62nd Legislature

HB BILL NO. 316

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE ALLOCATION OF REVENUE AND INCOME; INCREASING THE BALANCE OF THE STATE GENERAL FUND; DECREASING THE BALANCE OF VARIOUS STATE ACCOUNTS AND FUNDS; REDUCING DISTRIBUTIONS TO VARIOUS AGENCIES, COUNTIES, LOCAL GOVERNMENTS, AND SCHOOL DISTRICTS; TRANSFERRING A PORTION OF THE CORPUS OF THE BIG SKY ECONOMIC DEVELOPMENT FUND, THE TREASURE STATE ENDOWMENT FUND, AND THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM FUND TO THE SEVERANCE TAX PERMANENT FUND; REVISING THE ALLOCATION OF COAL SEVERANCE TAXES; REVISING THE ALLOCATION OF OIL AND NATURAL GAS PRODUCTION TAXES; REVISING THE ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES; REVISING THE ALLOCATION OF THE RESOURCE INDEMNITY AND GROUND WATER ASSESSMENT TAX AND MONEY FROM OPENCUT MINING FEES; REVISING THE ALLOCATION OF INTEREST INCOME FROM THE RESOURCE INDEMNITY TRUST FUND; REVISING THE ALLOCATION OF NURSING FACILITY UTILIZATION FEES; REVISING THE ALLOCATION OF THE LODGING FACILITY USE TAX; REVISING THE ALLOCATION OF UTILIZATION FEES FOR HOSPITALS AND INTERMEDIATE CARE FACILITIES FOR THE DEVELOPMENTALLY DISABLED; REVISING THE ALLOCATION OF REVENUE FROM LIQUOR, BEER, WINE, HARD CIDER, AND CIGARETTE TAXES; REVISING THE DISTRIBUTION OF FEDERAL MINERAL LEASING FUNDS TO COUNTIES; REVISING THE ALLOCATION OF TOBACCO SETTLEMENT PROCEEDS; REVISING THE ALLOCATION OF LIVE CARD GAME AND TABLE PERMIT FEES, BINGO AND KENO TAXES, SPORT TAB TAXES, AND VIDEO GAMBLING MACHINE PERMITS; REVISING THE ALLOCATION OF PORTFOLIO NOTICE FILING FEES AND EXAMINATION COSTS ASSOCIATED WITH SECURITIES REGULATION; REVISING THE ALLOCATION OF INSURANCE PREMIUM TAXES AND FEES; REVISING THE ALLOCATION OF THE GENETICS PROGRAM FEE AND THE CAPTIVE INSURANCE COMPANY PREMIUM TAX; REVISING THE ALLOCATION OF DRIVER'S LICENSE FEES; REVISING THE ALLOCATION TO THE ENVIRONMENTAL CONTINGENCY ACCOUNT; REVISING THE ALLOCATION TO THE OIL AND GAS PRODUCTION DAMAGE MITIGATION ACCOUNT; AMENDING SECTIONS 15-35-108, 15-36-331, 15-37-117, 15-38-106, 15-38-202, 15-60-102, 15-60-210, 15-60-211, 15-65-121, 15-66-102, 15-67-102, 16-1-404, 16-1-406, 16-1-411, 16-11-119, 17-3-240, 17-6-606, 23-5-306, 23-5-409, 23-5-502, 23-5-612, 30-10-115, 30-10-209, 30-10-210, 33-2-708, 33-2-712,

33-28-120, 53-6-149, 61-5-121, 75-1-1101, 82-11-131, AND 82-11-161, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-35-108, MCA, is amended to read:

"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of ~~12%~~ 10.8% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of ~~5.46%~~ 4.914% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of ~~1.27%~~ 1.143% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of ~~0.63%~~ 0.567% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of [~~5.8%~~ 5.22% through September 30, 2013, and beginning October 1, 2013, the amount of] ~~2.9%~~ 2.61% must be credited to the coal natural resource account established in 90-6-1001(2).

(8) After the allocations are made under subsections (2) through (7), ~~$250,000~~ $225,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state.

(b) The interest income from $140 million of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

(i) ~~$65,000~~ $58,500 to the cooperative development center;

(ii) ~~$625,000~~ $562,500 for the growth through agriculture program provided for in Title 90, chapter 9;

(iii) ~~$1.275~~ $1.1475 million to the research and commercialization state special revenue account created in 90-3-1002;

(iv) to the department of commerce:

(A) ~~$125,000~~ $112,500 for a small business development center;

(B) ~~$50,000~~ $45,000 for a small business innovative research program;

(C) ~~$425,000~~ $382,500 for certified regional development corporations;

(D) ~~$200,000~~ $180,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and

(E) ~~$300,000~~ $270,000 for export trade enhancement. (Terminates June 30, 2013--sec. 5, Ch. 459, L. 2009.)

15-35-108. (Effective July 1, 2013) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of ~~12%~~ 10.8% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of ~~5.46%~~ 4.914% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library

1 federations and for payment of the costs of participating in regional and national networking, conservation
2 districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from
3 this account. Money may not be transferred from this account to another account other than the general fund.
4 Beginning July 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the
5 general fund.

6 (4) The amount of ~~1.27%~~ 1.143% must be allocated to a permanent fund account for the purpose of
7 parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and
8 losses, must be ~~appropriated~~ used for the acquisition, development, operation, and maintenance of any sites and
9 areas described in 23-1-102.

10 (5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable
11 resource loan debt service fund.

12 (6) The amount of ~~0.63%~~ 0.567% must be allocated to a trust fund for the purpose of protection of works
13 of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding
14 unrealized gains and losses, must be ~~appropriated~~ used for protection of works of art in the state capitol and for
15 other cultural and aesthetic projects.

16 (7) The amount of [~~5.8%~~ 5.22% through September 30, 2013, and beginning October 1, 2013, the
17 amount of] ~~2.9%~~ 2.61% must be credited to the coal natural resource account established in 90-6-1001(2).

18 (8) After the allocations are made under subsections (2) through (7), ~~$250,000~~ $225,000 for the fiscal
19 year must be credited to the coal and uranium mine permitting and reclamation program account established in
20 82-4-244.

21 (9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the
22 provisions of this chapter must be credited to the general fund of the state.

23 (b) The interest income from $140 million of the coal severance tax permanent fund that is deposited
24 in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

25 (i) ~~$65,000~~ $58,500 to the cooperative development center;

26 (ii) ~~$1.25~~ $1.125 million for the growth through agriculture program provided for in Title 90, chapter 9;

27 (iii) ~~$3.65~~ $3.285 million to the research and commercialization state special revenue account created
28 in 90-3-1002;

29 (iv) to the department of commerce:

30 (A) ~~$125,000~~ $112,500 for a small business development center;

(B) ~~$50,000~~ $45,000 for a small business innovative research program;

(C) ~~$425,000~~ $382,500 for certified regional development corporations;

(D) ~~$200,000~~ $180,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and

(E) ~~$300,000~~ $270,000 for export trade enhancement. (Terminates June 30, 2019--secs. 2, 3, Ch. 459, L. 2009.)

15-35-108. (Effective July 1, 2019) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of ~~12%~~ 10.8% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of ~~5.46%~~ 4.914% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of ~~1.27%~~ 1.143% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of ~~0.63%~~ 0.567% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for protection of works of art in the state capitol and for other cultural and aesthetic projects.

1 (7) The amount of ~~2.9%~~ 2.61% must be credited to the coal natural resource account established in
2 90-6-1001(2).
3 (8) After the allocations are made under subsections (2) through (7), ~~$250,000~~ $225,000 for the fiscal
4 year must be credited to the coal and uranium mine permitting and reclamation program account established in
5 82-4-244.
6 (9) All other revenue from severance taxes collected under the provisions of this chapter must be
7 credited to the general fund of the state."
8
9 **Section 2.** Section 15-36-331, MCA, is amended to read:
10 **"15-36-331. Distribution of taxes.** (1) (a) For each calendar quarter, the department shall determine
11 the amount of tax, late payment interest, and penalties collected under this part.
12 (b) For the purposes of distribution of oil and natural gas production taxes to county and school district
13 taxing units under 15-36-332 and to the state, the department shall determine the amount of oil and natural gas
14 production taxes paid on production in the taxing unit.
15 (2) (a) The amount of 90% of oil and natural gas production taxes collected for the privilege and license
16 tax pursuant to 82-11-131 must be deposited, in accordance with the provisions of 17-2-124, in the state special
17 revenue fund for the purpose of paying expenses of the board, as provided in 82-11-135.
18 (b) The amount of 90% of the tax allocated in 15-36-304(7)(b) for the oil and gas natural resource
19 distribution account established in 90-6-1001(1) must be deposited in the account.
20 (3) (a) For each tax year, 90% of the amount of oil and natural gas production taxes determined under
21 subsection (1)(b) is allocated to each county according to the following schedule:

22 Big Horn	45.05%
23 Blaine	58.39%
24 Carbon	48.27%
25 Chouteau	58.14%
26 Custer	69.53%
27 Daniels	50.81%
28 Dawson	47.79%
29 Fallon	41.78%
30 Fergus	69.18%

1	Garfield	45.96%
2	Glacier	58.83%
3	Golden Valley	58.37%
4	Hill	64.51%
5	Liberty	57.94%
6	McCone	49.92%
7	Musselshell	48.64%
8	Petroleum	48.04%
9	Phillips	54.02%
10	Pondera	54.26%
11	Powder River	60.9%
12	Prairie	40.38%
13	Richland	47.47%
14	Roosevelt	45.71%
15	Rosebud	39.33%
16	Sheridan	47.99%
17	Stillwater	53.51%
18	Sweet Grass	61.24%
19	Teton	46.1%
20	Toole	57.61%
21	Valley	51.43%
22	Wibaux	49.16%
23	Yellowstone	46.74%
24	All other counties	50.15%

25 (b) The oil and natural gas production taxes allocated to each county must be deposited in the state
26 special revenue fund and transferred to each county for distribution, as provided in 15-36-332.
27 (4) The department shall, in accordance with the provisions of 17-2-124, distribute the state portion of
28 oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3) as
29 follows:
30 (a) for each fiscal year through the fiscal year ending June 30, 2011, to be distributed as follows:

(i) 1.23% to the coal bed methane protection account established in 76-15-904;

(ii) 1.45% to the natural resources projects state special revenue account established in 15-38-302;

(iii) 1.45% to the natural resources operations state special revenue account established in 15-38-301;

(iv) 2.99% to the orphan share account established in 75-10-743;

(v) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108; and

(vi) all remaining proceeds to the state general fund;

(b) for fiscal years beginning after June 30, 2011, to be distributed as follows:

(i) ~~2.16%~~ 1.944% to the natural resources projects state special revenue account established in 15-38-302;

(ii) ~~2.02%~~ 1.818% to the natural resources operations state special revenue account established in 15-38-301;

(iii) ~~2.95%~~ 2.655% to the orphan share account established in 75-10-743;

(iv) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108; and

(v) all remaining proceeds to the state general fund."

Section 3. Section 15-37-117, MCA, is amended to read:

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

(a) to the credit of the general fund of the state, ~~57%~~ 60.45% of total collections each year;

(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, ~~2.5%~~ 2.25% of total collections each year;

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

(d) to the natural resources operations state special revenue account established in 15-38-301, ~~7%~~ 6.3% of total collections each year; and

(e) within 60 days of the date the tax is payable pursuant to 15-37-105, to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government

1 costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307,
2 in direct proportion to the fiscal and economic impacts determined in the plan or, if an impact plan has not been
3 prepared, to the county in which the mine is located, ~~25%~~ 22.5% of total collections each year, to be allocated
4 by the county commissioners as follows:
5 (i) not less than 37.5% to the county hard-rock mine trust account established in 7-6-2225; and
6 (ii) all money not allocated to the account pursuant to subsection (1)(e)(i) to be further allocated as
7 follows:
8 (A) 33 1/3% is allocated to the county for general planning functions or economic development activities
9 as described in 7-6-2225(3)(c) through (3)(e);
10 (B) 33 1/3% is allocated to the elementary school districts within the county that have been affected by
11 the development or operation of the metal mine; and
12 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by the
13 development or operation of the metal mine.
14 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies
15 a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under subsection (1)(e) in a
16 manner similar to that provided for property tax sharing under Title 90, chapter 6, part 4.
17 (3) The department shall return to the county in which metals are produced the tax collections allocated
18 under subsection (1)(e). The allocation to the county described by subsection (1)(e) is a statutory appropriation
19 pursuant to 17-7-502."
20
21 **Section 4.** Section 15-38-106, MCA, is amended to read:
22 **"15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by this
23 chapter must be paid by each person to which the tax applies, on or before the due date of the annual statement
24 established in 15-38-105, on the value of product in the year preceding January 1 of the year in which the tax is
25 paid. The tax must be paid to the department at the time that the statement of yield for the preceding calendar
26 year is filed with the department.
27 (2) The department shall, in accordance with the provisions of 17-2-124, deposit the proceeds from the
28 resource indemnity and ground water assessment tax and money deposited pursuant to 82-4-424(3) in the
29 following order:
30 (a) annually in due course, from the proceeds of the tax to the CERCLA match debt service fund

1 provided in 75-10-622, the amount necessary, as certified by the department of environmental quality, after
2 crediting to the CERCLA match debt service fund amounts transferred from the CERCLA cost recovery account
3 established under 75-10-631, to pay the principal of, premium, if any, and interest during the next fiscal year on
4 bonds or notes issued pursuant to 75-10-623;
5 (b) 10% of remaining proceeds from the tax in the state general fund;
6 ~~(b)~~(c) $366,000 of the proceeds from the tax in the ground water assessment account established by
7 85-2-905;
8 ~~(c) for the biennium beginning July 1, 2007, $150,000 of the proceeds from the tax in the water storage~~
9 ~~state special revenue account established in 85-1-631;~~
10 (d) 50% of the remaining proceeds from the tax divided equally between the environmental quality
11 protection fund established in 75-10-704 and the hazardous waste/CERCLA special revenue account established
12 in 75-10-621; and
13 (e) all remaining proceeds from the tax in the natural resources projects state special revenue account,
14 established in 15-38-302, for the purpose of making grants to be used for mineral development reclamation
15 projects and renewable resource projects.
16 (3) Each person to whom the tax applies shall keep records in accordance with 15-38-105, and the
17 records are subject to inspection by the department upon reasonable notice during normal business hours.
18 (4) The department shall examine the statement and compute the taxes to be imposed, and the amount
19 computed by the department is the tax imposed, assessed against, and payable by the taxpayer. If the tax found
20 to be due is greater than the amount paid, the excess must be paid by the taxpayer to the department within 30
21 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax
22 imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for
23 subsequent years or refunded if requested by the taxpayer."
24
25 **Section 5.** Section 15-38-202, MCA, is amended to read:
26 **"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)
27 All money paid into the resource indemnity trust fund must be invested at the discretion of the board of
28 investments. Only the net earnings, excluding unrealized gains and losses, may be appropriated and expended
29 until the fund balance, excluding unrealized gains and losses, reaches $100 million. After the fund balance
30 reaches $100 million, all net earnings, excluding unrealized gains and losses, and all receipts may be

appropriated by the legislature and expended, provided that the fund balance, excluding unrealized gains and losses, may never be less than $100 million.

(2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the resource indemnity trust fund:

(i) ~~$3.5~~ $3.15 million to be deposited in the natural resources projects state special revenue account, established in 15-38-302, for the purpose of making grants;

(ii) ~~$300,000~~ $270,000 to be deposited in the ground water assessment account established in 85-2-905;

(iii) ~~$500,000~~ $450,000 to the department of fish, wildlife, and parks for the purposes of 87-1-283. The future fisheries review panel shall approve and fund qualified mineral reclamation projects before other types of qualified projects.

(iv) $430,000 to be deposited in the state general fund.

(b) At the beginning of each biennium, there is allocated from the interest income of the resource indemnity trust fund:

(i) an amount not to exceed ~~$50,000~~ $45,000 to be deposited in the oil and gas production damage mitigation account pursuant to the conditions of 82-11-161;

(ii) ~~$500,000~~ $450,000 to be deposited in the water storage state special revenue account created by 85-1-631; ~~and~~

(iii) ~~$175,000~~ $157,500 to be deposited in the environmental contingency account established in 75-1-1101~~.~~; and

(iv) $72,500 to be deposited in the state general fund.

(c) The remainder of the interest income is allocated as follows:

(i) ~~Sixty-five percent~~ The amount of 58.5% of the interest income of the resource indemnity trust fund must be allocated to the natural resources operations state special revenue account established in 15-38-301.

(ii) ~~Twenty-six percent~~ The amount of 23.4% of the interest income of the resource indemnity trust fund must be allocated to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

(iii) ~~Nine percent~~ The amount of 8.1% of the interest income of the resource indemnity trust fund must be allocated to the environmental quality protection fund provided for in 75-10-704.

(iv) The amount of 10% must be deposited in the state general fund.

(3) Any formal budget document prepared by the legislature or the executive branch that proposes to appropriate funds other than as provided for by the allocations in subsection (2) must specify the amount of

money from each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session."

Section 6. Section 15-60-102, MCA, is amended to read:

"15-60-102. (Temporary) Utilization fee for bed days in nursing facilities. (1) A nursing facility in the state shall pay to the department a utilization fee for each bed day in the facility in the following amounts:

(a) in the amount of $2.80, which must be applied to maintain the price-based average payment rate to nursing facilities at the fiscal year 2003 base amount;

(b) in fiscal year 2006, an additional amount of $4.25 to be used to increase the price-based average payment rate to nursing facilities above the fiscal year 2003 base as provided in 15-60-211; and

(c) beginning July 1, 2006, an additional amount of $5.50 to be used to increase the price-based average payment rate to nursing facilities above the fiscal year 2003 base as provided in 15-60-211.

(2) The fees collected must be deposited as follows:

(a) the amounts collected as provided in subsection (1)(a), in the general fund; and

(b) the amounts collected as provided in subsections (1)(b) and (1)(c), 10% in the state general fund and 90% in the account in the state special revenue fund as provided in 15-60-211.

(3) A nursing facility may not place a fee created in this section on a patient's bill. (Void on occurrence of contingency--sec. 18, Ch. 746, L. 1991--see chapter compiler's comment.)"

Section 7. Section 15-60-210, MCA, is amended to read:

"15-60-210. (Temporary) Disposition of fee. (1) Except as provided in subsection (2), all proceeds from the collection of utilization fees, including penalties and interest, must, in accordance with the provisions of 17-2-124, be deposited in the general fund.

(2) Utilization fees, including penalties and interest, collected from the Montana mental health nursing care center must be allocated as follows:

(a) ~~30%~~ 37% to the state general fund; and

(b) ~~70%~~ 63% to the prevention and stabilization account in the state special revenue fund established pursuant to 53-6-1101 to the credit of the department of public health and human services to finance, administer, and provide health and human services. (Void on occurrence of contingency--sec. 18, Ch. 746, L. 1991--see

chapter compiler's comment.)"

Section 8. Section 15-60-211, MCA, is amended to read:

"15-60-211. State special revenue account. (1) There is a nursing facility utilization fee account in the state special revenue fund as provided in 17-2-102.

(2) ~~All~~ Ninety percent of the money collected under 15-60-102(1)(b) and (1)(c) must be deposited in this account. Money in the account must be used by the department of public health and human services for the purpose of increasing the average price paid for medicaid nursing facility services above the fiscal year 2003 level under the price-based reimbursement system used to establish medicaid payment rates to nursing homes.

(3) Money remaining in this account at the end of a fiscal year may not be expended or transferred for any other purpose and is subject to appropriation by a subsequent legislature for purposes consistent with subsection (2)."

Section 9. Section 15-65-121, MCA, is amended to read:

"15-65-121. Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections (1)(a) through ~~(1)(e)~~ (1)(f) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of ~~$400,000~~ $360,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004 and the amount of $40,000 each year must be deposited in the state general fund. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies, ~~or~~ deposited in the heritage preservation and development account, or deposited in the state general fund under this section is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as

a location for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) ~~1%~~ 0.9% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) ~~2.5%~~ 2.25% to the university system for the establishment and maintenance of a Montana travel research program;

(c) ~~6.5%~~ 5.85% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) ~~67.5%~~ 60.75% to be used directly by the department of commerce; ~~and~~

(e) (i) except as provided in subsection (1)(e)(ii), ~~22.5%~~ 20.25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if ~~22.5%~~ 20.25% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds ~~$35,000~~ $31,500, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district~~.~~; and

(f) the remainder to be deposited in the state general fund.

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

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

Section 10. Section 15-66-102, MCA, is amended to read:

"15-66-102. (Temporary) Utilization fee for inpatient bed days. (1) Each hospital in the state shall

1 pay to the department a utilization fee~~:~~

2 ~~(a) in the amount of $48 for each inpatient bed day between January 1, 2009, and December 31, 2009;~~

3 ~~and~~

4 ~~(b) beginning January 1, 2010,~~ in the amount of $50 for each inpatient bed day.

5 (2) ~~Subject to subsection (3), all~~ The amount of 90% of the proceeds from the collection of utilization

6 fees, including penalties and interest, must, in accordance with the provisions of 17-2-124, be deposited to the

7 credit of the department of public health and human services in a state special revenue account as provided in

8 53-6-149 and the amount of 10% must be deposited in the state general fund.

9 ~~(3) The following amounts must be deposited in the state general fund:~~

10 ~~(a) for state fiscal year 2009, proceeds in excess of $16,232,795;~~

11 ~~(b) for state fiscal year 2010, proceeds in excess of $18,505,269; and~~

12 ~~(c) for state fiscal year 2011, proceeds in excess of $19,818,193.~~ (Void on occurrence of

13 contingency--sec. 18, Ch. 390, L. 2003--see chapter compiler's comment; sec. 79, Ch. 489, L. 2009. Terminates

14 June 30, 2011--sec. 82, Ch. 489, L. 2009.)

15 **15-66-102. (Effective July 1, 2011, or on occurrence of contingency) Utilization fee for inpatient**

16 **bed days.** (1) Each hospital in the state shall pay to the department a utilization fee~~:~~

17 ~~(a) in the amount of $27.70 for each inpatient bed day between January 1, 2006, and June 30, 2007;~~

18 ~~(b) in the amount of $47 for each inpatient bed day between July 1, 2007, and December 31, 2007;~~

19 ~~(c) in the amount of $43 for each inpatient bed day between January 1, 2008, and December 31, 2008;~~

20 ~~(d) in the amount of $48 for each inpatient bed day between January 1, 2009, and December 31, 2009;~~

21 ~~and~~

22 ~~(e) beginning January 1, 2010,~~ in the amount of $50 for each inpatient bed day.

23 (2) ~~All~~ The amount of 90% of the proceeds from the collection of utilization fees, including penalties and

24 interest, must, in accordance with the provisions of 17-2-124, be deposited to the credit of the department of

25 public health and human services in a state special revenue account as provided in 53-6-149 and the amount

26 of 10% must be deposited in the state general fund. (Void on occurrence of contingency--sec. 18, Ch. 390, L.

27 2003--see chapter compiler's comment.)"

28

29 **Section 11.** Section 15-67-102, MCA, is amended to read:

30 **"15-67-102. (Temporary) Utilization fee for resident bed days.** (1) Each calendar quarter, an

1 intermediate care facility shall pay to the department a utilization fee for each resident bed day calculated as
2 provided in subsection (2).
3 (2) The utilization fee is 6% of the intermediate care facility's quarterly revenue divided by the resident
4 bed days for the quarter.
5 (3) In accordance with the provisions of 17-2-124, all proceeds of the utilization fee, including penalty
6 and interest, must be deposited as follows:
7 (a) ~~30%~~ 37% in the state general fund; and
8 (b) ~~70%~~ 63% in an account in the state special revenue fund established pursuant to 53-6-1101 to the
9 credit of the department of public health and human services to finance, administer, and provide health and
10 human services. (Void on occurrence of contingency--sec. 17, Ch. 531, L. 2003--see chapter compiler's
11 comment.)"
12
13 **Section 12.** Section 16-1-404, MCA, is amended to read:
14 **"16-1-404. License tax on liquor -- amount -- distribution of proceeds.** (1) The department shall
15 collect at the time of sale and delivery of any liquor under any provisions of the laws of the state of Montana a
16 license tax of:
17 (a) 10% of the retail selling price on all liquor sold and delivered in the state by a company that
18 manufactured, distilled, rectified, bottled, or processed and that sold more than 200,000 proof gallons of liquor
19 nationwide in the calendar year preceding imposition of the tax pursuant to this section;
20 (b) 8.6% of the retail selling price on all liquor sold and delivered in the state by a company that
21 manufactured, distilled, rectified, bottled, or processed and that sold more than 50,000 proof gallons but not more
22 than 200,000 proof gallons of liquor nationwide in the calendar year preceding imposition of the tax pursuant to
23 this section;
24 (c) 2% of the retail selling price on all liquor sold and delivered in the state by a company that
25 manufactured, distilled, rectified, bottled, or processed and that sold not more than 50,000 proof gallons of liquor
26 nationwide in the calendar year preceding imposition of the tax pursuant to this section.
27 (2) The license tax must be charged and collected on all liquor produced in or brought into the state and
28 taxed by the department. The retail selling price must be computed by adding to the cost of the liquor the state
29 markup as designated by the department. The license tax must be figured in the same manner as the state excise
30 tax and is in addition to the state excise tax. The department shall retain in a separate account the amount of the

license tax received. The department, in accordance with the provisions of 17-2-124, shall allocate the revenue as follows:

(a) ~~Thirty-four and one-half percent~~ The amount of 41.05% is allocated to the state general fund.

(b) ~~Sixty-five and one-half percent~~ The amount of 58.95% must be deposited in the state special revenue fund to the credit of the department of public health and human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency.

(3) The license tax proceeds that are allocated to the department of public health and human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency must be credited quarterly to the department of public health and human services. The legislature may appropriate a portion of the license tax proceeds to support alcohol and chemical dependency programs. The remainder must be distributed as provided in 53-24-206."

Section 13. Section 16-1-406, MCA, is amended to read:

"16-1-406. Taxes on beer. (1) (a) A tax is imposed on each barrel of 31 gallons of beer sold in Montana by a wholesaler. A barrel of beer equals 31 gallons. The tax is based upon the total number of barrels of beer produced by a brewer in a year. A brewer who produces less than 20,000 barrels of beer a year is taxed on the following increments of production:

(i) up to 5,000 barrels, $1.30;

(ii) 5,001 barrels to 10,000 barrels, $2.30; and

(iii) 10,001 barrels to 20,000 barrels, $3.30.

(b) The tax on beer sold for a brewer who produces over 20,000 barrels is $4.30.

(2) The tax imposed pursuant to subsection (1) is due at the end of each month from the wholesaler upon beer sold by the wholesaler during that month. The department shall compute the tax due on beer sold in containers other than barrels or in barrels of more or less capacity than 31 gallons.

(3) Each quarter, in accordance with the provisions of 17-2-124, of the tax collected pursuant to subsection (1), an amount equal to~~:~~

~~(a) 23.26%~~ 20.934% must be deposited in the state treasury to the credit of the department of public health and human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency~~;~~ and

~~(b)~~ the balance must be deposited in the state general fund."

1

2 **Section 14.** Section 16-1-411, MCA, is amended to read:

3 **"16-1-411. Tax on wine and hard cider -- penalty and interest.** (1) (a) A tax of 27 cents per liter is
4 imposed on table wine, except hard cider, imported by a table wine distributor or the department.

5 (b) A tax of 3.7 cents per liter is imposed on hard cider imported by a table wine distributor or the
6 department.

7 (2) The tax imposed in subsection (1) must be paid by the table wine distributor by the 15th day of the
8 month following sale of the table wine or hard cider from the table wine distributor's warehouse. Failure to file a
9 tax return or failure to pay the tax required by this section subjects the table wine distributor to the penalties and
10 interest provided for in 15-1-216.

11 (3) The tax paid by a table wine distributor in accordance with subsection (2) must, in accordance with
12 the provisions of 17-2-124, be distributed as follows:

13 (a) ~~69%~~ 72.1% to the state general fund; and

14 (b) ~~31%~~ 27.9% to the state special revenue fund to the credit of the department of public health and
15 human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency.

16 (4) The tax computed and paid in accordance with this section is the only tax imposed by the state or
17 any of its subdivisions, including cities and towns.

18 (5) For purposes of this section, "table wine" has the meaning assigned in 16-1-106, but does not include
19 hard cider."

20

21 **Section 15.** Section 16-11-119, MCA, is amended to read:

22 **"16-11-119. (Temporary) Disposition of taxes.** (1) Cigarette taxes collected under the provisions of
23 16-11-111 must, in accordance with the provisions of 17-2-124, be deposited as follows:

24 (a) ~~8.3%~~ 7.47% or ~~$2~~ $1.8 million, whichever is greater, in an account in the state special revenue fund
25 to the credit of the department of public health and human services for the operation and maintenance of state
26 veterans' nursing homes. The department of public health and human services may not expend more money from
27 the account than is appropriated by the legislature. Subject to subsection (2) of this section, the department may
28 not transfer funds in the account or expenditure authority related to the account pursuant to 17-7-139, 17-7-301,
29 or 17-8-101.

30 (b) for fiscal years ending June 30, 2010, and June 30, 2011, 1.2% in the state special revenue fund to

1 the credit of the account established in section 2, Chapter 461, Laws of 2009, for the construction of the state
2 veterans' home in southwestern Montana;
3 (c) ~~2.6%~~ 2.34% in the long-range building program account provided for in 17-7-205;
4 (d) ~~44%~~ 39.6% in the health and medicaid initiatives account provided for in 53-6-1201; and
5 (e) the remainder to the state general fund.
6 (2) If money in the state special revenue account for the operation and maintenance of state veterans'
7 nursing homes exceeds ~~$2~~ $1.8 million at the end of the fiscal year, the excess must be transferred to the state
8 general fund.
9 (3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the
10 provisions of 17-2-124 be deposited as follows:
11 (a) ~~one-half~~ 55% in the state general fund; and
12 (b) ~~one-half~~ 45% in the state special revenue fund account for health and medicaid initiatives provided
13 for in 53-6-1201. (Terminates June 30, 2011--sec. 35(1), Ch. 486, L. 2009.)
14 **16-11-119. (Effective July 1, 2011) Disposition of taxes.** (1) Cigarette taxes collected under the
15 provisions of 16-11-111 must, in accordance with the provisions of 17-2-124, be deposited as follows:
16 (a) ~~8.3%~~ 7.47% or ~~$2~~ $1.8 million, whichever is greater, in the state special revenue fund to the credit
17 of the department of public health and human services for the operation and maintenance of state veterans'
18 nursing homes;
19 ~~(b) for fiscal years ending June 30, 2010, and June 30, 2011, 1.2% in the state special revenue fund to~~
20 ~~the credit of the account established in section 2, Chapter 461, Laws of 2009, for the construction of the state~~
21 ~~veterans' home in southwestern Montana;~~
22 ~~(c)~~(b) ~~2.6%~~ 2.34% in the long-range building program account provided for in 17-7-205;
23 ~~(d)~~(c) ~~44%~~ 39.6% in the state special revenue fund to the credit of the health and medicaid initiatives
24 account provided for in 53-6-1201; and
25 ~~(e)~~(d) the remainder to the state general fund.
26 (2) If money in the state special revenue fund for the operation and maintenance of state veterans'
27 nursing homes exceeds ~~$2~~ $1.8 million at the end of the fiscal year, the excess must be transferred to the state
28 general fund.
29 (3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the
30 provisions of 17-2-124 be deposited as follows:

1 (a) ~~one-half~~ 55% in the state general fund; and
2 (b) ~~one-half~~ 45% in the state special revenue fund account for health and medicaid initiatives provided
3 for in 53-6-1201."
4
5 **Section 16.** Section 17-3-240, MCA, is amended to read:
6 **"17-3-240. Federal mineral leasing funds.** (1) Except as provided in subsection (2), money paid to the
7 state pursuant to 30 U.S.C. 191 must be deposited in the state general fund.
8 (2) In fiscal year 2005 and each succeeding fiscal year, ~~25%~~ 22.5% of all money received pursuant to
9 subsection (1) must be deposited in the mineral impact account established in 17-3-241 and is dedicated to local
10 governments.
11 (3) On August 15 following the close of the fiscal year, the state treasurer shall distribute the revenue
12 dedicated in subsection (2). The distribution to the eligible counties must be based on the proportion that the total
13 amount of revenue generated by mineral extraction in an eligible county bears to the total amount of money
14 received by the state."
15
16 **Section 17.** Section 17-6-606, MCA, is amended to read:
17 **"17-6-606. (Temporary) Tobacco settlement accounts -- purpose -- uses.** (1) The purpose of this
18 section is to dedicate a portion of the tobacco settlement proceeds to fund statewide programs for tobacco
19 disease prevention designed to:
20 (a) discourage children from starting use of tobacco;
21 (b) assist adults in quitting use of tobacco;
22 (c) provide funds for the healthy Montana kids plan provided for in Title 53, chapter 4, part 11; and
23 (d) provide funds for the comprehensive health association programs.
24 (2) An amount equal to ~~32%~~ 28.8% of the total yearly tobacco settlement proceeds received after June
25 30, 2003, must be deposited in a state special revenue account and 3.2% must be deposited in the state general
26 fund. Subject to subsection (5), the state special revenue funds referred to in this subsection may be used only
27 for funding statewide programs for tobacco disease prevention designed to prevent children from starting tobacco
28 use and to help adults who want to quit tobacco use. The department of public health and human services shall
29 manage the tobacco disease prevention programs and shall adopt rules to implement the programs. In adopting
30 rules, the department shall consider the standards contained in Best Practices for Comprehensive Tobacco

1 Control Programs--August 1999 or its successor document, published by the U.S. department of health and
2 human services, centers for disease control and prevention.
3 (3) An amount equal to ~~17%~~ 15.3% of the total yearly tobacco settlement proceeds received after June
4 30, 2003, must be deposited in a state special revenue account and 1.7% must be deposited in the state general
5 fund. Subject to subsection (5), the state special revenue funds referred to in this subsection may be used only
6 for:
7 (a) matching funds to secure the maximum amount of federal funds for the healthy Montana kids plan
8 provided for in Title 53, chapter 4, part 11; and
9 (b) programs of the comprehensive health association provided for in Title 33, chapter 22, part 15, with
10 funding use subject to 33-22-1513.
11 (4) Funds deposited in a state special revenue account, as provided in subsection (2) or (3), that are not
12 appropriated within 2 years after the date of deposit must be transferred to the trust fund.
13 (5) The legislature shall ~~appropriate~~ use money from the state special revenue accounts provided for
14 in this section for programs for tobacco disease prevention, for the programs referred to in the subsection
15 establishing the account, and for funding the tobacco prevention advisory board.
16 (6) Programs funded under this section that are private in nature may be funded through contracted
17 services. (Terminates June 30, 2011--sec. 35(1), Ch. 486, L. 2009.)
18 **17-6-606. (Effective July 1, 2011) Tobacco settlement accounts -- purpose -- uses.** (1) The purpose
19 of this section is to dedicate a portion of the tobacco settlement proceeds to fund statewide programs for tobacco
20 disease prevention designed to:
21 (a) discourage children from starting use of tobacco;
22 (b) assist adults in quitting use of tobacco;
23 (c) provide funds for the children's health insurance program; and
24 (d) provide funds for the comprehensive health association programs.
25 (2) An amount equal to ~~32%~~ 28.8% of the total yearly tobacco settlement proceeds received after June
26 30, 2003, must be deposited in a state special revenue account and 3.2% must be deposited in the state general
27 fund. Subject to subsection (5), the state special revenue funds referred to in this subsection may be used only
28 for funding statewide programs for tobacco disease prevention designed to prevent children from starting tobacco
29 use and to help adults who want to quit tobacco use. The department of public health and human services shall
30 manage the tobacco disease prevention programs and shall adopt rules to implement the programs. In adopting

1 rules, the department shall consider the standards contained in Best Practices for Comprehensive Tobacco
2 Control Programs--August 1999 or its successor document, published by the U.S. department of health and
3 human services, centers for disease control and prevention.
4 (3) An amount equal to ~~17%~~ 15.3% of the total yearly tobacco settlement proceeds received after June
5 30, 2003, must be deposited in a state special revenue account and 1.7% must be deposited in the state general
6 fund. Subject to subsection (5), the state special revenue funds referred to in this subsection may be used only
7 for:
8 (a) matching funds to secure the maximum amount of federal funds for the Children's Health Insurance
9 Program Act provided for in Title 53, chapter 4, part 10; and
10 (b) programs of the comprehensive health association provided for in Title 33, chapter 22, part 15, with
11 funding use subject to 33-22-1513.
12 (4) Funds deposited in a state special revenue account, as provided in subsection (2) or (3), that are not
13 appropriated within 2 years after the date of deposit must be transferred to the trust fund.
14 (5) The legislature shall ~~appropriate~~ use money from the state special revenue accounts provided for
15 in this section for programs for tobacco disease prevention, for the programs referred to in the subsection
16 establishing the account, and for funding the tobacco prevention advisory board.
17 (6) Programs funded under this section that are private in nature may be funded through contracted
18 services."
19
20 **Section 18.** Section 23-5-306, MCA, is amended to read:
21 **"23-5-306. Live card game table -- permit -- fees -- disposition of fees.** (1) (a) A person who has
22 been granted an operator's license under 23-5-177 and who holds an appropriate license to sell alcoholic
23 beverages for consumption on the premises, as provided in 23-5-119, may be granted an annual permit for the
24 placement of live card game tables.
25 (b) A permit is not required for social games played for prizes of minimal value, defined as class I gaming
26 by 25 U.S.C. 2703.
27 (c) The department may issue an annual permit for the placement of live card game tables to a person
28 operating a premises not licensed to sell alcoholic beverages for consumption on the premises if:
29 (i) one or more live card game tables were legally operated on the premises on January 15, 1989;
30 (ii) the premises were licensed on January 15, 1989, to sell food, cigarettes, or any other consumable

1 product;

2 (iii) the person has been granted an operator's license under 23-5-177; and

3 (iv) at the time of application for the permit:

4 (A) the person has continuously operated a live card game table on the premises since January 15,

5 1989; and

6 (B) the natural person or persons who own the business operated on the premises are the same as on

7 January 15, 1989.

8 (2) The annual permit fee in lieu of taxes for each live card game table operated in a licensed operator's

9 premises may not be prorated and must be:

10 (a) $250 for the first table; and

11 (b) $500 for each additional table.

12 (3) The department shall retain for administrative purposes ~~$100~~ $90 of the fee collected under this part

13 for each live card game table and deposit $10 in the state general fund.

14 (4) The department shall forward on a quarterly basis 90% of the remaining balance of the fee collected

15 under subsection (2) to the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in

16 which the live card game table is located for deposit to the county or municipal treasury and deposit 10% in the

17 state general fund. A county is not entitled to proceeds from fees assessed on live card game tables located in

18 incorporated cities and towns within the county. The local government portion of this fee is statutorily appropriated

19 to the department, as provided in 17-7-502, for deposit to the county or municipal treasury."

20

21 **Section 19.** Section 23-5-409, MCA, is amended to read:

22 **"23-5-409. Bingo and keno tax -- records -- distribution -- statement and payment.** (1) A licensee

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

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

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

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

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

28 proceeds for each live keno or bingo game operated by the licensee and the total amount due as live bingo or

29 keno tax for the preceding year. This statement must contain any other relevant information required by the

30 department.

1 (4) The department shall forward 90% of the tax collected under subsection (3) to the treasurer of the
2 county or the clerk, finance officer, or treasurer of the city or town in which the licensed game is located for
3 deposit to the county or municipal treasury and 10% to the state treasurer for deposit in the state general fund.
4 A county is not entitled to proceeds from taxes on live bingo or keno games located in incorporated cities and
5 towns within the county. The local government portion of the tax collected under subsection (3) is statutorily
6 appropriated to the department, as provided in 17-7-502, for deposit to the county or municipal treasury."
7
8 **Section 20.** Section 23-5-502, MCA, is amended to read:
9 **"23-5-502. Sports pools and sports tab games authorized -- tax.** (1) Conducting or participating in
10 sports pools and sports tab games as defined and governed in this part is lawful, except that:
11 (a) sports tab games may be conducted only on premises appropriately licensed to sell alcoholic
12 beverages for consumption on the premises as provided in 23-5-119; and
13 (b) only a licensee of premises that are located in an incorporated city or town with a population of less
14 than 100 or located outside the boundaries of an incorporated city or town and that are appropriately licensed
15 to sell alcoholic beverages for consumption on the premises under 23-5-119 may conduct a race between
16 animals and conduct one or more sports pools on the race. The race may be conducted only if it is between pigs,
17 gerbils, or hamsters and is conducted on the premises but outside of interior areas of the establishment where
18 food and beverages are usually stored, prepared, or served.
19 (2) A sports tab game seller licensed under 23-5-513 who sells sports tabs for use in a sports tab game
20 shall collect from the purchaser, at the time of sale, a tax of $1 for each 100 sports tabs sold and, within 15 days
21 after the end of each calendar quarter, submit to the department any forms required by the department and the
22 proceeds of the collected tax. The sports tab game seller shall keep a record of taxes collected as required by
23 department rule. The records must be made available for inspection by the department upon request of the
24 department. The department shall retain 90% of the proceeds of the tax to administer this part and forward 10%
25 to the state treasurer for deposit in the state general fund."
26
27 **Section 21.** Section 23-5-612, MCA, is amended to read:
28 **"23-5-612. Machine permits -- fees.** (1) The department, upon payment by the operator of the fee
29 provided in subsection (2) and in conformance with rules adopted under this part, shall issue to the operator an
30 annual permit for an approved video gambling machine.

1 (2) (a) The department shall charge an annual permit fee of $220 for each video gambling machine
2 permit. The fee must be prorated on a quarterly basis but may not be prorated to allow a permit to expire before
3 June 30. The department may not grant a refund if the video gambling machine ceases operation before the
4 permit expires.
5 (b) If the person holding the gambling operator's license for the premises in which the machine is located
6 changes during the first quarter of the permit year and the new operator has received an operator's license and
7 if a machine transfer processing fee of $25 per machine is paid to the department, the permit remains valid for
8 the remainder of the permit year.
9 (3) The department shall deposit ~~$120~~ $108 of the annual permit fee or for a prorated fee shall deposit
10 ~~$90~~ $81 for three quarters, ~~$60~~ $54 for two quarters, and ~~$30~~ $27 for one quarter collected under subsection
11 (2)(a) and ~~100%~~ 90% of the machine transfer processing fee collected under subsection (2)(b) in the state special
12 revenue fund for purposes of administering this part and for other purposes provided by law. The amount of $12
13 of the annual permit fee or for a prorated fee $9 for three quarters, $6 for two quarters, and $3 for one quarter
14 collected under subsection (2)(a) and 10% of the machine transfer processing fee collected under subsection
15 (2)(b) must be deposited in the state general fund. The amount of 90% of the balance of the fee collected under
16 subsection (2)(a) must be returned on a quarterly basis to the local government jurisdiction in which the gambling
17 machine is located and 10% must be deposited in the state general fund. The local government portion of the
18 fee is statutorily appropriated to the department, as provided in 17-7-502, for deposit in the local government
19 treasury."
20
21 **Section 22.** Section 30-10-115, MCA, is amended to read:
22 **"30-10-115. Deposits to general fund -- exception.** (1) All fees and miscellaneous charges received
23 by the commissioner pursuant to parts 1 through 3 of this chapter, except for portfolio notice filing fees described
24 in 30-10-209(1)(d) and examination costs collected under 30-10-210, must be deposited in the general fund.
25 (2) ~~All portfolio~~ A portion of portfolio notice filing fees collected under 30-10-209(1)(d) and examination
26 costs collected under 30-10-210 must be deposited in the state special revenue fund in an account to the credit
27 of the state auditor's office, as provided under 30-10-209 and 30-10-210. The funds allocated by this section to
28 the state special revenue account may only be used to defray the expenses of the state auditor's office in
29 discharging its administrative and regulatory powers and duties in relation to portfolio notice filing and
30 examinations. Any excess fees must be deposited in the general fund."

1

2 **Section 23.** Section 30-10-209, MCA, is amended to read:

3 **"30-10-209. Fees.** The following fees must be paid in advance under the provisions of parts 1 through
4 3 of this chapter:

5 (1) (a) For the registration of securities by notification, coordination, or qualification, or for notice filing
6 of a federal covered security, there must be paid to the commissioner for the initial year of registration or notice
7 filing a fee of $200 for the first $100,000 of initial issue or portion of the first $100,000 in this state, based on
8 offering price, plus 1/10 of 1% for any excess over $100,000, with a maximum fee of $1,000.

9 (b) Each succeeding year, a registration of securities or a notice filing of a federal covered security may
10 be renewed, prior to its termination date, for an additional year upon consent of the commissioner and payment
11 of a renewal fee to be computed at 1/10 of 1% of the aggregate offering price of the securities that are to be
12 offered in this state during that year. The renewal fee may not be less than $200 or more than $1,000. The
13 registration or the notice filing may be amended to increase the amount of securities to be offered.

14 (c) If a registrant or issuer of federal covered securities sells securities in excess of the aggregate
15 amount registered for sale in this state, or for which a notice filing has been submitted, the registrant or issuer
16 may file an amendment to the registration statement or notice filing to include the excess sales. If the registrant
17 or issuer of a federal covered security fails to file an amendment before the expiration date of the registration
18 order or notice, the registrant or issuer shall pay a filing fee for the excess sales of three times the amount
19 calculated in the manner specified in subsection (1)(b). Registration or notice of the excess securities is effective
20 retroactively to the date of the existing registration or notice.

21 (d) Each series, portfolio, or other subdivision of an investment company or similar issuer is treated as
22 a separate issuer of securities. The issuer shall pay a portfolio notice filing fee to be calculated as provided in
23 subsections (1)(a) through (1)(c). The <u>amount of 90% of the</u> portfolio notice filing fee collected by the
24 commissioner must be deposited in the state special revenue account provided for in 30-10-115<u>, and 10% must</u>
25 <u>be deposited in the state general fund</u>. The issuer shall pay a fee of $50 for each filing made for the purpose of
26 changing the name of a series, portfolio, or other subdivision of an investment company or similar issuer.

27 (2) (a) For registration of a broker-dealer or investment adviser, the fee is $200 for original registration
28 and $200 for each annual renewal.

29 (b) For registration of a salesperson or investment adviser representative, the fee is $50 for original
30 registration with each employer, $50 for each annual renewal, and $50 for each transfer. A salesperson who is

1 registered as an investment adviser representative with a broker-dealer registered as an investment adviser is
2 not required to pay the $50 fee to register as an investment adviser representative.
3 (c) For a federal covered adviser, the fee is $200 for the initial notice filing and $200 for each annual
4 renewal.
5 (3) For certified or uncertified copies of any documents filed with the commissioner, the fee is the cost
6 to the department.
7 (4) For a request for an exemption under 30-10-105(15), the fee must be established by the
8 commissioner by rule. For a request for any other exemption or an exception to the provisions of parts 1 through
9 3 of this chapter, the fee is $50.
10 (5) All fees are considered fully earned when received. In the event of overpayment, only those amounts
11 in excess of $10 may be refunded.
12 (6) Except for portions of portfolio notice filing fees established in this section and portions of examination
13 costs collected under 30-10-210, all fees, miscellaneous charges, fines, and penalties collected by the
14 commissioner pursuant to parts 1 through 3 of this chapter and the rules adopted under parts 1 through 3 of this
15 chapter must be deposited in the general fund."
16
17 **Section 24.** Section 30-10-210, MCA, is amended to read:
18 **"30-10-210. Examination costs.** (1) An issuer, broker-dealer, or investment adviser who is examined
19 in connection with a registration under parts 1 through 3 of this chapter shall reimburse the commissioner or any
20 of the commissioner's authorized agents, officers, or employees for actual travel expenses, a reasonable living
21 expense allowance, and a per diem as compensation of examiners, which are necessarily incurred on account
22 of the examination, upon presentation of a detailed account of the charges and expenses by the commissioner
23 or pursuant to the commissioner's written authorization; however, reimbursement of expenses may not be
24 required for routine examinations performed in connection with an application for registration. A person may not
25 pay and an examiner may not accept additional emolument on account of an examination.
26 (2) The commissioner shall deposit 10% of the examination costs collected under this section in the state
27 general fund and 90% in the special revenue account provided for in 30-10-115. The commissioner may give
28 written authorization for payment of the examination costs referred to in subsection (1) by the person examined
29 directly to the examiner.
30 (3) If an issuer, broker-dealer, or investment adviser fails to pay the charges and expenses referred to

1 in subsection (1), the charges and expenses must be paid out of the funds of the commissioner in the same
2 manner as other disbursements of those funds. The amount paid is a first lien upon all of the assets and property
3 in this state of the issuer, broker-dealer, or investment adviser and may be recovered by suit by the attorney
4 general on behalf of the state of Montana and restored to the appropriate fund. Failure of the issuer,
5 broker-dealer, or investment adviser to pay the charges and expenses also works a forfeiture of the right to do
6 business in this state under parts 1 through 3 of this chapter."
7
8 **Section 25.** Section 33-2-708, MCA, is amended to read:
9 **"33-2-708. (Temporary) Fees and licenses.** (1) (a) Except as provided in 33-17-212(2), the
10 commissioner shall collect a fee of $1,900 from each insurer applying for or annually renewing a certificate of
11 authority to conduct the business of insurance in Montana.
12 (b) The commissioner shall collect certain additional fees as follows:
13 (i) nonresident insurance producer's license:
14 (A) application for original license, including issuance of license, if issued, $100;
15 (B) biennial renewal of license, $50;
16 (C) lapsed license reinstatement fee, $100;
17 (ii) resident insurance producer's license lapsed license reinstatement fee, $100;
18 (iii) surplus lines insurance producer's license:
19 (A) application for original license and for issuance of license, if issued, $50;
20 (B) biennial renewal of license, $100;
21 (C) lapsed license reinstatement fee, $200;
22 (iv) insurance adjuster's license:
23 (A) application for original license, including issuance of license, if issued, $50;
24 (B) biennial renewal of license, $100;
25 (C) lapsed license reinstatement fee, $200;
26 (v) insurance consultant's license:
27 (A) application for original license, including issuance of license, if issued, $50;
28 (B) biennial renewal of license, $100;
29 (C) lapsed license reinstatement fee, $200;
30 (vi) viatical settlement broker's license:

1 (A) application for original license, including issuance of license, if issued, $50;
2 (B) biennial renewal of license, $100;
3 (C) lapsed license reinstatement fee, $200;
4 (vii) resident and nonresident rental car entity producer's license:
5 (A) application for original license, including issuance of license, if issued, $100;
6 (B) quarterly filing fee, $25;
7 (viii) an original notification fee for a life insurance producer acting as a viatical settlement broker, in
8 accordance with 33-20-1303(2)(b), $50;
9 (ix) 50 cents for each page for copies of documents on file in the commissioner's office.
10 (c) The commissioner may adopt rules to determine the date by which a nonresident insurance producer,
11 a surplus lines insurance producer, an insurance adjuster, or an insurance consultant is required to pay the fee
12 for the biennial renewal of a license.
13 (2) (a) The commissioner shall charge a fee of $75 for each course or program submitted for review as
14 required by 33-17-1204 and 33-17-1205, but may not charge more than $1,500 to a sponsoring organization
15 submitting courses or programs for review in any biennium.
16 (b) Insurers and associations composed of members of the insurance industry are exempt from the
17 charge in subsection (2)(a).
18 (3) (a) Except as provided in subsection (3)(b), the commissioner shall promptly deposit with the state
19 treasurer to the credit of the general fund all fines and penalties and those amounts received pursuant to
20 33-2-311, 33-2-705, 33-28-201, and 50-3-109.
21 (b) The commissioner shall deposit ~~16.67%~~ 15.003% of the money collected under 33-2-705 in the
22 special revenue account provided for in 53-4-1115 and 1.667% in the state general fund.
23 (c) ~~All~~ The amount of 10% of all other fees collected by the commissioner pursuant to Title 33 and the
24 rules adopted under Title 33 must be deposited in the state general fund with the remainder deposited in the state
25 special revenue fund to the credit of the state auditor's office.
26 (4) All fees are considered fully earned when received. In the event of overpayment, only those amounts
27 in excess of $10 will be refunded. (Terminates June 30, 2013--sec. 35(2), Ch. 486, L. 2009.)
28 **33-2-708. (Effective July 1, 2013) Fees and licenses.** (1) (a) Except as provided in 33-17-212(2), the
29 commissioner shall collect a fee of $1,900 from each insurer applying for or annually renewing a certificate of
30 authority to conduct the business of insurance in Montana.

1 (b) The commissioner shall collect certain additional fees as follows:
2 (i) nonresident insurance producer's license:
3 (A) application for original license, including issuance of license, if issued, $100;
4 (B) biennial renewal of license, $50;
5 (C) lapsed license reinstatement fee, $100;
6 (ii) resident insurance producer's license lapsed license reinstatement fee, $100;
7 (iii) surplus lines insurance producer's license:
8 (A) application for original license and for issuance of license, if issued, $50;
9 (B) biennial renewal of license, $100;
10 (C) lapsed license reinstatement fee, $200;
11 (iv) insurance adjuster's license:
12 (A) application for original license, including issuance of license, if issued, $50;
13 (B) biennial renewal of license, $100;
14 (C) lapsed license reinstatement fee, $200;
15 (v) insurance consultant's license:
16 (A) application for original license, including issuance of license, if issued, $50;
17 (B) biennial renewal of license, $100;
18 (C) lapsed license reinstatement fee, $200;
19 (vi) viatical settlement broker's license:
20 (A) application for original license, including issuance of license, if issued, $50;
21 (B) biennial renewal of license, $100;
22 (C) lapsed license reinstatement fee, $200;
23 (vii) resident and nonresident rental car entity producer's license:
24 (A) application for original license, including issuance of license, if issued, $100;
25 (B) quarterly filing fee, $25;
26 (viii) an original notification fee for a life insurance producer acting as a viatical settlement broker, in
27 accordance with 33-20-1303(2)(b), $50;
28 (ix) 50 cents for each page for copies of documents on file in the commissioner's office.
29 (c) The commissioner may adopt rules to determine the date by which a nonresident insurance producer,
30 a surplus lines insurance producer, an insurance adjuster, or an insurance consultant is required to pay the fee

1 for the biennial renewal of a license.

2 (2) (a) The commissioner shall charge a fee of $75 for each course or program submitted for review as
3 required by 33-17-1204 and 33-17-1205, but may not charge more than $1,500 to a sponsoring organization
4 submitting courses or programs for review in any biennium.

5 (b) Insurers and associations composed of members of the insurance industry are exempt from the
6 charge in subsection (2)(a).

7 (3) (a) Except as provided in subsection (3)(b), the commissioner shall promptly deposit with the state
8 treasurer to the credit of the general fund all fines and penalties and those amounts received pursuant to
9 33-2-311, 33-2-705, 33-28-201, and 50-3-109.

10 (b) The commissioner shall deposit ~~33%~~ 29.7% of the money collected under 33-2-705 in the special
11 revenue account provided for in 53-4-1115 and 3.3% in the state general fund.

12 (c) ~~All~~ The amount of 10% of all other fees collected by the commissioner pursuant to Title 33 and the
13 rules adopted under Title 33 must be deposited in the state general fund with the remainder deposited in the state
14 special revenue fund to the credit of the state auditor's office.

15 (4) All fees are considered fully earned when received. In the event of overpayment, only those amounts
16 in excess of $10 will be refunded."

17

18 **Section 26.** Section 33-2-712, MCA, is amended to read:

19 **"33-2-712. Genetics program fee.** Except as provided in 33-2-713, for each Montana resident insured
20 under any individual or group disability or health insurance policy on February 1 of each year, the insurer or health
21 service corporation issuing the policy, and the state group health plan provided for in Title 2, chapter 18, part 8,
22 shall pay a fee of $1 to the commissioner. The fee must be paid on or before March 1 of each year and 10% must
23 be deposited in the state general fund with the remainder being deposited in an account in the state special
24 revenue fund provided for in 50-19-212. The state special revenue portion of the fee may be used only to fund
25 the statewide genetics program established in 50-19-211."

26

27 **Section 27.** Section 33-28-120, MCA, is amended to read:

28 **"33-28-120. Captive insurance regulatory and supervision account.** (1) There is an account in the
29 state special revenue fund called the captive insurance regulatory and supervision account, which may be
30 referred to as the captive account.

1 (2) The purpose of the captive account is to provide the financial means for the commissioner to
2 administer this chapter and for reimbursement of reasonable expenses incurred in promoting captive insurance
3 in this state.
4 (3) (a) ~~Five percent~~ The amount of 4.5% of the premium tax collected under 33-28-201 and ~~all~~ 90% of
5 all fees and assessments received by the commissioner pursuant to the administration of this chapter must be
6 deposited in the captive account. The amount of 0.5% of the premium tax collected under 33-28-201 and 10%
7 of all fees and assessments received by the commissioner pursuant to the administration of this chapter must
8 be deposited in the state general fund.
9 (b) All fines and administrative penalties collected pursuant to this chapter must be deposited in the
10 general fund.
11 (4) All payments from the captive account for the maintenance of staff and associated expenses,
12 including necessary contractual services, may only be disbursed from the state treasury upon warrants issued
13 by the commissioner, after receipt by the commissioner of proper documentation regarding services rendered
14 and expenses incurred.
15 (5) At the end of each fiscal year, the balance in the captive account must be transferred to the general
16 fund."
17
18 **Section 28.** Section 53-6-149, MCA, is amended to read:
19 **"53-6-149. (Temporary) State special revenue fund account -- administration.** (1) There is a hospital
20 medicaid reimbursement account in the state special revenue fund provided for in 17-2-102.
21 (2) Except as provided in 15-66-102~~(3)~~, all money collected under 15-66-102 must be deposited in the
22 account.
23 (3) Money in the account must be used by the department of public health and human services to provide
24 funding for increases in medicaid payments to hospitals and for the costs of collection of the fee and other
25 administrative activities associated with the implementation of increases in the medicaid payments to hospitals.
26 (Terminates June 30, 2011--sec. 82, Ch. 489, L. 2009.)
27 **53-6-149. (Effective July 1, 2011) State special revenue fund account -- administration.** (1) There
28 is a hospital medicaid reimbursement account in the state special revenue fund provided for in 17-2-102.
29 (2) ~~All~~ Except as provided in 15-66-102, all money collected under 15-66-102 must be deposited in the
30 account.

(3) Money in the account must be used by the department of public health and human services to provide funding for increases in medicaid payments to hospitals and for the costs of collection of the fee and other administrative activities associated with the implementation of increases in the medicaid payments to hospitals."

Section 29. Section 61-5-121, MCA, is amended to read:

"61-5-121. Disposition of fees. (1) Except as provided in subsection (3), the disposition of the fees from driver's licenses, motorcycle endorsements, commercial driver's licenses, and replacement driver's licenses provided for in 61-5-114 is as follows:

(a) (i) If the fees are collected by a county treasurer or other agent of the department, the amount of ~~2.5%~~ 2.25% of each driver's license fee, ~~2.5%~~ 2.25% of each commercial driver's license fee, and ~~3.75%~~ 3.375% of each replacement driver's license fee must be deposited into the county general fund.

(ii) If the fees are collected by the department, the amount ~~provided for in subsection (1)(a)(i)~~ of 2.5% of each driver's license fee, 2.5% of each commercial driver's license fee, and 3.75% of each replacement driver's license fee must be deposited into the state general fund.

(b) (i) If the fee is collected by a county treasurer or other agent of the department, the amount of ~~3.34%~~ 3.006% of each motorcycle endorsement must be deposited into the county general fund.

(ii) If the fee is collected by the department, the amount ~~provided for in subsection (1)(b)(i)~~ of 3.34% of each motorcycle endorsement must be deposited into the state general fund.

(c) The amount of ~~20.7%~~ 18.63% of each driver's license fee, ~~16.94%~~ 15.246% of each commercial driver's license fee, and ~~8.75%~~ 7.875% of each replacement driver's license fee must be deposited into the state traffic education account.

(d) In addition to the amounts deposited pursuant to subsections (1)(a)(i) and (1)(a)(ii) ~~and (1)(b)(ii)~~, the remainder of each driver's license fee, each commercial driver's license fee, and each replacement driver's license fee must be deposited into the state general fund.

(e) ~~The~~ In addition to the amounts deposited pursuant to subsection (1)(b)(i) and (1)(b)(ii), the amount of ~~63.46%~~ 57.114% of each motorcycle endorsement fee must be deposited into the state motorcycle safety account in the state special revenue fund, and the ~~amount of 33.2%~~ remainder of each motorcycle endorsement fee must be deposited into the state general fund.

(2) (a) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and replacement driver's licenses are collected by a county treasurer or other agent of the department, the county

1 treasurer or agent shall deposit the amounts provided for in subsections (1)(a)(i) and (1)(b)(i) into the county
2 general fund. The county treasurer or agent shall then remit all remaining fees to the state for deposit as provided
3 in subsections (1)(c) through (1)(e).
4 (b) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and
5 replacement driver's licenses are collected by the department, it shall deposit the fees as provided in subsections
6 (1)(a)(ii), (1)(b)(ii), and (1)(c) through (1)(e).
7 (3) The fee for a renewal notice, whether collected by a county treasurer, an authorized agent, or the
8 department, must be remitted to the department for deposit in the state general fund."
9
10 **Section 30.** Section 75-1-1101, MCA, is amended to read:
11 **"75-1-1101. Environmental contingency account objectives.** (1) There is an environmental
12 contingency account within the state special revenue fund established in 17-2-102. The environmental
13 contingency account is controlled by the governor.
14 (2) At the beginning of each biennium, $17,500 must be deposited in the state general fund and
15 ~~$175,000~~ $157,500 must be allocated to the environmental contingency account from the interest income of the
16 resource indemnity trust fund with the following exceptions:
17 (a) if at the beginning of any biennium the unobligated cash balance in the environmental contingency
18 account equals or exceeds $750,000, allocation may not be made; and
19 (b) if at the beginning of any biennium the unobligated cash balance in the environmental contingency
20 account is less than $750,000, then an amount less than or equal to the difference between the unobligated cash
21 balance and $750,000, but not to exceed ~~$175,000~~ $157,500, must be allocated to the environmental contingency
22 account from the interest income of the resource indemnity trust fund.
23 (3) Funds are statutorily appropriated, as provided in 17-7-502, from the environmental contingency
24 account upon the authorization of the governor to meet unanticipated public needs consistent with the following
25 objectives:
26 (a) to support renewable resource development projects in communities that face an emergency or
27 imminent need for the services or to prevent the physical failure of a project;
28 (b) to preserve vegetation, water, soil, fish, wildlife, or other renewable resources from an imminent
29 physical threat or during an emergency, not including:
30 (i) natural disasters adequately covered by other funding sources; or

1 (ii) fire;

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

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

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

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

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

13

14 **Section 31.** Section 82-11-131, MCA, is amended to read:

15 **"82-11-131. Privilege and license tax.** (1) For the purpose of providing funds for defraying the
16 expenses of the operation and enforcement of this chapter and expenses of the board <u>and for operating expenses</u>
17 <u>of the state</u>, an operator or producer of oil and gas shall pay an assessment not to exceed 3/10 of 1% of the
18 market value of each barrel of crude petroleum produced, saved and marketed, or stored within the state or
19 exported from the state and the same rate on the market value of each 10,000 cubic feet of natural gas produced,
20 saved and marketed, or stored within the state or exported from the state.

21 (2) The board shall, by rule adopted pursuant to the provisions of the Montana Administrative Procedure
22 Act, fix the amount of the assessment and may from time to time reduce or increase the amount of the
23 assessment as the expenses chargeable against the oil and gas conservation fund may require. However, the
24 assessment fixed by the board may not exceed the limits prescribed in this section. The amount of the
25 assessment must be a percentage factor, not to exceed 100%, of the rate set forth in subsection (1), and the
26 same percentage factor must be applied by the board in fixing the amount of the assessment on each barrel of
27 crude petroleum produced and each 10,000 cubic feet of natural gas produced. A producer of the crude
28 petroleum and natural gas shall pay the assessment on each barrel of crude petroleum and each 10,000 cubic
29 feet of natural gas produced for the producer, as well as for another, including a royalty holder.

30 (3) For the purposes of this section, the provisions of Title 15, chapter 36, part 3, apply to the privilege

1 and license tax assessment."

2

3 **Section 32.** Section 82-11-161, MCA, is amended to read:

4 **"82-11-161. (Temporary) Oil and gas production damage mitigation account -- statutory**
5 **appropriation.** (1) There is an oil and gas production damage mitigation account within the state special revenue
6 fund established in 17-2-102. The oil and gas production damage mitigation account is controlled by the board.

7 (2) At the beginning of each biennium, $5,000 ~~there~~ must be ~~allocated to~~ deposited in the state general
8 fund and $45,000 must be allocated to the oil and gas production damage mitigation account ~~$50,000~~ from the
9 interest income of the resource indemnity trust fund, except that if at the beginning of a biennium the unobligated
10 cash balance in the oil and gas production damage mitigation account:

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

12 (b) is less than $200,000, then an amount less than or equal to the difference between the unobligated
13 cash balance and $200,000, but not more than ~~$50,000~~ $45,000, must be allocated to the oil and gas production
14 damage mitigation account from the interest income of the resource indemnity trust fund.

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

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

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

29 **82-11-161. (Effective on occurrence of contingency) Oil and gas production damage mitigation**
30 **account -- statutory appropriation.** (1) There is an oil and gas production damage mitigation account within

1 the state special revenue fund established in 17-2-102. The oil and gas production damage mitigation account
2 is controlled by the board.
3 (2) At the beginning of each biennium, ~~there~~ $5,000 must be ~~allocated to~~ deposited in the state general
4 fund and $45,000 must be allocated to the oil and gas production damage mitigation account ~~$50,000~~ from the
5 interest income of the resource indemnity trust fund, except that if at the beginning of a biennium the unobligated
6 cash balance in the oil and gas production damage mitigation account:
7 (a) equals or exceeds $200,000, no allocation will be made; or
8 (b) is less than $200,000, then an amount less than or equal to the difference between the unobligated
9 cash balance and $200,000, but not more than ~~$50,000~~ $45,000, must be allocated to the oil and gas production
10 damage mitigation account from the interest income of the resource indemnity trust fund.
11 (3) In addition to the allocation provided in subsection (2), there must be deposited in the oil and gas
12 production damage mitigation account all funds received by the board pursuant to 82-11-136(1).
13 (4) If a sufficient balance exists in the account, funds are statutorily appropriated, as provided in
14 17-7-502, from the oil and gas production damage mitigation account, upon the authorization of the board, to pay
15 the reasonable costs of properly plugging a well and either reclaiming or restoring, or both, a drill site or other
16 drilling or producing area damaged by oil and gas operations if the board determines that the well, sump, hole,
17 drill site, or drilling or producing area has been abandoned and the responsible person cannot be identified or
18 located or if the responsible person fails or refuses to properly plug, reclaim, or restore the well, sump, hole, drill
19 site, or drilling or producing area within a reasonable time after demand by the board. However, the responsible
20 person shall pay costs to the extent of that person's available resources and is subsequently liable to fully
21 reimburse the account or is subject to a lien on property as provided in 82-11-164 for costs expended from the
22 account to properly plug, reclaim, or restore the well, sump, hole, drill site, or drilling or producing area and to
23 mitigate any damage for which the person is responsible.
24 (5) Interest from funds in the oil and gas production damage mitigation account accrues to that account."
25
26 NEW SECTION. **Section 33. Fund transfer.** On July 1, 2011, the state treasurer shall transfer 10%
27 of the big sky economic development fund corpus, 10% of the treasure state endowment fund corpus, and 10%
28 of the treasure state endowment regional water system fund corpus to the coal severance tax permanent fund.
29
30 NEW SECTION. **Section 34. Contingent voidness -- allocation to general fund.** (1) If the federal

1 government refuses to participate in or denies approval of any state plan amendment related to [sections 6 and
2 7] for medicaid payments to nursing facilities, then [sections 6 and 7] are void.
3 (2) If the federal government refuses to participate in or denies approval of any state plan amendment
4 related to [section 10] for medicaid payments to hospitals, then [section 10] is void.
5 (3) If the federal government refuses to participate in or denies approval of any state plan amendment
6 related to [section 11] for medicaid payments to intermediate care facilities, then [section 11] is void.
7 (4) The department of public health and human services shall notify the code commissioner of the
8 occurrence of any determination made pursuant to subsections (1), (2), or (3) and the date of the occurrence.
9
10 NEW SECTION. **Section 35. Severability.** If a part of [this act] is invalid, all valid parts that are
11 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
12 the part remains in effect in all valid applications that are severable from the invalid applications.
13
14 NEW SECTION. **Section 36. Effective date.** [This act] is effective July 1, 2011.
15 - END -