

HOUSE BILL NO. 180

INTRODUCED BY E. CLARK

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING LIQUOR LICENSE FEES AND BEER AND WINE TAX REVENUE TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; STATUTORILY APPROPRIATING FUNDS FOR DISTRIBUTION TO STATE-APPROVED PRIVATE AND PUBLIC CHEMICAL DEPENDENCY PROGRAMS FOR GRANTS AND FOR TREATMENT OF PERSONS WITH CO-OCCURRING SERIOUS MENTAL ILLNESS AND CHEMICAL DEPENDENCY; AMENDING SECTIONS 17-7-502, 53-24-108, 53-24-204, AND 53-24-206, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-7-502, MCA, is amended to read:

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

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

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

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

(3) The following laws are the only laws containing statutory appropriations: 2-15-151; 2-17-105; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-5-306; 23-5-409; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623; 53-6-703; 53-24-108; 53-24-206; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710 terminates June 30, 2005; pursuant to sec. 17, Ch. 414, L. 2001, the inclusion of 2-15-151 terminates December 31, 2006; and pursuant to sec. 2, Ch. 594, L. 2001, the inclusion of 17-3-241 becomes effective July 1, 2003.)"

Section 2. Section 53-24-108, MCA, is amended to read:

"53-24-108. (Temporary) Use of funds generated by taxation on alcoholic beverages. (1) Revenue generated by 16-1-404, 16-1-406, and 16-1-411 and allocated to the department to be used as matching funds for the Montana medicaid program and to be used in state-approved private or public programs whose function is the treatment, rehabilitation, and prevention of alcoholism, which for the purposes of this section includes chemical dependency, may be distributed in any of the following ways:

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

(b) as grants to state-approved private or public alcoholism programs; or

(c) as matching funds for the Montana medicaid program administered by the department that are used for the treatment of alcoholism, chemical dependency, and related illnesses.

(2) (a) Services provided by funding under this chapter may include treatment and rehabilitation for persons with co-occurring mental illness and chemical dependency.

(b) The department shall distribute at least \$1 million to state-approved chemical dependency programs during fiscal year 2003. During fiscal year 2003, the department may use other sources of funding to meet its obligations under this subsection (2)(b). At least \$730,000 of funds distributed under this subsection (2)(b) must be derived from revenue generated by 16-1-404, 16-1-406, and 16-1-411 and must be distributed to counties,

1 as provided in 53-24-206(3)(b), for the private or public programs approved pursuant to 53-24-208. The
2 remaining balance may consist of a combination of funds generated by taxation on alcoholic beverages and
3 other funds available to the department.

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

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

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

12 (6) A grant made under this section is subject to the following conditions:

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

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

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

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

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

24 (7) Revenue generated by 16-1-404, 16-1-406, and 16-1-411 for the treatment, rehabilitation, and
25 prevention of alcoholism that has not been encumbered for those purposes by the counties of Montana or the
26 department must be returned to the state special revenue fund for the treatment, rehabilitation, and prevention
27 of alcoholism within 30 days after the close of each fiscal year and must be distributed by the department the
28 following year as provided in 53-24-206(3)(b). (Terminates July 1, 2003--sec. 6, Ch. 470, L. 2001; sec. 3, Ch.
29 21, Sp. L. August 2002.)

30 **53-24-108. (Effective July 1, 2003) Use of funds generated by taxation on alcoholic beverages.**

(1) Revenue generated by 16-1-404, 16-1-406, and 16-1-411 and allocated to the department to be used in state-approved private or public programs whose function is the treatment, rehabilitation, and prevention of alcoholism, which for the purposes of this section includes chemical dependency, ~~may be distributed in any of the following ways~~ must be distributed as follows:

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

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

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

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

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

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

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

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

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

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

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

(b) Whenever, during the period of grant support, program income exceeds the amount estimated in

the grant application, the amount of the excess must be reported to the grantor.

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

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

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

(6) Revenue generated by 16-1-404, 16-1-406, and 16-1-411 for the treatment, rehabilitation, and prevention of alcoholism that has not been encumbered for those purposes by the counties of Montana or the department must be returned to the state special revenue fund for the treatment, rehabilitation, and prevention of alcoholism within 30 days after the close of each fiscal year and must be distributed by the department the following year as provided in 53-24-206(3)(b)."

Section 3. Section 53-24-204, MCA, is amended to read:

"53-24-204. Powers and duties of department. (1) To carry out this chapter, the department may:

(a) accept gifts, grants, and donations of money and property from public and private sources;

(b) enter into contracts;

(c) acquire and dispose of property.

(2) The department shall:

(a) approve treatment facilities as provided for in 53-24-208;

(b) prepare a comprehensive long-term state chemical dependency plan every 4 years and update this plan each biennium;

(c) provide for and conduct statewide service system evaluations;

(d) distribute state and federal funds to the counties for approved treatment programs in accordance with the provisions of 53-24-108 and 53-24-206;

(e) plan in conjunction with approved programs and provide for training of program personnel delivering services to persons with a chemical dependency;

(f) establish criteria to be used for the development of new programs;

(g) encourage planning for the greatest ~~utilization~~ use of funds by discouraging duplication of services, encouraging efficiency of services through existing programs, and encouraging rural counties to form multicounty

1 districts or contract with urban programs for services;

2 (h) cooperate with the board of pardons and parole in establishing and conducting programs to provide
3 treatment for intoxicated persons and persons with a chemical dependency in or on parole from penal
4 institutions;

5 (i) establish standards for chemical dependency educational courses provided by state-approved
6 treatment programs and approve or disapprove the courses; and

7 (j) assist all interested public agencies and private organizations in developing education and prevention
8 programs for chemical dependency."
9

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

11 **"53-24-206. Administration of financial assistance.** (1) The department may apply for and receive
12 grants, allotments, or allocations of funds or other assistance for purposes pertaining to the problems of chemical
13 dependency or related social problems under laws and rules of the United States, any other state, or any private
14 organization.

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

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

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

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

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

30 (i) Eighty-five percent must be allocated according to the proportion of each county's population to the

1 state's population according to the most recent United States census.

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

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

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7 NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2003.

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