3 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by the  
4 development or operation of the metal mine.

5 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies  
6 a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under subsection (1)(e) in a  
7 manner similar to that provided for property tax sharing under Title 90, chapter 6, part 4.

8 (3) The department shall return to the county in which metals are produced the tax collections allocated  
9 under subsection (1)(e). The allocation to the county described by subsection (1)(e) is a statutory appropriation  
10 pursuant to 17-7-502. The statutory appropriation is subject to termination as provided in 17-7-502.

11

12 **Section 19.** Section 15-39-110, MCA, is amended to read:

13 **"15-39-110. Distribution of taxes.** (1) (a) For each semiannual period, the department shall determine  
14 the amount of tax, late payment interest, and penalties collected under this part from bentonite mines that  
15 produced bentonite before January 1, 2005. The tax is distributed as provided in subsections (2) through (9).

16 (b) For each semiannual period, the department shall determine the amount of tax, late payment interest,  
17 and penalties collected under this part from bentonite mines that first began producing bentonite after December  
18 31, 2004. The tax is distributed as provided in subsection (10).

19 (2) The percentage of the tax determined under subsection (1)(a) and specified in subsections (3)  
20 through (9) is allocated according to the following schedule:

21 (a) 2.33% to the state special revenue fund to be appropriated to the Montana university system for the  
22 purposes of the state tax levy as provided in 15-10-108;

23 (b) 18.14% to the state general fund to be appropriated for the purposes of the tax levies as provided  
24 in 20-9-331, 20-9-333, and 20-9-360;

25 (c) 3.35% to Carbon County to be distributed in proportion to current fiscal year mill levies in the taxing  
26 jurisdictions in which production occurs, except a distribution may not be made for county and state levies under  
27 15-10-108, 20-9-331, 20-9-333, and 20-9-360; and

28 (d) 76.18% to Carter County to be distributed in proportion to current fiscal year mill levies in the taxing  
29 jurisdictions in which production occurs, except a distribution may not be made for county and state levies under  
30 15-10-108, 20-9-331, 20-9-333, and 20-9-360.

1 (3) For the production of bentonite occurring after December 31, 2008, and before January 1, 2010, 60%  
2 of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 40% must  
3 be distributed as provided in subsection (10).

4 (4) For the production of bentonite occurring after December 31, 2009, and before January 1, 2011, 50%  
5 of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 50% must  
6 be distributed as provided in subsection (10).

7 (5) For the production of bentonite occurring after December 31, 2010, and before January 1, 2012, 40%  
8 of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 60% must  
9 be distributed as provided in subsection (10).

10 (6) For the production of bentonite occurring after December 31, 2011, and before January 1, 2013, 30%  
11 of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 70% must  
12 be distributed as provided in subsection (10).

13 (7) For the production of bentonite occurring after December 31, 2012, and before January 1, 2014, 20%  
14 of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 80% must  
15 be distributed as provided in subsection (10).

16 (8) For the production of bentonite occurring after December 31, 2013, and before January 1, 2015, 10%  
17 of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 90% must  
18 be distributed as provided in subsection (10).

19 (9) For the production of bentonite occurring in tax years beginning after December 31, 2014, 100% of  
20 the tax determined under subsection (1)(a) must be distributed as provided in subsection (10).

21 (10) For the production of bentonite, 100% of the tax determined under subsection (1)(b) and the  
22 distribution percentages determined under subsections (3) through (9) are allocated according to the following  
23 schedule:

24 (a) 1.30% to the state special revenue fund to be appropriated to the Montana university system for the  
25 purposes of the state tax levy as provided in 15-10-108;

26 (b) 20.75% to the state general fund to be appropriated for the purposes of the tax levies as provided  
27 in 20-9-331, 20-9-333, and 20-9-360;

28 (c) 77.95% to the county in which production occurred to be distributed in proportion to current fiscal year  
29 mill levies in the taxing jurisdictions in which production occurs, except a distribution may not be made for county  
30 and state levies under 15-10-108, 20-9-331, 20-9-333, and 20-9-360.

1 (11) ~~The~~ Subject to appropriation, the department shall remit the amounts to be distributed in this section  
2 to the county treasurer by the following dates:

3 (a) On or before October 1 of each year, the department shall remit the county's share of bentonite  
4 production tax payments received for the semiannual period ending June 30 of the current year to the county  
5 treasurer.

6 (b) On or before April 1 of each year, the department shall remit the county's share of bentonite  
7 production tax payments received to the county treasurer for the semiannual period ending December 31 of the  
8 previous year.

9 (12) (a) The department shall also provide to each county the amount of gross yield of value from  
10 bentonite, including royalties, for the previous calendar year. Thirty-three and one-third percent of the gross yield  
11 of value must be treated as taxable value for county classification purposes under 7-1-2111 and for determining  
12 school district debt limits under 20-9-406.

13 (b) The percentage amount of the gross yield of value determined under subsection (12)(a) must be  
14 treated as assessed value under 15-8-111 for the purposes of local government debt limits and other bonding  
15 provisions as provided by law.

16 (13) The bentonite tax proceeds are statutorily appropriated, as provided in 17-7-502, to the department  
17 for distribution as provided in this section. The statutory appropriation is subject to termination as provided in  
18 17-7-502."

19

20 **Section 20.** Section 15-65-121, MCA, is amended to read:

21 **"15-65-121. Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must,  
22 in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to  
23 the credit of the department. The department may spend from that account in accordance with an expenditure  
24 appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of  
25 the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as  
26 provided in subsections (1)(a) through (1)(e) of this section, the department shall determine the expenditures by  
27 state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds  
28 received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state  
29 lodging expenditures were paid by state agencies. The amount of \$400,000 each year must be deposited in the  
30 Montana heritage preservation and development account provided for in 22-3-1004. The balance of the tax

1 proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited  
2 in the fund or funds from which in-state lodging expenditures were paid by state agencies, or deposited in the  
3 heritage preservation and development account is statutorily appropriated, as provided in 17-7-502, and must  
4 be transferred to an account in the state special revenue fund to the credit of the department of commerce for  
5 tourism promotion and promotion of the state as a location for the production of motion pictures and television  
6 commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife,  
7 and parks, as follows:

8 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside  
9 historical signs and historic sites;

10 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel research  
11 program;

12 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that  
13 have both resident and nonresident use;

14 (d) 67.5% to be used directly by the department of commerce; and

15 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to regional  
16 nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds  
17 collected statewide; and

18 (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort  
19 area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit  
20 tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is  
21 located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county,  
22 resort area, or resort area district.

23 (2) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for  
24 funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an  
25 annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit  
26 tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is  
27 located.

28 (3) If a regional nonprofit tourism corporation (3) fails to submit and gain approval for an annual marketing  
29 plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation  
30 may be used by the department of commerce for tourism promotion and promotion of the state as a location for

1 the production of motion pictures and television commercials.

2 (4) The statutory appropriation in this section is subject to termination as provided in 17-7-502.

3

4 **Section 21.** Section 15-70-101, MCA, is amended to read:

5 **"15-70-101. Disposition of funds.** (1) All taxes collected under this chapter must, in accordance with  
6 the provisions of 17-2-124, be placed in a highway revenue account in the state special revenue fund to the credit  
7 of the department of transportation. All interest and income earned on the account must be deposited to the credit  
8 of the account and any unexpended balance in the account must remain in the account. Those funds allocated  
9 to cities, towns, counties, and consolidated city-county governments in this section must, in accordance with the  
10 provisions of 17-2-124, be paid by the department of transportation from the state special revenue fund to the  
11 cities, towns, counties, and consolidated city-county governments.

12 (2) The amount of \$16,766,000 of the taxes collected under this chapter is statutorily appropriated, as  
13 provided in 17-7-502, to the department of transportation and must be allocated each fiscal year on a monthly  
14 basis to the counties, incorporated cities and towns, and consolidated city-county governments in Montana for  
15 construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as  
16 provided in subsections (2)(a) through (2)(c):

17 (a) The amount of \$100,000 must be designated for the purposes and functions of the Montana local  
18 technical assistance transportation program in Bozeman.

19 (b) The amount of \$6,306,000 must be divided among the various counties in the following manner:

20 (i) 40% in the ratio that the rural road mileage in each county, exclusive of the national highway system  
21 and the primary system, bears to the total rural road mileage in the state, exclusive of the national highway  
22 system and the primary system;

23 (ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears  
24 to the total rural population in the state outside incorporated cities and towns;

25 (iii) 20% in the ratio that the land area of each county bears to the total land area of the state.

26 (c) The amount of \$10,360,000 must be divided among the incorporated cities and towns in the following  
27 manner:

28 (i) 50% of the sum in the ratio that the population within the corporate limits of the city or town bears to  
29 the total population within corporate limits of all the cities and towns in Montana;

30 (ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the national highway system

1 and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of the national  
2 highway system and primary system, within the corporate limits of all cities and towns in Montana.

3 (3) (a) For the purpose of allocating the funds in subsections (2)(b) and (2)(c) to a consolidated  
4 city-county government, each entity must be considered to have separate city and county boundaries. The city  
5 limit boundaries are the last official city limit boundaries for the former city unless revised boundaries based on  
6 the location of the urban area have been approved by the department of transportation and must be used to  
7 determine city and county populations and road mileages in the following manner:

8 (i) Percentage factors must be calculated to determine separate populations for the city and rural county  
9 by using the last official decennial federal census population figures that recognized an incorporated city and the  
10 rural county. The factors must be based on the ratio of the city to the rural county population, considering the total  
11 population in the county minus the population of any other incorporated city or town in the county.

12 (ii) The city and county populations must be calculated by multiplying the total county population, as  
13 determined by the latest official decennial census or the latest interim year population estimates from the Montana  
14 department of commerce as supplied by the United States bureau of the census, minus the population of any  
15 other incorporated city or town in that county, by the factors established in subsection (3)(a)(i).

16 (b) The amount allocated by this method for the city and the county must be combined, and single  
17 monthly payments must be made to the consolidated city-county government.

18 (4) All funds allocated by this section to counties, cities, towns, and consolidated city-county  
19 governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or  
20 town streets and alleys or for the share that the city, town, county, or consolidated city-county government might  
21 otherwise expend for proportionate matching of federal funds allocated for the construction of roads or streets  
22 that are part of the primary or secondary highway system or urban extensions to those systems. The governing  
23 body of a town or third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds  
24 allocated to that town or third-class city for the purchase of capital equipment and supplies to be used for the  
25 maintenance and repair of town or third-class city streets and alleys. The governing body of a town or third-class  
26 city may place all or a part of the 25% in a restricted asset account within the gas tax apportionment fund that is  
27 carried forward until there is a need for the expenditure.

28 (5) All funds allocated by this section to counties, cities, towns, and consolidated city-county  
29 governments must be disbursed to the lowest responsible bidder according to applicable bidding procedures  
30 followed in all cases in which the contract for construction, reconstruction, maintenance, or repair is in excess

1 of \$25,000.

2 (6) For the purposes of this section in which distribution of funds is made on a basis related to population,  
3 the population must be determined annually for counties and biennially for cities according to the latest official  
4 decennial census or the latest interim year population estimates from the Montana department of commerce as  
5 supplied by the United States bureau of the census.

6 (7) For the purposes of this section in which determination of mileage is necessary for distribution of  
7 funds, it is the responsibility of the cities, towns, counties, and consolidated city-county governments to furnish  
8 to the department of transportation a yearly certified statement indicating the total mileage within their respective  
9 areas applicable to this chapter. All mileage submitted is subject to review and approval by the department of  
10 transportation.

11 (8) Except by a town or third-class city as provided in subsection (4), the funds authorized by this section  
12 may not be used for the purchase of capital equipment.

13 (9) Funds authorized by this section must be used for construction and maintenance programs.

14 (10) The statutory appropriation in this section is subject to termination as provided in 17-7-502.

15

16 **Section 22.** Section 15-70-369, MCA, is amended to read:

17 **"15-70-369. Refund for taxes paid on biodiesel by distributor or retailer -- statement -- payment**  
18 **-- appropriation -- records -- report to interim committee.** (1) A licensed distributor who pays the special fuel  
19 tax under 15-70-343 on biodiesel, as defined in 15-70-301, may claim a refund equal to 2 cents a gallon on  
20 biodiesel sold during the previous calendar quarter if the biodiesel is produced entirely from biodiesel ingredients  
21 produced in Montana.

22 (2) The owner or operator of a retail motor fuel outlet may claim a refund equal to 1 cent a gallon on  
23 biodiesel on which the special fuel tax has been paid and that is purchased from a licensed distributor if the  
24 biodiesel is produced entirely from biodiesel ingredients produced in Montana.

25 (3) (a) To receive the refund allowed under subsection (1) or (2), the licensed distributor or the owner  
26 or operator of a motor fuel outlet shall file a statement within 30 days after the end of each calendar quarter on  
27 a form provided by the department.

28 (b) The statement provided by a licensed distributor must set forth information required by the  
29 department, including the gallons of biodiesel sold and the source of ingredients used to produce biodiesel.

30 (c) The statement provided by the owner or operator of a retail motor fuel outlet must set forth information

1 required by the department, including the gallons of biodiesel purchased.

2 (4) The payment of the refund allowed by this section must be made by the department within 90 days  
3 after the claim for a refund is filed by the licensed distributor or the owner or operator of a retail motor fuel outlet.  
4 Tax refund payments under this section are statutorily appropriated, as provided in 17-7-502, from the state  
5 general fund. The statutory appropriation is subject to termination as provided in 17-7-502.

6 (5) The records of each licensed distributor or owner or operator of a retail motor fuel outlet must be kept  
7 for a period of not more than 3 years and must include receipts, invoices, and other information as the department  
8 may require.

9 (6) The department or its authorized representative may examine the books, papers, or records of any  
10 licensed distributor or owner or operator of a retail motor fuel outlet.

11 (7) The department shall report to the revenue and transportation interim committee at least once each  
12 year the number and type of taxpayers claiming the refund under this section, the total amount of the refund  
13 claimed, and the department's cost associated with administering the refund."  
14

15 **Section 23.** Section 15-70-601, MCA, is amended to read:

16 **"15-70-601. Biodiesel production incentive -- appropriation.** (1) (a) There is a tax incentive payable  
17 to biodiesel producers for increases in annual production the first 3 years of production. The tax incentive under  
18 this section applies to biodiesel upon which the tax has been paid under 15-70-343 by a licensed distributor. For  
19 the purposes of this section, the production year is the period from July 1 of the current year to June 30 of the  
20 succeeding year.

21 (b) Payments made by the department are statutorily appropriated, as provided in 17-7-502, from the  
22 state general fund. The statutory appropriation is subject to termination as provided in 17-7-502.

23 (2) Except as provided in subsection (3), the tax incentive on each gallon of increased biodiesel  
24 production over the previous year, in accordance with subsection (1), is 10 cents a gallon for each gallon of  
25 increased production. Beginning July 1, 2010, there is no tax incentive.

26 (3) The tax incentive in subsection (2) may be claimed for:

27 (a) the first year's total production;

28 (b) the production in the second year that exceeds production in the first year; and

29 (c) the production in the third year that exceeds production in the second year.

30 (4) After the department has verified production, the department shall begin payments of the biodiesel



1 tax incentives based on actual production according to the terms of subsection (3).

2 (5) As used in this section, "biodiesel producer" means a person who engages in the business of  
3 producing, refining, or manufacturing in Montana biodiesel for sale, use, or distribution.

4 (6) The department shall adopt rules necessary to carry out the provisions of this section."  
5

6 **Section 24.** Section 16-11-509, MCA, is amended to read:

7 **"16-11-509. Penalties and other remedies.** (1) In addition to any other civil or criminal remedy provided  
8 by law, upon a determination that a wholesaler has violated 16-11-505 or any rule adopted pursuant to that  
9 section, the department may revoke or suspend the license of the wholesaler in the manner provided by  
10 16-11-144 in a proceeding initiated by the department or at the request of the attorney general. For each violation  
11 of 16-11-505, a civil penalty in the amount of \$250 for the first full or partial pack and \$10 for each additional full  
12 or partial pack to which a tax insignia is affixed or that is sold, offered for sale, or possessed for sale in violation  
13 of 16-11-505 may be imposed. Each tax insignia affixed, each offer to sell cigarettes, and each pack sold, offered  
14 for sale, or possessed for sale in violation of 16-11-505 constitutes a separate violation. The penalty may be  
15 imposed in the manner provided by 16-11-143(2) in a proceeding brought by the department or the attorney  
16 general.

17 (2) Any cigarettes that have been sold, offered for sale, or possessed for sale in this state in violation  
18 of 16-11-505 may be considered contraband under 16-11-147. The cigarettes are subject to seizure and forfeiture  
19 as provided in 16-11-147, and all cigarettes seized and forfeited must be destroyed and not resold.

20 (3) The attorney general may seek an injunction to restrain a threatened or actual violation of 16-11-505  
21 or 16-11-507(1) or (4) by a wholesaler and to compel the wholesaler to comply with those sections.

22 (4) (a) In any action brought pursuant to this part, the prevailing party is entitled to recover the costs of  
23 the action and reasonable attorney fees calculated as provided in 16-11-404. If the state is the prevailing party,  
24 its recoverable costs must include the state's costs of investigation of the violation.

25 (b) In cases in which the state is the prevailing party and outside counsel represents the attorney  
26 general, the attorney fees awarded must equal the outside counsel charges reasonably incurred by the attorney  
27 general's office for attorney fees and expenses in prosecuting the action. In all other cases in which the state is  
28 the prevailing party, the state's attorney fees must be calculated by reference to the hourly rate charged by the  
29 agency legal services bureau of the department for the provision of legal services to state agencies, multiplied  
30 by the number of attorney hours devoted to the prosecution of the action, plus the actual cost of any expenses

1 reasonably incurred in the prosecution of the action.

2 (5) (a) It is unlawful for a person to:

3 (i) sell, offer for sale, or distribute cigarettes that the person knows or should know are intended for  
4 distribution or sale in the state in violation of 16-11-505; or

5 (ii) acquire, hold, own, possess, transport, import, or cause to be imported cigarettes that the person  
6 knows or should know are intended for distribution or sale in the state in violation of 16-11-505.

7 (b) A violation of this section is a misdemeanor punishable as provided in 16-11-148.

8 (6) If a court determines that a person has violated this part, the court shall order any profits, gain, gross  
9 receipts, or other benefit from the violation to be paid to the state treasurer for deposit in the trust fund created  
10 by Article XII, section 4, of the Montana constitution.

11 (7) Penalties, investigation expenses, attorney fees, and costs recovered under parts 4 and 5 of this  
12 chapter are allocated to the department of justice for deposit in the major litigation account and may be used for  
13 any purpose for which funds deposited in that account may be used. The funds are statutorily appropriated, as  
14 provided in 17-7-502, to the department of justice. The statutory appropriation is subject to termination as  
15 provided in 17-7-502.

16 (8) Unless otherwise expressly provided, the remedies or penalties provided by this part are cumulative  
17 to each other and to the remedies or penalties available under all other laws of this state. (Certain provisions void  
18 on occurrence of contingency--sec. 16, Ch. 397, L. 2003--see part compiler's comment.)"

19

20 **Section 25.** Section 17-3-106, MCA, is amended to read:

21 **"17-3-106. Fiscal officer for receipt of federal grants.** (1) The state treasurer is designated as the  
22 fiscal officer of the state to receive from the United States government or any of its agencies all funds that may  
23 be made available as a grant to the state of Montana under any act of congress, or otherwise, for any purpose  
24 or use. The state treasurer shall, upon receipt of the funds, deposit the funds in the proper fund in the state  
25 treasury.

26 (2) A state agency may return from the state treasury, through the state treasurer, any federal funds and  
27 the interest earned on the funds that may not be retained by the state according to federal law or the terms of the  
28 federal grant that made the funds available. The funds are statutorily appropriated, as provided in 17-7-502, to  
29 the state treasurer for the purpose of returning the funds under the provisions of this subsection. The statutory  
30 appropriation is subject to termination as provided in 17-7-502."

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**Section 26.** Section 17-3-112, MCA, is amended to read:

**"17-3-112. Earnings -- statutory appropriation.** If the federal government directs that funds received under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, must be invested and that the earnings must be expended for the same purpose as the funds generating the earnings, then the earnings are statutorily appropriated, as provided in 17-7-502, for the same purpose as the funds generating the earnings. The statutory appropriation is subject to termination as provided in 17-7-502."

**Section 27.** Section 17-3-212, MCA, is amended to read:

**"17-3-212. Apportionment of forest reserve funds and other federal funds among counties.** (1) The forest reserve funds, all Public Law 106-393 funds, all Public Law 110-343 funds, and earned interest are statutorily appropriated, as provided in 17-7-502, from the federal special revenue fund to the department. The statutory appropriation is subject to termination as provided in 17-7-502. The department shall apportion all forest reserve funds, all Public Law 106-393 funds, all Public Law 110-343 funds, and earned interest for allocation among the counties in which the forest reserve is situated based upon federal law and this section.

(2) The Subject to appropriation by the legislature, the state treasurer shall pay the apportioned amounts plus interest, as provided in 17-3-211, to the respective counties."

**Section 28.** Section 17-3-222, MCA, is amended to read:

**"17-3-222. Apportionment of money to counties.** (1) The state treasurer shall apportion the money received under 17-3-221 to the appropriate counties and then allocate the money due each county as follows:

(a) 50% to the county treasurer for deposit in the county general fund; and

(b) 50% to the state general fund to be used for the elementary BASE funding programs of the school districts in the county.

(2) The payments from the state to the county treasurers provided for in subsection (1) are statutorily appropriated as provided in 17-7-502. The statutory appropriation is subject to termination as provided in 17-7-502."

**Section 29.** Section 17-3-241, MCA, is amended to read:

**"17-3-241. Mineral impact account.** There is a mineral impact account. Money must be deposited in

1 the impact account as provided in 17-3-240. The money in the impact account must be distributed to counties  
2 from which the minerals were produced that resulted in the deposit of the mineral royalty revenue in the impact  
3 account. Beginning July 1, 2003, the impact account is statutorily appropriated, as provided in 17-7-502. The  
4 statutory appropriation is subject to termination as provided in 17-7-502."

5

6 **Section 30.** Section 17-6-101, MCA, is amended to read:

7 **"17-6-101. Deposit of funds in hands of state treasurer.** (1) Under the direction of the board of  
8 investments, the state treasurer shall deposit public money in the treasurer's possession and under the  
9 treasurer's control in solvent banks, building and loan associations, savings and loan associations, and credit  
10 unions located in the state, except as otherwise provided by law, subject to national supervision or state  
11 examination.

12 (2) If needed financial services are not available through solvent banks, building and loan associations,  
13 savings and loan associations, and credit unions located in the state, the state treasurer may deposit public  
14 money in out-of-state financial institutions subject to national supervision.

15 (3) The state treasurer shall deposit funds in banks, building and loan associations, savings and loan  
16 associations, and credit unions in amounts that may be designated by the board of investments and shall  
17 withdraw deposits when instructed to by the board of investments.

18 (4) When money has been deposited under the board of investments and in accordance with the law,  
19 the state treasurer is not liable for loss on account of any deposit occurring from any cause other than the  
20 treasurer's own neglect or fraud.

21 (5) The state treasurer shall withdraw all deposits or any part of the deposits from time to time to pay and  
22 discharge the legal obligations of the state presented to the treasurer in accordance with the law.

23 (6) The state treasurer may contract with a financial institution to provide general depository banking  
24 services. The cost of contracting for banking services is statutorily appropriated, as provided in 17-7-502, from  
25 the general fund. The statutory appropriation is subject to termination as provided in 17-7-502."

26

27 **Section 31.** Section 17-7-502, MCA, is amended to read:

28 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
29 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the  
30 need for a biennial legislative appropriation or budget amendment and that is subject to legislative review and

1 termination as provided in this section.

2 (2) Except as provided in subsection ~~(4)~~ (6), 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)~~ (4).

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

7 (3) The statutory appropriation and statutory authority to spend terminate as provided in subsection (5).

8 The legislature may extend statutory appropriations by amending this section. Statutory appropriations that are  
9 not listed in subsection (5) are not subject to termination unless otherwise provided by law.

10 ~~(3)~~(4) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;  
11 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312;  
12 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121;  
13 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101;  
14 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506;  
15 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-5-306;  
16 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101;  
17 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870;  
18 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 81-10-103;  
19 82-11-161; 87-1-230; 87-1-603; 87-1-621; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

20 (5) (a) The statutory appropriation and authority to spend for the following laws terminate on June 30,  
21 2013: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203;  
22 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-36-332; 15-37-117; 15-39-110; 15-65-121;  
23 15-70-101; 15-70-369; and 15-70-601.

24 (b) The statutory appropriation and authority to spend for the following laws terminate on June 30, 2015:  
25 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 18-11-112; 19-3-319; 19-6-404;  
26 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-607; 19-21-203; 20-8-107; 20-9-534;  
27 20-9-622; and 20-26-1503.

28 (c) The statutory appropriation and authority to spend for the following laws terminate on June 30, 2017:  
29 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503;  
30 41-5-2011; 42-2-105; 44-4-1101; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-24-108; and 53-24-206.

1 (d) The statutory appropriations and authority to spend for the following laws terminate on June 30, 2019:  
 2 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-108; 77-2-362; 80-2-222;  
 3 80-4-416; 80-11-518; 81-10-103; 82-11-161; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; and 90-9-306.

4 (6) If a statutory appropriation and authority to spend terminates as provided in subsection (5) and as  
 5 a result of the termination a local government unit or school district is required to perform an activity or provide  
 6 a service or facility that requires the direct expenditure of additional funds that is not expected of local  
 7 governments in the scope of their usual operations as provided in 1-2-112 and 1-2-113, then the financing for the  
 8 activity, service, or facility must be contained in the general appropriations act.

9 ~~(4)~~(7) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
 10 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
 11 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana  
 12 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state  
 13 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory  
 14 appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion  
 15 of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is  
 16 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch.  
 17 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 17, Ch. 593, L. 2005, and  
 18 sec. 1, Ch. 186, L. 2009, the inclusion of 15-31-906 terminates January 1, 2015; pursuant to sec. 73, Ch. 44, L.  
 19 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the  
 20 supplemental benefit provided by 19-6-709; pursuant to sec. 14, Ch. 374, L. 2009, the inclusion of 53-9-113  
 21 terminates June 30, 2015; pursuant to sec. 8, Ch. 427, L. 2009, the inclusion of 87-1-230 terminates June 30,  
 22 2013; and pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331 terminates June 30, 2019.)"

23  
 24 **Section 32.** Section 18-11-112, MCA, is amended to read:  
 25 **"18-11-112. Revenue account -- administrative account -- distribution of revenue.** (1) The revenue  
 26 collected by the state, a public agency, or a tribal government under a state-tribal cooperative agreement and  
 27 the administrative expenses, if any, deducted under subsection (2) from the total revenue collected must be  
 28 deposited in separate special revenue accounts.

29 (2) Administrative expenses deducted by the state, a public agency, or a tribal government for collection  
 30 of revenue may not exceed the actual cost of collecting the revenue on a reservation or 5%, whichever is less.

1 Money from an administrative account may be expended only for the purpose of administering the tax or fee  
2 imposed under the state-tribal cooperative agreement or for paying the costs incurred in terminating the  
3 agreement.

4 (3) Except for administrative expenses, if any, deducted under subsection (2), revenue collected by a  
5 public agency under a state-tribal agreement must be deposited in separate special revenue accounts and must  
6 be disbursed as provided for in the agreement. If a public agency that is a party to an agreement is a local  
7 government, the agreement must provide for the disposition of revenue.

8 (4) Money deposited in a state administrative expenses account and in a state special revenue account  
9 is statutorily appropriated, as provided in 17-7-502, to the department or public agency that is a party to a  
10 state-tribal cooperative agreement under 18-11-103, for the purpose of paying administrative expenses or paying  
11 to a tribe its portion of the tax or fee. The statutory appropriations are subject to termination as provided in  
12 17-7-502.

13 (5) If a tax or license or permit fee is collected or refunded pursuant to a state-tribal cooperative  
14 agreement, each party must receive its share as provided in the agreement, notwithstanding any contrary state  
15 statutory, public agency ordinance, or tribal ordinance distribution formula. For distribution of the remainder, the  
16 state statutory, public agency, or tribal distribution formula must apply as if the amount remaining after each party  
17 to the agreement receives its share were the total revenue collected from the tax or license or permit fee."  
18

19 **Section 33.** Section 19-3-319, MCA, is amended to read:

20 **"19-3-319. State contributions for local government and school district employers.** (1) The Subject  
21 to appropriation, the state shall contribute monthly from the general fund to the pension trust fund a sum equal  
22 to 0.1% of the compensation paid to all employees of local government entities and school districts on and after  
23 July 1, 1997, except those employees properly excluded from membership.

24 (2) (a) Subject to appropriation and subsection (2)(b), in addition to the contribution required under  
25 subsection (1), the state shall contribute monthly from the general fund to the pension trust fund a sum equal to  
26 the following percentage of the compensation paid to all employees of school districts on and after July 1, 2007,  
27 except for those employees properly excluded from membership:

28 (i) beginning July 1, 2007, 0.135%; and

29 (ii) beginning July 1, 2009, 0.27%.

30 (b) The additional contribution under subsection (2)(a) terminates when the additional contribution under

1 19-3-316(3) terminates.

2 (3) The board shall certify amounts due under this section on a monthly basis, and the state treasurer  
3 shall transfer those amounts to the pension trust fund within 1 week. The payments in this section are statutorily  
4 appropriated as provided in 17-7-502. The statutory appropriations are subject to termination as provided in  
5 17-7-502."

6

7 **Section 34.** Section 19-6-404, MCA, is amended to read:

8 "**19-6-404. State employer contribution -- statutory appropriation.** ~~The~~ Subject to appropriation, the  
9 state shall pay as employer contributions 36.33% of compensation paid to all of the employer's employees, except  
10 those properly excluded from membership, from the following sources:

11 (1) an amount equal to 26.15% of the total compensation of the members, which is payable, as  
12 appropriated by the legislature, from the same source that is used to pay compensation to the members; and

13 (2) an amount equal to 10.18% of the total compensation of the members, which is statutorily  
14 appropriated, as provided in 17-7-502, from the general fund to the pension trust fund. The statutory appropriation  
15 is subject to termination as provided in 17-7-502."

16

17 **Section 35.** Section 19-9-702, MCA, is amended to read:

18 "**19-9-702. State contribution.** ~~The~~ Subject to appropriation, the state shall make its contributions from  
19 the general fund. The general fund contributions must be made annually after the end of each fiscal year but no  
20 later than November 1. The board shall notify the state auditor by September 1 of each fiscal year of the annual  
21 compensation paid to all active members during the preceding fiscal year. The state's contribution is 29.37% of  
22 compensation paid to members. The contributions are statutorily appropriated as provided in 17-7-502. The  
23 statutory appropriation is subject to termination as provided in 17-7-502."

24

25 **Section 36.** Section 19-13-604, MCA, is amended to read:

26 "**19-13-604. State contribution.** ~~The~~ Subject to appropriation, the state shall make its contributions from  
27 the general fund. The general fund contributions must be made annually after the end of each fiscal year but no  
28 later than November 1. The board shall notify the state auditor by September 1 of each fiscal year of the annual  
29 compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments,  
30 and payments in lieu of sick leave, paid to all active members during the preceding fiscal year. The state's



1 contribution is 32.61% of this total compensation. The contributions are statutorily appropriated, as provided in  
2 17-7-502. The statutory appropriation is subject to termination as provided in 17-7-502."

3  
4 **Section 37.** Section 19-17-301, MCA, is amended to read:  
5 **"19-17-301. Fire insurance premium tax to be paid into pension trust fund.** ~~The~~ Subject to  
6 appropriation, the state auditor shall annually pay from the general fund to the pension trust fund a sum equivalent  
7 to 5% of the premium taxes collected from insurers authorized to effect insurance against risks enumerated in  
8 50-3-109. The sum must be computed before the amounts provided for by 19-13-604, and 19-18-512 are  
9 deducted. The money must be used for the payment of claims, benefits, and administrative costs as provided in  
10 this chapter. The money is statutorily appropriated as provided in 17-7-502. The statutory appropriation is subject  
11 to termination as provided in 17-7-502."

12  
13 **Section 38.** Section 19-18-512, MCA, is amended to read:  
14 **"19-18-512. State auditor -- payment to association.** (1) ~~After~~ Subject to appropriation by the  
15 legislature, after the end of the fiscal year, the state auditor shall issue and deliver the warrant described in this  
16 subsection to the treasurer of each city or town that has a fire department relief association entitled by law to  
17 receive payments. The warrant must be for the use and benefit of the association. The warrant must be for an  
18 amount equal to 1 1/2 mills of the total taxable value of the city or town and must be paid out of the general fund.  
19 The payment is statutorily appropriated as provided in 17-7-502. The statutory appropriation is subject to  
20 termination as provided in 17-7-502.

21 (2) The payment provided for in subsection (1) must be for at least \$100."

22  
23 **Section 39.** Section 19-19-305, MCA, is amended to read:  
24 **"19-19-305. Annual state payments to municipality with police department.** (1) ~~After~~ Subject to  
25 appropriation, after the end of each fiscal year, the state auditor shall issue and deliver to the treasurer of each  
26 city and town in Montana that has a police department and that is not a participant in the municipal police officers'  
27 retirement system a warrant for an amount computed in the same manner as the amount paid (or that would be  
28 paid if an existing relief association met the legal requirements for payment) to cities and towns for fire department  
29 relief associations pursuant to 19-18-512. The payment from the general fund is statutorily appropriated as  
30 provided in 17-7-502. The statutory appropriation is subject to termination as provided in 17-7-502.

1 (2) Each city or town that has a police retirement fund shall deposit the payment to the credit of its police  
2 retirement fund.

3 (3) Payments provided for in 19-19-205 and subsection (1) of this section are in addition to those  
4 provided for in 19-19-301."

5

6 **Section 40.** Section 19-19-506, MCA, is amended to read:

7 **"19-19-506. Supplement to certain pensions.** (1) The payment for each fiscal year to the police  
8 officers, spouses, or minor children described in subsections (2)(a) through (2)(c) may not be less than one-half  
9 of the salary paid in that fiscal year in the appropriate city or town to newly confirmed police officers.

10 (2) On or before April 1 of each year, the board of trustees shall make a report to the state auditor  
11 including the following information:

12 (a) the names of all police officers who are receiving payments from the police retirement fund of the city  
13 or town as of the date of the report and who were receiving the payments prior to July 1, 1975;

14 (b) the names of all spouses or minor children who are receiving payments from the police retirement  
15 fund because of the death of a police officer who was receiving payments prior to July 1, 1975;

16 (c) the names of all spouses or minor children who are receiving payments from the police retirement  
17 fund and who were receiving payments prior to July 1, 1975, or in the case of minor children, whose parent, the  
18 spouse of a police officer, was receiving payments prior to July 1, 1975;

19 (d) for the purpose of determining the base figure for the computations set forth in subsection (4), the  
20 following information relating to the base fiscal year commencing July 1, 1976:

21 (i) the amount of the payments made in the base fiscal year to each police officer described in subsection  
22 (2)(a);

23 (ii) the amount of the payments made in the base fiscal year to each spouse or minor child described in  
24 subsection (2)(b) or (2)(c);

25 (iii) upon the death after April 18, 1977, of any police officer on the retired list who was receiving  
26 payments from the police retirement fund prior to July 1, 1975, and who is survived by a spouse or minor child  
27 entitled to receive payments from the police retirement fund, the amount that would have been paid to an eligible  
28 spouse of the police officer if that spouse had been receiving payments in the base fiscal year.

29 (3) Each fiscal year immediately after the adoption by a city or town having a police retirement fund of  
30 its budget for that fiscal year, the city or town shall report to the state auditor the salary for that fiscal year of a

1 newly confirmed police officer of that city or town.

2 (4) The state auditor shall, upon receipt of the reports referred to in subsections (2) and (3), compute  
3 the difference between each amount reported under subsections (2)(d)(i) through (2)(d)(iii) and one-half the  
4 salary for the current fiscal year of a newly confirmed police officer of the appropriate city or town. ~~The Subject~~  
5 to appropriation, the difference must be paid by the state auditor out of the general fund to the treasurer of the  
6 appropriate city or town at the same time as and in addition to the payment to be made by the state auditor under  
7 19-19-305(1). The payment is statutorily appropriated as provided in 17-7-502. The statutory appropriation is  
8 subject to termination as provided in 17-7-502.

9 (5) The treasurer of each city or town receiving funds under subsection (4) shall immediately deposit  
10 them to the credit of the city or town's police retirement fund. The board of trustees of the fund shall use the funds  
11 to supplement the monthly payments to persons described in subsections (2)(a) through (2)(c) so that the  
12 requirements of subsection (1) are met.

13 (6) If more than one minor child is entitled to supplementary payments under this section by virtue of the  
14 death of a common parent police officer, the minimum payment to the minor children under this section must be  
15 determined as if there were one minor child and the supplementary payment must be made to the minor children  
16 collectively."  
17

18 **Section 41.** Section 19-20-607, MCA, is amended to read:

19 **"19-20-607. Supplemental state contribution.** (1) ~~Each Subject to appropriation, each~~ month, the state  
20 shall contribute, as a supplemental contribution to the teachers' retirement system, from the general fund to the  
21 pension trust fund an amount equal to:

22 (a) beginning July 1, 2007, through June 30, 2009, 2% of the total earned compensation of school district  
23 and community college active members participating in the system; and

24 (b) beginning July 1, 2009, 2.38% of the total earned compensation of school district and community  
25 college active members participating in the system.

26 (2) The contributions are statutorily appropriated, as provided in 17-7-502, to the pension trust fund. The  
27 statutory appropriation is subject to termination as provided in 17-7-502. The board shall determine and shall  
28 certify to the state treasurer amounts due under this section on a monthly basis. ~~The Subject to appropriation,~~  
29 the state treasurer shall transfer the certified amounts to the pension trust fund within 1 week following receipt  
30 of the certification from the board."

1

2           **Section 42.** Section 19-21-203, MCA, is amended to read:

3           **"19-21-203. Contributions -- supplemental and plan choice rate contributions.** The following  
4 provisions apply to program participants not otherwise covered under 19-21-214:

5           (1) (a) Each program participant shall contribute an amount equal to the member's contribution required  
6 under 19-20-602.

7           (b) (i) Each month, the board of regents shall calculate an amount equal to 1% of each participant's  
8 earned compensation and total the amounts calculated.

9           (ii) The board of regents shall allocate and deposit to the account of each participant the amount  
10 calculated for that participant under subsection (1)(b)(i). The amounts allocated under this subsection (1)(b)(ii)  
11 are statutorily appropriated, as provided in 17-7-502, to the board of regents from the general fund. The statutory  
12 appropriation is subject to termination as provided in 17-7-502.

13           (c) The board of regents shall contribute an amount that, when added to the sum of the participant's  
14 contribution plus the contribution made under subsection (1)(b)(ii), is equal to 13% of the participant's earned  
15 compensation.

16           (2) (a) The board of regents may:

17           (i) reduce the participant's contribution rate established in subsection (1) to an amount not less than 6%  
18 of the participant's earned compensation; and

19           (ii) increase the employer's contribution rate to an amount not greater than 6% of the participant's earned  
20 compensation.

21           (b) Notwithstanding the supplemental contributions required under 19-20-604 and subsection (5) of this  
22 section, the sum of the participant's contributions made under subsection (1)(a), the state's contributions made  
23 under subsection (1)(b), and the employer's contributions made under subsection (1)(c) must remain at 13% of  
24 the participant's earned compensation.

25           (3) The board of regents shall determine whether the participant's contribution is to be made by salary  
26 reduction under section 403(b) of the Internal Revenue Code, 26 U.S.C. 403(b), as amended, or by employer  
27 pickup under section 414(h)(2) of that code, 26 U.S.C. 414(h)(2), as amended.

28           (4) The disbursing officer of the employer or other official designated by the board of regents shall pay  
29 both the participant's contribution and the appropriate portion of the board of regents' contribution to the  
30 designated company or companies for the benefit of the participant.

1 (5) The board of regents shall make the supplemental contributions to the teachers' retirement system,  
2 as provided in 19-20-621, to discharge the obligation incurred by the Montana university system for the past  
3 service liability incurred by active, inactive, and retired members of the teachers' retirement system."  
4

5 **Section 43.** Section 20-8-107, MCA, is amended to read:

6 **"20-8-107. Admission of nonresident children and advance payment of cost -- Indian children.**

7 (1) Hearing impaired or visually impaired children who are not residents of the state of Montana may be admitted  
8 to the Montana school for the deaf and blind after proper application for admission, subject to all eligibility  
9 requirements prescribed for children who are residents of the state if:

10 (a) the school is paid in advance a sum of money for each child equal to an estimate of the whole per  
11 capita cost of maintaining the school during the year immediately preceding the date of the application; and

12 (b) the full capacity of the school is not required for children who are residents of the state.

13 (2) The Montana school for the deaf and blind is authorized to negotiate with an out-of-state educational  
14 institution to place a student at the school. If a group of out-of-state students attends the Montana school for the  
15 deaf and blind, the educational institution of the other state shall pay in advance to the Montana school for the  
16 deaf and blind an amount of money for each student determined as a result of a negotiated agreement between  
17 the superintendent of the Montana school for the deaf and blind and the out-of-state educational institution. The  
18 agreement must be approved by the board of public education.

19 (3) Indian children who are Montana residents are eligible for admission and must be admitted to the  
20 school on the same terms as residents.

21 (4) The money paid by an out-of-state institution must be deposited in a state special revenue account  
22 and is statutorily appropriated, pursuant to 17-7-502, to the Montana school for the deaf and blind for educational  
23 purposes. The statutory appropriation is subject to termination as provided in 17-7-502.

24 (5) The provisions of 17-2-108 that require the expenditure of nongeneral fund money prior to the  
25 expenditure of general fund money do not apply to the expenditure of revenue made available to the Montana  
26 school for the deaf and blind from the negotiated agreements described in subsection (2) of this section and  
27 through the statutory appropriation provided for in subsection (4) of this section."  
28

29 **Section 44.** Section 20-9-534, MCA, is amended to read:

30 **"20-9-534. Statutory appropriation for school technology purposes.** (1) The amount of \$1 million

1 a year is statutorily appropriated, as provided in 17-7-502, from the school facility and technology account  
 2 established in 20-9-516 for grants for school technology purposes. The statutory appropriation is subject to  
 3 termination as provided in 17-7-502.

4 (2) By September 1, the superintendent of public instruction shall allocate the annual statutory  
 5 appropriation for school technology purposes to each district based on the ratio that each district's BASE budget  
 6 bears to the statewide BASE budget amount for all school districts multiplied by the amount of money provided  
 7 in 20-9-343 for the purposes of 20-9-533 in the prior fiscal year."

8

9 **Section 45.** Section 20-9-622, MCA, is amended to read:

10 **"20-9-622. Guarantee account.** (1) There is a guarantee account in the state special revenue fund. The  
 11 guarantee account is intended to:

12 (a) stabilize the long-term growth of the permanent fund; and

13 (b) maintain a constant and increasing distributable revenue stream. All realized capital gains and all  
 14 distributable revenue must be deposited in the guarantee account. Except as provided in subsection (2), the  
 15 guarantee account is statutorily appropriated, as provided in 17-7-502, for distribution to school districts through  
 16 school equalization aid as provided in 20-9-343. The statutory appropriation is subject to termination as provided  
 17 in 17-7-502.

18 (2) As long as a portion of the coal severance tax loan authorized in section 8, Chapter 418, Laws of  
 19 2001, is outstanding, the department of natural resources and conservation shall monthly transfer from the  
 20 guarantee account to the general fund an amount that represents the amount of interest income that would be  
 21 earned from the investment of the amount of the loan that is currently outstanding. When the loan is fully paid,  
 22 all mineral royalties deposited in the guarantee account must be transferred to the school facility and technology  
 23 account pursuant to 17-6-340."

24

25 **Section 46.** Section 20-26-1503, MCA, is amended to read:

26 **"20-26-1503. Use of incentive for physicians practicing in rural areas or medically underserved**  
 27 **areas or for underserved populations state special revenue account.** (1) The state special revenue account  
 28 established in 20-26-1501 is statutorily appropriated, as provided in 17-7-502, to the board of regents to be used  
 29 to pay:

30 (a) the educational debts of physicians who practice in rural areas or medically underserved areas or

1 for medically underserved populations of the state that demonstrate a need for assistance in physician  
2 recruitment; and

3 (b) the expenses of administering the incentive program. The expenses of administering the program  
4 may not exceed 10% of the annual fees assessed pursuant to 20-26-1502.

5 (2) The board of regents shall establish procedures for determining rural areas and medically  
6 underserved areas or populations of the state that qualify for assistance in physician recruitment. An eligible area  
7 or eligible population must demonstrate that a physician shortage exists or that the area or population has been  
8 unsuccessful in recruiting physicians in other ways.

9 (3) A physician from an area or serving a population determined to be eligible under subsection (2) may  
10 apply to the board of regents for payment of an educational debt directly related to a professional school, as  
11 provided in subsection (4). Physicians who have paid the fee authorized in 20-26-1502 must be given a  
12 preference over other applicants. To receive the educational debt payments, the physician shall sign an annual  
13 contract with the board of regents. The contract must provide that the physician is liable for the payments if the  
14 physician ceases to practice in the eligible area or serve the eligible population during the contract period.

15 (4) The maximum amount of educational debt payment that a physician practicing in a rural area or  
16 medically underserved area or for a medically underserved population may receive is \$100,000 over a 5-year  
17 period or a proportionally reduced amount for a shorter period.

18 (5) The amount contractually committed in a year may not exceed the annual amount deposited in the  
19 state special revenue account established in 20-26-1501.

20 (6) The statutory appropriation in this section is subject to termination as provided in 17-7-502.

21

22 **Section 47.** Section 22-3-1004, MCA, is amended to read:

23 **"22-3-1004. Montana heritage preservation and development account.** (1) (a) There is a Montana  
24 heritage preservation and development account in the state special revenue fund and in the federal special  
25 revenue fund.

26 (b) The Montana heritage preservation and development commission shall deposit any federal money  
27 that the commission obtains into the appropriate account provided for in this section.

28 (2) Money deposited in the accounts must be used for:

29 (a) the purchase of properties in Virginia City and Nevada City;

30 (b) restoration, maintenance, and operation of historic properties in Virginia City and Nevada City; and

1 (c) purchasing, restoring, and maintaining historically significant properties in Montana that are in need  
2 of preservation.

3 (3) The accounts are statutorily appropriated, as provided in 17-7-502, to the commission to be used as  
4 provided in this section. The statutory appropriation is subject to termination as provided in 17-7-502.

5 (4) Unless otherwise prohibited by law or agreement, all interest earned on money in the accounts must  
6 be deposited in the state special revenue fund to the credit of the commission."  
7

8 **Section 48.** Section 23-4-105, MCA, is amended to read:

9 **"23-4-105. Authority of board.** The board shall license and regulate racing, match bronc rides, and wild  
10 horse rides and review race meets held in this state under this chapter. All percentages withheld from amounts  
11 wagered, amounts set aside pursuant to 23-4-202(4)(d), percentages collected pursuant to 23-4-204(3),  
12 percentages collected pursuant to 23-4-302(3) and (5)(b)(iii), and money collected pursuant to 23-4-304(1)(a)  
13 and (1)(b) must be deposited in a state special revenue account and are statutorily appropriated to the board as  
14 provided in 17-7-502. The board shall then distribute all funds collected under 23-4-202(4)(d), 23-4-204(3),  
15 23-4-302(3) and (5)(b)(iii), and 23-4-304(1)(a) and (1)(b) to live race purses or for other purposes for the good  
16 of the existing horseracing industry. If the board decides to authorize new forms of racing, including new forms  
17 of simulcast racing, not currently authorized in Montana the board shall do so after holding public hearings to  
18 determine the effects of these forms of racing on the existing saddle racing program in Montana. The board shall  
19 consider both the economic and safety impacts on the existing racing and breeding industry. The statutory  
20 appropriation in this section is subject to termination as provided in 17-7-502."  
21

22 **Section 49.** Section 23-5-306, MCA, is amended to read:

23 **"23-5-306. Live card game table -- permit -- fees -- disposition of fees.** (1) (a) A person who has  
24 been granted an operator's license under 23-5-177 and who holds an appropriate license to sell alcoholic  
25 beverages for consumption on the premises, as provided in 23-5-119, may be granted an annual permit for the  
26 placement of live card game tables.

27 (b) A permit is not required for social games played for prizes of minimal value, defined as class I gaming  
28 by 25 U.S.C. 2703.

29 (c) The department may issue an annual permit for the placement of live card game tables to a person  
30 operating a premises not licensed to sell alcoholic beverages for consumption on the premises if:



- 1 (i) one or more live card game tables were legally operated on the premises on January 15, 1989;
- 2 (ii) the premises were licensed on January 15, 1989, to sell food, cigarettes, or any other consumable
- 3 product;
- 4 (iii) the person has been granted an operator's license under 23-5-177; and
- 5 (iv) at the time of application for the permit:
- 6 (A) the person has continuously operated a live card game table on the premises since January 15,
- 7 1989; and
- 8 (B) the natural person or persons who own the business operated on the premises are the same as on
- 9 January 15, 1989.
- 10 (2) The annual permit fee in lieu of taxes for each live card game table operated in a licensed operator's
- 11 premises may not be prorated and must be:
- 12 (a) \$250 for the first table; and
- 13 (b) \$500 for each additional table.
- 14 (3) The department shall retain for administrative purposes \$100 of the fee collected under this part for
- 15 each live card game table.
- 16 (4) ~~The~~ Subject to appropriation, the department shall forward on a quarterly basis the remaining balance
- 17 of the fee collected under subsection (2) to the treasurer of the county or the clerk, finance officer, or treasurer
- 18 of the city or town in which the live card game table is located for deposit to the county or municipal treasury. A
- 19 county is not entitled to proceeds from fees assessed on live card game tables located in incorporated cities and
- 20 towns within the county. The local government portion of this fee is statutorily appropriated to the department,
- 21 as provided in 17-7-502, for deposit to the county or municipal treasury. The statutory appropriation is subject
- 22 to termination as provided in 17-7-502."

23

24 **Section 50.** Section 23-5-409, MCA, is amended to read:

25 **"23-5-409. Bingo and keno tax -- records -- distribution -- statement and payment.** (1) A licensee

26 who has received a permit to operate bingo or keno games shall pay to the department a tax of 1% of the gross

27 proceeds from the operation of each live bingo and keno game operated on the licensee's premises.

28 (2) A licensee shall keep a record of gross proceeds in the form the department requires. At all times

29 during the business hours of the licensee, the records must be available for inspection by the department.

30 (3) A licensee shall annually complete and deliver to the department a statement showing the total gross

1 proceeds for each live keno or bingo game operated by the licensee and the total amount due as live bingo or  
2 keno tax for the preceding year. This statement must contain any other relevant information required by the  
3 department.

4 (4) ~~The~~ Subject to appropriation, the department shall forward the tax collected under subsection (3) to  
5 the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in which the licensed game  
6 is located for deposit to the county or municipal treasury. A county is not entitled to proceeds from taxes on live  
7 bingo or keno games located in incorporated cities and towns within the county. The tax collected under  
8 subsection (3) is statutorily appropriated to the department, as provided in 17-7-502, for deposit to the county or  
9 municipal treasury. The statutory appropriation is subject to termination as provided in 17-7-502."

10

11 **Section 51.** Section 23-5-612, MCA, is amended to read:

12 **"23-5-612. Machine permits -- fees.** (1) The department, upon payment by the operator of the fee  
13 provided in subsection (2) and in conformance with rules adopted under this part, shall issue to the operator an  
14 annual permit for an approved video gambling machine.

15 (2) (a) The department shall charge an annual permit fee of \$220 for each video gambling machine  
16 permit. The fee must be prorated on a quarterly basis but may not be prorated to allow a permit to expire before  
17 June 30. The department may not grant a refund if the video gambling machine ceases operation before the  
18 permit expires.

19 (b) If the person holding the gambling operator's license for the premises in which the machine is located  
20 changes during the first quarter of the permit year and the new operator has received an operator's license and  
21 if a machine transfer processing fee of \$25 per machine is paid to the department, the permit remains valid for  
22 the remainder of the permit year.

23 (3) The department shall deposit \$120 of the annual permit fee or for a prorated fee shall deposit \$90  
24 for three quarters, \$60 for two quarters, and \$30 for one quarter collected under subsection (2)(a) and 100% of  
25 the machine transfer processing fee collected under subsection (2)(b) in the state special revenue fund for  
26 purposes of administering this part and for other purposes provided by law. The balance of the fee collected  
27 under subsection (2)(a) must be returned on a quarterly basis to the local government jurisdiction in which the  
28 gambling machine is located. The local government portion of the fee is statutorily appropriated to the department,  
29 as provided in 17-7-502, for deposit in the local government treasury. The statutory appropriation is subject to  
30 termination as provided in 17-7-502."

1

2           **Section 52.** Section 23-7-301, MCA, is amended to read:

3           **"23-7-301. Ticket or chance sales agents -- licenses.** (1) Lottery tickets or chances may be sold only  
4 by ticket or chance sales agents licensed by the director in accordance with this section.

5           (2) The commission shall by rule determine the places at which state lottery game tickets or chances  
6 may be sold.

7           (3) (a) Before issuing a license, the director shall consider:

8           (i) the financial responsibility and security of the applicant and the applicant's business or activity;

9           (ii) the accessibility of the applicant's place of business or activity to the public; and

10           (iii) the sufficiency of existing licenses to serve the public convenience and the volume of the expected  
11 sales.

12           (b) A person under 18 years of age may not sell lottery tickets or chances.

13           (c) A license as an agent to sell lottery tickets or chances may not be issued to any person to engage  
14 in business exclusively as a lottery ticket or chance sales agent.

15           (4) The director may issue temporary licenses upon conditions that the director considers necessary.

16           (5) License applicants shall pay a \$50 fee to cover the cost of investigating and processing the  
17 application.

18           (6) The director may require a bond from any licensed agent in an amount provided in the commission's  
19 rules and may purchase a blanket bond covering the activities of licensed agents.

20           (7) A licensed agent shall display the license or a copy of the license conspicuously in accordance with  
21 the commission's rules.

22           (8) A license is not assignable or transferable.

23           (9) An employee of a ticket or chance sales agent may not be required to sell lottery game tickets or  
24 chances if the sale is against the employee's religious or moral beliefs.

25           (10) Sales agents are entitled to a commission of no more than 10% of the face value of tickets and  
26 chances that they purchase from the lottery and do not return. However, to further the sale of lottery products,  
27 the lottery commission may adopt rules providing additional commissions to sales agents based on incremental  
28 sales. Commissions may not come from that part of all gross revenue that is net revenue and is paid to the  
29 general fund. The commissions are statutorily appropriated, as provided in 17-7-502, to the lottery. The statutory  
30 appropriation is subject to termination as provided in 17-7-502.

1 (11) Each sales agent shall keep a complete and up-to-date set of records and accounts fully showing  
2 the agent's sales and provide it for inspection upon request of the commission, the director, the department of  
3 administration, the office of the legislative auditor, or the office of the attorney general.

4 (12) Sales agents may pay the state lottery only by check, bankdraft, electronic funds transfer, or other  
5 recorded, noncash, financial transfer method as determined by the director.

6 (13) A license may be suspended or revoked for failure to maintain the license qualifications provided  
7 in subsection (3) or for violation of any provision of this chapter or a commission rule. Prior to suspension or  
8 revocation, the licensee must be given notice and an opportunity for a hearing."

9

10 **Section 53.** Section 23-7-402, MCA, is amended to read:

11 **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or chances  
12 must be paid out as prize money. The prize money is statutorily appropriated, as provided in 17-7-502, to the  
13 lottery. The statutory appropriation is subject to termination as provided in 17-7-502.

14 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating expense.

15 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
16 expenses, together with the interest earned on the gross revenue while the gross revenue is in the enterprise  
17 fund, is net revenue. Net revenue must be transferred quarterly from the enterprise fund established by 23-7-401  
18 to the state general fund.

19 (4) The spending authority of the lottery may be increased in accordance with this section upon review  
20 and approval of a revised operation plan by the office of budget and program planning."

21

22 **Section 54.** Section 37-43-204, MCA, is amended to read:

23 **"37-43-204. Earmarked money for board expenses -- expenditure of funds from bonds.** (1) All  
24 money collected under this chapter must be deposited in the state special revenue fund and may be used only  
25 for the purpose of paying expenses of the board. Except for funds received from bonds in subsection (2), the  
26 money must be appropriated by the legislature before it may be expended by the board. Income and interest from  
27 investment of the money in the state special revenue fund that are collected under this chapter must be credited  
28 to the board.

29 (2) ~~The~~ Subject to appropriation, the board may accept and expend all funds received from bonds  
30 required by 37-43-306. The funds must be used to remedy defects in water wells, to compensate for damages

1 caused by violations of this chapter or the rules of the board, or to pay any administrative costs incurred by the  
 2 board under 37-43-309, 37-43-310, and 37-43-313. These funds, other than those to pay any administrative  
 3 costs, are statutorily appropriated as provided in 17-7-502. The statutory appropriation is subject to termination  
 4 as provided in 17-7-502."

5

6 **Section 55.** Section 37-51-501, MCA, is amended to read:

7 **"37-51-501. Real estate recovery account established -- minimum balance -- interest.** (1) There is  
 8 established in the state special revenue fund for the use of the board a real estate recovery account. The account  
 9 is used to provide payment of claims based on unsatisfied judgments against persons licensed under the  
 10 provisions of this chapter. The real estate recovery account is statutorily appropriated as provided in 17-7-502.  
 11 The statutory appropriation is subject to termination as provided in 17-7-502.

12 (2) The board shall maintain a minimum balance of \$100,000 in the account. The board may in its  
 13 discretion transfer any money in excess of that amount from the account to the state special revenue fund for the  
 14 use of the board in accordance with the purposes provided in 37-51-204.

15 (3) Money earned on the investment of funds in the account must be credited to the account annually."

16

17 **Section 56.** Section 39-71-503, MCA, is amended to read:

18 **"39-71-503. Uninsured employers' fund -- purpose and administration of fund -- maintaining**  
 19 **balance for administrative costs -- appropriation.** (1) There is created an uninsured employers' fund in the  
 20 state special revenue account to pay:

21 (a) to an injured employee of an uninsured employer the same benefits the employee would have  
 22 received if the employer had been properly enrolled under compensation plan No. 1, 2, or 3, except as provided  
 23 in subsection (3);

24 (b) the costs of investigating and prosecuting workers' compensation fraud under 2-15-2015; and

25 (c) the expenses incurred by the department in administering the uninsured employers' fund.

26 (2) The department may refer to the workers' compensation fraud office, established in 2-15-2015, cases  
 27 involving:

28 (a) false or fraudulent claims for benefits; and

29 (b) criminal violations of 45-7-501.

30 (3) (a) Except as provided in subsection (3)(b), surpluses and reserves may not be kept for the fund. ~~The~~

1 Subject to appropriation, the department shall make payments that it considers appropriate as funds become  
2 available from time to time. The payment of weekly disability benefits takes precedence over the payment of  
3 medical benefits. Lump-sum payments of future projected benefits, including impairment awards, may not be  
4 made from the fund. The board of investments shall invest the money of the fund, and the investment income  
5 must be deposited in the fund.

6 (b) The department shall maintain at least a 3-month balance based on projected budget costs for  
7 administration of the fund. The balance for administrative costs may be used by the department only in  
8 administering the fund.

9 (c) The maximum aggregate medical benefits expenditure that may be made from the fund may not  
10 exceed \$100,000 for any single claim regardless of whether the claim arises from an injury or an occupational  
11 disease.

12 (4) The amounts necessary for the payment of benefits from the fund are statutorily appropriated, as  
13 provided in 17-7-502, from the fund. The statutory appropriation is subject to termination as provided in 17-7-502."  
14

15 **Section 57.** Section 41-5-2011, MCA, is amended to read:

16 **"41-5-2011. Youth court intervention and prevention account -- statutory appropriation --**  
17 **administration.** (1) There is a youth court intervention and prevention account in the state special revenue fund.  
18 The office of court administrator shall deposit in the account the following funds transferred by the department:

19 (a) funds transferred under 41-5-130(2) for evaluations of out-of-home placements, programs, and  
20 services;

21 (b) unexpended funds from the judicial districts' annual allocations as provided for in 41-5-130(8); and

22 (c) unexpended funds from the cost containment pool as provided for in 41-5-132.

23 (2) The youth court intervention and prevention account is statutorily appropriated, as provided in  
24 17-7-502, to the supreme court. The statutory appropriation is subject to termination as provided in 17-7-502. The  
25 office of court administrator shall administer the account in accordance with 41-5-2012."  
26

27 **Section 58.** Section 42-2-105, MCA, is amended to read:

28 **"42-2-105. Fees for services -- special revenue account -- statutory appropriation.** (1) The  
29 department shall establish fees that it may charge and that are reasonably related to the cost incurred by the  
30 department in completing or contracting for adoption services.

1 (2) The department may contract with licensed social workers or licensed child-placing agencies for the  
2 purposes of completing the preplacement or postplacement evaluation or for providing postplacement  
3 supervision.

4 (3) An agency contracting to perform the services may set and charge a reasonable fee commensurate  
5 with the services provided.

6 (4) There is an adoption services account in the state special revenue fund. The fees collected by the  
7 department under this title must be deposited into this account and may be used by the department for adoption  
8 services. The money in the account is statutorily appropriated, as provided in 17-7-502, to the department. The  
9 statutory appropriation is subject to termination as provided in 17-7-502."

10

11 **Section 59.** Section 44-4-1101, MCA, is amended to read:

12 **"44-4-1101. Water right enforcement account -- statutory appropriation.** (1) There is a water right  
13 enforcement account in the state special revenue fund.

14 (2) Fines collected pursuant to 85-2-122(3)(b) must be deposited in the water right enforcement account.

15 (3) The money in the account is statutorily appropriated, as provided in 17-7-502, to the department of  
16 justice to enforce the provisions of 85-2-114. The statutory appropriation is subject to termination as provided in  
17 17-7-502."

18

19 **Section 60.** Section 44-12-206, MCA, is amended to read:

20 **"44-12-206. Disposition of proceeds of sale.** (1) Whenever property is seized, forfeited, and sold under  
21 the provisions of this chapter, the net proceeds of the sale must be distributed as follows:

22 (a) to the holders of security interests who have presented proper proof of their claims, if any, up to the  
23 amount of their interests in the property;

24 (b) the remainder, if any, to the county treasurer of the county in which the property was seized, who  
25 shall establish and maintain a drug forfeiture account and deposit the remainder into the account, except as  
26 provided in subsections (1)(c) through (1)(e);

27 (c) if the property was seized within the corporate limits of a city or town by a law enforcement agency  
28 of that city or town, the remainder, if any, to the city or town treasurer, who shall establish and maintain a drug  
29 forfeiture account and deposit the remainder into the account, except as provided in subsections (1)(d) and (1)(e);

30 (d) if the property was seized by an employee of the state, the remainder, if any, is allocated as provided

1 in subsection (3), except as provided in subsection (1)(e); and

2 (e) if the property was seized as a result of the efforts of more than one law enforcement agency, the  
3 remainder, if any, to the accounts required by this subsection (1), pro rata in the proportions represented by the  
4 agencies' expenses of investigation, as determined by the attorney general.

5 (2) All proceeds from any source that are deposited into a county, city, or town drug forfeiture account  
6 must in each fiscal year be appropriated to and remain available until expended by the confiscating agency for  
7 drug laws enforcement and education concerning drugs.

8 (3) (a) Each year, the first \$125,000 of net proceeds received by the state under subsections (1)(d) and  
9 (1)(e) must be deposited in an account in the state special revenue fund to the credit of the department of justice.  
10 The department may expend the money in the account only for purposes of enforcement of drug laws. An amount  
11 up to \$125,000 each year is statutorily appropriated, as provided in 17-7-502, to the attorney general for  
12 enforcement of drug laws. The statutory appropriation is subject to termination as provided in 17-7-502. Any  
13 expenditure in excess of \$125,000 each fiscal year requires approval through budget amendment, as provided  
14 in Title 17, chapter 7, part 4.

15 (b) Each year, net proceeds in excess of \$125,000 that are received by the state under subsections  
16 (1)(d) and (1)(e) must be deposited equally between the state special revenue account and the general fund."  
17

18 **Section 61.** Section 44-13-102, MCA, is amended to read:

19 **"44-13-102. Federal forfeitures deposited in account.** Except as provided in 46-23-1032, property  
20 and money forfeited under federal law and provided to the state by the federal government to support state and  
21 local law enforcement programs must be deposited to the special law enforcement assistance account  
22 established in 44-13-101. An amount up to \$125,000 each fiscal year is statutorily appropriated, as provided in  
23 17-7-502, to the attorney general for the support of state and local law enforcement programs. The statutory  
24 appropriation is subject to termination as provided in 17-7-502. Any expenditure in excess of \$125,000 each fiscal  
25 year requires approval through budget amendment, as provided in Title 17, chapter 7, part 4."  
26

27 **Section 62.** Section 50-4-623, MCA, is amended to read:

28 **"50-4-623. Fees -- statutory appropriation.** (1) The department shall establish by rule fees to  
29 accompany the filing of an application for a certificate of public advantage and for a report required by 50-4-622.  
30 The fees must be reasonably related to the costs of the department in considering applications, evaluating



1 reports, and performing other duties necessary to administer this part. The costs may include the retention of  
 2 accounting, technical, and legal assistance that the department considers necessary to process applications and  
 3 reports. The department shall maintain records sufficient to support the fees charged under this section.

4 (2) The fees must be deposited in an account in the special revenue fund. The account is statutorily  
 5 appropriated, as provided in 17-7-502, to the department. The statutory appropriation is subject to termination  
 6 as provided in 17-7-502."

7

8 **Section 63.** Section 53-1-109, MCA, is amended to read:

9 **"53-1-109. Prison inmate welfare account.** (1) There is an account in the state special revenue fund.  
 10 The net proceeds from state prison inmate canteen purchases and inmate telephone use, cash proceeds from  
 11 the disposition of confiscated contraband, and any public money held for the needs of inmates and their families  
 12 and not otherwise allocated must be deposited in the account. Money in an account established under 53-1-107  
 13 may not be deposited in the account established in this subsection.

14 (2) The money in the account is statutorily appropriated, as provided in 17-7-502, to the department of  
 15 corrections, which may allocate the money referred to in subsection (1) to the state prisons in proportion to the  
 16 amount that each state prison contributed to the fund. The statutory appropriation is subject to termination as  
 17 provided in 17-7-502. The administrator of each state prison shall consult with the inmates about the use of the  
 18 money allocated to the state prison and may use the money for the needs of the inmates and their families.

19 (3) For purposes of this section, "state prison" has the meaning provided in 53-30-101(3)(c)(i) through  
 20 (3)(c)(iii) and (3)(c)(v)."

21

22 **Section 64.** Section 53-24-108, MCA, is amended to read:

23 **"53-24-108. Use of funds generated by taxation on alcoholic beverages.** (1) Revenue generated  
 24 by 16-1-404, 16-1-406, and 16-1-411 and allocated to the department to be used in state-approved private or  
 25 public programs whose function is the treatment, rehabilitation, and prevention of alcoholism, which for the  
 26 purposes of this section includes chemical dependency, must be distributed as follows:

27 (a) 20% is statutorily appropriated, as provided in 17-7-502, to be allocated as provided in  
 28 53-24-206(3)(b), and must be distributed as grants to state-approved private or public alcoholism programs;

29 (b) 6.6% is statutorily appropriated, as provided in 17-7-502, to be distributed to state-approved private  
 30 or public alcoholism programs that provide services for treatment and rehabilitation for persons with co-occurring

1 serious mental illness and chemical dependency; and

2 (c) the remainder of funds not statutorily appropriated in subsections (1)(a) and (1)(b) may be distributed:

3 (i) as payment of fees for alcoholism services provided by state-approved private or public alcoholism  
4 programs and licensed hospitals for detoxification services; or

5 (ii) as matching funds for the Montana medicaid program administered by the department that are used  
6 for alcoholism and chemical dependency programs.

7 (2) A person operating a state-approved alcoholism program may not be required to provide matching  
8 funds as a condition of receiving a grant under subsection (1)(a).

9 (3) In addition to funding received under this section, a person operating a state-approved alcoholism  
10 program may accept gifts, bequests, or the donation of services or money for the treatment, rehabilitation, or  
11 prevention of alcoholism.

12 (4) A person receiving funding under this section to support operation of a state-approved alcoholism  
13 program may not refuse alcoholism treatment, rehabilitation, or prevention services to a person solely because  
14 of that person's inability to pay for those services.

15 (5) A grant made under this section is subject to the following conditions:

16 (a) The grant application must contain an estimate of all program income, including income from earned  
17 fees, gifts, bequests, donations, and grants from other than state sources during the period for which grant  
18 support is sought.

19 (b) Whenever, during the period of grant support, program income exceeds the amount estimated in the  
20 grant application, the amount of the excess must be reported to the grantor.

21 (c) The excess must be used by the grantee under the terms of the grant in accordance with one or a  
22 combination of the following options:

23 (i) use for any purpose that furthers the objectives of the legislation under which the grant was made;  
24 or

25 (ii) to allow program growth through the expansion of services or for capital expenditures necessary to  
26 improve facilities where services are provided.

27 (6) Revenue generated by 16-1-404, 16-1-406, and 16-1-411 for the treatment, rehabilitation, and  
28 prevention of alcoholism that has not been encumbered for those purposes by the counties of Montana or the  
29 department must be returned to the state special revenue fund for the treatment, rehabilitation, and prevention  
30 of alcoholism within 30 days after the close of each fiscal year and must be distributed by the department the

1 following year as provided in 53-24-206(3)(b).

2 (7) The statutory appropriations in this section are subject to termination as provided in 17-7-502."

3

4 **Section 65.** Section 53-24-206, MCA, is amended to read:

5 **"53-24-206. Administration of financial assistance.** (1) The department may apply for and receive  
6 grants, allotments, or allocations of funds or other assistance for purposes pertaining to the problems of chemical  
7 dependency or related social problems under laws and rules of the United States, any other state, or any private  
8 organization.

9 (2) The department may cooperate with any other government agency or private organization in  
10 programs on chemical dependency or related social problems. In carrying out cooperative programs, the  
11 department may make grants of financial assistance to government agencies and private organizations under  
12 terms and conditions agreed upon.

13 (3) (a) In administering proceeds derived from the liquor license tax, the beer license tax, or the wine tax,  
14 the department shall distribute those funds appropriated by the legislature. Money that is appropriated for  
15 distribution to approved private or public programs on a discretionary basis must be distributed to those programs  
16 that can demonstrate that:

17 (i) the program is achieving the goals and objectives mutually agreed upon by the program and the  
18 department; and

19 (ii) the receipt of additional funds would be justified.

20 (b) The remainder of the proceeds that are not appropriated, as provided in subsection (3)(a), or that  
21 are not statutorily appropriated in 53-24-108(1)(b) must be distributed to the counties for use by approved private  
22 or public programs. The distribution of these proceeds is statutorily appropriated as provided in 17-7-502 and  
23 must be distributed in the following manner:

24 (i) Eighty-five percent must be allocated according to the proportion of each county's population to the  
25 state's population according to the most recent United States census.

26 (ii) Fifteen percent must be allocated according to the proportion of the county's land area to the state's  
27 land area.

28 (c) Money distributed under subsection (3) may only be used for purposes pertaining to the problems  
29 of alcoholism and chemical dependency.

30 (4) The statutory appropriation is subject to termination as provided in 17-7-502."

1

2           **Section 66.** Section 60-11-115, MCA, is amended to read:

3           **"60-11-115. Revolving loan account -- statutory appropriation -- rulemaking.** (1) There is a revolving  
4 loan account to be administered by the department. Any interest or income that is earned by the account and loan  
5 repayments must be deposited into the revolving loan account unless revenue bonds are issued to fund a loan,  
6 in which case the loan repayments must be deposited in the debt service account. The department may request  
7 the board of investments to issue revenue bonds, as provided in 60-11-117 through 60-11-119, for the purpose  
8 of providing funds for a loan.

9           (2) The department may make loans from the account pursuant to 60-11-120.

10           (3) Funds in the account that are deposited pursuant to former 49 U.S.C. 1654 must continue to be  
11 managed as local rail freight assistance program funds. Any additional federal funds received for local rail freight  
12 assistance programs or for railroad projects must be deposited in the account.

13           (4) There is statutorily appropriated, as provided in 17-7-502, to the department up to \$2 million annually  
14 for the purposes of making loans pursuant to 60-11-120. The statutory appropriation is subject to termination as  
15 provided in 17-7-502.

16           (5) Loans may not be made if the loan would cause the balance in the account to be less than \$500,000.

17           (6) The department may adopt rules to implement 60-11-113 through 60-11-116."  
18

19           **Section 67.** Section 61-3-415, MCA, is amended to read:

20           **"61-3-415. Special motorcycle license plates -- department to design -- fees -- distribution.** (1) A  
21 Montana resident who is the owner of a motorcycle or quadricycle titled and registered under this chapter and  
22 who pays the fee required under subsection (2) may be issued a special motorcycle license plate bearing a  
23 design created by the department. The design must recognize the efforts of one or more Montana-based nonprofit  
24 organizations that grant wishes to chronically or critically ill Montana children.

25           (2) A person requesting a special motorcycle license plate under this section shall pay to the county  
26 treasurer:

27           (a) an administrative fee of \$5 upon issuance of the special license plate, to be deposited in the county  
28 general fund;

29           (b) a \$5 license plate fee; and

30           (c) a donation fee of \$20.

1 (3) The county treasurer shall remit the fees required in subsections (2)(b) and (2)(c) to the department.  
2 For each special plate issued, the department shall deposit \$5 in the state general fund and \$20 in an account  
3 in the state special revenue fund to be used by the department as provided in subsection (4).

4 (4) ~~The~~ Subject to appropriation, the department shall use the money deposited in the account in the  
5 state special revenue fund as provided in subsection (3) to provide grants, using criteria established by the  
6 department, to Montana-based nonprofit organizations that grant wishes to Montana children who are chronically  
7 or critically ill.

8 (5) The department shall adopt rules to identify the entity or entities that may qualify for grants under this  
9 section and to establish the criteria that an entity must meet to receive grant funds.

10 (6) The account in the state special revenue fund provided for in subsection (3) is statutorily appropriated  
11 to the department, as provided in 17-7-502. The statutory appropriation is subject to termination as provided in  
12 17-7-502."

13

14 **Section 68.** Section 69-3-870, MCA, is amended to read:

15 **"69-3-870. Performance assurance state special revenue account -- statutory appropriation.** (1)

16 There is a performance assurance state special revenue account in the state special revenue fund. The account  
17 must be used for the deposit of payments to the state made by a telecommunications carrier pursuant to the  
18 terms of a performance assurance plan.

19 (2) Money in the performance assurance state special revenue account is statutorily appropriated, as  
20 provided in 17-7-502, and may be expended by the commission in carrying out its responsibilities to administer,  
21 audit, and oversee the performance assurance plan, pursuant to the terms of the plan. The statutory appropriation  
22 is subject to termination as provided in 17-7-502.

23 (3) For purposes of this section, a "performance assurance plan" means a commission-approved,  
24 self-executing remedy plan to ensure that a telecommunications carrier provides adequate wholesale service to  
25 competitors after the carrier gains entry into the interlocal access and transport area long-distance market in its  
26 region pursuant to 47 U.S.C. 271."

27

28 **Section 69.** Section 75-1-1101, MCA, is amended to read:

29 **"75-1-1101. Environmental contingency account objectives.** (1) There is an environmental  
30 contingency account within the state special revenue fund established in 17-2-102. The environmental

1 contingency account is controlled by the governor.

2 (2) At the beginning of each biennium, \$175,000 must be allocated to the environmental contingency  
3 account from the interest income of the resource indemnity trust fund with the following exceptions:

4 (a) if at the beginning of any biennium the unobligated cash balance in the environmental contingency  
5 account equals or exceeds \$750,000, allocation may not be made; and

6 (b) if at the beginning of any biennium the unobligated cash balance in the environmental contingency  
7 account is less than \$750,000, then an amount less than or equal to the difference between the unobligated cash  
8 balance and \$750,000, but not to exceed \$175,000, must be allocated to the environmental contingency account  
9 from the interest income of the resource indemnity trust fund.

10 (3) Funds are statutorily appropriated, as provided in 17-7-502, from the environmental contingency  
11 account upon the authorization of the governor to meet unanticipated public needs consistent with the following  
12 objectives:

13 (a) to support renewable resource development projects in communities that face an emergency or  
14 imminent need for the services or to prevent the physical failure of a project;

15 (b) to preserve vegetation, water, soil, fish, wildlife, or other renewable resources from an imminent  
16 physical threat or during an emergency, not including:

17 (i) natural disasters adequately covered by other funding sources; or

18 (ii) fire;

19 (c) to respond to an emergency or imminent threat to persons, property, or the environment caused by  
20 mineral development;

21 (d) to respond to an emergency or imminent threat to persons, property, or the environment caused by  
22 a hazardous material; and

23 (e) to fund the environmental quality protection fund provided for in 75-10-704 or to take other necessary  
24 actions, including the construction of facilities, to respond to actual or potential threats to persons, property, or  
25 the environment caused by hazardous wastes or other hazardous materials.

26 (4) Interest from funds in the environmental contingency account accrues to the general fund.

27 (5) The governor shall submit, as a part of the information required by 17-7-111, a complete financial  
28 report on the environmental contingency account, including a description of all expenditures made since the  
29 preceding report.

30 (6) The statutory appropriation in this section is subject to termination as provided in 17-7-502."

1

2           **Section 70.** Section 75-5-1108, MCA, is amended to read:

3           **"75-5-1108. Use of funds -- statutory appropriation.** Money in the revolving fund is statutorily  
4 appropriated, as provided in 17-7-502, for the purposes of making loans to municipalities and private concerns  
5 and paying debt service on obligations. The statutory appropriation is subject to termination as provided in  
6 17-7-502."

7

8           **Section 71.** Section 75-6-214, MCA, is amended to read:

9           **"75-6-214. Use of funds -- statutory appropriation.** Money in the revolving fund is statutorily  
10 appropriated, as provided in 17-7-502, for the purposes of providing financial assistance to public water systems.  
11 The statutory appropriation is subject to termination as provided in 17-7-502."

12

13           **Section 72.** Section 75-11-313, MCA, is amended to read:

14           **"75-11-313. Petroleum tank release cleanup fund.** (1) There is a petroleum tank release cleanup fund  
15 in the state special revenue fund established in 17-2-102. The fund is administered as a revolving fund by the  
16 board and is statutorily appropriated, as provided in 17-7-502, for the purposes provided for under subsections  
17 (3)(c) and (3)(d). The statutory appropriation is subject to termination as provided in 17-7-502. Administrative  
18 costs under subsections (3)(a) and (3)(b) must be paid pursuant to a legislative appropriation.

19           (2) There is deposited in the fund:

20           (a) all revenue from the petroleum storage tank cleanup fee as provided in 75-11-314;

21           (b) money received by the board in the form of gifts, grants, reimbursements, or appropriations, from any  
22 source, intended to be used for the purposes of this fund;

23           (c) money appropriated or advanced to the fund by the legislature;

24           (d) money loaned to the board by the board of investments; and

25           (e) all interest earned on money in the fund.

26           (3) As provided in 75-11-318, the fund may be used only:

27           (a) to administer this part, including payment of board expenses associated with administration;

28           (b) to pay the actual and necessary department expenses associated with administration;

29           (c) to reimburse owners and operators for eligible costs caused by a release from a petroleum storage  
30 tank and approved by the board; and

1 (d) for repayment of any advance and any loan made pursuant to 17-6-225, plus interest earned on the  
2 advance or loan.

3 (4) Whenever the board accepts a loan from the board of investments pursuant to 17-6-225, the receipts  
4 from the fees provided for in 75-11-314 in each fiscal year until the loan is repaid are pledged and dedicated for  
5 the repayment of the loan in an amount sufficient to meet the repayment obligation for that fiscal year."  
6

7 **Section 73.** Section 77-1-108, MCA, is amended to read:

8 **"77-1-108. Trust land administration account -- administrative costs -- appropriation.** (1) There is  
9 a trust land administration account in the state special revenue fund. Money in the account is available to the  
10 department by appropriation and must be used to pay the costs of administering state trust lands. This includes  
11 the cost of managing assets, including but not limited to real property and monetary assets.

12 (2) Appropriations from the account for each fiscal year may not exceed an amount equal to 25% of the  
13 distributable revenue, as defined in 77-1-101, generated in the fiscal year completed prior to the legislative  
14 session that will appropriate money for the next biennium. This excludes revenue generated by the forest  
15 improvement fee provided for in 77-5-204.

16 (3) (a) Pursuant to subsection (1), the administrative costs must be determined for each land trust. The  
17 department may adopt rules regarding the calculation of administrative costs as necessary.

18 (b) Each fiscal year, the department shall compare administrative costs for each land trust to the amount  
19 of revenue that land trust generates for the account. If the amount of revenue deposited pursuant to 77-1-109(2)  
20 exceeds the administrative costs for a specific land trust, the excess revenue must be distributed as provided in  
21 subsection (4) of this section.

22 (c) If revenue deposited from a specific land trust is insufficient to defray the administrative costs  
23 associated with managing that land trust and the money held for that trust in the earnings reserve account  
24 established in 77-1-132 is also insufficient, the board may receive a general fund loan pursuant to 17-2-107 to  
25 offset the difference. A general fund loan made pursuant to this subsection (3)(c) must be repaid within 5 years  
26 and must bear interest at a rate of return equal to that earned by the board of investments' short-term investment  
27 pool during that period.

28 (4) (a) Except as provided in subsections (4)(b) and (5), up to one-third of the unreserved distributable  
29 revenue remaining in the account at the end of a fiscal year may be transferred to the earnings reserve account  
30 provided for in 77-1-132 and accounted for by trust. The remaining unreserved revenue must be transferred to



1 each of the permanent funds in proportionate shares to each fund's contribution to the account.

2 (b) At the end of the fiscal year, unreserved funds received pursuant to 77-1-109(2)(a)(ii) and (2)(a)(iii)  
3 must be transferred to each of the permanent funds or to the appropriate trust or distributed to the beneficiary  
4 in proportionate shares to each fund's contribution to the account.

5 (5) (a) The amount of \$80,000 each biennium is transferred from the state general fund to an account  
6 in the state special revenue fund. The account is statutorily appropriated, as provided in 17-7-502, to the  
7 department for the purposes of administering the land granted to the state pursuant to the Morrill Act of 1862, 7  
8 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329. Any unexpended portion of the  
9 statutory appropriation may be retained in the account and used for the administration of the Morrill Act land. The  
10 statutory appropriation is subject to termination as provided in 17-7-502.

11 (b) At the end of each fiscal year, the department shall pay from the appropriation in subsection (5)(a)  
12 to the trust containing proceeds derived from land granted to the state pursuant to the Morrill Act of 1862, 7  
13 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329, an amount calculated to be the  
14 cost of administering the investment of the fund derived from that trust. The payment must be based upon the  
15 percentage that the Morrill Act fund constitutes of the total fund derived from all trust lands. If the appropriation  
16 in subsection (5)(a) is insufficient to pay the calculated administrative cost, a general fund loan may be used  
17 pursuant to 17-2-107 to offset the difference."  
18

19 **Section 74.** Section 77-2-362, MCA, is amended to read:

20 **"77-2-362. State land bank fund -- statutory appropriation -- rules.** (1) There is a state land bank  
21 fund. The proceeds from the sale of state trust land authorized by 77-2-361 through 77-2-367 must be deposited  
22 into the state land bank fund. The purpose of the state land bank fund is to temporarily hold proceeds from the  
23 sale of trust land pending the purchase of other land, easements, or improvements for the benefit of the  
24 beneficiaries of the respective trusts. A separate record of the proceeds received from the sale of trust land for  
25 each of the respective trusts must be maintained. Proceeds from the sale of lands that are part of a trust land  
26 grant may be used only to purchase land for the same trust.

27 (2) (a) Proceeds deposited in the state land bank fund, except earnings on those proceeds, are  
28 statutorily appropriated, as provided in 17-7-502, to the department for the purposes described in 77-2-361  
29 through 77-2-367. The statutory appropriation is subject to termination as provided in 17-7-502. All earnings on  
30 the proceeds deposited in the state land bank fund are subject to the provisions of Article X, sections 5 and 10,

1 of the Montana constitution.

2 (b) Funds appropriated from the trust land administration account provided for in 77-1-108 may be used  
3 by the department to fund the transactional costs of buying, selling, appraising, or marketing real property.  
4 Transactional costs may include realtor's fees, title reports, title insurance, legal fees, and other costs that may  
5 be necessary to complete a conveyance of real property.

6 (c) Proceeds from the sale of lands held pursuant to the Morrill Act of 1862, 7 U.S.C. 301 through 308,  
7 and the Morrill Act of 1890, 7 U.S.C. 321 through 329, may not be used for any transactional costs or trust  
8 administration purposes for those lands.

9 (d) The department may hold proceeds from the sale of state land in the state land bank fund for a period  
10 not to exceed 10 years after the effective date of each sale. If, by the end of the 10th year, the proceeds from the  
11 subject land sale have not been encumbered to purchase other lands, easements, or improvements within the  
12 state, the proceeds from that sale must be deposited in the public school fund or in the permanent fund of the  
13 respective trust as required by law, along with any earnings on the proceeds from the land sale, unless the time  
14 period is extended by the legislature.

15 (3) The board shall adopt rules providing for the implementation and administration of the state land bank  
16 fund, purchases, and sales."

17

18 **Section 75.** Section 80-2-222, MCA, is amended to read:

19 **"80-2-222. Board to establish amount of rates -- disposition of funds.** (1) The board of hail insurance  
20 may, when it considers it advisable, establish as many districts as it considers advisable and may maintain  
21 maximum rates in various parts of the state. The rates must be commensurate with the risk incurred as nearly  
22 as it can determine from past experiences or from any records available.

23 (2) Notice of the various rates established for any year must be plainly printed on the application for hail  
24 insurance, and the rates for the year must be determined and imposed by the board of hail insurance for each  
25 of the various districts as established, in proportions that will in the board's judgment be fair and equitable.

26 (3) The board of hail insurance may accept and expend all funds received by it, including amounts repaid  
27 as principal and interest on investments. The funds are statutorily appropriated, as provided in 17-7-502, to the  
28 board of hail insurance for the purposes of this chapter. The statutory appropriation is subject to termination as  
29 provided in 17-7-502. Expenditures for actual and necessary expenses required for the efficient administration  
30 of this part must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that

1 purpose.

2 (4) In establishing the rates provided in this section, the board of hail insurance shall provide for:

3 (a) the payment of all expenses of administration, together with all interest owed or to be owing on  
4 registered warrants;

5 (b) that portion of the losses incurred during the current year that are not paid from funds drawn from  
6 the reserve;

7 (c) the maintenance of the reserve, a part or all of which may be used in any 1 year for the purpose of  
8 paying the costs of administration, interest on the warrants, and losses as settled and adjusted by the board,  
9 including the losses sustained in any prior year or years under the hail insurance law that have not been paid.

10 (5) If at the end of any hail insurance season the board determines that more funds are accumulating  
11 from the current year's rates than were estimated when the rates were established and are in excess of the need  
12 for the payment of losses and expenses and maintenance of the reserve, the board may, at its discretion, refund  
13 the excess to the persons insured for the year, on a pro rata or percentage basis.

14 (6) The board of hail insurance may direct the board of investments to invest funds from the enterprise  
15 fund pursuant to the provisions of the unified investment program for state funds. The income from the  
16 investments must be credited to the board of hail insurance account in the enterprise fund."

17

18 **Section 76.** Section 80-4-416, MCA, is amended to read:

19 **"80-4-416. Deposit of deficiency funds and liquidation funds.** Revenue based on actual expenses  
20 received from the liquidation of commodity dealers and public warehouse operators, as authorized in 80-4-538  
21 and 80-4-612, and from deficiency fees, authorized in 80-4-503, must be deposited in the account established  
22 in 80-4-415 and is statutorily appropriated, as provided in 17-7-502, to the department for the purposes of this  
23 chapter. The statutory appropriation is subject to termination as provided in 17-7-502. Funds deposited under this  
24 chapter must be used to pay actual expenses incurred in the liquidation of commodity dealers and public  
25 warehouse operators or for the correction of storage deficiencies. Actual expenses include but are not limited to  
26 legal fees, court costs, travel expenses, per diem, and communication."

27

28 **Section 77.** Section 80-11-518, MCA, is amended to read:

29 **"80-11-518. Account established -- sources -- use -- expenditures.** (1) There is an account in the  
30 state special revenue fund into which must be placed:

- 1 (a) the proceeds of all commodity assessments and penalties collected under this part; and  
2 (b) the proceeds from all gifts, grants, and donations to the department for commodity research and  
3 market development received under 80-11-517.
- 4 (2) Funds deposited in the account for a specific commodity research and market development program  
5 may be expended only for the purposes of that program.
- 6 (3) Money deposited in the account is statutorily appropriated, as provided in 17-7-502, to the department  
7 for purposes of this part. The statutory appropriation is subject to termination as provided in 17-7-502.
- 8 (4) The department may direct the board of investments to invest funds from the account pursuant to  
9 the provisions of the unified investment program for state funds. Income from the investments must be credited  
10 to the account.
- 11 (5) The department may assess costs for the services that it provides to each commodity research and  
12 market development program. However, the costs assessed must be commensurate to the cost of the services  
13 provided."

14  
15 **Section 78.** Section 81-10-103, MCA, is amended to read:

16 **"81-10-103. Horse owner amnesty special revenue account.** (1) There is a horse owner amnesty  
17 account in the state special revenue fund. Money must be deposited in the account pursuant to 81-10-102(6) and  
18 subsection (2) of this section.

19 (2) Money received by the state in the form of gifts, grants, reimbursements, or allocations from any  
20 source to be used for the purposes of defraying the costs of this part must be deposited in the account.

21 (3) The money in the account is statutorily appropriated, as provided in 17-7-502, to the department of  
22 livestock, which shall use the funds to defray the costs of this part. The statutory appropriation is subject to  
23 termination as provided in 17-7-502."

24  
25 **Section 79.** Section 82-11-161, MCA, is amended to read:

26 **"82-11-161. (Temporary) Oil and gas production damage mitigation account -- statutory**  
27 **appropriation.** (1) There is an oil and gas production damage mitigation account within the state special revenue  
28 fund established in 17-2-102. The oil and gas production damage mitigation account is controlled by the board.

29 (2) At the beginning of each biennium, there must be allocated to the oil and gas production damage  
30 mitigation account \$50,000 from the interest income of the resource indemnity trust fund, except that if at the

1 beginning of a biennium the unobligated cash balance in the oil and gas production damage mitigation account:

2 (a) equals or exceeds \$200,000, no allocation will be made; or

3 (b) is less than \$200,000, then an amount less than or equal to the difference between the unobligated  
4 cash balance and \$200,000, but not more than \$50,000, must be allocated to the oil and gas production damage  
5 mitigation account from the interest income of the resource indemnity trust fund.

6 (3) In addition to the allocation provided in subsection (2), there must be deposited in the oil and gas  
7 production damage mitigation account all funds received by the board pursuant to 82-11-136.

8 (4) If a sufficient balance exists in the account, funds are statutorily appropriated, as provided in  
9 17-7-502, from the oil and gas production damage mitigation account, upon the authorization of the board, to pay  
10 the reasonable costs of properly plugging a well and either reclaiming or restoring, or both, a drill site or other  
11 drilling or producing area damaged by oil and gas operations if the board determines that the well, sump, hole,  
12 drill site, or drilling or producing area has been abandoned and the responsible person cannot be identified or  
13 located or if the responsible person fails or refuses to properly plug, reclaim, or restore the well, sump, hole, drill  
14 site, or drilling or producing area within a reasonable time after demand by the board. The responsible person  
15 shall, however, pay costs to the extent of that person's available resources and is subsequently liable to fully  
16 reimburse the account or is subject to a lien on property as provided in 82-11-164 for costs expended from the  
17 account to properly plug, reclaim, or restore the well, sump, hole, drill site, or drilling or producing area and to  
18 mitigate any damage for which the person is responsible.

19 (5) Interest from funds in the oil and gas production damage mitigation account accrues to that account.

20 (6) The statutory appropriation in this section is subject to termination as provided in 17-7-502.

21 **82-11-161. (Effective on occurrence of contingency) Oil and gas production damage mitigation**  
22 **account -- statutory appropriation.** (1) There is an oil and gas production damage mitigation account within  
23 the state special revenue fund established in 17-2-102. The oil and gas production damage mitigation account  
24 is controlled by the board.

25 (2) At the beginning of each biennium, there must be allocated to the oil and gas production damage  
26 mitigation account \$50,000 from the interest income of the resource indemnity trust fund, except that if at the  
27 beginning of a biennium the unobligated cash balance in the oil and gas production damage mitigation account:

28 (a) equals or exceeds \$200,000, no allocation will be made; or

29 (b) is less than \$200,000, then an amount less than or equal to the difference between the unobligated  
30 cash balance and \$200,000, but not more than \$50,000, must be allocated to the oil and gas production damage

1 mitigation account from the interest income of the resource indemnity trust fund.

2 (3) In addition to the allocation provided in subsection (2), there must be deposited in the oil and gas  
3 production damage mitigation account all funds received by the board pursuant to 82-11-136(1).

4 (4) If a sufficient balance exists in the account, funds are statutorily appropriated, as provided in  
5 17-7-502, from the oil and gas production damage mitigation account, upon the authorization of the board, to pay  
6 the reasonable costs of properly plugging a well and either reclaiming or restoring, or both, a drill site or other  
7 drilling or producing area damaged by oil and gas operations if the board determines that the well, sump, hole,  
8 drill site, or drilling or producing area has been abandoned and the responsible person cannot be identified or  
9 located or if the responsible person fails or refuses to properly plug, reclaim, or restore the well, sump, hole, drill  
10 site, or drilling or producing area within a reasonable time after demand by the board. However, the responsible  
11 person shall pay costs to the extent of that person's available resources and is subsequently liable to fully  
12 reimburse the account or is subject to a lien on property as provided in 82-11-164 for costs expended from the  
13 account to properly plug, reclaim, or restore the well, sump, hole, drill site, or drilling or producing area and to  
14 mitigate any damage for which the person is responsible.

15 (5) Interest from funds in the oil and gas production damage mitigation account accrues to that account.

16 (6) The statutory appropriation in this section is subject to termination as provided in 17-7-502.

17

18 **Section 80.** Section 87-1-603, MCA, is amended to read:

19 **"87-1-603. Payments to counties for department-owned land -- exceptions.** (1) Except as provided  
20 in subsection (3), before November 30 of each year, the treasurer of each county in which the department owns  
21 any land shall describe the land, state the number of acres in each parcel, and request the drawing of a warrant  
22 to the county in a sum equal to the amount of taxes that would be payable on county assessment of the property  
23 if it was taxable to a private citizen. The director shall approve or disapprove the request. The director may  
24 disapprove a request only if the director finds it to be inconsistent with this section. If the director disapproves a  
25 request, the director shall return it with an explanation detailing the reasons for the disapproval to the appropriate  
26 county treasurer for correction. If Subject to appropriation, if the director approves a request, the director shall  
27 transmit it to the department of administration, which shall draw a warrant payable to the county in the amount  
28 shown on the request and shall send the warrant to the county treasurer. The warrant is payable out of any funds  
29 to the credit of the department of fish, wildlife, and parks. A payment may not be made to a county in which the  
30 department owns less than 100 acres. A payment may not be made to a county for lands owned by the

1 department for game or bird farms or for fish hatchery purposes or lands acquired and managed for the purposes  
2 of Title 23, chapter 1.

3 (2) After May 10, 2009, for every department purchase of land, the department shall notify the treasurer  
4 in the county where land was purchased.

5 (3) (a) After May 10, 2009, and before November 30 of each subsequent year, the treasurer of each  
6 county in which the department owns land purchased after May 10, 2009, shall describe the land, state the  
7 number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal to the amount  
8 of taxes that would be payable on county assessment of the property if it was taxable to a private citizen.

9 (b) The director shall approve or disapprove the request. The director may disapprove a request only  
10 if the director finds it to be inconsistent with this subsection (3). If the director disapproves a request, the director  
11 shall return it with an explanation detailing the reasons for the disapproval to the appropriate county treasurer for  
12 correction. If the director approves a request, the director shall transmit it to the department of administration,  
13 which subject to appropriation shall draw a warrant payable to the county in the amount shown on the request  
14 and shall send the warrant to the county treasurer. ~~The~~ Subject to appropriation, the warrant is payable out of  
15 any funds to the credit of the department of fish, wildlife, and parks.

16 (c) All land purchased by the department after May 10, 2009, is subject to this subsection (3).

17 (4) The amount to be paid to each county pursuant to this section is statutorily appropriated, as provided  
18 in 17-7-502. The statutory appropriation is subject to termination as provided in 17-7-502.

19

20 **Section 81.** Section 90-1-115, MCA, is amended to read:

21 **"90-1-115. Department of commerce Lewis and Clark bicentennial account -- Montana historical**  
22 **society Lewis and Clark bicentennial account.** (1) (a) There is a department of commerce Lewis and Clark  
23 bicentennial account in the state special revenue fund. Three-fourths of the revenue from the sales of Lewis and  
24 Clark bicentennial license plates under 2-15-151 must be placed into the account and must be used as provided  
25 in 2-15-151. The revenue in the account is statutorily appropriated, as provided in 17-7-502, to the department  
26 of commerce. The statutory appropriation is subject to termination as provided in 17-7-502.

27 (b) There is a Montana historical society Lewis and Clark bicentennial account in the state special  
28 revenue fund. One-fourth of the revenue from the sales of Lewis and Clark bicentennial license plates under  
29 2-15-151 must be placed into the account and must be used as provided in 2-15-151. The revenue in the account  
30 is statutorily appropriated, as provided in 17-7-502, to the Montana historical society. The statutory appropriation

1 is subject to termination as provided in 17-7-502.

2 (2) The department of commerce shall allocate the proceeds that are deposited in the account  
3 established in subsection (1)(a) as grants, as follows:

4 (a) one-third to the Lewis and Clark interpretive center foundation;

5 (b) one-third to the Pompeys pillar historical association;

6 (c) one-third to the travelers' rest preservation and heritage association."  
7

8 **Section 82.** Section 90-1-203, MCA, is amended to read:

9 **"90-1-203. Types of financial assistance available.** (1) ~~The~~ Subject to appropriation, the department  
10 shall provide for and make grants and loans available to local governments and tribal governments for economic  
11 development projects and to certified regional development corporations from the money in the economic  
12 development special revenue account provided for in 90-1-205.

13 (2) A grant or loan may not be used for a project that would result in the transfer or relocation of jobs from  
14 one part of the state to another part of the state."  
15

16 **Section 83.** Section 90-1-205, MCA, is amended to read:

17 **"90-1-205. Economic development special revenue account.** (1) There is an economic development  
18 state special revenue account. The account receives earnings from the big sky economic development fund as  
19 provided in 17-5-703. The money in the account may be used only as provided in this part.

20 (2) The money in the account is statutorily appropriated, as provided in 17-7-502, to the department. The  
21 statutory appropriation is subject to termination as provided in 17-7-502. Of the money that is deposited in the  
22 account that is not used for administrative expenses:

23 (a) 75% must be allocated for distribution to local governments and tribal governments to be used for  
24 job creation efforts; and

25 (b) 25% must be allocated for distribution to certified regional development corporations, economic  
26 development organizations that are located in a county that is not part of a certified regional development  
27 corporation, and tribal governments."  
28

29 **Section 84.** Section 90-1-504, MCA, is amended to read:

30 **"90-1-504. Use of funds -- statutory appropriation.** Money in the distressed wood products industry



1 revolving loan account, the distressed wood products matching fund, and the related federal special revenue fund  
2 is statutorily appropriated, as provided in 17-7-502, for the purpose of administering this part. The statutory  
3 appropriation is subject to termination as provided in 17-7-502."

4

5 **Section 85.** Section 90-3-1003, MCA, is amended to read:

6 **"90-3-1003. Research and commercialization account -- use.** (1) The research and commercialization  
7 account provided for in 90-3-1002 is statutorily appropriated, as provided in 17-7-502, to the board of research  
8 and commercialization technology, provided for in 2-15-1819, for the purposes provided in this section. The  
9 statutory appropriation is subject to termination as provided in 17-7-502.

10 (2) The establishment of the account in 90-3-1002 is intended to enhance the economic growth  
11 opportunities for Montana and constitute a public purpose.

12 (3) The account may be used only for:

13 (a) loans that are to be used for research and commercialization projects to be conducted at research  
14 and commercialization centers located in Montana;

15 (b) grants that are to be used for production agriculture research and commercialization projects, clean  
16 coal research and development projects, or renewable resource research and development projects to be  
17 conducted at research and commercialization centers located in Montana;

18 (c) matching funds for grants from nonstate sources that are to be used for research and  
19 commercialization projects to be conducted at research and commercialization centers located in Montana; or

20 (d) administrative costs that are incurred by the board in carrying out the provisions of this part.

21 (4) At least 20% of the account funds approved for research and commercialization projects must be  
22 directed toward projects that enhance production agriculture.

23 (5) (a) At least 30% of the account funds approved for research and commercialization projects must  
24 be directed toward projects that enhance clean coal research and development or renewable resource research  
25 and development.

26 (b) If the board is not in receipt of a qualified application for a project to enhance clean coal research and  
27 development or renewable resource research and development, subsection (5)(a) does not apply.

28 (6) An applicant for a grant shall provide matching funds from nonstate sources equal to 25% of total  
29 project costs. The requirement to provide matching funds is a qualifier, but not a criterion, for approval of a grant.

30 (7) The board shall establish policies, procedures, and criteria that achieve the objectives in its research

- 1 and commercialization strategic plan for the awarding of grants and loans. The criteria must include:
- 2 (a) the project's potential to diversify or add value to a traditional basic industry of the state's economy;
- 3 (b) whether the project shows promise for enhancing technology-based sectors of Montana's economy
- 4 or promise for commercial development of discoveries;
- 5 (c) whether the project employs or otherwise takes advantage of existing research and commercialization
- 6 strengths within the state's public university and private research establishment;
- 7 (d) whether the project involves a realistic and achievable research project design;
- 8 (e) whether the project develops or employs an innovative technology;
- 9 (f) verification that the project activity is located within the state;
- 10 (g) whether the project's research team possesses sufficient expertise in the appropriate technology area
- 11 to complete the research objective of the project;
- 12 (h) verification that the project was awarded based on its scientific merits, following review by a
- 13 recognized federal agency, philanthropic foundation, or other private funding source; and
- 14 (i) whether the project includes research opportunities for students.
- 15 (8) The board shall direct the state treasurer to distribute funds for approved projects. Unallocated
- 16 interest and earnings from the account must be retained in the account. Repayments of loans and any
- 17 agreements authorizing the board to take a financial right to licensing or royalty fees paid in connection with the
- 18 transfer of technology from a research and commercialization center to another nonstate organization or
- 19 ownership of corporate stock in a private sector organization must be deposited in the account.
- 20 (9) The board shall refer grant applications to external peer review groups. The board shall compile a
- 21 list of persons willing to serve on peer review groups for purposes of this section. The peer review group shall
- 22 review the application and make a recommendation to the board as to whether the application for a grant should
- 23 be approved. The board shall review the recommendation of the peer review group and either approve or deny
- 24 a grant application.
- 25 (10) The board shall identify whether a grant or loan is to be used for basic research, applied research,
- 26 or some combination of both. For the purposes of this section, "applied research" means research that is
- 27 conducted to attain a specific benefit or solve a practical problem and "basic research" means research that is
- 28 conducted to uncover the basic function or mechanism of a scientific question.
- 29 (11) For the purposes of this section:
- 30 (a) "clean coal research and development" means research and development of projects that would

1 advance the efficiency, environmental performance, and cost-competitiveness of using coal as an energy source  
2 well beyond the current level of technology used in commercial service;

3 (b) "renewable resource research and development" means research and development that would  
4 advance:

5 (i) the use of any of the sources of energy listed in 69-3-2003(10) to produce electricity; and

6 (ii) the efficiency, environmental performance, and cost-competitiveness of using renewable resources  
7 as an energy source well beyond the current level of technology used in commercial service."  
8

9 **Section 86.** Section 90-9-301, MCA, is amended to read:

10 **"90-9-301. Agriculture seed capital account -- matching funds.** (1) There is an agriculture seed  
11 capital account administered by the council. Money received by the council under 90-9-306 must be deposited  
12 in this account.

13 (2) ~~The~~ Subject to appropriation, the council may loan or grant money from the agriculture seed capital  
14 account, pursuant to the provisions of 90-9-308 through 90-9-311."  
15

16 **Section 87.** Section 90-9-306, MCA, is amended to read:

17 **"90-9-306. Appropriation authority and funding -- prohibitions.** (1) The council may accept and  
18 expend the funds that it receives from grants, donations, or other private or public income, including amounts  
19 repaid as principal and interest on loans made by the council. These funds are statutorily appropriated to the  
20 council, as provided in 17-7-502, for the purposes of this chapter, except that expenditures for actual and  
21 necessary expenses required for the efficient administration of this chapter must be made from temporary  
22 appropriations, as described in 17-7-501(1) or (2), made for that purpose. The statutory appropriation is subject  
23 to termination as provided in 17-7-502.

24 (2) Council members may not personally apply for or receive council funds. If an organization with which  
25 a member is affiliated applies for council funds, the member shall disclose the nature of the affiliation and, if the  
26 council member is a board member or officer of the organization, may not participate in the decision of the council  
27 regarding the application."  
28

29 **NEW SECTION. Section 88. Severability.** If a part of [this act] is invalid, all valid parts that are  
30 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,

1 the part remains in effect in all valid applications that are severable from the invalid applications.

2

3 NEW SECTION. **Section 89. Effective date.** [This act] is effective July 1, 2011.

4 - END -