

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REPLACING THE SPECIAL LEVIES FOR HAIL INSURANCE,
5 LIVESTOCK PREDATOR CONTROL, AND FOREST FIRE PROTECTION WITH FEES; PROVIDING FOR THE
6 COLLECTION OF THE FEES BY THE DEPARTMENT OF REVENUE; AMENDING SECTIONS 15-24-303,
7 15-24-902, 15-24-904, 15-24-921, 15-24-922, 15-24-925, 76-13-201, 80-2-201, 80-2-203, 80-2-204,
8 80-2-205, 80-2-206, 80-2-207, 80-2-209, 80-2-221, 80-2-222, 80-2-224, 80-2-225, 80-2-226,
9 80-2-228, 80-2-229, 80-2-230, 80-2-231, 80-2-232, 80-2-244, 81-7-104, 81-7-113, 81-7-114, AND
10 81-7-118, MCA; REPEALING SECTION 80-2-223, MCA; AND PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 **Section 1.** Section 15-24-303, MCA, is amended to read:

15 **"15-24-303. (Temporary) Proration of tax on personal property -- refund.** (1) The tax on personal
16 property brought, driven, coming into, or otherwise located in the state on or after the assessment date
17 must be prorated according to the ratio that the remaining number of months in the year bears to the total
18 number of months in the year. This section does not apply to motor vehicles taxed under Title 61, chapter
19 3, part 5, or to livestock assessed under 15-24-902(2).

20 (2) If property upon which taxes have been paid is removed from the state, the taxpayer may
21 obtain a refund of a prorated portion of the taxes, subject to the requirements of 15-16-613.

22 **15-24-303. (Effective January 1, 2003) Proration of tax on personal property -- refund.** (1) The
23 tax on personal property brought, driven, coming into, or otherwise located in the state on or after the
24 assessment date must be prorated according to the ratio that the remaining number of months in the year
25 bears to the total number of months in the year. This section does not apply to motor vehicles taxed under
26 Title 61, chapter 3, part 5, or to livestock subject to the per capita ~~levy~~ fee under 15-24-921.

27 (2) If property upon which taxes have been paid is removed from the state, the taxpayer may
28 obtain a refund of a prorated portion of the taxes, subject to the requirements of 15-16-613."

29
30 **Section 2.** Section 15-24-902, MCA, is amended to read:



1 **"15-24-902. (Temporary) Assessment of livestock -- election for assessment on average inventory**
 2 **basis.** (1) Except as provided in subsection (2), the department of revenue shall assess all nonexempt
 3 livestock in each county where they are located on February 1 of each year. The livestock must be
 4 assessed to the person by whom they were owned or claimed or in whose possession or control they were
 5 at midnight of February 1 in that year.

6 (2) An owner of livestock may elect to have nonexempt livestock assessed on the average
 7 inventory basis as provided in 15-24-927. The owner shall file an election with the department on the
 8 statement required under 15-24-903. An owner of livestock making an election to have nonexempt
 9 livestock assessed on the average inventory basis is bound by that election for 6 years. After 6 years, the
 10 election to have nonexempt livestock assessed on the average inventory basis remains in effect unless the
 11 owner otherwise notifies the department before February 1.

12 **15-24-902. (Effective January 1, 2003) Assessment Number of livestock.** The department shall
 13 ~~assess~~ determine the number of livestock for the purposes of the per capita ~~levy fee~~ imposed under
 14 15-24-921 in each county where they are located on February 1 of each year. The livestock must be
 15 ~~assessed~~ assigned to the person by whom they were owned or claimed or in whose possession or control
 16 they were at midnight of February 1 in that year."

17

18 **Section 3.** Section 15-24-904, MCA, is amended to read:

19 **"15-24-904. (Temporary) Penalty for violation of law.** If any person, company, or corporation who
 20 is the owner or is in charge of any livestock within this state fails to make the statement or statements
 21 as provided in 15-24-903, the department shall, after 10 days' notice to the person who failed to file the
 22 report, assess the penalty provided in 15-8-309.

23 **15-24-904. (Effective January 1, 2003) Penalty for violation of law.** If a person, company, or
 24 corporation who is the owner or is in charge of livestock within this state fails to make the statement or
 25 statements as provided in 15-24-903, the department shall, after 10 days' notice to the person who failed
 26 to file the report, ~~access~~ assess the penalty provided in 15-8-309 ~~[on the]~~ on the per capita ~~levy fee~~, as provided
 27 in 15-24-921."

28

29 **Section 4.** Section 15-24-921, MCA, is amended to read:

30 **"15-24-921. Per capita ~~tax~~ levy fee to pay expenses of enforcing livestock laws.** (1) In addition

1 to appropriations made for those purposes, a per capita ~~tax~~ fee is authorized and directed to be ~~levied~~
 2 imposed by the department on all poultry and bees, all swine 3 months of age or older, and all other
 3 livestock 9 months of age or older in each county of this state for the purpose of aiding in the payment
 4 of the salaries and all expenses connected with the enforcement of the livestock laws of the state and for
 5 the payment of bounties on wild animals as provided in 81-7-104.

6 (2) As used in this section, "livestock" means cattle, sheep, swine, poultry, bees, goats, horses,
 7 mules, asses, llamas, alpacas, domestic bison, ostriches, rheas, and emus, and domestic ungulates."
 8

9 **Section 5.** Section 15-24-922, MCA, is amended to read:

10 **"15-24-922. (Temporary) Board of livestock to prescribe per capita levy fee -- refunds -- per capita**
 11 **levy fee on average inventory.** (1) The board of livestock shall annually prescribe the amount of the per
 12 capita levy fee to be made against livestock of all classes for the purpose indicated in 15-24-921.

13 (2) The per capita ~~tax~~ levy fee must be calculated each year to provide not more than 110% of
 14 the average annual revenue that was generated in the 3 previous years. The calculation must apply a
 15 reasonable factor for nonpayment and late payment of ~~taxes~~ fees and for reimbursement to the ~~counties~~
 16 department pursuant to 15-24-925 for collection of the levy fee.

17 (3) (a) A livestock owner taxed under 15-24-920 is entitled to a refund of the per capita levy fee
 18 collected under 15-24-921 based on the number of months the livestock have taxable situs in the state.
 19 The amount of the refund is equal to the ratio of the number of months that the livestock do not have
 20 taxable situs in the state to the number of months in the tax year, multiplied by the original per capita levy
 21 fee due. A taxpayer shall apply to the board of livestock on a form prescribed by the board for a refund
 22 allowed under this subsection by January 31 following the ~~taxable~~ tax year. The application must include
 23 a statement showing the date when the livestock were moved out of the state.

24 (b) Except as provided in subsection (3)(c), for the purposes of 15-24-921 and this section, the
 25 per capita levy fee may not be prorated.

26 (c) A taxpayer whose livestock are taxed on the average inventory basis for property tax purposes
 27 must also be ~~taxed~~ subject to the fee on an average inventory basis for the purposes of 15-24-921 and
 28 this section. All other livestock subject to the per capita ~~tax~~ levy fee must be reported on February 1 of
 29 each year.

30 **15-24-922. (Effective January 1, 2003) Board of livestock to prescribe per capita levy fee --**

1 **refunds.** (1) The board of livestock shall annually prescribe the amount of the per capita ~~levy fee~~ to be
2 made against livestock of all classes for the purpose indicated in 15-24-921.

3 (2) The per capita ~~tax-levy fee~~ must be calculated each year to provide not more than 110% of
4 the average annual revenue that was generated in the 3 previous years. The calculation must apply a
5 reasonable factor for nonpayment and late payment of ~~taxes fees~~ and for reimbursement to the ~~counties~~
6 ~~department~~ pursuant to 15-24-925 for collection of the ~~levy fee~~.

7 (3) (a) A livestock owner who moves livestock between states is entitled to a refund of the per
8 capita ~~levy fee~~ collected under 15-24-921 based on the number of months that the livestock have ~~taxable~~
9 situs in Montana. The amount of the refund is equal to the ratio of the number of months that the livestock
10 do not have ~~taxable~~ situs in the state to the number of months in the tax year, multiplied by the original
11 per capita ~~levy fee~~ due. A ~~taxpayer~~ livestock owner shall apply to the board of livestock on a form
12 prescribed by the board for a refund allowed under this subsection by January 31 of the following ~~the~~
13 ~~taxable~~ year. The application must include a statement showing the date when the livestock were moved
14 out of the state.

15 (b) For the purposes of 15-24-921 and this section, the per capita ~~levy fee~~ may not be prorated."
16

17 **Section 6.** Section 15-24-925, MCA, is amended to read:

18 **"15-24-925. Reimbursement to county department -- transmission of ~~taxes from county fees~~ to**
19 **state treasurer.** (1) The ~~county treasurer~~ department may withhold 2% of the money received under
20 15-24-921 as reimbursement ~~to the county~~ for the collection of the ~~levy fee~~ on livestock.

21 (2) ~~Except for the amount withheld under subsection (1), the taxes levied and the money collected~~
22 ~~pursuant to the provisions of 15-24-922 must be transmitted to the state treasury by the county treasurer~~
23 ~~of each county, as provided in 15-1-504, but not later than July 1 following assessment. The county~~
24 ~~treasurer~~ department shall designate the amount received from the ~~tax levied fee imposed~~ on sheep and
25 the amount received from the ~~tax levied fee imposed~~ on all other livestock and shall specify the separate
26 amounts in the report to the ~~state treasurer~~ department of livestock. The money, when received by the
27 ~~state treasurer~~ department, must be deposited in an account in the special revenue fund to the credit of
28 the department of livestock. The money in the account must be kept separate from other funds received
29 by the department of livestock."
30

1 **Section 7.** Section 76-13-201, MCA, is amended to read:

2 **"76-13-201. Duty of owner to protect against fire.** (1) An owner of land classified as forest land
3 ~~classified as such~~ by the department shall protect against the starting or existence and suppress the spread
4 of fire on that land. This protection and suppression must be in conformity with reasonable rules and
5 standards for adequate fire protection adopted by the department.

6 (2) If the owner does not provide for the protection and suppression, the department may provide
7 it at a cost to the landowner of not more than \$30 for each landowner in the protection district and of not
8 more than an additional 20 cents per acre per year for each acre in excess of 20 acres owned by each
9 landowner in each protection district, as necessary to yield the amount of money provided for in
10 76-13-207. The owner of the land shall pay ~~to the county treasurer of the county in which the land is~~
11 ~~situated~~ the charge ~~for the same~~ approved by the department in accordance with this part 1 and this part
12 4 to the department of revenue. Payments to the department of revenue are due on or before November
13 30 of each year.

14 (3) ~~No other~~ Other charges may not be assessed ~~those~~ to a participating landowner ~~landowners~~
15 ~~participating~~ except in cases of proven negligence on the part of the landowner or the landowner's agent."

16

17 **Section 8.** Section 80-2-201, MCA, is amended to read:

18 **"80-2-201. Powers and duties of board of hail insurance.** The board of hail insurance provided for
19 in 2-15-3003:

20 (1) shall hold meetings when necessary ~~and essential~~ for the ~~proper~~ conduct of its business;

21 (2) ~~is hereby authorized, directed, and empowered to make~~ may adopt rules ~~as it may from time~~
22 ~~to time find practical, necessary, and beneficial~~ for the administration of this part;

23 (3) shall prescribe blank forms for all purposes necessary, proper, and incidental to the effective
24 operation and enforcement of this part; and

25 (4) shall use any appropriate means of communication to inform Montana producers of the
26 purposes, scope, and benefits of this part in furnishing protection against loss by hail at the actual cost
27 of the risk to all ~~taxpayers~~ persons who may elect to become subject to the provisions of this part."

28

29 **Section 9.** Section 80-2-203, MCA, is amended to read:

30 **"80-2-203. Participation in program -- tax fee.** (1) A ~~taxpayer~~ person or an association of

1 ~~taxpayers~~ persons engaged in the growing of crops other than those specified in this part or other
 2 agricultural or horticultural products subject to injury or destruction by hail may, by individual or joint
 3 election filed with and approved by the board of hail insurance, accept the provisions of this part and elect
 4 to become subject to this part. The risks may be classified by the board, and suitable ~~levies~~ fees may be
 5 imposed as agreed upon by the board and the ~~taxpayers~~ persons. The ~~taxpayers~~ persons are entitled to
 6 the benefits and protection afforded by the insurance provisions of this part.

7 (2) Each ~~farmer taxpayer~~ person who signifies a desire to become subject to the provisions of this
 8 part shall file with the department of revenue the properly filled out form not later than August 15. The
 9 ~~taxpayer~~ person is chargeable with the ~~tax~~ fee provided for on lands growing crops subject to injury or
 10 destruction by hail and shall share in the protection and benefits under the hail insurance provisions of this
 11 part. The application for hail insurance is in full force and effect at 12:01 a.m. the day immediately
 12 following the acceptance of the application by the department of revenue.

13 (3) This part may not be construed to empower anyone except the actual owner of the land to
 14 make the land subject to the hail ~~tax~~ fee provided in this part."

15

16 **Section 10.** Section 80-2-204, MCA, is amended to read:

17 **"80-2-204. Duty of department of revenue -- election of benefits of law.** The department of
 18 revenue shall upon request explain to each ~~taxpayer~~ person engaged in the growing of crops subject to
 19 injury or destruction by hail the provisions of this part. The department of revenue shall issue hail insurance
 20 policies to each ~~taxpayer~~ person who desires to become subject to this part, to become liable for the ~~tax~~
 21 ~~levies~~ fee provided in this part, and to be eligible for the benefits and protection of this part. A ~~taxpayer~~
 22 person who elects to become subject to this part is liable for the ~~taxes levied~~ fees for hail insurance and
 23 shall participate in the benefits and protection afforded by this part. ~~Either the~~ The owners of lands worked
 24 by others under lease or contract may make the election for hail insurance, or the lessee of the land may
 25 tender payment, in cash, of the ~~tax levied~~ fee for hail insurance ~~to protect the lessee's crops, in cash,~~ to
 26 the officer authorized to receive payment."

27

28 **Section 11.** Section 80-2-205, MCA, is amended to read:

29 **"80-2-205. What crops subject to provisions of law.** The crops grown on the lands of all
 30 ~~taxpayers~~ persons who ~~shall~~ elect to become subject to this part ~~shall~~ must be insured under the provisions

1 of this part for the acreage and the kind of crop for which ~~taxes~~ fees for hail insurance ~~will~~ have been
 2 levied, ~~imposed, which~~ The insurance ~~shall~~ must be provided for, determined, and adjusted and paid for
 3 as provided by this part."

4

5 **Section 12.** Section 80-2-206, MCA, is amended to read:

6 **"80-2-206. Cash payment.** When an applicant for hail insurance tenders cash for the insurance
 7 to the department of revenue, the applicant is allowed a discount of 4%. The hail insurance must be issued
 8 upon the cash payment less the 4%. The charge for the insurance must be based on the maximum rates
 9 shown on the application for hail insurance. If the current rates are reduced later, the board of hail
 10 insurance shall arrange for the proper refund to the insured. All cash received by the department of
 11 revenue must be ~~promptly turned over to the county treasurer, who shall furnish the insured with a current~~
 12 ~~receipt and place the money in the hail insurance fund~~ deposited with the state treasurer."

13

14 **Section 13.** Section 80-2-207, MCA, is amended to read:

15 **"80-2-207. Delinquent ~~taxes~~ fees -- application by delinquent -- crop lien.** (1) An owner of land
 16 who has more than 1 year's delinquent ~~taxes~~ fees on the land may not be allowed hail insurance under
 17 the provisions of this part, unless the owner's application is accompanied by a cash payment for the
 18 amount that would be due on the application ~~in the event of a maximum levy~~ for that year.

19 (2) Any grain grower unable to secure state hail insurance under the provisions of this part
 20 because of delinquent ~~taxes~~ fees or for other reasons may make an application to the department of
 21 revenue, and the department of revenue may receive and accept the ~~applications~~ application when the
 22 applicant furnishes a sufficient crop lien that is subject only to a seed lien. The crop lien may be accepted
 23 only under rules and requirements that may be prescribed by the board of hail insurance and under the
 24 provision that the board may cancel any hail insurance accepted in violation of the rules and requirements.
 25 Upon receipt of the application, the department of revenue shall make a record of the application and shall
 26 file the original in the office of the clerk and recorder of the county. The department of revenue shall also
 27 ~~cause an assessment~~ send a bill to the grain grower for the proper amount ~~to be made on the property tax~~
 28 ~~record in the same manner provided for in the case of other special levies or assessments~~ due for hail
 29 insurance under the provisions of this part.

30 (3) A tenant who has delinquent hail insurance that was secured by a crop lien ~~only~~ and was not

1 secured by real estate may not be allowed another policy in any succeeding year until the delinquent
2 ~~account or accounts are~~ amount is paid or until the tenant pays cash for the current hail insurance.

3 (4) If a tenant becomes delinquent for hail insurance after having failed to apply for relief as
4 provided by the board under 80-2-229, the tenant may apply to the board for a reduction. If the reasons
5 for requesting a reduction are approved by the board, the board may reduce the charge to not less than
6 one-half the original amount charged."

7

8 **Section 14.** Section 80-2-209, MCA, is amended to read:

9 **"80-2-209. Reinsurance.** Because of the unusual or unexpected variation in the severity of damage
10 to grain crops ~~which occur~~ that occurs from year to year and in order to enable the hail insurance board
11 to spread the effect of these variations more evenly over all years, the board ~~is hereby authorized to~~ may
12 negotiate for and ~~to~~ secure reinsurance of a part of the risk in any year when the need ~~of such~~ for
13 reinsurance appears advisable to the board. The board ~~is hereby authorized to~~ may use ~~moneys~~ money
14 from hail insurance ~~levies~~ fees for the purchase of ~~such~~ reinsurance whenever it appears to the board that
15 ~~such~~ reinsurance is necessary and advisable."

16

17 **Section 15.** Section 80-2-221, MCA, is amended to read:

18 **"80-2-221. Tax Fee for hail insurance.** (1) A ~~tax is hereby authorized and directed to be levied~~ fee
19 is imposed on all lands in this state growing crops subject to injury or destruction by hail, the owners of
20 which have elected to become subject to the provisions of this part.

21 (2) The board of hail insurance shall annually estimate, as accurately as possible, the amount
22 required to pay all losses, interest on warrants, and costs of administration and shall recommend a ~~levy~~
23 fee to be ~~made~~ imposed on each kind of land respectively, subject to the provisions of this part, to the
24 department of revenue. The rates recommended to apply on the lands of owners ~~shall~~ must be applied in
25 the same proportions to the crops of those insured on a personal ~~assessment~~ basis."

26

27 **Section 16.** Section 80-2-222, MCA, is amended to read:

28 **"80-2-222. Board to establish amount of ~~levy~~ fee -- disposition of funds.** (1) The board of hail
29 insurance may, when it considers it advisable, establish as many districts as it considers advisable and may
30 maintain maximum rates in various parts of the state, ~~which~~ The rates must be commensurate with the

1 risk incurred as nearly as it can determine from past experiences or from any records available.

2 (2) Notice of the various rates established for any year must be plainly printed on the application
3 for hail insurance, and the rates for the year must be determined and ~~levied~~ imposed by the board of hail
4 insurance for each of the various districts as established, in ~~such proportions as that~~ that will in its the board's
5 judgment be fair and equitable.

6 (3) The board of hail insurance ~~has authority to~~ may accept and expend all funds received by it,
7 including amounts repaid as principal and interest on investments. The funds are statutorily appropriated,
8 as provided in 17-7-502, to the board of hail insurance for the purposes of this chapter. Expenditures for
9 actual and necessary expenses required for the efficient administration of this part must be made from
10 temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.

11 (4) In ~~making the levy~~ establishing the rates provided in this section ~~and 80-2-223~~, the board of
12 hail insurance shall provide for:

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

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

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

21 (5) If at the end of any hail insurance season the board determines that more funds are
22 accumulating from the current year's ~~levies~~ rates than were estimated when the ~~levy was made~~ rates were
23 established and are in excess of the need for the payment of losses and expenses and maintenance of the
24 reserve, the board may, at its discretion, refund the excess to the ~~farmers~~ persons insured for the year,
25 on a pro rata or percentage basis.

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

29

30 **Section 17.** Section 80-2-224, MCA, is amended to read:

1 **"80-2-224. Assessment Fee -- notice -- when payable.** Notice of ~~such assessment shall~~ the fee
 2 must be mailed by the ~~county treasurer~~ department of revenue to each person insured in the same manner
 3 and at the same time as notices of property taxes due. The ~~assessment shall be~~ fee is payable at the office
 4 ~~of the county treasurer of each respective county~~ to the department of revenue."

5

6 **Section 18.** Section 80-2-225, MCA, is amended to read:

7 **"80-2-225. Real estate lien -- creation.** The ~~tax levies are~~ hail insurance fees chargeable to the
 8 lands of each ~~taxpayer~~ person who elects to become subject to this part and must be ~~entered in the~~
 9 ~~property tax record and~~ collected by the ~~officers charged with such duties in the manner and form as are~~
 10 ~~other property taxes~~ department of revenue. If the ~~levies~~ fees are not paid, they are a lien on the lands
 11 against which they are ~~levied in the same manner as are other property taxes~~ imposed."

12

13 **Section 19.** Section 80-2-226, MCA, is amended to read:

14 **"80-2-226. Crop lien -- when created -- assessment.** (1) In addition to the lien created in 80-2-225
 15 on the land of the insured, the ~~levy fee~~ for such hail insurance ~~shall constitute~~ is a lien on the crops insured
 16 with the exception that the crop lien may not apply to owners of unencumbered land or to the land or
 17 crops of those who pay cash for hail insurance. The applications of these persons may not be filed with
 18 the county clerk and recorded as provided for in 80-2-207. ~~The~~ Except as provided in this subsection, the
 19 ~~crop lien shall~~ must be included in all applications for hail insurance, ~~with the above exceptions,~~ and ~~shall~~
 20 must be enforced as provided in 80-2-230 and 80-2-231 against all applicable persons insured ~~except~~
 21 ~~those owning unencumbered land or those who have paid cash for hail insurance.~~

22 (2) All applicants securing hail insurance on crop liens as ~~heretofore~~ provided ~~shall be in this~~
 23 section are subject to the same charges per acre ~~as provided herein to be~~ that are made on land."

24

25 **Section 20.** Section 80-2-228, MCA, is amended to read:

26 **"80-2-228. Reserve fund.** (1) Each year when the hail board ~~makes~~ sets its annual ~~levy fee~~ for
 27 the payment of current losses, for expenses of administration, and for an addition to the reserve if
 28 conditions permit, it may not increase the ~~levy fee~~ enough in any year so that the addition to the reserve
 29 will exceed 5% of the maximum risk written for that year.

30 (2) The board may engage the services of a qualified actuary to conduct an actuarial valuation of

1 the reserve. This valuation ~~shall~~ may include the actuary's determination of the amount of reserve
 2 necessary to absorb all reasonably anticipated catastrophic losses. This amount is the maximum
 3 permissible reserve fund for the next year.

4 (3) The reserve must be deposited in an enterprise fund.

5 (4) The board may not draw on the reserve for any purpose unless the amount required for the
 6 payment of losses for the current year, including interest on warrants and costs of administration, exceeds
 7 the amount of the estimate made by the board for the current year pursuant to 80-2-221."

8

9 **Section 21.** Section 80-2-229, MCA, is amended to read:

10 **"80-2-229. Withdrawal of crop in case of destruction through other means.** When any crop
 11 insured under this part ~~shall have been~~ is destroyed by any ~~other~~ cause other than hail, the applicant may,
 12 by furnishing the proof required by the board of hail insurance, cause the crop to be ~~withdrawn~~ exempted
 13 from the regular ~~levy~~ fee of the board for the current year. ~~Such~~ The proof ~~shall~~ must be submitted to the
 14 board of hail insurance in accordance with its rules. ~~Said~~ The rules ~~shall~~ must be plainly printed on the
 15 applications and policies issued by the department. ~~They shall~~ The rules must provide that the cost for
 16 ~~such~~ withdrawn insurance ~~shall~~ must be varied as nearly as practical according to the time the insurance
 17 is in force and according to the risk carried."

18

19 **Section 22.** Section 80-2-230, MCA, is amended to read:

20 **"80-2-230. Collection of levies fees -- release of lien.** (1) ~~The county treasurer in each county in~~
 21 ~~the state~~ department of revenue shall collect all ~~levies made~~ fees imposed under this part ~~in the same~~
 22 ~~manner as other property taxes are collected and shall keep all moneys collected by him or for him for hail~~
 23 ~~insurance in a separate fund to be known as the hail insurance fund and remit the same to.~~ The
 24 department of revenue shall deposit the money with the state treasurer ~~in the same manner as provided~~
 25 ~~by law for the remittance of other moneys due to the state. All county treasurers~~ The department of
 26 revenue shall use due diligence in making the collections of the ~~levies~~ fees provided herein ~~for in this part.~~
 27 ~~Also the board may furnish assistance needed at any time in making collections or may take over the~~
 28 ~~collection of any levy at any time, depositing any collections therefrom with the treasurer of the county~~
 29 ~~where the levy therefor was made.~~

30 (2) All insurance ~~levies~~ fees, whether ~~levied~~ imposed against land or ~~in the form of special~~

1 assessments secured by crop liens, ~~shall be~~ are payable in full and not in semiannual payments on or
2 before November 30 of each year in which ~~such levies the fees~~ are made imposed.

3 (3) Whenever the amount due on any hail insurance secured by a crop lien is paid, the ~~treasurer~~
4 department of revenue shall promptly endorse on the lien on file in the office of the county clerk and
5 recorder the amount paid ~~thereon~~ with the date of payment and ~~such the~~ endorsement shall be is a
6 satisfaction and release of ~~such the~~ lien."

7

8 **Section 23.** Section 80-2-231, MCA, is amended to read:

9 **"80-2-231. Foreclosure of lien.** If the person receiving hail insurance secured by a crop lien fails
10 to pay ~~said the fee for~~ insurance to the county treasurer department of revenue by December 1 of the year
11 in which the crop ~~so insured~~ is grown, the ~~county treasurer department~~ shall on that day or as soon as
12 possible ~~thereafter~~ after that day deliver to the sheriff of ~~said the~~ county a full, true, and correct copy of
13 the lien on file in the office of the clerk and recorder and ~~such the~~ sheriff must shall immediately demand
14 from the person or persons signing ~~such the~~ lien payment of the amount due, ~~thereon and, if the same~~ If
15 the fee is not paid to the sheriff upon ~~such~~ demand being made, the sheriff ~~must forthwith~~ shall seize and
16 sell in the manner provided by law for the sale of personal property under execution a sufficient amount
17 of grain belonging to ~~such the~~ person to pay the amount due for hail insurance together with interest and
18 costs and expenses of seizure and sale."

19

20 **Section 24.** Section 80-2-232, MCA, is amended to read:

21 **"80-2-232. State treasurer's Department of revenue's duty -- warrants -- transfers to county and**
22 **state general fund.** (1) The ~~state treasurer~~ department of revenue shall receive all money paid under this
23 part and shall place the money in trust for the hail insurance program to the credit of the enterprise fund.
24 All money collected by the board must be deposited in the enterprise fund, and all losses must be paid
25 from that fund. All other costs are administrative expenses and must be paid from the board's enterprise
26 fund. If registered warrants are presented and there is no money to pay the warrants, the warrants must
27 be registered and bear interest at the rate of 4% ~~per annum~~ a year until called for payment by the state
28 treasurer.

29 (2) ~~Upon warrants drawn by order of the board, the state treasurer shall pay out of the board's~~
30 ~~enterprise fund to the county treasurer of each county where state hail insurance coverage is in force 2%~~

1 of the gross annual levies made and collected in that county under this part for the use of the county as
 2 the board of county commissioners may determine. The department of revenue may retain 2% of the
 3 gross annual fees imposed and collected under this part for administrative costs associated with billing and
 4 collection of hail insurance premiums.

5 (3) Upon authorization from the board of hail insurance, the state treasurer shall transfer out of
 6 the board's enterprise fund to the general fund of the state of Montana 1.5% of the gross annual ~~levies~~
 7 fees made and collected in the state of Montana."

8

9 **Section 25.** Section 80-2-244, MCA, is amended to read:

10 **"80-2-244. Payment of losses.** (1) The board of hail insurance shall, as soon as practicable after
 11 the loss has been sustained, arrange for the payment of the loss in the following manner. From the amount
 12 of the loss as adjusted for each claimant, the board shall deduct the amount that the claimant then owes
 13 as delinquent hail insurance ~~tax fees~~ and the maximum amount ~~assessed~~ imposed as a hail insurance ~~tax~~
 14 fee for the current year.

15 (2) The board shall on or before November 1 order payment for the amount ~~so~~ deducted, ~~which~~
 16 The payment shall must be remitted to the county treasurer of the county in which the ~~tax fee~~ was
 17 ~~assessed~~ imposed. The board shall then order payment for the balance of the adjustment to be sent to the
 18 claimant, provided that ~~in no case may~~ the payment for loss may not exceed \$24 per acre for grain crops
 19 on nonirrigated lands, ~~or~~ \$48 per acre on irrigated lands. ~~No~~ A claimant may not receive payment for any
 20 loss incurred ~~where~~ if the loss does not equal or exceed 5% of the total value of the crop insured. If the
 21 losses in any year exceed the current ~~levy fees~~ plus the reserve, ~~if any,~~ then the payment of all losses ~~shall~~
 22 must be prorated, ~~share and share alike,~~ among all grain growers having loss claims adjusted and
 23 approved, and the unpaid balance of the losses ~~shall~~ must be paid out of the reserve without interest in
 24 ~~such~~ the order as that the board directs, when in the judgment of the board there ~~are~~ is sufficient ~~moneys~~
 25 money to provide for the payment of the ~~same~~ claims and other items payable out of the reserve. In any
 26 year the board may by resolution authorize its ~~chairman~~ presiding officer and secretary to borrow ~~as~~
 27 ~~needed from any person, bank, or corporation such sum or sums of money as~~ that the board ~~may consider~~
 28 considers necessary for the purpose of paying all warrants as issued.

29 (3) For any ~~moneys~~ money borrowed under the provisions of this part, the board shall cause
 30 warrants to be drawn. The warrants ~~shall~~ must bear interest at a rate not to exceed 6% a year, and the

1 warrants and the interest ~~thereon shall~~ on the warrants must be paid out of funds from the state hail
 2 insurance program ~~as they are collected from the various counties in the state.~~ The board may not at any
 3 time borrow a total sum greater than the amount of ~~levies as made for taxes~~ the fees imposed for the
 4 current year together with ~~such delinquent taxes as~~ fees that remain unpaid ~~on the books of the county~~
 5 ~~treasurer."~~

6

7 **Section 26.** Section 81-7-104, MCA, is amended to read:

8 **"81-7-104. (Temporary) Predator control moneys -- use of proceeds.** (1) The department of
 9 ~~livestock~~ shall allocate a portion of the money from the ~~levy fee~~ levy fee under 15-24-921 for the purpose of
 10 protecting livestock in the state against destruction, depredation, and injury by wild animals, whether the
 11 livestock is on lands in private ownership, in the ownership of the state, or in the ownership of the United
 12 States, including open ranges and all lands in or of the public domain. This protection may be by any
 13 means of effective predatory animal destruction, extermination, and control, including systematic hunting
 14 and trapping and payment of bounties.

15 (2) Money ~~shall~~ must be paid out only on claims ~~duly and regularly~~ presented to the department
 16 ~~of livestock~~ and approved by the department in accordance with the law applicable either to claims for
 17 bounties or for other expenditures ~~necessary and proper~~ for predatory animal control by ~~means and~~
 18 methods other than payment of bounties, as determined by the department. Money designated for predator
 19 control ~~shall~~ must be available for the payment of bounty claims and for expenditures for planned,
 20 seasonal, or other campaigns directed or operated by the department in cooperation with other agencies
 21 for the systematic destruction, extermination, and control of predatory wild animals, as determined by the
 22 department and its advisory committee. ~~No claims~~ Claims may not be approved in excess of ~~moneys~~
 23 money available for ~~such purposes that purpose~~, and ~~no~~ warrants may not be registered against the
 24 ~~moneys~~ money.

25 **81-7-104. (Effective on occurrence of contingency) Predator control money -- use of proceeds.**

26 (1) The department of ~~livestock~~ shall allocate a portion of the money from the ~~levy fee~~ levy fee under 15-24-921
 27 for the purpose of protecting livestock in the state against destruction, depredation, and injury by
 28 predatory animals, whether the livestock is on lands in private ownership, in the ownership of the state,
 29 or in the ownership of the United States, including open ranges and all lands in or of the public domain.
 30 This protection may be by any means of effective predatory animal destruction, extermination, and control,

1 including systematic hunting and trapping and payment of bounties.

2 (2) Money must be paid out only on claims ~~duly and regularly~~ presented to the department of
 3 ~~livestock~~ and approved by the department in accordance with the law applicable either to claims for
 4 bounties or for other expenditures ~~necessary and proper~~ for predatory animal control by ~~means and~~
 5 methods other than payment of bounties, as determined by the department. Money designated for predator
 6 control must be available for the payment of bounty claims and for expenditures for planned, seasonal,
 7 or other campaigns directed or operated by the department in cooperation with other agencies for the
 8 systematic destruction, extermination, and control of predatory animals, as determined by the department
 9 and its advisory committee. Claims may not be approved in excess of money available for ~~those purposes~~
 10 that purpose, and warrants may not be registered against the money."

11

12 **Section 27.** Section 81-7-113, MCA, is amended to read:

13 **"81-7-113. Claim for bounty.** (1) A sheriff, undersheriff, and deputy sheriff, to prevent fraud, shall
 14 carefully examine each skin presented. If the examination discloses that the scalp and ears with the skin
 15 from the entire head of the animal have not been severed, punched, patched, or marked, ~~he~~ the officer
 16 shall, in the presence of the person presenting the skin, mark the skin by severing the skin from the head,
 17 including the ears, and then redeliver the skin to the person presenting it, ~~and~~ The officer shall require an
 18 affidavit from the claimant that the claimant killed the animal. The affidavit ~~shall~~ must be on forms
 19 prescribed by the department and contain information the department requires.

20 (2) The officer shall require affidavits from two ~~resident taxpayers~~ residents residing in the vicinity
 21 in which the animal was killed, setting forth that they are ~~resident taxpayers~~ residents paying fees on
 22 livestock, giving their post-office addresses, and stating that they are personally acquainted with the
 23 person presenting the skin and, to their knowledge, the person did kill the animal from which the skin was
 24 taken within 30 days preceding the offering of the skin for a bounty to the sheriff, undersheriff, or deputy
 25 sheriff to which it is presented. ~~A taxpayer~~ An individual who makes a false certificate or affidavit under
 26 this section in a material portion is guilty of a felony, punishable the same as for the crime of perjury."

27

28 **Section 28.** Section 81-7-114, MCA, is amended to read:

29 **"81-7-114. Certificate and record of sheriff.** (1) Upon receiving the affidavit required pursuant to
 30 81-7-113, the officer shall deliver to the person claiming a bounty a certificate addressed to the county

1 clerk of the officer's county and immediately deliver to the county clerk a duplicate of the certificate,
 2 showing the date, number, and kind of skins marked for severing and the name of the person presenting
 3 the skins. The certificate must also recite that the filing of the affidavits of taxpayers required by 81-7-113
 4 has been done and the examination of the skins has been made as required. The certificate must be signed
 5 by the officer in the officer's official capacity. ~~When a doubt exists as to the kind of skin presented,~~
 6 ~~whether wolf or coyote, the certificate must be issued for the lesser bounty.~~ Each sheriff shall keep a
 7 record of all skins marked and severed, showing the date, number, and kinds and the names of the persons
 8 presenting the skins. This record is an official record. The sheriff, undersheriff, or deputy sheriff may not
 9 perform any duties under 81-7-111 through 81-7-118 and 81-7-120 through 81-7-122 except at the
 10 county seat.

11 (2) The sheriff shall, not later than the 15th of each month, give to the county clerk and recorder
 12 a report setting forth the names of the persons presenting skins, with the number of the certificate and
 13 the kind and number of the skins presented. The sheriff shall report for each certificate issued during the
 14 month."

15

16 **Section 29.** Section 81-7-118, MCA, is amended to read:

17 **"81-7-118. (Temporary) Levy of tax Fee for purpose of paying bounty claims --limitation on levy.**

18 The department of revenue shall annually prescribe the levy fee recommended by the department to be
 19 made imposed against livestock of all classes for paying for the destruction of wild animals killed in this
 20 state. ~~The tax in any 1 year may not exceed 7.5 mills on the taxable value of the livestock.~~ The money
 21 received must be used only for the payment of claims approved by the department for the destruction of
 22 wild animals and for the administration of 81-7-111 through 81-7-118 and 81-7-120 through 81-7-122.
 23 The money received ~~for the taxes levied~~ from the fees imposed must be sent annually ~~with other taxes~~
 24 to the state treasurer by the county treasurer of each county. When the money is received by the state
 25 treasurer, it must be placed in the state special revenue fund and may then be paid out on claims approved
 26 under the law governing the payment of claims.

27 **81-7-118. (Effective on occurrence of contingency) Levy of tax Fee for purpose of paying bounty**
 28 **claims --limitation on levy.** The department of revenue shall annually prescribe the levy fee recommended
 29 by the department to be made imposed against livestock of all classes for paying for the destruction of
 30 predatory animals killed in this state. ~~The tax in any 1 year may not exceed 7.5 mills on the taxable value~~

1 ~~of the livestock~~. The money received must be used only for the payment of claims approved by the
2 department for the destruction of predatory animals and for the administration of 81-7-111 through
3 81-7-118 and 81-7-120 through 81-7-122. The money received ~~for~~ from the ~~taxes levied~~ fees imposed
4 must be sent annually ~~with other taxes~~ to the state treasurer by the county treasurer of each county.
5 When the money is received by the state treasurer, it must be placed in the state special revenue fund and
6 may then be paid out on claims approved under the law governing the payment of claims."

7

8 NEW SECTION. **Section 30. Repealer.** Section 80-2-223, MCA, is repealed.

9

10 NEW SECTION. **Section 31. Effective date.** [This act] is effective July 1, 2001.

11

- END -