

AN ACT PROVIDING FOR FUND TRANSFERS AND AN APPROPRIATION; AUTHORIZING FUND TRANSFERS FROM THE TELECOMMUNICATIONS SERVICES AND SPECIALIZED TELECOMMUNICATIONS EQUIPMENT ACCOUNT, THE OLDER MONTANANS TRUST FUND, AND THE FIRE SUPPRESSION ACCOUNT TO THE GENERAL FUND; AUTHORIZING FUND TRANSFERS FROM THE MOTOR VEHICLE AND RECYCLING ACCOUNT, THE ORPHAN SHARE ACCOUNT, THE COAL BED METHANE PROTECTION ACCOUNT, AND THE OIL AND GAS CONSERVATION ACCOUNT TO THE GUARANTEE ACCOUNT FOR DISTRIBUTION TO SCHOOL DISTRICTS; AUTHORIZING A FUND TRANSFER FROM THE OLDER MONTANANS TRUST FUND TO THE HEALTH AND MEDICAID INITIATIVES ACCOUNT; ~~AUTHORIZING A FUND TRANSFER TO THE OLD FUND WORKERS' COMPENSATION ACCOUNT FROM THE GENERAL FUND AND THE OLD FUND LIABILITY ACCOUNT;~~ REVISING THE TRANSFER TO THE RESEARCH AND COMMERCIALIZATION STATE SPECIAL REVENUE ACCOUNT FOR FISCAL YEARS 2012 AND 2013; ~~IMPOSING A PREMIUM FEE ON CERTAIN WORKERS' COMPENSATION POLICIES; CREATING A STATE SPECIAL REVENUE ACCOUNT;~~ AMENDING SECTIONS 15-35-108, ~~39-71-2352~~, 52-3-115, 53-19-310, 75-10-532, 75-10-743, 76-13-150, 76-15-904, AND 82-11-135, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AN APPLICABILITY DATE, AND TERMINATION DATES.

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

**Section 1. Transfer of funds to guarantee account.** (1) By August 15, 2011, the state treasurer shall transfer \$2.5 million from the account that is established for the motor vehicle recycling and disposal program under the provisions of 75-10-532 to the guarantee account provided for in 20-9-622.

(2) By August 15, 2011, the state treasurer shall transfer \$4.4 million from the orphan share account provided for in 75-10-743 to the guarantee account provided for in 20-9-622.

(3) By August 15, 2011, the state treasurer shall transfer \$8.5 million from the coal bed methane protection account provided for in 76-15-904 to the guarantee account provided for in 20-9-622.

(4) By August 15, 2011, the state treasurer shall transfer \$12 million from the board of oil and gas

conservation account provided for in 82-11-135 to the guarantee account provided for in 20-9-622.

**Section 2. Transfer of funds to general fund.** (1) By August 15, 2011, the state treasurer shall transfer \$1.85 million from the telecommunications services and specialized telecommunications equipment account provided for in 53-19-310 to the general fund.

(2) The state treasurer shall transfer \$6 million from the older Montanans trust fund, provided for in 52-3-115, to the general fund for the biennium beginning July 1, 2011.

(3) By August 15, 2011, the state treasurer shall transfer \$3 million from the fire suppression account provided for in 76-13-150 to the general fund.

**Section 3. Transfer of funds to health and medicaid initiative account.** For the biennium beginning July 1, 2011, the state treasurer shall transfer \$3,166,502 from the older Montanans trust fund provided for in 52-3-115 to the health and medicaid initiatives account provided for in 53-6-1201.

**Section 4.** 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% 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% 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% 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 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% 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 for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of [5.8% through September 30, 2013, and beginning October 1, 2013, the amount of] 2.9% 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 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 to the cooperative development center;
- (ii) \$625,000 for the growth through agriculture program provided for in Title 90, chapter 9;
- (iii) \$1.275 million to the research and commercialization state special revenue account created in 90-3-1002, of which \$375,000 per year is appropriated for fiscal years 2012 and 2013 to the department of commerce for the small business state matching grant program authorized in 90-1-117 to provide matching grants for small business innovation research and small business technology transfer, \$125,000 per year is appropriated for fiscal years 2012 and 2013 to the high-performance supercomputing program in the department of commerce, and \$300,000 per year is appropriated for fiscal years 2012 and 2013 to the board of regents for the development of energy and natural resources doctoral programs at Montana tech of the university of Montana;
- (iv) to the department of commerce:
  - (A) \$125,000 for a small business development center;
  - (B) \$50,000 for a small business innovative research program;

(C) \$425,000 for certified regional development corporations;

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

and

(E) \$300,000 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% 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% 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% 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 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% 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 for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of [5.8% through September 30, 2013, and beginning October 1, 2013, the amount of] 2.9% 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 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 to the cooperative development center;

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

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

(iv) to the department of commerce:

(A) \$125,000 for a small business development center;

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

(C) \$425,000 for certified regional development corporations;

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

and

(E) \$300,000 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% 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% 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% 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 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% 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 for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of 2.9% 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 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(9) All other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state."

~~Section 5. Section 39-71-2352, MCA, is amended to read:~~

~~"39-71-2352. Separate payment structure and sources for claims for injuries resulting from accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing transfer of money. (1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990. Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occur on or after July 1, 1990.~~

~~(2) The state fund shall:~~

~~(a) determine the cost of administering and paying claims for injuries resulting from accidents that occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries resulting from accidents that occur on or after July 1, 1990;~~

~~(b) keep adequate and separate accounts of the costs determined under subsection (2)(a); and~~  
~~(c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1, 1990, separately from the sources provided by law.~~

~~(3) The state fund may not spend more than \$1.25 million a year to administer claims for injuries resulting from accidents that occurred before July 1, 1990.~~

~~(4) As used in this section, "adequately funded" means the present value of:~~

~~(a) the total cost of future benefits remaining to be paid; and~~

~~(b) the cost of administering the claims.~~

~~(5) An amount of funds in excess of the adequate funding amount established in subsection (4), based on audited financial statements adjusted for unrealized gains and losses, must be transferred to the general fund.~~

~~(6) If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from accidents that occurred before July 1, 1990, are not adequately funded, any amount necessary to pay claims from the account for injuries resulting from accidents that occurred before July 1, 1990, must be transferred from the general fund to the account provided for in 39-71-2321 to the old fund account provided for in [section 14] if the amount in [section 13 or 14] is insufficient.~~

~~(7) The independent actuary engaged by the state fund pursuant to 39-71-2330 shall project the unpaid claims liability for claims for injuries resulting from accidents that occurred before July 1, 1990, each fiscal year until all claims are paid."~~

**Section 6.** Section 52-3-115, MCA, is amended to read:

**"52-3-115. (Temporary) Older Montanans trust fund.** (1) There is an older Montanans trust fund within the permanent fund type. The trust fund is subject to legislative appropriation as provided in this section.

(2) (a) The money in the fund may be used to create new, innovative services or to expand existing services for the benefit of Montana residents 60 years of age or older that will enable those Montanans to live an independent lifestyle in the least restrictive setting and will promote the dignity of and respect for those Montanans. The interest and income produced by the trust fund and appropriated to the department by the legislature is intended to increase services referred to in this subsection and not to supplant other sources of revenue for those programs in the trended traditional level of appropriations for those services.

(b) As used in subsection (2)(a), the phrase "trended traditional level of appropriations" means the appropriation amounts, including supplemental appropriations, as those amounts were set based on eligibility standards, services authorized, and payment amount during the past five biennial budgets.

(3) The department may accept contributions and gifts for the trust fund in money or other forms, and when accepted, the contributions and gifts must be deposited in the trust fund.

(4) Interest and income earned on money in the trust fund must be retained within the fund except as provided in this section. Until the year 2015, if assets in the fund reach the following amounts, money may be appropriated by the legislature and used in the following amounts for the programs specified in subsection (2):

(a) When the fund balance reaches \$20 million, 50% of the interest earned may be appropriated.

(b) When the fund balance reaches \$50 million, 60% of the interest earned may be appropriated.

(c) When the fund balance reaches \$100 million, 80% of the interest earned may be appropriated.

(5) On and after January 1, 2015, 90% of the interest earned on the trust fund may be appropriated for the programs specified in subsection (2).

(6) The department shall provide to the legislature a biennial report of the expenditures of the money appropriated from the older Montanans trust fund as provided in 5-11-210. (Terminates June 30, 2011--sec. 82, Ch. 489, L. 2009.)

**52-3-115. (Effective July 1, 2011) Older Montanans trust fund.** (1) There is an older Montanans trust fund within the permanent fund type. The trust fund is subject to legislative appropriation as provided in this section.

(2) The money in the fund may be used to ~~create fund~~ create fund new, innovative services or to ~~expand~~ existing services for the benefit of Montana residents 60 years of age or older that will enable those Montanans to live an independent lifestyle in the least restrictive setting and will promote the dignity of and respect for those Montanans. ~~The interest and income produced by the trust fund and appropriated to the department by the legislature is intended to increase services referred to in this subsection and not to supplant other sources of revenue for those programs in the trended traditional level, as used in 53-6-1201, of appropriations for those services.~~

(3) The department may accept contributions and gifts for the trust fund in money or other forms, and when accepted, the contributions and gifts must be deposited in the trust fund.

(4) Interest and income earned on money in the trust fund must be retained within the fund except as



provided in this section. ~~Until the year 2015, if assets in the fund reach the following amounts, money~~ Money may be appropriated by the legislature and used ~~in the following amounts~~ for the programs specified in subsection (2):

- ~~\_\_\_\_\_ (a) When the fund balance reaches \$20 million, 50% of the interest earned may be appropriated.~~
- ~~\_\_\_\_\_ (b) When the fund balance reaches \$50 million, 60% of the interest earned may be appropriated.~~
- ~~\_\_\_\_\_ (c) When the fund balance reaches \$100 million, 80% of the interest earned may be appropriated.~~
- ~~\_\_\_\_\_ (5) On and after January 1, 2015, 90% of the interest earned on the trust fund may be appropriated for the programs specified in subsection (2).~~

~~(6)~~(5) The department shall provide to the legislature a biennial report of the expenditures of the money appropriated from the older Montanans trust fund as provided in 5-11-210."

**Section 7.** Section 53-19-310, MCA, is amended to read:

**"53-19-310. Account for telecommunications services and specialized telecommunications equipment for persons with disabilities.** (1) There is an account for telecommunications services and specialized telecommunications equipment for persons with disabilities in the state special revenue fund in the state treasury. The account consists of:

- (a) all monetary contributions, gifts, and grants received by the committee as provided in 53-19-309; and
- (b) all fees billed and collected pursuant to 53-19-311.

(2) ~~The Subject to legislative fund transfers, money in the account is allocated to the committee for purposes of implementing this part. Gifts and grants received by the committee as provided in 53-19-309 are not subject to legislative fund transfers.~~

(3) All expenditures of the committee in administering this part must be paid from money deposited in the account."

**Section 8.** Section 75-10-532, MCA, is amended to read:

**"75-10-532. Disposition of money collected.** All money received from the sale of junk vehicles or from recycling of the material and all motor vehicle wrecking facility license fees must be remitted to the state, as provided in 15-1-504. ~~The Subject to legislative fund transfers, the money must be used for the control, collection, recycling, and disposal of junk vehicles and component parts and for the removal of abandoned vehicles."~~

**Section 9.** Section 75-10-743, MCA, is amended to read:

**"75-10-743. Orphan share state special revenue account -- reimbursement of claims -- payment of department costs.** (1) There is an orphan share account in the state special revenue fund established in 17-2-102 that is to be administered by the department. Money in the account is available to the department by appropriation and, except as provided in subsections (9), ~~and (10), and (11)~~, must be used to reimburse remedial action costs claimed pursuant to 75-10-742 through 75-10-751 and to pay costs incurred by the department in defending the orphan share.

(2) There must be deposited in the orphan share account:

- (a) all penalties assessed pursuant to 75-10-750(12);
- (b) funds received from the distribution of oil and natural gas production taxes pursuant to 15-36-331;
- (c) unencumbered funds remaining in the abandoned mines state special revenue account;
- (d) interest income on the account;
- (e) funds received from settlements pursuant to 75-10-719(7); and
- (f) funds received from reimbursement of the department's orphan share defense costs pursuant to subsection (6).

(3) If the orphan share fund contains sufficient money, valid claims must be reimbursed subsequently in the order in which they were received by the department. If the orphan share fund does not contain sufficient money to reimburse claims for completed remedial actions, a reimbursement may not be made and the orphan share fund, the department, and the state are not liable for making any reimbursement for the costs. The department and the state are not liable for any penalties if the orphan share fund does not contain sufficient money to reimburse claims, and interest may not accrue on outstanding claims.

(4) Except as provided in subsections (6) and (7), claims may not be submitted and remedial action costs may not be reimbursed from the orphan share fund until all remedial actions, except for operation and maintenance, are completed at a facility.

(5) Except as provided in subsection (6), reimbursement from the orphan share fund must be limited to actual documented remedial action costs incurred after the date of a petition provided for in 75-10-745. Reimbursement may not be made for attorney fees, legal costs, or operation and maintenance costs.

(6) (a) The department's costs incurred in defending the orphan share must be paid by the persons participating in the allocation under 75-10-742 through 75-10-751 in proportion to their allocated shares. The

orphan share fund is responsible for a portion of the department's costs incurred in defending the orphan share in proportion to the orphan share's allocated share, as follows:

(i) If sufficient funds are available in the orphan share fund, the department's costs incurred in defending the orphan share must be paid from the orphan share fund in proportion to the share of liability allocated to the orphan share.

(ii) If sufficient funds are not available in the orphan share fund, persons participating in the allocation under 75-10-742 through 75-10-751 shall pay all the orphan share's allocated share of the department's costs incurred in defending the orphan share in proportion to each person's allocated share of liability.

(b) A person who pays the orphan share's proportional share of costs has a claim against the orphan share fund and must be reimbursed as provided in subsection (3).

(c) A state agency that is liable for remedial action costs incurred has a claim against the orphan share fund and must be reimbursed as provided in subsection (3). The agency may submit a claim before or after remedial action is complete. Reimbursement may not be made for attorney fees, legal costs, or operation and maintenance costs. The agency may be reimbursed only after:

(i) its liability has been determined pursuant to 75-10-742 through 75-10-751 or by a court of competent jurisdiction;

(ii) it has received a notice letter pursuant to 75-10-711; and

(iii) the department has approved the costs.

(7) (a) If the lead liable person under 75-10-746 presents evidence to the department that the person cannot complete the remedial actions without partial reimbursement and that a delay in reimbursement will cause undue financial hardship on the person, the department may allow the submission of claims and may reimburse the claims prior to the completion of all remedial actions. A person is not eligible for early reimbursement unless the person is in substantial compliance with all department-approved remedial action plans.

(b) The department may reimburse claims from a lead liable person upon completion and department approval of a report evaluating the nature and extent of contamination and a report formulating and evaluating final remediation alternatives. This early reimbursement is limited to those eligible costs incurred by the lead liable person for the preparation of the reports.

(8) A person participating in the allocation process who received funds under the mixed funding pilot program provided for in sections 14 through 20, Chapter 584, Laws of 1995, may not claim or receive

reimbursement from the orphan share fund for the amount of funds received under the mixed funding pilot program that are later attributed to the orphan share under the allocation process.

(9) (a) For the biennium beginning July 1, 2005, up to \$1.25 million may be used by the department to pay the costs incurred by the department in contracting for evaluating the extent of contamination and formulating final remediation alternatives for releases at the Kalispell pole and timber, reliance refinery company, and Yale oil corporation facility complex. If the department spends less than \$1.25 million for those purposes, the remaining funds must be spent for remediation of the facility complex. The department may not seek recovery of the \$1.25 million from potentially liable persons.

(b) The money spent pursuant to subsection (9)(a) must be credited against the amount owed by the state agency in a judgment or settlement agreement for payment of the remedial action costs at the facility for which the money was spent.

(10) (a) The department shall transfer from the orphan share account to the long-term or perpetual water treatment permanent trust fund provided for in 82-4-367 \$1.2 million in each fiscal year until the board of investments makes the certification pursuant to subsection (10)(b) of this section.

(b) (i) The board of investments shall monitor the long-term or perpetual water treatment permanent trust fund provided for in 82-4-367 to determine when the amount of money in the long-term or perpetual water treatment permanent trust fund will be sufficient, with future earnings, to provide a fund balance of \$19.3 million on January 1, 2018.

(ii) When the board of investments makes the determination pursuant to subsection (10)(b)(i), the board of investments shall notify the department and certify to the department the amount of money, if any, that must be transferred during the fiscal year in which the board of investments makes its determination pursuant to subsection (10)(b)(i) in order to provide a fund balance of \$19.3 million on January 1, 2018.

(iii) In the fiscal year that the board of investments makes its determination and notifies the department, the department shall transfer only the amount certified by the board of investments, if any, and may not make additional transfers during subsequent fiscal years.

(11) The orphan share account is subject to legislative fund transfers."

**Section 10.** Section 76-13-150, MCA, is amended to read:

**"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in the

state special revenue fund to the credit of the department.

(2) The legislature may transfer money from other funds to the account, and the money in the account is subject to legislative fund transfers.

(3) Funds received for restitution by private parties must be deposited in the account.

(4) Money in the account may be used only for the purpose of paying expenses for fire prevention, including fuel mitigation, grants for the purchase of fire suppression equipment for county cooperatives, and fire suppression costs.

(5) Interest earned on the balance of the account is retained in the account."

**Section 11.** Section 76-15-904, MCA, is amended to read:

**"76-15-904. Coal bed methane protection account -- use.** (1) There is a coal bed methane protection account in the state special revenue fund.

(2) There must be deposited in the account the proceeds from the distribution of oil and natural gas production taxes, as provided in 15-36-331.

(3) All money paid into the account must be invested by the board of investments. Earnings from investments must be deposited in the account.

(4) Subject to the conditions of ~~subsection~~ subsections (5) and (6), money deposited in the account must be used to compensate landowners and water right holders for damages attributable to coal bed methane development as provided in this part.

(5) Money deposited in the fund and earnings of the fund may not be expended until after June 30, 2005. For fiscal years beginning after June 30, 2005, principal and earnings may be expended only in the case of an emergency. For fiscal years beginning after June 30, 2011, principal and earnings in the account may be expended for any purpose authorized pursuant to this part.

(6) ~~Money~~ Subject to legislative fund transfers, money in the account must be appropriated to the department for use by conservation districts that have private landowners or water right holders who qualify for compensation as provided in 76-15-905. (Subsection (2) terminates June 30, 2011--sec. 10, Ch. 531, L. 2001.)"

**Section 12.** Section 82-11-135, MCA, is amended to read:

**"82-11-135. Money earmarked for board expenses.** The state treasurer shall deposit all money

distributed to the board under 15-36-331 and collected under this chapter in the state special revenue fund. ~~The~~ Subject to legislative fund transfers, the money must be used for the purpose of paying all expenses of the board and for no other purpose. The board shall use the money subject to biennial appropriations by the legislature. Income and interest from investment of the board's money in the state special revenue fund must be credited to the board."

~~**Section 13. Old fund liability account.** (1) There is an old fund liability account in the state special revenue fund established by 17-2-102 to be administered by the department of administration.~~

~~(2) Until July 1, 2013, the state fund shall deposit in the account described in subsection (1) the fees collected as provided in [section 14].~~

~~(3) Interest and income earned on money in the account must be retained within the account except as provided in this section.~~

~~(4) Beginning July 1, 2012, the state treasurer shall transfer funds in the old fund liability account on an as-needed basis into the old fund account provided for in [section 14] to pay claims for injuries occurring before July 1, 1990.~~

~~**Section 14. Old fund premium fee assessment.** (1) Until July 1, 2013, the state fund shall pay into the old fund liability account, provided for in [section 13], a fee assessed upon net premiums. Beginning July 1, 2013, the state fund shall deposit the fees assessed upon net premiums into the old fund account.~~

~~(2) A fee must be assessed on net premiums at a rate of 2.75% and must be included in rates established in 39-71-2330.~~

~~(3) (a) For the purposes of this section, the term "net premium" has the meaning provided by the national association of insurance commissioners.~~

~~(b) For the purposes of this part, the term "old fund account" means the account in the proprietary fund type to pay claims for injuries resulting from accidents that occurred before July 1, 1990.~~

~~**Section 15. Appropriation.** (1) There is appropriated up to \$2 million in fiscal year 2011 from the general fund to the department of administration on a one-time-only basis for transfer to the old fund account provided for in [section 14].~~

~~(2) There is appropriated \$11 million on a one-time-only basis for the fiscal year ending June 30, 2012, to the department of administration for transfer to the old fund account for unfunded liabilities, if necessary. These funds may be used only for the purposes of this subsection, except as provided in subsection (3).~~

~~(3) If the funds appropriated in subsection (2) are not needed for the purpose specified in subsection (2), the department of administration may transfer up to \$2.2 million of the remainder to compensate state agencies for any difference in the amount appropriated from the general fund for workers' compensation premiums and the actual amount of workers' compensation premiums funded from the general fund. The methodology for determining general fund appropriations for workers' compensation and actual general fund workers' compensation premium costs must be based on an agreement between the director of the office of budget and program planning and the legislative fiscal analyst.~~

~~(4) (a) The approving authority, as defined in 17-7-102, shall review and may approve the transfer under subsection (3).~~

~~(b) The legislative finance committee shall review the proposed transfer prior to the distribution of funds under subsection (3).~~

~~**Section 16. Codification instruction.** [Sections 13 and 14] are intended to be codified as an integral part of Title 39, chapter 71, part 23, and the provisions of Title 39, chapter 71, part 23, apply to [sections 13 and 14].~~

**Section 17. Coordination instruction.** (1) If House Bill No. 42 is passed and approved in a form that contains a fund transfer from the coal bed methane protection account provided for in 76-15-904 to the state treasury, then the fund transfer in [section 1(3)] is reduced by the amount specified in House Bill No. 42. For the purpose of this section, the fund transfer in [section 1(3)] may not be decreased below \$0.

(2) If Senate Bill No. 424 and [this act] are both passed and approved, then Senate Bill No. 424 is void.

(3) If House Bill No. 611 is not passed and approved, then [section 4 of this act], amending 15-35-108, is void.

**Section 18. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in

all valid applications that are severable from the invalid applications.

**Section 19. Effective dates -- applicability.** (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

~~(2) [Section 14(2)] is effective July 1, 2011, and applies to new or renewal policies effective July 1, 2011.~~

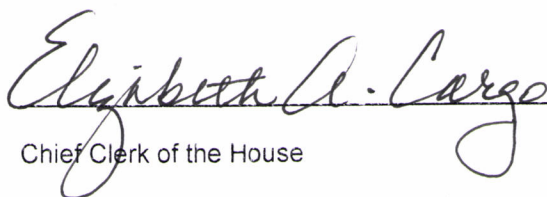
**Section 20. Termination.** (1) [Sections 2, 6, and 7] terminate June 30, 2013.


~~(2) [Section 14] terminates June 30, 2023.~~

- END -

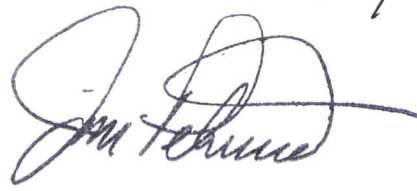


I hereby certify that the within bill,  
HB 0604, originated in the House.

  
\_\_\_\_\_  
Chief Clerk of the House

  
\_\_\_\_\_  
Speaker of the House

Signed this 2<sup>nd</sup> day  
of May, 2011.

  
\_\_\_\_\_  
President of the Senate

Signed this 2<sup>nd</sup> day  
of May, 2011.