

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LEGISLATURE'S DUTIES;
5 REPEALING INTERIM COMMITTEES; ALLOWING STANDING COMMITTEES TO MEET DURING THE
6 INTERIM; PRESERVING ADMINISTRATIVE COMMITTEES; PROVIDING THAT LEGISLATIVE RULES
7 ESTABLISH INTERIM ENTITIES AND DUTIES; PROVIDING A TRANSITION; AMENDING SECTIONS 2-4-
8 102, 2-8-404, 2-15-225, 2-15-1019, 2-15-1205, 2-15-2017, 2-15-2029, 2-15-2225, 2-15-3308, 2-17-512, 2-17-
9 513, 2-17-804, 2-18-502, 2-18-1103, 5-2-205, 5-2-302, 5-3-101, 5-4-205, 5-11-105, 5-11-106, 5-11-107, 5-11-
10 112, 5-11-210, 5-12-302, 5-12-303, 5-20-301, 10-2-102, 10-3-802, 15-1-230, 15-6-232, 15-7-111, 15-24-3211,
11 15-30-2303, 15-30-3112, 15-31-322, 15-31-1011, 15-32-703, 15-70-433, 15-70-450, 16-12-110, 17-6-230, 17-
12 7-130, 17-7-138, 17-7-139, 17-7-140, 17-7-214, 17-7-222, 17-8-416, 19-2-405, 19-3-117, 19-20-201, 19-20-
13 216, 19-20-732, 20-1-231, 20-7-101, 20-7-469, 20-7-1506, 20-7-1602, 20-9-161, 20-9-323, 20-9-903, 20-26-
14 105, 22-3-423, 22-3-1002, 33-1-115, 33-22-1308, 37-1-101, 37-1-107, 37-1-122, 37-1-145, 37-3-203, 37-7-
15 1514, 39-12-103, 39-71-2375, 41-3-122, 41-3-123, 41-3-210, 41-3-1211, 41-5-2003, 44-2-411, 44-4-1606, 44-
16 7-302, 46-23-1028, 47-1-125, 50-46-329, 50-46-343, 52-2-211, 52-2-311, 52-2-803, 53-1-211, 53-1-216, 53-2-
17 215, 53-4-209, 53-4-1009, 53-6-710, 53-6-1325, 53-20-225, 53-21-508, 53-21-1102, 60-2-119, 61-10-154, 69-
18 8-402, 75-1-208, 75-1-324, 75-5-313, 75-5-703, 82-2-701, 85-1-203, 85-1-501, 85-1-621, 85-2-281, 85-2-316,
19 85-2-350, 85-2-436, 85-2-525, 90-1-105, 90-1-132, 90-1-182, 90-1-503, 90-3-1301, 90-4-1003, AND 90-11-102,
20 MCA; REPEALING SECTIONS 5-5-201, 5-5-202, 5-5-211, 5-5-212, 5-5-213, 5-5-214, 5-5-215, 5-5-216, 5-5-
21 217, 5-5-223, 5-5-224, 5-5-225, 5-5-226, 5-5-227, 5-5-228, 5-5-229, 5-5-230, 5-5-231, 5-5-232, 5-5-233, AND
22 85-2-105, MCA; AND PROVIDING EFFECTIVE DATES."

23
24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25
26 **Section 1.** Section 2-4-102, MCA, is amended to read:
27 **"2-4-102. Definitions.** For purposes of this chapter, the following definitions apply:
28 (1) "Administrative rule review committee" or "committee" means the appropriate ~~committee assigned~~



1 ~~subject matter jurisdiction in Title 5, chapter 5, part 2. standing committee or interim entity established by the~~
2 ~~legislature in its rules and assigned subject matter jurisdiction.~~

3 (2) (a) "Agency" means an agency, as defined in 2-3-102, of state government, except that the
4 provisions of this chapter do not apply to the following:

5 (i) the state board of pardons and parole, which is exempt from the contested case and judicial review
6 of contested cases provisions contained in this chapter. However, the board is subject to the remainder of the
7 provisions of this chapter.

8 (ii) the supervision and administration of a penal institution with regard to the institutional supervision,
9 custody, control, care, or treatment of youth or prisoners;

10 (iii) the board of regents and the Montana university system;

11 (iv) the financing, construction, and maintenance of public works;

12 (v) the public service commission when conducting arbitration proceedings pursuant to 47 U.S.C. 252
13 and 69-3-837.

14 (b) The term does not include a school district, a unit of local government, or any other political
15 subdivision of the state.

16 (3) "ARM" means the Administrative Rules of Montana.

17 (4) "Contested case" means a proceeding before an agency in which a determination of legal rights,
18 duties, or privileges of a party is required by law to be made after an opportunity for hearing. The term includes
19 but is not restricted to ratemaking, price fixing, and licensing.

20 (5) (a) "Interested person" means a person who has expressed to the agency an interest concerning
21 agency actions under this chapter and has requested to be placed on the agency's list of interested persons as
22 to matters of which the person desires to be given notice.

23 (b) The term does not extend to contested cases.

24 (6) "License" includes the whole or part of an agency permit, certificate, approval, registration, charter,
25 or other form of permission required by law but does not include a license required solely for revenue purposes.

26 (7) "Licensing" includes an agency process respecting the grant, denial, renewal, revocation,
27 suspension, annulment, withdrawal, limitation, transfer, or amendment of a license.

28 (8) "Party" means a person named or admitted as a party or properly seeking and entitled as of right

1 to be admitted as a party, but this chapter may not be construed to prevent an agency from admitting any
2 person as a party for limited purposes.

3 (9) "Person" means an individual, partnership, corporation, association, governmental subdivision,
4 agency, or public organization of any character.

5 (10) "Register" means the Montana Administrative Register.

6 (11) (a) "Rule" means each agency regulation, standard, or statement of general applicability that
7 implements, interprets, or prescribes law or policy or describes the organization, procedures, or practice
8 requirements of an agency. The term includes the amendment or repeal of a prior rule.

9 (b) The term does not include:

10 (i) statements concerning only the internal management of an agency or state government and not
11 affecting private rights or procedures available to the public, including rules implementing the state personnel
12 classification plan, the state wage and salary plan, or the statewide accounting, budgeting, and human resource
13 system;

14 (ii) formal opinions of the attorney general and declaratory rulings issued pursuant to 2-4-501;

15 (iii) rules relating to the use of public works, facilities, streets, and highways when the substance of the
16 rules is indicated to the public by means of signs or signals;

17 (iv) seasonal rules adopted annually or biennially relating to hunting, fishing, and trapping when there
18 is a statutory requirement for the publication of the rules and rules adopted annually or biennially relating to the
19 seasonal recreational use of lands and waters owned or controlled by the state when the substance of the rules
20 is indicated to the public by means of signs or signals;

21 (v) uniform rules adopted pursuant to interstate compact, except that the rules must be filed in
22 accordance with 2-4-306 and must be published in the ARM; or

23 (vi) game parameters approved by the state lottery commission relating to a specific lottery game. This
24 subsection (11)(b)(vi) does not exempt generally applicable policies governing the state lottery that are
25 otherwise subject to the Montana Administrative Procedure Act.

26 (12) (a) "Significant interest to the public" means agency actions under this chapter regarding matters
27 that the agency knows to be of widespread citizen interest. These matters include issues involving a substantial
28 fiscal impact to or controversy involving a particular class or group of individuals.

1 (b) The term does not extend to contested cases.

2 (13) "Small business" means a business entity, including its affiliates, that is independently owned and
3 operated and that employs fewer than 50 full-time employees.

4 (14) "Substantive rules" are either:

5 (a) legislative rules, which if adopted in accordance with this chapter and under expressly delegated
6 authority to promulgate rules to implement a statute have the force of law and when not so adopted are invalid;
7 or

8 (b) adjective or interpretive rules, which may be adopted in accordance with this chapter and under
9 express or implied authority to codify an interpretation of a statute. The interpretation lacks the force of law.

10 (15) "Supplemental notice" means a notice that amends the proposed rules or changes the timeline for
11 public participation."

12

13 **Section 2.** Section 2-8-404, MCA, is amended to read:

14 **"2-8-404. ~~Interim committee review~~ Review of licensing boards and programs -- criteria --**
15 **repeal -- consolidation.** (1) (a) Before January 1 of each even-numbered year, ~~a legislative interim committee~~
16 ~~responsible for monitoring licensing boards and programs~~ the appropriate standing committee or interim entity
17 established by the legislature in its rules shall notify the department to which licensing boards or programs are
18 administratively attached if the committee plans to review one or more licensing boards or programs to
19 determine the need for a board or a program and the financial solvency or appropriate administrative
20 attachment of the board or program.

21 (b) A review under subsection (1)(a) is separate from a performance audit conducted by the
22 legislative audit committee.

23 (2) The focus of a review under subsection (1)(a) is:

24 (a) to determine whether a board or program continues to be needed to protect public health, safety,
25 or welfare or the common good by addressing the following questions:

26 (i) does the improper practice of the profession or occupation pose a physical, financial, or emotional
27 threat to public health, safety, or welfare and is there evidence of harm from improper practice; and

28 (ii) does the practice of the profession or occupation require specific training or skills that make

1 evaluation of competency difficult for the consumer; or

2 (b) to assess the financial solvency of the board or program and the impact on consumers and on
3 licensees if higher fees are projected for the next biennium.

4 (3) After the review, the ~~legislative interim committee~~ appropriate standing committee or interim entity
5 established by the legislature in its rules may draft legislation to:

6 (a) repeal the board or program if the board or program is no longer needed for public health, safety,
7 or welfare or the common good; or

8 (b) combine a board with other licensing boards if a board meets the criteria in subsection (2)(a) but
9 has one of the following criteria:

10 (i) is expected to have higher fees than if the board operates in combination with another board with
11 similar interests;

12 (ii) has fewer than 200 licensees; or

13 (iii) has no or a limited number of complaints each year.

14 (4) The ~~legislative interim committee~~ appropriate standing committee or interim entity established by
15 the legislature in its rules, after a review of the administrative attachment of a board or program, may propose
16 legislation to administratively attach the board or program to a department that has responsibilities related to
17 the board or program."
18

19 **Section 3.** Section 2-15-225, MCA, is amended to read:

20 **"2-15-225. Interagency coordinating council for state prevention programs.** (1) There is an
21 interagency coordinating council for state prevention programs consisting of the following members:

22 (a) the attorney general provided for in 2-15-501;

23 (b) the director of the department of public health and human services provided for in 2-15-2201;

24 (c) the superintendent of public instruction provided for in 2-15-701;

25 (d) the presiding officer of the Montana children's trust fund board;

26 (e) two persons appointed by the governor who have experiences related to the private or nonprofit
27 provision of prevention programs and services;

28 (f) the administrator of the board of crime control provided for in 2-15-2306;

- 1 (g) the commissioner of labor and industry provided for in 2-15-1701;
- 2 (h) the director of the department of corrections provided for in 2-15-2301;
- 3 (i) the state director of Indian affairs provided for in 2-15-217;
- 4 (j) the adjutant general of the department of military affairs provided for in 2-15-1202;
- 5 (k) the director of the department of transportation provided for in 2-15-2501;
- 6 (l) the commissioner of higher education provided for in 2-15-1506; and
- 7 (m) the designated representative of a state agency desiring to participate who is accepted as a
- 8 member by a majority of the current coordinating council members.

9 (2) The coordinating council shall perform the following duties:

- 10 (a) develop, through interagency planning efforts, a comprehensive and coordinated prevention
- 11 program delivery system that will strengthen the healthy development, well-being, and safety of children,
- 12 families, individuals, and communities;
- 13 (b) develop appropriate interagency prevention programs and services that address the problems of
- 14 at-risk children and families and that can be provided in a flexible manner to meet the needs of those children
- 15 and families;
- 16 (c) study various financing options for prevention programs and services;
- 17 (d) ensure that a balanced and comprehensive range of prevention services is available to children
- 18 and families with specific or multiagency needs;
- 19 (e) assist in development of cooperative partnerships among state agencies and community-based
- 20 public and private providers of prevention programs; and
- 21 (f) develop, maintain, and implement benchmarks for state prevention programs. As used in this
- 22 subsection, "benchmark" means a specified reference point in the future that is used to measure the state of
- 23 affairs at that point in time and to determine progress toward or the attainment of an ultimate goal, which is an
- 24 outcome reflecting the desired state of affairs.

25 (3) The coordinating council shall cooperate with and report to any standing ~~or interim legislative~~
26 committee or interim entity established by the legislature in its rules that is assigned to study the policies and
27 funding for prevention programs or other state programs and policies related to children and families.

28 (4) The coordinating council must be compensated, reimbursed, and otherwise governed by the

1 provisions of 2-15-122.

2 (5) The coordinating council is attached for administrative purposes only to the governor's office,
3 which may assist the council by providing staff and budgetary, administrative, and clerical services that the
4 council or its presiding officer requests.

5 (6) Staffing and other resources may be provided to the coordinating council only from state and
6 nonstate resources donated to the council and from direct appropriations by each legislature."

7

8 **Section 4.** Section 2-15-1019, MCA, is amended to read:

9 **"2-15-1019. Board of directors of state compensation insurance fund -- legislative liaisons. (1)**

10 There is a board of directors of the state compensation insurance fund.

11 (2) The board is allocated to the department for administrative purposes only as prescribed in 2-15-
12 121. However, the board may employ its own staff.

13 (3) The board may provide for its own office space and the office space of the state fund.

14 (4) The board consists of seven members appointed by the governor. The executive director of the
15 state fund is an ex officio nonvoting member.

16 (5) (a) At least four of the seven members shall represent state fund policyholders and may be
17 employees of state fund policyholders. At least four members of the board shall represent private enterprises.
18 One of the seven members may be a licensed insurance producer. One of the seven members must be a
19 person with executive management experience in an insurance company or executive level experience in
20 insurance financial accounting.

21 (b) A member of the board may not:

22 (i) except for the licensed insurance producer member, represent or be an employee of an insurance
23 company that is licensed to transact workers' compensation insurance under compensation plan No. 2; or

24 (ii) be an employee of a self-insured employer under compensation plan No. 1.

25 (6) A member is appointed for a term of 4 years. A term begins April 1 of odd-numbered years and
26 ends March 31. The governor shall appoint board members on or before February 1 of the odd-numbered years
27 that coincide with the expiration of the board members' terms. The terms of board members must be staggered.
28 A member of the board may serve no more than two 4-year terms. A member shall hold office until the end of

1 the term.

2 (7) The members must be appointed and compensated in the same manner as members of a quasi-
3 judicial board as provided in 2-15-124, except as otherwise provided in this section and except that the
4 requirement that at least one member be an attorney does not apply.

5 (8) There must be two legislative liaisons to the board ~~consisting of members of the economic affairs~~
6 ~~interim committee provided for in 5-5-223~~. Subject to 5-5-234, the ~~presiding officer of the economic affairs~~
7 ~~interim committee~~ president of the senate and the speaker of the house of representatives shall appoint the
8 liaisons from the majority party and the minority party ~~at the first interim committee meeting~~.

9 (9) Legislative liaisons shall serve from appointment through each even-numbered calendar year.

10 (10) A legislative liaison may:

11 (a) attend board meetings; and

12 (b) receive board meeting agendas and information relating to agenda items from the staff of the state
13 fund.

14 (11) Legislative liaisons appointed pursuant to subsection (8) are entitled to compensation and
15 expenses, as provided in 5-2-302, to be paid by ~~the economic affairs interim committee~~ and the state fund from
16 a \$100 annual fee paid by the state fund into the general fund."
17

18 **Section 5.** Section 2-15-1205, MCA, is amended to read:

19 **"2-15-1205. Board of veterans' affairs -- composition -- quorum -- voting -- compensation --**
20 **allocation.** (1) There is a board of veterans' affairs.

21 (2) (a) The board consists of 20 members. All members must be residents of this state. Eleven
22 members are voting members, who must be confirmed by the senate, and nine members are nonvoting, ex
23 officio members.

24 (b) The governor shall appoint 19 members in a manner that provides for staggered terms. The
25 members are:

26 (i) five regional representatives, who must be voting members and who must have been honorably
27 discharged from service in the military forces of the United States. Each must be appointed to represent a
28 different geographic region of the state and must be a resident of that geographic region. The board shall

1 establish the geographic regions by rule. A member who represents a geographic region and who changes
2 residence to a different geographic region may no longer serve on the board unless appointed as a
3 representative for the new location or as a representative meeting other criteria.

4 (ii) one honorably discharged veteran, who must be a voting member and serve as a representative of
5 veterans at large;

6 (iii) one tribal member, who must be an honorably discharged veteran and who is a voting member;

7 (iv) three members who must have training, education, or experience related to veterans' issues,
8 including but not limited to health and medical care, mental health care, chemical or drug dependency,
9 homelessness, or job training and placement. These three members are voting members.

10 (v) a representative of the office of state director of Indian affairs, who is a nonvoting member;

11 (vi) a representative from the department of public health and human services, who is a nonvoting
12 member;

13 (vii) a representative of the United States department of veterans affairs, who is a nonvoting member;

14 (viii) a representative of the veterans' employment and training service office in the United States
15 department of labor, who is a nonvoting member;

16 (ix) a representative of the ~~state administration and veterans' affairs interim committee~~ legislature, who
17 is a nonvoting member;

18 (x) three members, one representing each house and senate member of Montana's congressional
19 delegation, who are nonvoting members; and

20 (xi) the director of the department of military affairs, who is a nonvoting member.

21 (c) The tribal leaders of the eight tribal councils in Montana may appoint one voting member who is
22 affiliated with a Montana tribe and is an honorably discharged veteran. If a tribal member is not appointed by
23 the Montana tribal leaders, the governor shall choose this member by lot from a pool of names submitted by the
24 eight tribal councils in the state, with each tribal council submitting one name.

25 (3) A vacancy occurring on the board must be filled by the governor, subject to the conditions of
26 subsection (2).

27 (4) A quorum is six voting members.

28 (5) A vote resulting in a tie is the same as a negative vote.

1 (6) Each voting member must receive meals, lodging, and travel expenses as provided for in 2-18-
2 501 through 2-18-503. ~~Compensation for the legislator who represents the state administration and veterans'~~
3 ~~affairs interim committee must be paid from the board of veterans' affairs budget.~~

4 (7) The board shall meet at least three times a year. Special meetings may be called by the
5 administrator or by a majority of voting members. Meetings may be held at different locations around the state
6 to give local veterans an opportunity to attend. Advance notice of meetings must be provided to all veterans'
7 groups and to any individual who requests notification.

8 (8) Each voting member may serve for a maximum of two terms. Each term is for 4 years.

9 (9) A member may be removed by the governor only for incompetence, malfeasance, or neglect of
10 duty.

11 (10) The board is allocated to the department for administrative purposes only as prescribed in 2-15-
12 121. However, the board may hire its own personnel, including an administrator. The administrator shall serve
13 as the secretary of the board and may represent the board in communications with the governor and with other
14 state agencies, notwithstanding the provisions of 2-15-121(3)(a)."

15

16 **Section 6.** Section 2-15-2017, MCA, is amended to read:

17 **"2-15-2017. Domestic violence fatality review commission -- confidentiality of meetings and**
18 **records -- criminal liability for unauthorized disclosure -- report to legislature.** (1) There is a domestic
19 violence fatality review commission in the department of justice.

20 (2) The commission shall:

21 (a) examine the trends and patterns of domestic violence-related fatalities in Montana;

22 (b) educate the public, service providers, and policymakers about domestic violence fatalities and
23 strategies for intervention and prevention; and

24 (c) recommend policies, practices, and services that may encourage collaboration and reduce
25 fatalities due to domestic violence.

26 (3) The members of the commission, not to exceed 18, are appointed by the attorney general from
27 among the following disciplines:

28 (a) representatives from state departments that are involved in issues of domestic abuse;

- 1 (b) representatives of private organizations that are involved in issues of domestic abuse;
- 2 (c) medical and mental health care providers who are involved in issues of domestic abuse;
- 3 (d) representatives from law enforcement, the judiciary, and the state bar of Montana;
- 4 (e) representatives of Montana Indian tribes;
- 5 (f) other concerned citizens; and
- 6 (g) a member of the legislature who serves on either the house judiciary committee or the senate
- 7 judiciary committee.

8 (4) The members shall serve without compensation by the commission but are entitled to be
9 reimbursed for travel expenses as provided for in 2-18-501 through 2-18-503, and members who are full-time
10 salaried officers or employees of this state or of any political subdivision of this state are entitled to their regular
11 compensation. The provisions of 2-15-122 do not apply to the commission.

12 (5) The commission shall review closed domestic homicide cases selected by the attorney general to
13 provide the commission with the best opportunity to fulfill its duties under this section.

14 (6) Upon written request from the commission, a person who possesses information or records that
15 are necessary and relevant to a domestic violence fatality review shall, as soon as practicable, provide the
16 commission with the information and records. A person who provides information or records upon request of
17 the commission is not criminally or civilly liable for providing information or records in compliance with this
18 section.

19 (7) The meetings and proceedings of the commission are confidential and are exempt from the
20 provisions of Title 2, chapter 3.

21 (8) The records of the commission are confidential information as defined in 2-6-1002 and are
22 protected from disclosure. The records are not subject to subpoena, discovery, or introduction into evidence in
23 a civil or criminal action unless the records are reviewed by a district court judge and ordered to be provided to
24 the person seeking access. The commission shall disclose conclusions and recommendations upon request but
25 may not disclose information, records, or data that are otherwise confidential. The commission may not use the
26 information, records, or data for purposes other than those designated by subsections (2)(a) and (2)(c).

27 (9) The commission may require any person appearing before it to sign a confidentiality agreement
28 created by the commission in order to maintain the confidentiality of the proceedings. In addition, the

1 commission may enter into agreements with nonprofit organizations and private agencies to obtain otherwise
 2 confidential information.

3 (10) A member of the commission who knowingly uses information obtained pursuant to subsection (6)
 4 for a purpose not authorized in subsection (2) or who discloses information in violation of subsection (8) is
 5 subject to a civil penalty of not more than \$500.

6 (11) The commission shall report its findings and recommendations in writing to the ~~law and justice~~
 7 ~~interim committee~~ legislature in accordance with 5-11-210, the attorney general, the governor, and the chief
 8 justice of the Montana supreme court prior to each regular legislative session. The report must be made
 9 available to the public through the office of the attorney general. The commission may issue data or other
 10 information periodically, in addition to the biennial report."
 11

12 **Section 7.** Section 2-15-2029, MCA, is amended to read:

13 **"2-15-2029. (Temporary) Montana public safety officer standards and training council --**
 14 **rulemaking -- report to ~~law and justice interim committee~~ legislature.** (1) (a) There is a Montana public
 15 safety officer standards and training council. The council is a quasi-judicial board, as provided for in 2-15-124,
 16 and is allocated to the department of justice established in 2-15-2001, except as provided in subsections (1)(b)
 17 and (1)(c) of this section.

18 (b) The council shall coordinate with the department of justice to hire the bureau chief of the public
 19 safety officer standards and training bureau.

20 (c) The council maintains its independent and quasi-judicial authority and duties provided for in 44-4-
 21 403.

22 (2) The council may adopt rules to implement the provisions of Title 44, chapter 4, part 4. Rules must
 23 be adopted pursuant to the Montana Administrative Procedure Act.

24 (3) The department of justice and the public safety officer standards and training council shall report
 25 to the ~~law and justice interim committee~~ appropriate standing committee or interim entity established by the
 26 legislature in its rules. (Terminates June 30, 2021--sec. 23, Ch. 456, L. 2019.)

27 **2-15-2029. (Effective July 1, 2021) Montana public safety officer standards and training council**
 28 **-- administrative attachment -- rulemaking.** (1) (a) There is a Montana public safety officer standards and

1 training council. The council is a quasi-judicial board, as provided for in 2-15-124, and is allocated to the
 2 department of justice, established in 2-15-2001, for administrative purposes only as provided in 2-15-121,
 3 except as provided in subsection (1)(b) of this section.

4 (b) The council may hire its own personnel and independently administer the conduct of its business,
 5 and 2-15-121(2)(a), (2)(d), and (3)(a) do not apply.

6 (2) The council may adopt rules to implement the provisions of Title 44, chapter 4, part 4. Rules must
 7 be adopted pursuant to the Montana Administrative Procedure Act."

8

9 **Section 8.** Section 2-15-2225, MCA, is amended to read:

10 **"2-15-2225. Legislative use of performance measures.** (1) During an interim, the department shall
 11 report performance data to the appropriate ~~interim committee as provided for in Title 5, chapter 5, part 2~~
 12 standing committee or interim entity established by the legislature in its rules, and to the office of budget and
 13 program planning. ~~Interim Standing committees or an interim entity established by the legislature in its rules~~
 14 shall use performance data in reviewing the department's strategic planning documents as they relate to
 15 prospective legislation.

16 (2) When reviewing the strategies of department or agency management in implementing programs
 17 authorized by the legislature, the committees may provide input on:

18 (a) the direct effects of each strategy on department and agency customers;

19 (b) the information that management needs to track progress toward achieving key goals and
 20 objectives;

21 (c) the performance measures that best reflect the expenditure of the department's and the agencies'
 22 budgets; and

23 (d) whether the performance measures clearly relate to the department's and the agencies' missions,
 24 goals, objectives, and strategic plan."

25

26 **Section 9.** Section 2-15-3308, MCA, is amended to read:

27 **"2-15-3308. (Temporary) Drought and water supply advisory committee -- stream gauge**
 28 **oversight work group.** (1) There is a drought and water supply advisory committee in the department of

1 natural resources and conservation.

2 (2) The drought and water supply advisory committee is chaired by a representative of the governor
3 and consists of representatives of the departments of natural resources and conservation; agriculture;
4 commerce; fish, wildlife, and parks; military affairs; environmental quality; and livestock. The governor's
5 representative must be appointed by the governor, and the representative of each department must be
6 appointed by the head of that department. Additional, nonvoting members who represent federal and local
7 government agencies and public and private interests affected by drought, flooding, or water supply may also
8 be appointed by the governor.

9 (3) The drought and water supply advisory committee shall:

10 (a) with the approval of the governor, develop and implement a state plan that considers drought and
11 flooding, mitigation, and response;

12 (b) review and report drought and water supply monitoring information to the public;

13 (c) coordinate timely drought and flooding impact assessments and maintain regular communication
14 with the United States drought monitor, the national drought mitigation center, the division of disaster and
15 emergency services, the national weather service, and other appropriate local, state, tribal, and federal
16 partners;

17 (d) identify areas of the state with a high probability of drought or flooding and target reporting and
18 assistance efforts to those areas in coordination with local, state, tribal, and federal agencies;

19 (e) upon request, assist in organizing local advisory committees for the areas identified under
20 subsection (3)(d);

21 (f) request state agency staff to provide technical assistance to local advisory committees;

22 (g) promote ideas and activities for groups and individuals to consider that may reduce vulnerability to
23 drought or flooding and improve seasonal forecasting of water supply; and

24 (h) select members of the committee to serve on a stream gauge oversight work group.

25 (4) The drought and water supply advisory committee shall meet, at a minimum, on or around
26 October 15 and March 15 of each year to assess moisture conditions and forecasts and, as appropriate, begin
27 preparations for drought or flood mitigation.

28 (5) By April 15 of each year, the drought and water supply advisory committee shall submit a report to

1 the governor's office that, to the extent possible, describes the potential for drought or flooding in the coming
2 year, describes the current water supply conditions of the state, taking into consideration winter precipitation,
3 and provides an assessment of the cumulative water supply status.

4 (6) By July 1 of each year, the drought and water supply advisory committee shall submit a report to
5 the governor's office evaluating the potential for drought for the remainder of the calendar year. If the report
6 identifies a potential for drought that is likely to cause adverse impacts to human health and safety,
7 environmental quality, or both, the committee shall notify the division of disaster and emergency services and
8 county commissioners, tribal governments, conservation districts, and local watershed groups in the geographic
9 location potentially impacted by drought and the types of impacts likely to occur.

10 (7) (a) The stream gauge oversight work group shall meet at least semiannually to review:

11 (i) locations, uses, and funding arrangements for the stream gauge network of the U.S. geological
12 survey; and

13 (ii) priorities, needs, and expectations of those funding the maintenance and operations of these
14 stream gauges and those using data measured by these stream gauges.

15 (b) The work group shall create annually a stream gauge infrastructure work plan, which may include:

16 (i) a comprehensive overview of the existing stream gauge network;

17 (ii) a review of options for funding the maintenance and operations of the stream gauge network,
18 including use of private funds, consolidated agreements, or multipayer payments;

19 (iii) a proposal for stream gauge priorities;

20 (iv) cost-effective and reasonable alternatives to stream gauges, including gauges that are not part of
21 the U.S. geological survey's stream gauge network, if applicable;

22 (v) oversight of recommendations and activities related to any legislative study of stream gauges; and

23 (vi) coordination of information regarding stream gauge funding recommendations and requests from
24 state and federal agencies.

25 (c) The work group shall report to ~~the water policy interim committee established in 5-5-231~~ the
26 appropriate standing committee or interim entity established by the legislature in its rules.

27 (8) Nothing in this section is intended to remove or interfere with the duties and responsibilities of the
28 governor or the division of disaster and emergency services for disaster coordination and emergency response,

1 as provided in Title 10, chapter 3, part 1. The duties and responsibilities of the drought and water supply
 2 advisory committee supplement and are consistent with those of the division of disaster and emergency
 3 services for drought or flood planning, preparation, coordination, and mitigation. (Terminates June 30, 2023--
 4 sec. 7, Ch. 298, L. 2019.)

5 **2-15-3308. (Effective July 1, 2023) Drought and water supply advisory committee.** (1) There is a
 6 drought and water supply advisory committee in the department of natural resources and conservation.

7 (2) The drought and water supply advisory committee is chaired by a representative of the governor
 8 and consists of representatives of the departments of natural resources and conservation; agriculture;
 9 commerce; fish, wildlife, and parks; military affairs; environmental quality; and livestock. The governor's
 10 representative must be appointed by the governor, and the representative of each department must be
 11 appointed by the head of that department. Additional, nonvoting members who represent federal and local
 12 government agencies and public and private interests affected by drought, flooding, or water supply may also
 13 be appointed by the governor.

14 (3) The drought and water supply advisory committee shall:

15 (a) with the approval of the governor, develop and implement a state plan that considers drought and
 16 flooding, mitigation, and response;

17 (b) review and report drought and water supply monitoring information to the public;

18 (c) coordinate timely drought and flooding impact assessments and maintain regular communication
 19 with the United States drought monitor, the national drought mitigation center, the division of disaster and
 20 emergency services, the national weather service, and other appropriate local, state, tribal, and federal
 21 partners;

22 (d) identify areas of the state with a high probability of drought or flooding and target reporting and
 23 assistance efforts to those areas in coordination with local, state, tribal, and federal agencies;

24 (e) upon request, assist in organizing local advisory committees for the areas identified under
 25 subsection (3)(d);

26 (f) request state agency staff to provide technical assistance to local advisory committees; and

27 (g) promote ideas and activities for groups and individuals to consider that may reduce vulnerability to
 28 drought or flooding and improve seasonal forecasting of water supply.

1 (4) The drought and water supply advisory committee shall meet, at a minimum, on or around
2 October 15 and March 15 of each year to assess moisture conditions and forecasts and, as appropriate, begin
3 preparations for drought or flood mitigation.

4 (5) By April 15 of each year, the drought and water supply advisory committee shall submit a report to
5 the governor's office that, to the extent possible, describes the potential for drought or flooding in the coming
6 year, describes the current water supply conditions of the state, taking into consideration winter precipitation,
7 and provides an assessment of the cumulative water supply status.

8 (6) By July 1 of each year, the drought and water supply advisory committee shall submit a report to
9 the governor's office evaluating the potential for drought for the remainder of the calendar year. If the report
10 identifies a potential for drought that is likely to cause adverse impacts to human health and safety,
11 environmental quality, or both, the committee shall notify the division of disaster and emergency services and
12 county commissioners, tribal governments, conservation districts, and local watershed groups in the geographic
13 location potentially impacted by drought and the types of impacts likely to occur.

14 (7) Nothing in this section is intended to remove or interfere with the duties and responsibilities of the
15 governor or the division of disaster and emergency services for disaster coordination and emergency response,
16 as provided in Title 10, chapter 3, part 1. The duties and responsibilities of the drought and water supply
17 advisory committee supplement and are consistent with those of the division of disaster and emergency
18 services for drought or flood planning, preparation, coordination, and mitigation."
19

20 **Section 10.** Section 2-17-512, MCA, is amended to read:

21 **"2-17-512. Powers and duties of department.** (1) The department is responsible for carrying out the
22 planning and program responsibilities for information technology for state government, except the national
23 guard. The department shall:

24 (a) encourage and foster the development of new and innovative information technology within state
25 government;

26 (b) promote, coordinate, and approve the development and sharing of shared information technology
27 application software, management systems, and information that provide similar functions for multiple state
28 agencies;

- 1 (c) cooperate with the office of economic development to promote economic development initiatives
- 2 based on information technology;
- 3 (d) establish and enforce a state strategic information technology plan as provided for in 2-17-521;
- 4 (e) establish and enforce statewide information technology policies and standards;
- 5 (f) review and approve state agency information technology plans provided for in 2-17-523;
- 6 (g) coordinate with the office of budget and program planning to evaluate budget requests that include
- 7 information technology resources. The department shall make recommendations to the office of budget and
- 8 program planning for the approval or disapproval of information technology budget requests, including an
- 9 estimate of the useful life of the asset proposed for purchase and whether the amount should be expensed or
- 10 capitalized, based on state accounting policy established by the department. An unfavorable recommendation
- 11 must be based on a determination that the request is not provided for in the approved agency information
- 12 technology plan provided for in 2-17-523.
- 13 (h) staff the information technology board provided for in 2-15-1021;
- 14 (i) fund the administrative costs of the information technology board provided for in 2-15-1021;
- 15 (j) review the use of information technology resources for all state agencies;
- 16 (k) review and approve state agency specifications and procurement methods for the acquisition of
- 17 information technology resources;
- 18 (l) review, approve, and sign all state agency contracts and shall review and approve other formal
- 19 agreements for information technology resources provided by the private sector and other government entities;
- 20 (m) operate and maintain a central computer center for the use of state government, political
- 21 subdivisions, and other participating entities under terms and conditions established by the department;
- 22 (n) operate and maintain a statewide telecommunications network for the use of state government,
- 23 political subdivisions, and other participating entities under terms and conditions established by the department;
- 24 (o) ensure that the statewide telecommunications network is properly maintained. The department
- 25 may establish a centralized maintenance program for the statewide telecommunications network.
- 26 (p) coordinate public safety communications on behalf of public and private safety agencies as
- 27 provided for in 2-17-543 through 2-17-545;
- 28 (q) manage the state 9-1-1 program as provided for in Title 10, chapter 4, part 3;

- 1 (r) provide electronic access to information and services of the state as provided for in 2-17-532;
- 2 (s) provide assistance to the legislature, the judiciary, the governor, and state agencies relative to
- 3 state and interstate information technology matters;
- 4 (t) establish rates and other charges for services provided by the department;
- 5 (u) accept federal funds granted by congress or by executive order and gifts, grants, and donations
- 6 for any purpose of this section;
- 7 (v) dispose of personal property owned by it in a manner provided by law when, in the judgment of the
- 8 department, the disposal best promotes the purposes for which the department is established;
- 9 (w) implement this part and all other laws for the use of information technology in state government;
- 10 (x) report to the appropriate ~~interim committee on a regular basis and to the legislature as provided~~
- 11 ~~in 5-11-210~~ standing committee or interim entity established by the legislature in its rules on the information
- 12 technology activities of the department; and
- 13 (y) represent the state with public and private entities on matters of information technology.
- 14 (2) If it is in the state's best interest, the department may contract with qualified private organizations,
- 15 foundations, or individuals to carry out the purposes of this section.
- 16 (3) The director of the department shall appoint the chief information officer to assist in carrying out
- 17 the department's information technology duties."

18
19 **Section 11.** Section 2-17-513, MCA, is amended to read:

20 **"2-17-513. Duties of board.** The board shall:

- 21 (1) provide a forum to:
 - 22 (a) guide state agencies, the legislative branch, the judicial branch, and local governments in the
 - 23 development and deployment of intergovernmental information technology resources;
 - 24 (b) share information among state agencies, local governments, and federal agencies regarding the
 - 25 development of information technology resources;
- 26 (2) advise the department:
 - 27 (a) in the development of cooperative contracts for the purchase of information technology resources;
 - 28 (b) regarding the creation, management, and administration of electronic government services and

- 1 information on the internet;
- 2 (c) regarding the administration of electronic government services contracts;
- 3 (d) on the priority of government services to be provided electronically;
- 4 (e) on convenience fees prescribed in 2-17-1102 and 2-17-1103, if needed, for electronic government
- 5 services; and
- 6 (f) on any other aspect of providing electronic government services;
- 7 (3) review and advise the department on:
 - 8 (a) statewide information technology standards and policies;
 - 9 (b) the state strategic information technology plan;
 - 10 (c) major information technology budget requests;
 - 11 (d) rates and other charges for services established by the department as provided in 2-17-512(1)(t);
 - 12 (e) requests for exceptions as provided for in 2-17-515;
 - 13 (f) notification of proposed exemptions by the university system and office of public instruction as
 - 14 provided for in 2-17-516;
 - 15 (g) action taken by the department as provided in 2-17-514(1) for any activity that is not in compliance
 - 16 with this part;
 - 17 (h) the implementation of major information technology projects and advise the respective governing
 - 18 authority of any issue of concern to the board relating to implementation of the project; and
 - 19 (i) financial reports, management reports, and other data as requested by the department;
- 20 (4) study state government's present and future information technology needs and advise the
- 21 department on the use of emerging technology in state government;
 - 22 (5) request information and reports that it considers necessary from any entity using or having access
 - 23 to the statewide telecommunications network or central computer center;
 - 24 (6) assist in identifying, evaluating, and prioritizing potential departmental and interagency electronic
 - 25 government services;
 - 26 (7) serve as a central coordination point for electronic government services provided by the
 - 27 department and other state agencies;
 - 28 (8) study, propose, develop, or coordinate any other activity in furtherance of electronic government

1 services as requested by the governor or the legislature; and
2 (9) prepare and submit to the ~~state administration and veterans' affairs interim committee by~~
3 ~~September 15 in the year preceding the regular legislative session and in the manner provided in~~ legislature in
4 accordance with 5-11-210 a report including but not necessarily limited to a summary of the board's activities, a
5 review of the electronic government program established under part 11 of this chapter, and any key findings
6 and recommendations that the board presented to the department."
7

8 **Section 12.** Section 2-17-804, MCA, is amended to read:

9 **"2-17-804. Council duties and responsibilities.** (1) The council shall:

10 (a) adopt an art and memorial plan for the placement of art and memorials in the capitol complex and
11 on the capitol complex grounds;

12 (b) review proposals for long-term displays of up to 50 years, subject to renewal, in the capitol
13 complex and on the capitol complex grounds and for the naming of state buildings, spaces, and rooms in the
14 capitol complex;

15 (c) advise the legislature on the placement of busts, plaques, statues, memorials, monuments, or art
16 displays of a long-term nature in public areas of the capitol complex and on the capitol complex grounds,
17 including the executive residence and the original governor's mansion; and

18 (d) advise the department of administration on interior decoration of the capitol, grounds
19 maintenance, and grounds displays.

20 (2) In advising the legislature on long-term displays, the council shall consider whether the bust,
21 plaque, statue, memorial, monument, or art display:

22 (a) reasonably fits the long-range master plan for the capitol and adjacent grounds developed under
23 2-17-805;

24 (b) adversely alters the appearance of the capitol complex;

25 (c) unreasonably affects foot traffic on the capitol complex;

26 (d) adversely impacts existing maintenance programs or the utility infrastructure;

27 (e) recognizes a person or event of statewide significance and relevance;

28 (f) has artistic merit in design and construction;

- 1 (g) will be safely and aesthetically suited to the installation site; and
- 2 (h) has adequate funding for design, installation, and maintenance.
- 3 (3) By September 15 of each year preceding a regular legislative session, the council shall report to
- 4 ~~the state administration and veterans' affairs interim committee~~ legislature in accordance with 5-11-210 on
- 5 requests that the council has reviewed for naming buildings, spaces, and rooms and for placing items in the
- 6 capitol complex or on the capitol complex grounds. The report must include a recommendation to the
- 7 committee on whether reviewed requests meet the criteria established by this part and whether legislation is
- 8 needed. If a request meets the criteria, the council shall recommend a timeframe during which the project
- 9 should be authorized."

10

11 **Section 13.** Section 2-18-502, MCA, is amended to read:

12 **"2-18-502. Computation of meal allowance.** (1) Except as provided in subsections (2) and (4), an

13 employee is eligible for the meal allowance provided in 2-18-501, only if the employee is in a travel status for

14 more than 3 continuous hours during the following hours:

- 15 (a) for the morning meal allowance, between the hours of 12:01 a.m. and 10 a.m.;
- 16 (b) for the midday meal allowance, between the hours of 10:01 a.m. and 3 p.m.; and
- 17 (c) for the evening meal allowance, between the hours of 3:01 p.m. and 12 midnight.
- 18 (2) An eligible employee may receive:
 - 19 (a) only one of the three meal allowances provided, if the travel was performed within the employee's
 - 20 assigned travel shift; or
 - 21 (b) a maximum of two meal allowances if the travel begins before or was completed after the
 - 22 employee's assigned travel shift and the travel did not exceed 24 hours.

23 (3) "Travel shift" is that period of time beginning 1 hour before and terminating 1 hour after the

24 employee's normally assigned work shift.

25 (4) An appointed member of a state board, commission, or council or a member of a legislative

26 ~~subcommittee or select or interim committee~~ committees, or interim entity established by the legislature in its

27 rules is entitled to a midday meal allowance on a day the individual is attending a meeting of the board,

28 commission, council, or committee, regardless of proximity of the meeting place to the individual's residence or

1 headquarters. This subsection does not apply to a member of a legislative committee during a legislative
2 session.

3 (5) The department of administration shall prescribe policies necessary to effectively administer this
4 section for state government."

5

6 **Section 14.** Section 2-18-1103, MCA, is amended to read:

7 **"2-18-1103. Powers and duties of department.** The department shall:

8 (1) adopt rules to implement this part;

9 (2) develop model guidelines and promotional materials to assist agencies in implementing this part;

10 and

11 (3) prepare and submit to the ~~state administration and veterans' affairs interim committee by~~
12 ~~September 15 in the year preceding the regular legislative session and in the manner provided in~~ legislature in
13 accordance with 5-11-210 a list of awards granted under 2-18-1106 and the corresponding savings to the state
14 and improvements in the effectiveness of state government."

15

16 **Section 15.** Section 5-2-205, MCA, is amended to read:

17 **"5-2-205. Authority for standing committees to meet during interim.** (1) Except as provided in 5-
18 2-202 and ~~subsection (2)~~ subsections (2) through (4) of this section, a standing committee of the legislature, as
19 provided for in legislative rules, may not meet during the interim between regular legislative sessions.

20 (2) Upon approval of the president of the senate or the speaker of the house of representatives, a
21 standing committee may meet before a special session, as provided in 5-3-101, or during a special session.

22 (3) If the legislature adopts legislative rules providing for a standing committee to meet during the
23 interim, the committee or entity:

24 (a) may meet and complete duties as established in rule; and

25 (b) may review appropriate administrative rules and proposed draft legislation as established in rule.

26 (4) Legislative rules may provide the process for a standing committee or interim entity to use in
27 establishing a revenue estimate."

28

1 **Section 16.** Section 5-2-302, MCA, is amended to read:

2 **"5-2-302. Compensation and expenses when legislature not in session.** When the legislature is
3 not in session, a member of the legislature, while engaged in legislative business with prior authorization of the
4 appropriate funding authority, is entitled to:

- 5 (1) a mileage allowance as provided in 2-18-503;
- 6 (2) expenses as provided in 2-18-501 and 2-18-502; and
- 7 (3) a salary equal to one full day's pay at the rate described in 5-2-301(1) for each 24-hour period of
8 time (from midnight to midnight), or portion of a 24-hour period, spent on authorized ~~interim or~~ administrative
9 committee business or interim work established by the legislature in its rules ~~legislative business~~ or as
10 otherwise provided by law. However, if time spent for business other than authorized ~~legislative interim or~~
11 administrative committee business, interim work established by the legislature in its rules, or business related to
12 5-11-305 results in lengthening a legislator's stay away from home into an additional 24-hour period, the
13 legislator may not be compensated for the additional day."

14

15 **Section 17.** Section 5-3-101, MCA, is amended to read:

16 **"5-3-101. Convening of special session -- limiting subjects -- committee meetings --**
17 **compensation.** (1) The legislature may be convened in special session by the governor or at the written
18 request of a majority of the members. ~~Subject to 5-5-227, the~~ The governor or the legislature may limit the
19 special session to the subjects specified in the call.

20 (2) (a) A standing committee of the legislature may meet prior to a special session for the purpose of
21 holding hearings and taking action on preintroduced legislation that has been referred to that committee.

22 (b) Public notice of a hearing to be held by a standing committee prior to a special session must be
23 given at least 7 days before the hearing.

24 (3) Members of the legislature engaged in pre-session business for a special session are entitled to
25 receive compensation and expenses as provided in 5-2-302. Members of the legislature are entitled to receive
26 compensation and expenses, as provided in 5-2-301, for the day prior to the convening of a special session."

27

28 **Section 18.** Section 5-4-205, MCA, is amended to read:

1 **"5-4-205. Contents of notes.** (1) Fiscal notes must, when possible, show in dollar amounts the
 2 estimated increase or decrease in revenue or expenditures, costs that may be absorbed without additional
 3 funds, and long-range financial implications. A comment or opinion relative to the merits of the bill may not be
 4 included in the fiscal note. However, technical or mechanical defects may be noted.

5 (2) It is the legislature's intent that a fiscal note be prepared as an objective analysis of the fiscal
 6 impact of legislation. The fiscal note should represent only the estimate of the revenue and expenditures that
 7 would result from the implementation of the legislation, if enacted, and may not in any way reflect the views or
 8 opinions of the preparing agencies, the sponsor, or other interested parties. Changes in revenue must be
 9 estimated for each reported year based upon appropriate revenue estimating methodologies for the source of
 10 revenue described and should reflect a change from the official revenue estimate provided for ~~in 5-5-227~~ by the
 11 appropriate standing committee or interim entity established by the legislature in its rules. Expenditures must be
 12 estimated as the amount required for implementing the legislation, if enacted, in excess of or as a reduction to
 13 the present law base level of expenditures in each reported year regardless of whether or not the preparing
 14 agency determines that it can absorb the costs in its proposed budget.

15 (3) The fiscal note must clearly differentiate between facts and assumptions made in the preparation
 16 of the fiscal note while maintaining a logical flow of both fact and assumption in presenting how the fiscal impact
 17 is determined."

18

19 **Section 19.** Section 5-11-105, MCA, is amended to read:

20 **"5-11-105. Powers and duties of council.** (1) The legislative council shall:

21 (a) employ and, in accordance with the rules for classification and pay established as provided in this
 22 section, set the salary of an executive director of the legislative services division, who serves at the pleasure of
 23 and is responsible to the legislative council;

24 (b) with the concurrence of the legislative audit committee and the legislative finance committee,
 25 adopt rules for classification and pay of legislative branch employees, other than those of the office of
 26 consumer counsel;

27 (c) with the concurrence of the legislative audit committee and the legislative finance committee,
 28 adopt rules governing personnel management of branch employees, other than those of the office of consumer

1 counsel;

2 (d) adopt procedures to administer legislator claims for reimbursements authorized by law for interim
3 activity;

4 (e) establish time schedules and deadlines for the interim ~~committees work conducted by~~ of the
5 legislature, ~~including dates for requesting bills and completing interim work;~~

6 (f) review proposed legislation for agencies or entities that are not assigned to ~~an interim committee,~~
7 ~~as provided in 5-5-223 through 5-5-228~~ an appropriate standing committee or interim entity established by the
8 legislature in its rules, or to the environmental quality council, as provided in 75-1-324; ~~and~~

9 (g) designate the appropriate standing committee, administrative committee, or interim entity
10 established by the legislature in its rules to be assigned interim studies; and

11 ~~(g)(h)~~ perform other duties assigned by law.

12 (2) If a question of statewide importance arises when the legislature is not in session ~~and a legislative~~
13 ~~interim committee has not been assigned to consider the question~~, the legislative council shall ~~assign the~~
14 ~~question to an appropriate interim committee, as provided in 5-5-202, or to the appropriate statutorily created~~
15 ~~committee~~ determine how best to address the question."

16

17 **Section 20.** Section 5-11-106, MCA, is amended to read:

18 **"5-11-106. Authority to investigate and examine.** The legislative services division, on behalf of
19 standing ~~committees, committees or~~ select committees, or ~~interim committees and any subcommittees of those~~
20 ~~committees,~~ in accordance with interim work established by the legislature in its rules, may investigate and
21 examine state governmental activities and may examine and inspect all records, books, and files of any
22 department, agency, commission, board, or institution of the state of Montana."

23

24 **Section 21.** Section 5-11-107, MCA, is amended to read:

25 **"5-11-107. Powers relating to hearings.** (1) In the discharge of its duties, a statutory committee or
26 ~~an interim committee~~ an interim entity established by the legislature in its rules may hold hearings, administer
27 oaths, issue subpoenas, compel the attendance of witnesses and the production of papers, books, accounts,
28 documents, and testimony, and cause depositions of witnesses to be taken in the manner prescribed by law for

1 taking depositions in civil actions in district court.

2 (2) If a person disobeys a subpoena issued by a statutory committee or an ~~interim committee~~ interim
3 entity established by the legislature in its rules, or if a witness refuses to testify on any matters regarding which
4 the witness may be lawfully interrogated, the district court of any county shall, on application of the committee,
5 compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a
6 subpoena issued from a district court or a refusal to testify in the district court."

7

8 **Section 22.** Section 5-11-112, MCA, is amended to read:

9 **"5-11-112. Functional organization and responsibilities.** (1) The legislative council may establish a
10 functional organization within the legislative services division in order to effectively and efficiently carry out all of
11 the responsibilities delegated to the division by law or legislative rule. The responsibilities of the legislative
12 services division include the following:

13 (a) document services:

14 (i) bill drafting and preparation for introduction;

15 (ii) engrossing and enrolling;

16 (iii) distribution of legislative bills and information;

17 (iv) coordination of legislative printing; and

18 (v) publication of legislative records;

19 (b) research and reference services:

20 (i) general and specialized legislative research; and

21 (ii) legislative reference and information;

22 (c) legal services:

23 (i) legal review of draft bills;

24 (ii) legal counseling on legislative matters;

25 (iii) legal support for consolidated entities; and

26 (iv) support for the functions of the code commissioner provided in 1-11-201;

27 (d) committee services:

28 (i) research, legal, and administrative staff support for consolidated committees as assigned, including

1 support for interim ~~committees organized under Title 5, chapter 5, part 2~~ entities established by the legislature
2 in its rules; and

3 (ii) research and legal support for legislative standing and select committees;

4 (e) broadcasting services, in accordance with Title 5, chapter 11, part 11;

5 (f) management and business services:

6 (i) financial records;

7 (ii) claims and payrolls;

8 (iii) coordination of procurement of printing, supplies, and equipment; and

9 (iv) maintenance of property inventories;

10 (g) personnel and administrative services:

11 (i) rules for classification and pay; and

12 (ii) personnel and administrative policies; and

13 (h) information technology services:

14 (i) legislative branch network support services;

15 (ii) application support and development;

16 (iii) communications support and coordination; and

17 (iv) information technology planning.

18 (2) The responsibilities of the legislative services division must be fulfilled collaboratively with
19 consolidated entities whenever the efficient operation of the legislative branch is served."

20

21 **Section 23.** Section 5-11-210, MCA, is amended to read:

22 **"5-11-210. Clearinghouse for reports to legislature.** (1) For the purposes of this section, "report"
23 means a written report required by law to be given to or filed with the legislature.

24 (2) On or before September 1 of each year preceding the convening of a regular session of the
25 legislature, an entity required to report to the legislature shall provide, in writing, to the executive director; ~~to the~~
26 ~~appropriate interim or statutory committee~~:

27 (a) the final title of the report;

28 (b) an abstract or description of the contents of the report, not to exceed 100 words;

1 (c) if the report is available electronically, its location on the internet; and

2 (d) a recommendation on how many paper copies of the report, if any, should be provided to the
3 legislature.

4 (3) After considering all of the information available about the report, including the number of
5 legislators requesting copies of the report pursuant to subsection (7), the ~~appropriate interim or statutory~~
6 ~~committee~~ executive director shall, in writing, direct the reporting entity to provide a specific number of paper
7 copies. The number of copies required is at the sole discretion of the ~~appropriate interim or statutory committee~~
8 executive director. The ~~appropriate interim or statutory committee~~ executive director may require the reporting
9 entity to mail the copies of the report.

10 (4) The ~~appropriate interim or statutory committee~~ executive director may require that the report be
11 submitted in an electronic format that is usable on the legislature's current computer hardware or in a digital
12 form.

13 (5) Costs of preparing and distributing a report to the legislature, including writing, printing, postage,
14 distribution, and all other costs, accrue to the reporting agency. Costs incurred in meeting the requirements of
15 this section may not accrue to the legislative services division.

16 (6) The executive director of the legislative services division shall cause to be prepared a list of all
17 reports required to be presented to the legislature from the list of titles received under subsection (2).

18 (7) The executive director shall, as soon as possible following a general election, provide to each
19 holdover senator, senator-elect, and representative-elect a list of the titles of the reports, along with the
20 abstracts prepared pursuant to subsection (2)(b), and the location of electronic copies.

21 (8) The executive director of the legislative services division shall provide copies of reports requested
22 pursuant to subsection (7) to those members or members-elect by either requiring that copies be mailed
23 pursuant to subsection (3) or by delivering copies of the reports during the first week of the legislative session.

24 (9) The executive director of the legislative services division may keep as many copies of a report as
25 are necessary and discard the rest or return them to the agency.

26 (10) The procedure outlined in this section may also be used for a report required to be made to the
27 legislature under the Multistate Tax Compact contained in 15-1-601, the Vehicle Equipment Safety Compact
28 contained in 61-2-201, the Multistate Highway Transportation Agreement contained in 61-10-1101, or the

1 Western Interstate Nuclear Compact contained in 90-5-201.

2 (11) Each report to the legislature required under 17-6-230, 19-2-405, 19-2-407, and 19-20-201 must
3 be provided to the legislative services division as soon as the report is published. The legislative services
4 division shall ensure that legislators are notified pursuant to this section of the report's availability. During the
5 interim, the legislative services division shall ensure that members of the ~~state administration and veterans'~~
6 ~~affairs interim committee~~ appropriate interim entity established by the legislature in its rules and the legislative
7 finance committee receive copies of the reports."

8

9 **Section 24.** Section 5-12-302, MCA, is amended to read:

10 **"5-12-302. Fiscal analyst's duties.** The legislative fiscal analyst shall:

11 (1) provide for fiscal analysis of state government and accumulate, compile, analyze, and furnish
12 information bearing upon the financial matters of the state that is relevant to issues of policy and questions of
13 statewide importance, including but not limited to investigation and study of the possibilities of effecting
14 economy and efficiency in state government;

15 (2) estimate revenue from existing and proposed taxes;

16 (3) analyze the executive budget and budget requests of selected state agencies and institutions,
17 including proposals for the construction of capital improvements;

18 (4) make the reports and recommendations that the legislative fiscal analyst considers desirable to
19 the legislature and make reports and recommendations as requested by the legislative finance committee and
20 the legislature;

21 (5) assist committees of the legislature and individual legislators in compiling and analyzing financial
22 information;

23 (6) assist ~~the revenue interim committee~~ an appropriate interim entity established by the legislature in
24 its rules in performing its revenue estimating duties; and

25 (7) review all reports submitted to the legislative fiscal analyst and notify the legislative finance
26 committee of any concerns the fiscal analyst identifies in a report."

27

28 **Section 25.** Section 5-12-303, MCA, is amended to read:

1 **"5-12-303. Fiscal analysis information from state agencies.** (1) The legislative fiscal analyst may
 2 investigate and examine the costs and revenue of state government activities and may examine and obtain
 3 copies of the records, books, and files of any state agency, including confidential records.

4 (2) When confidential records and information are obtained from a state agency, the legislative fiscal
 5 analyst and staff must be subject to the same penalties for unauthorized disclosure of the confidential records
 6 and information provided for under the laws administered by the state agency. The legislative fiscal analyst
 7 shall develop policies to prevent the unauthorized disclosure of confidential records and information obtained
 8 from state agencies and may not disclose confidential records or information to legislators.

9 (3) (a) The department of revenue shall make Montana individual income tax information available by
 10 removing names, addresses, and social security numbers and substituting in their place a state accounting
 11 record identifier number. Except for the purposes of complying with federal law, the department may not alter
 12 the data in any other way.

13 (b) The department of revenue shall provide the name and address of a taxpayer on written request
 14 of the legislative fiscal analyst when the values on the requested return, including estimated payments, are
 15 considered necessary by the legislative fiscal analyst to properly analyze state revenue and are of a sufficient
 16 magnitude to materially affect the analysis and when the identity of the taxpayer is necessary to evaluate the
 17 effect of the return or payments on the analysis being performed.

18 (4) (a) The department of public health and human services shall provide the legislative fiscal analyst
 19 direct access to the department's secure data warehouse as the phases of the secure data warehouse project
 20 are implemented.

21 (b) The department of public health and human services shall consult with the legislative fiscal analyst
 22 and shall establish user requirements to ensure the legislative fiscal analyst does not have access to direct
 23 identifiers stored on the secure data warehouse. The department of public health and human services shall
 24 consult with the legislative fiscal analyst and shall establish requirements to ensure the legislative fiscal analyst
 25 does not have access to direct identifiers stored in other data systems where the data is not available through
 26 the secure data warehouse after the phases of the secure data warehouse project are implemented.

27 (c) The data must be made available to the legislative fiscal analyst in a format that complies with the
 28 regulations of the respective federal programs.

1 (d) The department of public health and human services shall submit quarterly reports in an electronic
 2 format to the legislative finance committee and ~~the children, families, health, and human services interim~~
 3 ~~committee, if applicable, an appropriate interim entity established by the legislature in its rules that oversees the~~
 4 department, on the following:

- 5 (i) the implementation of the phases of the secure data warehouse project;
- 6 (ii) the user requirements established by the department and the legislative fiscal analyst; and
- 7 (iii) the status of the legislative fiscal analyst's access to the secure data warehouse.

8 (5) Within 1 day after the legislative finance committee presents its budget analysis to the legislature,
 9 the budget director and the legislative fiscal analyst shall exchange expenditure and disbursement
 10 recommendations by second-level expenditure detail and by funding sources detailed by accounting entity. This
 11 information must be filed in the respective offices and be made available to the legislature and the public. In
 12 preparing the budget analysis for the next biennium for submission to the legislature, the legislative fiscal
 13 analyst shall use the base budget, the present law base, and new proposals as defined in 17-7-102.

14 (6) This section does not authorize publication or public disclosure of information if the law prohibits
 15 publication or disclosure or if the department of revenue notifies the fiscal analyst that specified records or
 16 information may contain confidential information."

17

18 **Section 26.** Section 5-20-301, MCA, is amended to read:

19 **"5-20-301. School funding interim commission.** (1) There is a school funding interim commission
 20 that must be formed during the 2015-2016 interim and each successive fifth interim pursuant to 20-9-309. The
 21 commission shall:

22 (a) conduct a study to reassess the educational needs and costs related to the basic system of free
 23 quality public elementary and secondary schools; and

24 (b) if necessary, recommend to the following legislature changes to the state's funding formula.

25 (2) In conducting the study, the commission may:

26 (a) review the work of previous studies and commissions;

27 (b) consider recommendations and topics provided by other ~~interim or~~ standing legislative committees
 28 or interim entities established by the legislature in its rules, the board of public education, the office of public

1 instruction, the governor's office, private organizations, professional educators, school trustees, and members
2 of the public;

3 (c) review how the state's education funding policy has evolved as a result of litigation;

4 (d) seek input from representatives from the board of public education, the office of public instruction,
5 the governor's office, private organizations, professional educators, school trustees, and members of the public;

6 (e) consider the state's existing and projected financial resources as well as the needs and concerns
7 of Montana taxpayers;

8 (f) authorize research and studies to be conducted by reputable and reliable experts in the public or
9 private sectors; and

10 (g) request research and analysis from the legislative fiscal division, the office of public instruction, the
11 department of revenue, and any other state agency or entity that maintains information or data relevant to the
12 study.

13 (3) The members of the commission are:

14 (a) six members of the house of representatives, three from the majority party and three from the
15 minority party, appointed by the speaker of the house in consultation with the house majority leader and the
16 house minority leader;

17 (b) six members of the senate, three from the majority party and three from the minority party,
18 appointed by the president of the senate in consultation with the senate majority leader and the senate minority
19 leader; and

20 (c) four members of the public to be appointed as follows:

21 (i) two public members appointed by the speaker of the house with the consent of the house minority
22 leader; and

23 (ii) two public members appointed by the president of the senate with the consent of the senate
24 minority leader.

25 (4) The commission shall select its presiding officer at the first meeting of the commission.

26 (5) The commission is attached for administrative purposes to the legislative services division, and
27 the legislative services division shall provide sufficient and appropriate support to the commission in order that it
28 may carry out its statutory duties, within the limitations of legislative appropriations.

1 (6) The commission is staffed by the legislative services division. The legislative fiscal analyst shall
2 assign staff to assist the commission.

3 (7) The commission shall issue a report on the commission's findings and recommendations,
4 including any draft legislation for amending the state school funding formula, by no later than September 15
5 preceding the next regular legislative session.

6 (8) Unless the person is a full-time salaried officer or employee of the state or a political subdivision of
7 the state, a nonlegislative member appointed to the commission is entitled to salary and expenses to the same
8 extent as a legislative member. If the appointee is a full-time salaried officer or employee of the state or of a
9 political subdivision of the state, the appointee is entitled to reimbursement for travel expenses as provided for
10 in 2-18-501 through 2-18-503."
11

12 **Section 27.** Section 10-2-102, MCA, is amended to read:

13 **"10-2-102. Duties of board -- employee qualifications.** (1) The board shall establish a statewide
14 service for veterans and their families as provided in this section. The board shall:

15 (a) actively cooperate with local, state, and federal agencies whose services encompass the affairs of
16 veterans and their families;

17 (b) promote the general welfare of all veterans and their families;

18 (c) assist veterans and their families who are residents of this state in filing claims for the benefits to
19 which they are entitled. In carrying out this duty, the board and its accredited employees shall, upon the request
20 of an eligible claimant, act as agents for the claimant in developing and presenting claims for benefits provided
21 under Title 38 of the United States Code. The board shall seek to secure speedy and just action for each
22 claimant. A board employee officially acting as an agent on behalf of a claimant must be properly accredited
23 and recognized pursuant to 38 CFR 14.628 and 14.629.

24 (d) officially advocate for the fair treatment of Montana's veterans and their families by the U.S.
25 department of veterans affairs with respect to claims processing, health care services, and other veteran-
26 related programs and inform veterans and their family members of all available grievance procedures;

27 (e) develop and implement an information and communication program to keep veterans and their
28 family members informed about available federal, state, and community-based services and benefits. The

1 program may include but is not limited to:

2 (i) development and distribution of a services and benefits directory;

3 (ii) regular public service announcements through various media;

4 (iii) information to assist veterans and their family members in obtaining federal benefits and treatment
5 services related to depleted uranium exposure, including a best practice health screening of any veteran who:

6 (A) has been identified pursuant to department of defense policy as having possible level I, II, or III
7 exposure to depleted uranium;

8 (B) is referred for a health screening by a military physician; or

9 (C) may have been exposed to depleted uranium during service in a combat zone.

10 (iv) an internet website with information and links relevant to veterans and their families and including
11 information about board meetings and activities related to veterans' affairs; and

12 (v) a quarterly newsletter, which may be printed or electronically distributed by e-mail or by posting it
13 to an appropriate website.

14 (f) seek grants to help fund veterans' programs established pursuant to this section;

15 (g) develop a memorandum of understanding with the federal veterans' employment and training
16 service and with other appropriate entities to facilitate interagency cooperation, such as resource sharing,
17 cross-training, data and information sharing, and service delivery coordination;

18 (h) establish management tools, including but not limited to needs assessments, policy statements,
19 program goals and objectives, performance measures, and program evaluation criteria;

20 (i) prepare a biennial report to the governor, the department of military affairs, the ~~appropriate~~
21 ~~legislative interim committee~~ legislature in accordance with 5-11-210, and veterans' service organizations. The
22 report must include but is not limited to Montana veteran demographic information, the financial impact of
23 division benefit claim services received by Montana veterans, and a summary of the general and special
24 revenue budgets and expenditures for veterans' affairs.

25 (j) request legislation responsive to identified needs.

26 (2) Employees of the board must be residents of this state. Whenever possible, all employees of the
27 board must have served in the military forces of the United States during World War I, World War II, the Korean
28 war, the Vietnam conflict, or other period of conflict involving the United States military overseas and must have

1 been honorably discharged. Preference for employment must be given to disabled veterans.

2 (3) The board shall hire an administrator to implement board policy and carry out the duties of the
3 board."

4

5 **Section 28.** Section 10-3-802, MCA, is amended to read:

6 **"10-3-802. (Temporary) Grants -- civil air patrol -- reporting requirements.** (1) The department of
7 military affairs shall distribute grants to the Montana civil air patrol on an annual basis to provide training to civil
8 air patrol members.

9 (2) The amount of \$45,000 is statutorily appropriated on an annual basis, as provided in 17-7-502,
10 from the general fund to the department of military affairs for the purposes outlined in subsection (1).

11 (3) The department of military affairs shall report to the house appropriations committee at each
12 legislative session and to the ~~state administration and veterans' affairs interim committee during each interim~~
13 legislature in accordance with 5-11-210 on the distribution of grants and the following metrics:

- 14 (a) the extent to which counties are informed of the services provided by the civil air patrol;
- 15 (b) the extent to which the civil air patrol is used by counties for search and rescue operations; and
- 16 (c) the amount of savings realized by counties who have used the civil air patrol for search and
17 rescue operations. (Terminates June 30, 2023--sec. 5. Ch. 477, L. 2019.)"

18

19 **Section 29.** Section 15-1-230, MCA, is amended to read:

20 **"15-1-230. (Temporary) Report on income tax credit to committee.** The department shall report to
21 the ~~revenue interim committee biennially~~ legislature, in accordance with 5-11-210, the number and type of
22 taxpayers claiming the credit under 15-30-2328, the total amount of the credit claimed, the total amount of the
23 credit recaptured, and the department's cost associated with administering the credit. (Terminates December
24 31, 2025--secs. 1 through 15, Ch. 254, L. 2019.)"

25

26 **Section 30.** Section 15-6-232, MCA, is amended to read:

27 **"15-6-232. (Temporary) Public listing of exempt property.** (1) The department shall maintain a
28 public listing of real property that is exempt from property taxation under the provisions of 15-6-201(1)(b), (1)(e)

1 through (1)(g), (1)(i), (1)(k), (1)(l), (1)(n), and (1)(o), 15-6-203, 15-6-209, 15-6-221, and 15-6-227 by utilizing
2 information that is obtained during the application process in 15-6-231 and from new applications for property
3 tax exemptions.

4 (2) The public listing must be a free internet database of tax-exempt parcels that is organized by
5 county and type of exemption and includes the following information:

6 (a) the county in which the exempt real property is located;

7 (b) the name of the owner or entity utilizing the exemption;

8 (c) the mailing address of the owner or entity utilizing the exemption;

9 (d) the exempt real property's legal description and total exempt area, including the square footage or
10 acreage of the parcel and the square footage of any buildings;

11 (e) the property address of the exempt real property;

12 (f) the type of exemption; and

13 (g) any additional information considered relevant by the department.

14 (3) The department shall report biennially to the ~~revenue interim committee~~ legislature, in accordance
15 with 5-11-210, with an update of the review and determination process under 15-6-231 and this section.
16 (Terminates December 31, 2021--sec. 8, Ch. 372, L. 2015.)"

17

18 **Section 31.** Section 15-7-111, MCA, is amended to read:

19 **"15-7-111. Periodic reappraisal of certain taxable property.** (1) The department shall administer
20 and supervise a program for the reappraisal of all taxable property within class three under 15-6-133, class four
21 under 15-6-134, and class ten under 15-6-143 as provided in this section. All other property must be revalued
22 annually. Beginning January 1, 2015, all property within class three and class four must be revalued every 2
23 years, and all property within class ten must be revalued every 6 years.

24 (2) The department shall value newly constructed, remodeled, or reclassified property in a manner
25 consistent with the valuation within the same class and the values established pursuant to subsection (1) and
26 shall phase in the value of class ten property. The department shall adopt rules for determining the assessed
27 valuation of new, remodeled, or reclassified property within the same class and the phased-in value of class ten
28 property.

1 (3) The reappraisal of class three and class four property is complete on December 31 of every
 2 second year of the reappraisal cycle, and the reappraisal of class ten property is complete on December 31 of
 3 the sixth year of the reappraisal cycle. The amount of the change in valuation from the base year for class ten
 4 property must be phased in each year at the rate of 16.66% of the change in valuation.

5 (4) During the second year of each reappraisal cycle, the department shall provide the ~~revenue~~
 6 ~~interim committee legislature~~ with a report, in accordance with 5-11-210, of tax rates for the upcoming
 7 reappraisal cycle that will result in taxable value neutrality for each property class.

8 (5) The department shall administer and supervise a program for the reappraisal of all taxable
 9 property within classes three and four. The department shall adopt a reappraisal plan by rule. The reappraisal
 10 plan adopted must provide that all class three and class four property in each county is revalued by January 1
 11 of the second year of the reappraisal cycle, effective for January 1 of the following year, and each succeeding 2
 12 years, and must provide that all class ten property in each county is revalued by January 1, 2015, effective for
 13 January 1, 2015, and each succeeding 6 years. The resulting valuation changes for class ten property must be
 14 phased in for each year until the next reappraisal. If a percentage of change for each year is not established,
 15 then the percentage of phasein for class ten property each year is 16.66%.

16 (6) (a) In completing the appraisal or adjustments under subsection (5), the department shall, as
 17 provided in the reappraisal plan, conduct individual property inspections, building permit reviews, sales data
 18 verification reviews, and electronic data reviews. The department may adopt new technologies for recognizing
 19 changes to property.

20 (b) The department shall conduct a field inspection of a sufficient number of taxable properties to
 21 meet the requirements of subsection (5)."

22

23 **Section 32.** Section 15-24-3211, MCA, is amended to read:

24 "**15-24-3211. Report to ~~interim committee legislature~~.** The department shall report to the ~~revenue~~
 25 ~~interim committee legislature~~ biennially, in accordance with 5-11-210, on the use of property tax abatements
 26 under 15-24-3202 and 15-24-3203. The committee shall, based on information contained in the report, make
 27 recommendations to the next legislature on the continuation or structure of the abatement."

28

1 **Section 33.** Section 15-30-2303, MCA, is amended to read:

2 "**15-30-2303. Tax credits subject to review by interim committee legislature.** (1) The following tax
3 credits must be reviewed during the biennium commencing July 1, 2019:

- 4 (a) the credit for income taxes imposed by foreign states or countries provided for in 15-30-2302;
- 5 (b) the credit for contractor's gross receipts provided for in 15-50-207;
- 6 (c) the credit for new or expanded manufacturing provided for in 15-31-124 through 15-31-127;
- 7 (d) the credit for installing an alternative energy system provided for in 15-32-201 through 15-32-203;
- 8 (e) the credit for energy-conserving expenditures provided for in 15-30-2319 and 15-32-109; and
- 9 (f) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.

10 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021:

- 11 (a) the credit for commercial or net metering system investment provided for in Title 15, chapter 32,
12 part 4;
- 13 (b) the credit for qualified elderly care expenses provided for in 15-30-2366;
- 14 (c) the credit for dependent care assistance and referral services provided for in 15-30-2373 and 15-
15 31-131;
- 16 (d) the credit for contributions to a university or college foundation or endowment provided for in 15-
17 30-2326, 15-31-135, and 15-31-136;
- 18 (e) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-30-
19 3110, and 15-31-158; and
- 20 (f) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-30-
21 3111, and 15-31-159.

22 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023:

- 23 (a) the credit for providing disability insurance for employees provided for in 15-30-2367 and 15-31-
24 132;
- 25 (b) the credit for installation of a geothermal system provided for in 15-32-115;
- 26 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,
27 chapter 32, part 6;
- 28 (d) the credit for converting a motor vehicle to alternative fuel provided for in 15-30-2320 and 15-31-

1 137;

2 (e) the credit for infrastructure use fees provided for in 17-6-316; and

3 (f) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
4 2329, 15-31-161, and 15-31-162.

5 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025:

6 (a) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151;

7 (b) the credit for mineral or coal exploration provided for in Title 15, chapter 32, part 5;

8 (c) the credit for capital gains provided for in 15-30-2301;

9 (d) the credit for a new employee in an empowerment zone provided for in 15-30-2356 and 15-31-

10 134;

11 (e) the credit for an oilseed crush facility provided for in 15-32-701; and

12 (f) the credit for unlocking state lands provided for in 15-30-2380.

13 (5) The following tax credits must be reviewed during the biennium commencing July 1, 2027:

14 (a) the biodiesel or biolubricant production facility credit provided for in 15-32-702;

15 (b) the biodiesel blending and storage credit provided for in 15-32-703;

16 (c) the adoption tax credit provided for in 15-30-2364;

17 (d) the credit for providing temporary emergency lodging provided for in 15-30-2381 and 15-31-171;

18 (e) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357 and

19 15-31-173;

20 (f) the earned income tax credit provided for in 15-30-2318; and

21 (g) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009.

22 (6) ~~The revenue interim committee~~ appropriate standing committee or interim entity established by the

23 legislature in its rules shall review the tax credits scheduled for review in the biennium of the next regular

24 legislative session, including any individual or corporate income tax credits with an expiration or termination

25 date that are not listed in this section, and make recommendations to the legislature about whether to eliminate

26 or revise the credits. The legislature may extend the review dates by amending this section. ~~The revenue~~

27 ~~interim committee~~ appropriate standing committee or interim entity established by the legislature in its rules

28 shall review the credits using the following criteria:

- 1 (a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions that
- 2 may have been made regardless of the existence of the tax credit;
- 3 (b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;
- 4 (c) whether the credit has out-of-state beneficiaries;
- 5 (d) the timing of costs and benefits of the credit and how long the credit is effective;
- 6 (e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or
- 7 elimination outweigh adverse impacts; and
- 8 (f) the extent to which benefits of the credit affect the larger economy."

9

10 **Section 34.** Section 15-30-3112, MCA, is amended to read:

11 **"15-30-3112. (Temporary) Report to ~~revenue interim committee~~ legislature -- student**

12 **scholarship organizations.** Each biennium, the department shall provide to the ~~revenue interim committee~~

13 legislature, in accordance with 5-11-210, a list of student scholarship organizations receiving contributions from

14 businesses and individuals that are granted tax credits under 15-30-3111. The listing must detail the tax credits

15 claimed under the individual income tax in chapter 30 and the corporate income tax in chapter 31. (Terminates

16 December 31, 2023--sec. 33, Ch. 457, L. 2015.)"

17

18 **Section 35.** Section 15-31-322, MCA, is amended to read:

19 **"15-31-322. Water's-edge election -- inclusion of tax havens.** (1) Notwithstanding any other

20 provisions of law, a taxpayer subject to the taxes imposed under this chapter may apportion its income under

21 this section. A return under a water's-edge election must include the income and apportionment factors of the

22 following affiliated corporations only:

- 23 (a) a corporation incorporated in the United States in a unitary relationship with the taxpayer and
- 24 eligible to be included in a federal consolidated return as described in 26 U.S.C. 1501 through 1505 that has
- 25 more than 20% of its payroll and property assignable to locations inside the United States. For purposes of
- 26 determining eligibility for inclusion in a federal consolidated return under this subsection (1)(a), the 80% stock
- 27 ownership requirements of 26 U.S.C. 1504 must be reduced to ownership of over 50% of the voting stock
- 28 directly or indirectly owned or controlled by an includable corporation.

1 (b) domestic international sales corporations, as described in 26 U.S.C. 991 through 994, and foreign
2 sales corporations, as described in 26 U.S.C. 921 through 927;

3 (c) export trade corporations, as described in 26 U.S.C. 970 and 971;

4 (d) foreign corporations deriving gain or loss from disposition of a United States real property interest
5 to the extent recognized under 26 U.S.C. 897;

6 (e) a corporation incorporated outside the United States if over 50% of its voting stock is owned
7 directly or indirectly by the taxpayer and if more than 20% of the average of its payroll and property is
8 assignable to a location inside the United States; or

9 (f) a corporation that is in a unitary relationship with the taxpayer and that is incorporated in a tax
10 haven, including Andorra, Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Bahrain, Barbados, Belize,
11 Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Cyprus, Dominica, Gibraltar, Grenada,
12 Guernsey-Sark-Alderney, Isle of Man, Jersey, Liberia, Liechtenstein, Luxembourg, Malta, Marshall Islands,
13 Mauritius, Monaco, Montserrat, Nauru, Netherlands Antilles, Niue, Panama, Samoa, San Marino, Seychelles,
14 St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Turks and Caicos Islands, U.S. Virgin Islands,
15 and Vanuatu.

16 (2) The department shall report biennially, in accordance with 5-11-210, to the ~~revenue interim~~
17 ~~committee~~ legislature with an update of countries that may be considered a tax haven under subsection (1)(f)."

18

19 **Section 36.** Section 15-31-1011, MCA, is amended to read:

20 **"15-31-1011. Report to legislature.** (1) The department of commerce shall provide a written report
21 about the economic impact of the tax credits provided for in 15-31-1007 through 15-31-1009 to the ~~revenue~~
22 ~~interim committee provided for in 5-5-227~~ legislature. The report must be provided no less than 6 months before
23 the start of the 2021 regular legislative session and, pursuant to 5-11-210, every 2 years ~~thereafter~~ after that,
24 and must be posted on the department of commerce's website.

25 (2) The report must include:

26 (a) the overall impact of the tax credits;

27 (b) the dollar amount of tax credits issued;

28 (c) the number of net new jobs created;

- 1 (d) the amount of compensation paid;
 - 2 (e) the economic impact of the film industry in the state;
 - 3 (f) the names of all state certified productions eligible to claim tax credits; and
 - 4 (g) any other information that describes the impact of the tax credits.
- 5 (3) The department of commerce shall contract with a research organization to prepare the report
6 required by this section. The research organization may not be affiliated with the film industry or with the
7 department of commerce. The department of commerce may use the fees collected pursuant to 15-31-1004 or
8 other funding to pay for the report.
- 9 (4) The department of commerce shall make recommendations to the ~~revenue interim committee~~
10 appropriate standing committee or interim entity established by the legislature in its rules on whether to make
11 changes to the tax credits provided for in 15-31-1007 through 15-31-1009, including changes to the cap
12 provided for in 15-31-1010. The ~~revenue interim committee~~ appropriate standing committee or interim entity
13 established by the legislature in its rules may make recommendations to the legislature based on the
14 information contained in the report and the department of commerce's recommendations."

15
16 **Section 37.** Section 15-32-703, MCA, is amended to read:

17 **"15-32-703. Biodiesel blending and storage tax credit -- recapture -- report to ~~interim committee~~**
18 **legislature.** (1) An individual, corporation, partnership, or small business corporation, as defined in 15-30-3301,
19 may receive a credit against taxes imposed by Title 15, chapter 30 or 31, for the costs of investments in
20 depreciable property used for storing or blending biodiesel with petroleum diesel for sale.

21 (2) Subject to subsection (4), a special fuel distributor or an owner or operator of a motor fuel outlet
22 qualifying for a credit under this section is entitled to claim a credit, as provided in subsection (3), for the costs
23 described in subsection (1) incurred in the 2 tax years before the taxpayer begins blending biodiesel fuel for
24 sale or in any tax year in which the taxpayer is blending biodiesel fuel for sale.

25 (3) (a) The total amount of the credits for all years that may be claimed by a distributor under this
26 section is 15% of the costs described in subsection (1), up to a total of \$52,500.

27 (b) The total amount of the credits for all years that may be claimed by an owner or operator of a
28 motor fuel outlet under this section is 15% of the costs described in subsection (1), up to a total of \$7,500.

1 (4) The following requirements must also be met for a taxpayer to be entitled to a tax credit under this
2 section:

3 (a) The investment must be for depreciable property used primarily to blend petroleum diesel with
4 biodiesel made entirely from Montana-produced feedstocks.

5 (b) Sales of biodiesel must be at least 2% of the taxpayer's total diesel sales by the end of the third
6 year following the initial tax year in which the credit is initially claimed.

7 (c) (i) The taxpayer claiming a credit must be a person who as an owner, including a contract
8 purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business
9 that blends biodiesel.

10 (ii) If more than one person has an interest in a business with qualifying property, they may allocate all
11 or any part of the investment cost among themselves and their successors or assigns.

12 (d) The business must be owned or leased during the tax year by the taxpayer claiming the credit,
13 except as otherwise provided in subsection (4)(c), and, except for the 2 tax-year period claimed in subsection
14 (2), must have been blending biodiesel during the tax year for which the credit is claimed.

15 (5) The credit provided by this section is not in lieu of any depreciation or amortization deduction for
16 the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

17 (6) A tax credit allowable under this section that is not completely used by the taxpayer in the tax year
18 in which the credit is initially claimed may be carried forward for credit against the taxpayer's tax liability for any
19 succeeding tax year until the total amount of the credit has been deducted from tax liability. However, a credit
20 may not be carried forward to any tax year in which the facility is not blending biodiesel or storing biodiesel for
21 blending or beyond the 7th tax year after the tax year for which the credit was initially claimed. If a facility for
22 which a credit is claimed ceases blending of biodiesel with petroleum diesel for sale for a period of 12
23 continuous months within 5 years after the initial claiming of a credit under this section or within 5 years after a
24 year in which the credit was carried forward or if the taxpayer claiming the credit fails to satisfy the conditions of
25 subsection (4)(b), the total credit is subject to recapture. The person claiming the credit is liable for the total
26 amount of the credit in the event of recapture.

27 (7) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any
28 tax credits allowed under this section.

1 (8) If the taxpayer is a shareholder of an electing small business corporation, the credit must be
 2 computed using the shareholder's pro rata share of the corporation's cost of investing in the biodiesel blending
 3 facility. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise
 4 provided by law.

5 (9) As used in this section, "biodiesel" has the meaning provided in 15-70-401.

6 (10) The department shall report to the ~~transportation interim committee biennially~~ legislature, in
 7 accordance with 5-11-210, regarding the number and type of taxpayers claiming the credit under this section,
 8 the total amount of the credit claimed, and the department's cost associated with administering the credit."
 9

10 **Section 38.** Section 15-70-433, MCA, is amended to read:

11 **"15-70-433. Refund for taxes paid on biodiesel by distributor or retailer -- statement -- payment**
 12 **-- appropriation -- records -- report to ~~interim committee~~ legislature.** (1) A licensed distributor who pays the
 13 special fuel tax under 15-70-403 on biodiesel, as defined in 15-70-401, may claim a refund equal to 2 cents a
 14 gallon on biodiesel sold during the previous calendar quarter if the biodiesel is produced entirely from biodiesel
 15 ingredients produced in Montana.

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

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

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

24 (c) The statement provided by the owner or operator of a retail motor fuel outlet must set forth
 25 information required by the department, including the gallons of biodiesel purchased.

26 (4) The payment of the refund allowed by this section must be made by the department within 90
 27 days after the claim for a refund is filed by the licensed distributor or the owner or operator of a retail motor fuel
 28 outlet. Tax refund payments under this section are statutorily appropriated, as provided in 17-7-502, from the

1 state general fund.

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

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

7 (7) The department shall report to the ~~transportation interim committee biennially~~ legislature, in
8 accordance with 5-11-210, the number and type of taxpayers claiming the refund under this section, the total
9 amount of the refund claimed, and the department's cost associated with administering the refund."
10

10

11 **Section 39.** Section 15-70-450, MCA, is amended to read:

12 **"15-70-450. Cooperative agreement -- motor fuels taxes.** In order to prevent the possibility of dual
13 taxation of motor fuels purchased by Montana citizens and businesses on Indian reservations, the department
14 and an Indian tribe may enter into a cooperative agreement. The department may, with the concurrence of the
15 attorney general, include as a member of the negotiating team a representative of the department of justice
16 who has expertise in Indian matters. The department of transportation shall report the status of cooperative
17 agreement negotiations to the ~~transportation interim committee~~ legislature in accordance with 5-11-210. After
18 negotiations are complete and if the legislature is not in session, the agreement must be presented to the
19 committee for review and comment before the final agreement is submitted to the attorney general for approval
20 pursuant to 18-11-105."
21

21

22 **Section 40.** Section 16-12-110, MCA, is amended to read:

23 **"16-12-110. (Effective October 1, 2021) Legislative monitoring.** (1) The ~~revenue interim committee~~
24 appropriate standing committee or interim entity established by the legislature in its rules shall provide oversight
25 of the department's activities pursuant to this chapter, including but not limited to monitoring of:

26

(a) the number of licensees;

27

(b) issues related to the cultivation, manufacture, sale, testing, and use of marijuana; and

28

(c) the development, implementation, and use of the seed-to-sale tracking system established in

1 accordance with 16-12-105.

2 (2) The ~~revenue interim committee~~ appropriate standing committee or interim entity established by the
3 legislature in its rules shall identify issues likely to require future legislative attention and develop legislation to
4 present to the next regular session of the legislature.

5 (3) (a) The department shall periodically report to ~~the revenue interim committee~~ an appropriate
6 standing committee or interim entity established by the legislature in its rules and submit a report to the
7 legislative clearinghouse, as provided in 5-11-210, on persons who are licensed or registered pursuant to 16-
8 12-203. The report must include:

9 (i) the number of adult-use providers, adult-use marijuana-infused products providers, and adult-use
10 dispensaries licensed pursuant to this chapter;

11 (ii) the number of endorsements approved for manufacturing;

12 (iii) the number of licenses revoked; and

13 (iv) the amount of marijuana cultivated and sold pursuant to this chapter.

14 (b) The report may not provide any identifying information of adult-use providers, adult-use marijuana-
15 infused products providers, or adult-use dispensaries.

16 (4) The report on inspections required under 16-12-210 must include, at a minimum, the following
17 information for both announced and unannounced inspections:

18 (a) the number of inspections conducted, by canopy licensure tier;

19 (b) the number of adult-use providers or adult-use marijuana-infused products providers that were
20 inspected more than once during the year;

21 (c) the number of inspections that were conducted because of complaints made to the department;

22 and

23 (d) the types of enforcement actions taken as a result of the inspections.

24 ~~(5) The reports provided for in this section must also be provided to the transportation interim~~
25 ~~committee provided for in 5-5-233."~~

26

27 **Section 41.** Section 17-6-230, MCA, is amended to read:

28 **"17-6-230. Reports on retirement system trust fund investments and benefits.** (1) As soon as

1 practical after the end of each calendar year, the board of investments shall publish a report on each retirement
2 system trust fund invested by the board. The report may be part of an annual report required pursuant to Article
3 VIII, section 13, of the Montana constitution or 17-5-1650 but must summarize the following with respect to
4 each retirement system trust fund:

- 5 (a) asset allocation;
- 6 (b) past and expected investment performance;
- 7 (c) investment goals and strategies; and
- 8 (d) Montana public employees' retirement system investments and performance compared with the
9 public employees' retirement system investments and performance in other states.

10 (2) The board of investments shall annually at a public meeting present the report described in
11 subsection (1) to the public employees' retirement board provided for in 2-15-1009 and the teachers' retirement
12 board provided for in 2-15-1010. The board shall also provide the report to the legislature pursuant to in
13 accordance with 5-11-210 and to the state administration and veterans' affairs interim committee."

14

15 **Section 42.** Section 17-7-130, MCA, is amended to read:

16 **"17-7-130. Budget stabilization reserve fund -- rules for deposits and transfers -- purpose. (1)**

17 There is an account in the state special revenue fund established by 17-2-102 known as the budget
18 stabilization reserve fund.

19 (2) The purpose of the budget stabilization reserve fund is:

- 20 (a) to mitigate budget reductions when there is a revenue shortfall; and
- 21 (b) when there are funds in excess of the reserve level, to:
 - 22 (i) pay down the debt service on bonds for capital projects previously authorized by the legislature if
23 allowed without penalty by the terms of the bond issuance; and
 - 24 (ii) delay, forego, or reduce the amount of an issuance of bonds authorized by the legislature.

25 (3) By August 1 of each year, the department of administration shall certify to the legislative fiscal
26 analyst and the budget director the following:

- 27 (a) the unaudited, unassigned ending fund balance of the general fund for the prior fiscal year; and
- 28 (b) the amount of unaudited general fund revenue and transfers into the general fund received in the

1 prior fiscal year recorded when that fiscal year's statewide accounting, budgeting, and human resource system
2 records are closed. General fund revenue and transfers into the general fund are those recorded in the
3 statewide accounting, budgeting, and human resource system using generally accepted accounting principles
4 in accordance with 17-1-102.

5 (4) For the fiscal years beginning July 1, 2016, through July 1, 2020, if actual general fund revenue
6 exceeds the revenue estimate established pursuant to ~~5-5-227~~ by the appropriate standing committee or
7 interim entity established by the legislature in its rules for that fiscal year, excess revenue over the amount of
8 revenue that exceeds the revenue estimate by \$15 million is allocated as follows:

9 (a) 50% remains in the general fund; and

10 (b) 50% is transferred into the budget stabilization reserve fund on or before August 15 of the
11 following fiscal year.

12 (5) Starting in the fiscal year beginning July 1, 2021, the state treasurer shall transfer, by August 15 of
13 the following fiscal year, from the general fund to the budget stabilization reserve fund an amount equal to 50%
14 of the excess revenue for the fiscal year.

15 (6) After a transfer is made pursuant to subsection (4) or (5), if the balance of the fund exceeds an
16 amount equal to 4.5% of all general fund appropriations in the second year of the biennium in the subsequent
17 fiscal year, any funds in excess of that amount must be transferred to the account established in 17-7-208 by
18 August 16 of each fiscal year.

19 (7) For the purposes of this section, the following definitions apply:

20 (a) "Adjusted revenue" means general fund revenue for the prior fiscal year plus the growth amount.

21 (b) "Excess revenue" means the amount of general fund revenue, including transfers in, for the most
22 recently completed fiscal year minus adjusted revenue.

23 (c) "Growth amount" means general fund revenue for the prior fiscal year multiplied by the growth
24 rate.

25 (d) "Growth rate" means the average compound rate of growth of general fund revenue for the most
26 recently completed 6 fiscal years."

27

28 **Section 43.** Section 17-7-138, MCA, is amended to read:

1 **"17-7-138. Operating budget.** (1) (a) Expenditures by a state agency must be made in substantial
 2 compliance with the budget approved by the legislature. Substantial compliance may be determined by
 3 conformity to the conditions contained in the general appropriations act and to legislative intent as established
 4 in the narrative accompanying the general appropriations act. An explanation of any significant change in
 5 agency or program scope must be submitted on a regular basis to the ~~interim committee~~ appropriate standing
 6 committee or interim entity established by the legislature in its rules that has program evaluation and monitoring
 7 functions for the agency pursuant to ~~Title 5, chapter 5, part 2~~. An explanation of any significant change in
 8 agency or program scope, objectives, activities, or expenditures must be submitted to the legislative fiscal
 9 analyst for review and comment by the legislative finance committee prior to any implementation of the change.
 10 A significant change may not conflict with a condition contained in the general appropriations act. If the
 11 approving authority certifies that a change is time-sensitive, the approving authority may approve the change
 12 prior to the next regularly scheduled meeting of the legislative finance committee. The approving authority shall
 13 submit all proposed time-sensitive changes to the legislative fiscal analyst prior to approval. If the legislative
 14 fiscal analyst determines that notification of the legislative finance committee is warranted, the legislative fiscal
 15 analyst shall immediately notify as many members as possible of the proposed change and communicate any
 16 concerns expressed to the approving authority. The approving authority shall present a report fully explaining
 17 the reasons for the action to the next meeting of the legislative finance committee. Except as provided in
 18 subsection (2), the expenditure of money appropriated in the general appropriations act is contingent upon
 19 approval of an operating budget by August 1 of each fiscal year. An approved original operating budget must
 20 comply with state law and conditions contained in the general appropriations act.

21 (b) For the purposes of this subsection (1), an agency or program is considered to have a significant
 22 change in its scope, objectives, activities, or expenditures if:

- 23 (i) the operating budget change exceeds \$1 million; or
- 24 (ii) the operating budget change exceeds 25% of a budget category and the change is greater than
 25 \$75,000. If there have been other changes to the budget category in the current fiscal year, all the changes,
 26 including the change under consideration, must be used in determining the 25% and \$75,000 threshold.

27 (2) The expenditure of money appropriated in the general appropriations act to the board of regents,
 28 on behalf of the university system units, as defined in 17-7-102, is contingent upon approval of a

1 comprehensive operating budget by October 1 of each fiscal year. The operating budget must contain detailed
 2 revenue and expenditures and anticipated fund balances of current funds, loan funds, endowment funds, and
 3 plant funds. After the board of regents approves operating budgets, transfers between units may be made only
 4 with the approval of the board of regents. Transfers and related justification must be submitted to the office of
 5 budget and program planning and to the legislative fiscal analyst.

6 (3) The operating budget for money appropriated by the general appropriations act must be separate
 7 from the operating budget for money appropriated by another law except a law appropriating money for the
 8 state pay plan or any portion of the state pay plan. The legislature may restrict the use of funds appropriated for
 9 personal services to allow use only for the purpose of the appropriation. Each operating budget must include
 10 expenditures for each agency program, detailed at least by first-level categories as provided in 17-1-102(3).
 11 Each agency shall record its operating budget for all funds, other than higher education funds, and any
 12 approved changes on the statewide accounting, budgeting, and human resource system. Documents
 13 implementing approved changes must be signed. The operating budget for higher education funds must be
 14 recorded on the university financial system, with separate accounting categories for each source or use of state
 15 government funds. State sources and university sources of funds may be combined for the general operating
 16 portion of the current unrestricted funds."
 17

18 **Section 44.** Section 17-7-139, MCA, is amended to read:

19 **"17-7-139. Program transfers.** (1) Unless prohibited by law or a condition contained in the general
 20 appropriations act, the approving authority may approve agency requests to transfer appropriations between
 21 programs within each fund type within each fiscal year. The legislature may restrict the use of funds
 22 appropriated for personal services to allow use only for the purpose of the appropriation. An explanation of any
 23 significant transfer must be submitted on a regular basis to the ~~interim committee~~ appropriate standing
 24 committee or interim entity established by the legislature in its rules that has program evaluation and monitoring
 25 functions for the agency ~~pursuant to Title 5, chapter 5, part 2.~~ An explanation of any transfer that involves a
 26 significant change in agency or program scope, objectives, activities, or expenditures must be submitted to the
 27 legislative fiscal analyst for review and comment by the legislative finance committee prior to any
 28 implementation of the change. If the approving authority certifies that a request for a transfer representing a

1 significant change in agency or program scope, objectives, activities, or expenditures is time-sensitive, the
 2 approving authority may approve the transfer prior to the next regularly scheduled meeting of the legislative
 3 finance committee. The approving authority shall submit all proposed time-sensitive changes to the legislative
 4 fiscal analyst prior to approval. If the legislative fiscal analyst determines that notification of the legislative
 5 finance committee is warranted, the legislative fiscal analyst shall immediately notify as many members as
 6 possible of the proposed change and communicate any concerns expressed to the approving authority. The
 7 approving authority shall present a report fully explaining the reasons for the action to the next meeting of the
 8 legislative finance committee. All program transfers must be completed within the same fund from which the
 9 transfer originated. A request for a transfer accompanied by a justification explaining the reason for the transfer
 10 must be submitted by the requesting agency to the approving authority and the office of budget and program
 11 planning. Upon approval of the transfer in writing, the approving authority shall inform the legislative fiscal
 12 analyst of the approved transfer and the justification for the transfer. If money appropriated for a fiscal year is
 13 transferred to another fiscal year, the money may not be retransferred, except that money remaining from
 14 projected costs for spring fires estimated in the last quarter of the first year of a biennium may be retransferred.

15 (2) For the purposes of subsection (1), an agency or program is considered to have a significant
 16 change in its scope, objectives, activities, or expenditures if:

17 (a) the budget transfer exceeds \$1 million; or

18 (b) the budget transfer exceeds 25% of a program's total operating plan and the transfer is greater
 19 than \$75,000. If there have been other transfers to or from the program in the current fiscal year, all the
 20 transfers, including the transfer under consideration, must be used in determining the 25% and \$75,000
 21 threshold."
 22

23 **Section 45.** Section 17-7-140, MCA, is amended to read:

24 **"17-7-140. Reduction in spending.** (1) (a) As the chief budget officer of the state, the governor shall
 25 ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in
 26 subsection (2), in the event of a projected general fund budget deficit, the governor, taking into account the
 27 criteria provided in subsection (1)(c), shall direct agencies to reduce spending in an amount that ensures that
 28 the projected ending general fund balance for the biennium will be at least:

1 (i) 4% of the general fund appropriations for the second fiscal year of the biennium prior to October of
2 the year preceding a legislative session;

3 (ii) 3% of the general fund appropriations for the second fiscal year of the biennium in October of the
4 year preceding a legislative session;

5 (iii) 2% of the general fund appropriations for the second fiscal year of the biennium in January of the
6 year in which a legislative session is convened; and

7 (iv) 1% of the general fund appropriations for the second fiscal year of the biennium in March of the
8 year in which a legislative session is convened.

9 (b) An agency may not be required to reduce general fund spending for any program, as defined in
10 each general appropriations act, by more than 10% during a biennium. Starting January 1, 2021, a governor
11 may not reduce total agency spending in the biennium by more than 4% of the second year appropriations for
12 the agency. Departments or agencies headed by elected officials or the board of regents may not be required to
13 reduce general fund spending by a percentage greater than the percentage of general fund spending
14 reductions required for the weighted average of all other executive branch agencies. The legislature may
15 exempt from a reduction an appropriation item within a program or may direct that the appropriation item may
16 not be reduced by more than 10%.

17 (c) The governor shall direct agencies to manage their budgets in order to reduce general fund
18 expenditures. Prior to directing agencies to reduce spending as provided in subsection (1)(a), the governor
19 shall direct each agency to analyze the nature of each program that receives a general fund appropriation to
20 determine whether the program is mandatory or permissive and to analyze the impact of the proposed
21 reduction in spending on the purpose of the program. An agency shall submit its analysis to the office of budget
22 and program planning and shall at the same time provide a copy of the analysis to the legislative fiscal analyst.
23 The report must be submitted in an electronic format. The office of budget and program planning shall review
24 each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and
25 program planning's recommendations for reductions in spending. The budget director shall provide a copy of
26 the recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the
27 governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations.
28 The recommendations must be provided in an electronic format. The legislative finance committee shall meet

1 within 20 days of the date that the proposed changes to the recommendations for reductions in spending are
 2 provided to the legislative fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal
 3 analyst's review of the proposed reductions in spending to the budget director at least 5 days before the
 4 meeting of the legislative finance committee. The committee may make recommendations concerning the
 5 proposed reductions in spending. The governor shall consider each agency's analysis and the
 6 recommendations of the office of budget and program planning and the legislative finance committee in
 7 determining the agency's reduction in spending. Reductions in spending must be designed to have the least
 8 adverse impact on the provision of services determined to be most integral to the discharge of the agency's
 9 statutory responsibilities.

10 (2) Reductions in spending for the following may not be directed by the governor:

- 11 (a) payment of interest and principal on state debt;
- 12 (b) the legislative branch;
- 13 (c) the judicial branch;
- 14 (d) the school BASE funding program, including special education;
- 15 (e) salaries of elected officials during their terms of office; and
- 16 (f) the Montana school for the deaf and blind.

17 (3) (a) As used in this section, "projected general fund budget deficit" means an amount, certified by
 18 the budget director to the governor, by which the projected ending general fund balance for the biennium is less
 19 than:

- 20 (i) 4% of the general fund appropriations for the second fiscal year of the biennium prior to October of
- 21 the year preceding a legislative session;
- 22 (ii) 1.875% in October of the year preceding a legislative session;
- 23 (iii) 1.25% in January of the year in which a legislative session is convened; and
- 24 (iv) 0.625% in March of the year in which a legislative session is convened.

25 (b) In determining the amount of the projected general fund budget deficit, the budget director shall
 26 take into account revenue, established levels of appropriation, anticipated supplemental appropriations for
 27 school equalization aid and the cost of the state's wildland fire suppression activities exceeding the amount
 28 statutorily appropriated in 10-3-312, and anticipated reversions.

1 (4) If the budget director determines that an amount of actual or projected receipts will result in an
 2 amount less than the amount projected to be received in the revenue estimate established pursuant to ~~5-5-227~~
 3 by the appropriate standing committee or interim entity established by the legislature in its rules, the budget
 4 director shall notify the ~~revenue interim committee~~ the appropriate standing committee or interim entity
 5 established by the legislature in its rules of the estimated amount. Within 20 days of notification, the ~~revenue~~
 6 ~~interim committee~~ appropriate standing committee or interim entity established by the legislature in its rules
 7 shall provide the budget director with any recommendations concerning the amount. The budget director shall
 8 consider any recommendations of the ~~revenue interim committee~~ appropriate standing committee or interim
 9 entity established by the legislature in its rules prior to certifying a projected general fund budget deficit to the
 10 governor.

11 (5) If the budget director certifies a projected general fund budget deficit, the governor may authorize
 12 transfers to the general fund from certain accounts as set forth in subsections (6), (7), and (8).

13 (6) Before January 1, 2021, the governor may authorize transfers from the budget stabilization
 14 reserve fund prior to making reductions in spending. A transfer under this subsection may not cause the fund
 15 balance of the budget stabilization reserve fund to be less than 1% of all general fund appropriations in the
 16 second year of the biennium.

17 (7) The governor may authorize transfers from the budget stabilization reserve fund provided for in
 18 17-7-130. The governor may authorize \$2 of transfers from the fund for each \$1 of reductions in spending.

19 (8) If the budget director certifies a projected general fund budget deficit, the governor may authorize
 20 transfers to the general fund from the fire suppression account established in 76-13-150. The amount of funds
 21 available for a transfer from this account is up to the sum of the fund balance of the account, plus expected
 22 current year revenue, minus the sum of 1% of the general fund appropriations for the second fiscal year of the
 23 biennium, plus estimated expenditures from the account for the fiscal year. The governor may authorize \$1 of
 24 transfers from the fire suppression account established in 76-13-150 for each \$1 of reductions in spending."
 25

26 **Section 46.** Section 17-7-214, MCA, is amended to read:

27 **"17-7-214. (Temporary) High-performance program for operations and maintenance of existing**
 28 **buildings.** (1) The department of administration, in collaboration with the Montana university system and other

1 state agencies, shall develop a voluntary high-performance building program for the operation and maintenance
2 of existing buildings. In developing this program, the department of administration shall consider:

3 (a) integrated design principles to optimize energy performance, enhance indoor environmental
4 quality, and conserve natural resources;

5 (b) cost-effectiveness, including productivity, deferred maintenance, and operational considerations;
6 and

7 (c) building functionality, durability, and maintenance.

8 (2) When economically justified, state agencies may elect to improve the cost-effectiveness of
9 existing buildings by participating in the high-performance program for operations and maintenance of existing
10 buildings established by the department of administration under this section.

11 (3) Prior to September 1 of each even-numbered year, the department of administration, in
12 collaboration with the Montana university system, shall ~~update report to the energy and telecommunications~~
13 ~~interim committee legislature in accordance with 5-11-210~~ on the high-performance building program
14 established in subsection (1). The report must include an overview of the state agencies and educational units
15 participating in the program and an estimate of savings or actual savings in operations and maintenance
16 resulting from participation in the program. (Terminates June 30, 2029--sec. 1, Ch. 408, L. 2019.)"

17

18 **Section 47.** Section 17-7-222, MCA, is amended to read:

19 **"17-7-222. Minimum funding for major repair -- restriction of capital developments -- transfer to**
20 **satisfy minimum as present law base.** (1) The minimum level of funding for major repair projects is 0.6% of
21 the replacement cost of existing long-range building program-eligible buildings for each fiscal year.

22 (2) The legislature may not fund the design or construction of any new capital development projects,
23 except to complete the funding of projects for which partial funding has been previously provided, until the
24 legislature has estimated and appropriated the amount referred to in subsection (1) to fund major repair
25 projects for long-range building program-eligible buildings from the account established in 17-7-221 for each
26 fiscal year.

27 (3) Sources for funding the amount referred to in subsection (1) are:

28 (a) revenue allocations into the account established in 17-7-221 of cigarette tax revenue allocated

1 pursuant to 16-11-119 and coal severance taxes allocated pursuant to 15-35-108, as projected in the official
 2 revenue estimate provided in ~~5-5-227~~ by the appropriate standing committee or interim entity established by the
 3 legislature in its rules; and

4 (b) an appropriated transfer into the account from the general fund in the general appropriations act.

5 (4) The appropriated transfer in subsection (3)(b) to the account established in 17-7-221 to fund major
 6 repair projects is part of the present law base for purposes of Title 17, chapter 7, part 1, and must be sufficient
 7 to fund the amount referred to in subsection (1) when added to the account's revenue allocations in subsection
 8 (3)(a)."

9

10 **Section 48.** Section 17-8-416, MCA, is amended to read:

11 "**17-8-416. Reporting.** ~~Beginning February 15, 2014, and by February 15 of each~~ Each year, the
 12 attorney general shall submit to ~~the law and justice interim committee~~ the legislature in accordance with 5-11-
 13 210 a report containing the following information:

14 (1) the number of cases filed under the Montana False Claims Act, Title 17, chapter 8, part 4, that
 15 were pending in the state during the previous calendar year;

16 (2) the number of cases filed under the Montana False Claims Act that were settled during the
 17 previous calendar year;

18 (3) the number of cases filed under the Montana False Claims Act in which judgment was entered
 19 during the previous calendar year;

20 (4) the total proceeds paid to the state and the total proceeds paid to the qui tam plaintiffs in cases
 21 filed under the Montana False Claims Act during the previous calendar year; and

22 (5) the number of qui tam cases pending in other jurisdictions involving the state in the previous
 23 calendar year."

24

25 **Section 49.** Section 19-2-405, MCA, is amended to read:

26 "**19-2-405. Employment of actuary -- annual investigation and valuation.** (1) The board shall
 27 retain a competent actuary who is an enrolled member of the American academy of actuaries and who is
 28 familiar with public systems of pensions. The actuary is the technical adviser of the board on matters regarding

1 the operation of the retirement systems.

2 (2) The board shall require the actuary to make and report on an annual actuarial investigation into
3 the suitability of the actuarial tables used by the retirement systems and an actuarial valuation of the assets and
4 liabilities of each defined benefit plan that is a part of the retirement systems.

5 (3) The normal cost contribution rate, which is funded by required employee contributions and a
6 portion of the required employer contributions to each defined benefit retirement plan, must be calculated as the
7 level percentage of members' salaries that will actuarially fund benefits payable under a retirement plan as
8 those benefits accrue in the future.

9 (4) (a) The unfunded liability contribution rate, which is entirely funded by a portion of the required
10 employer contributions to the retirement plan, must be calculated as the level percentage of current and future
11 defined benefit plan members' salaries that will amortize the unfunded actuarial liabilities of the retirement plan
12 over a reasonable period of time, not to exceed 30 years, as determined by the board.

13 (b) In determining the amortization period under subsection (4)(a) for the public employees' retirement
14 system's defined benefit plan, the actuary shall take into account the plan choice rate contributions to be made
15 to the defined benefit plan pursuant to 19-3-2117 and 19-21-214.

16 (5) The board shall require the actuary to conduct and report on a periodic actuarial investigation into
17 the actuarial experience of the retirement systems and plans.

18 (6) The board may require the actuary to conduct any valuation necessary to administer the
19 retirement systems and the plans subject to this chapter.

20 (7) The board shall provide copies of the reports required pursuant to subsections (2) and (5) to the
21 ~~state administration and veterans' affairs interim committee and to the legislature pursuant to~~ legislature in
22 accordance with 5-11-210.

23 (8) The board shall require the actuary to prepare for each employer participating in a retirement
24 system the disclosures or the information required to be included in the disclosures as required by law and by
25 the governmental accounting standards board or its generally recognized successor."
26

27 **Section 50.** Section 19-3-117, MCA, is amended to read:

28 **"19-3-117. Board report required.** As soon as possible after the completion of each annual actuarial

1 valuation for the public employees' retirement system, the board shall have its actuary present a detailed
 2 actuarial report to the legislative finance committee provided for in 5-12-201 and the ~~state administration and~~
 3 ~~veterans' affairs interim committee provided for in 5-5-228 legislature in accordance with 5-11-210.~~ The
 4 actuarial report must provide a trend analysis of the system's progress toward 100% funding."
 5

6 **Section 51.** Section 19-20-201, MCA, is amended to read:

7 **"19-20-201. Administration by retirement board -- jurisdiction and venue for judicial review. (1)**

8 The retirement board shall administer and operate the retirement system within the limitations prescribed by
 9 this chapter, and it is the duty of the retirement board to:

10 (a) establish rules necessary for the proper administration and operation of the retirement system;

11 (b) approve or disapprove all expenditures necessary for the proper operation of the retirement
 12 system;

13 (c) keep a record of all its proceedings, which must be open to public inspection;

14 (d) submit a report to the office of budget and program planning detailing the fiscal transactions for
 15 the 2 fiscal years immediately preceding the report due date, the amount of the accumulated cash and
 16 securities of the retirement system, and the last fiscal year balance sheet showing the assets and liabilities of
 17 the retirement system;

18 (e) keep in convenient form the data that is necessary for actuarial valuation of the various funds of
 19 the retirement system and for checking the experience of the retirement system;

20 (f) prepare an annual valuation of the assets and liabilities of the retirement system that includes an
 21 analysis of how market performance is affecting the actuarial funding of the retirement system;

22 (g) require the board's actuary to conduct and report on a periodic actuarial investigation into the
 23 actuarial experience of the retirement system;

24 (h) prescribe a form for membership application that will provide adequate and necessary information
 25 for the proper operation of the retirement system;

26 (i) annually determine the rate of regular interest as prescribed in 19-20-501;

27 (j) establish and maintain the funds of the retirement system in accordance with the provisions of part
 28 6 of this chapter; and

1 (k) perform other duties and functions as are required to properly administer and operate the
2 retirement system.

3 (2) In discharging its duties, the board, or an authorized representative of the board, may conduct
4 hearings, administer oaths and affirmations, take depositions, certify to official acts and records, and issue
5 subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence,
6 memoranda, and other records. Subpoenas must be issued and enforced pursuant to 2-4-104.

7 (3) The board may send retirement-related material to employers and the campuses of the Montana
8 university system for delivery to employees. To facilitate distribution, employers and those campuses shall each
9 provide the board with a point of contact who is responsible for distribution of the material provided by the
10 board.

11 (4) The board shall make available to the ~~state administration and veterans' affairs interim committee~~
12 ~~and to the legislature pursuant to~~ legislature in accordance with 5-11-210 copies of the annual actuarial
13 valuation and reports required pursuant to subsections (1)(d), (1)(f), and (1)(g).

14 (5) Jurisdiction and venue for judicial review of the board's final administrative decisions is the first
15 judicial district, Lewis and Clark County, unless otherwise stipulated by the parties."
16

17 **Section 52.** Section 19-20-216, MCA, is amended to read:

18 **"19-20-216. Board to make special report.** As soon as possible after the completion of each annual
19 actuarial valuation for the teachers' retirement system, the board shall have its actuary present a detailed
20 actuarial report to the legislative finance committee provided for in 5-12-201 and the ~~state administration and~~
21 ~~veterans' affairs interim committee provided for in 5-5-228~~ legislature in accordance with 5-11-210. The
22 actuarial report must provide a trend analysis of the system's actual and projected progress toward 100%
23 funding."
24

25 **Section 53.** Section 19-20-732, MCA, is amended to read:

26 **"19-20-732. (Temporary) Reemployment of certain retired teachers, specialists, and**
27 **administrators -- procedure -- definitions.** (1) Subject to the provisions of this section:

28 (a) a teacher, specialist, or administrator who has been receiving a retirement allowance for no less

1 than 2 months, except a disability retirement allowance pursuant to part 9 of this chapter, may be employed on
2 a full-time basis by an employer for a maximum of 3 years during the lifetime of the retired member without the
3 loss or interruption of any payments or retirement benefits if:

- 4 (i) the retired member completed 27 or more years of creditable service prior to retirement;
- 5 (ii) the retired member holds a valid certificate pursuant to the provisions of 20-4-106; and
- 6 (iii) each year, prior to employing a retired member, the employer certifies to the office of public
7 instruction and to the retirement board that after having advertised the position for that year the employer has
8 been unable to fill the position because the employer either has received no qualified applications or has not
9 received an acceptance of an offer of employment made to a nonretired teacher, specialist, or administrator.

10 The office of public instruction shall verify that the employer has advertised the position as required under this
11 subsection (1)(a)(iii).

12 (b) the employer certification required by this section must include the retired member's name and
13 social security number and a copy of the proposed contract of employment for the retired member;

14 (c) upon receipt of the employer's certification and of the proposed contract of employment, the
15 retirement board shall verify whether the retired member meets the requirements of subsection (1)(a)(i) and
16 shall notify the employer and the retired member of its findings;

17 (d) a retired member reemployed under this section is ineligible for active membership under 19-20-
18 302 and is ineligible to receive service credit under any retirement system identified in Title 19; and

19 (e) by September 15 of each even-numbered year, the retirement board shall report to the ~~education~~
20 ~~interim committee and the state administration and veterans' affairs interim committee, as provided in~~
21 legislature in accordance with 5-11-210, regarding the implementation of and results arising from this section.

22 (2) An employer employing a retired member pursuant to this section shall contribute monthly to the
23 retirement system an amount equal to the sum of the contribution rates required by 19-20-602, 19-20-604, 19-
24 20-605, 19-20-607, 19-20-608, and 19-20-609.

25 (3) A retired member reemployed pursuant to this section is exempt from the earnings and
26 employment limits provided in 19-20-731.

27 (4) If reemployed in a position covered by a collective bargaining agreement pursuant to Title 39,
28 chapter 31, the retired member is subject to all the terms and conditions of the agreement and is entitled to all

1 the benefits and protections of the agreement.

2 (5) The board may adopt rules to implement this section.

3 (6) As used in this section, the following definitions apply:

4 (a) "Administrator" means a school principal or district administrator other than a superintendent.

5 (b) "Employer" means a school district as defined in 20-6-101 and 20-6-701 that employs a retired
6 member and is a second-class or third-class elementary district under 20-6-201 or a second-class or third-class
7 high school district under 20-6-301.

8 (c) "Year" means all or any part of a school year. (Terminates June 30, 2025--sec. 4, Ch. 307, L.
9 2019.)

10 **19-20-732. (Effective July 1, 2025) Reemployment of certain retired teachers, specialists, and**
11 **administrators -- procedure -- definitions.** (1) Subject to the provisions of this section:

12 (a) a teacher, specialist, or administrator who has been receiving a retirement allowance for no less
13 than 2 months, except a disability retirement allowance pursuant to part 9 of this chapter, may be employed on
14 a full-time basis by an employer for a maximum of 3 years during the lifetime of the retired member without the
15 loss or interruption of any payments or retirement benefits if:

16 (i) the retired member completed 30 or more years of creditable service prior to retirement;

17 (ii) the retired member holds a valid certificate pursuant to the provisions of 20-4-106; and

18 (iii) each year, prior to employing a retired member, the employer certifies to the office of public
19 instruction and to the retirement board that after having advertised the position for that year the employer has
20 been unable to fill the position because the employer either has received no qualified applications or has not
21 received an acceptance of an offer of employment made to a nonretired teacher, specialist, or administrator;

22 (b) the employer certification required by this section must include the retired member's name and
23 social security number and a copy of the proposed contract of employment for the retired member;

24 (c) upon receipt of the employer's certification and of the proposed contract of employment, the
25 retirement board shall verify whether the retired member meets the requirements of subsection (1)(a)(i) and
26 shall notify the employer and the retired member of its findings;

27 (d) a retired member reemployed under this section is ineligible for active membership under 19-20-
28 302 and is ineligible to receive service credit under any retirement system identified in Title 19; and

1 (e) the retirement board shall report to the appropriate committee each legislative session regarding
2 the implementation of and results arising from this section.

3 (2) An employer employing a retired member pursuant to this section shall contribute monthly to the
4 retirement system an amount equal to the sum of the contribution rates required by 19-20-602, 19-20-604, 19-
5 20-605, 19-20-607, 19-20-608, and 19-20-609.

6 (3) A retired member reemployed pursuant to this section is exempt from the earnings and
7 employment limits provided in 19-20-731.

8 (4) If reemployed in a position covered by a collective bargaining agreement pursuant to Title 39,
9 chapter 31, the retired member is subject to all the terms and conditions of the agreement and is entitled to all
10 the benefits and protections of the agreement.

11 (5) The board may adopt rules to implement this section.

12 (6) As used in this section, the following definitions apply:

13 (a) "Employer" means a school district as defined in 20-6-101 and 20-6-701.

14 (b) "Year" means all or any part of a school year."
15

16 **Section 54.** Section 20-1-231, MCA, is amended to read:

17 **"20-1-231. Report to legislature.** On or before September 15 of even-numbered years,
18 representatives of the Great Falls school district, the Helena school district, and a member of the military, as
19 specified by the adjutant general, shall provide, singly or jointly, a report to the senate president, the speaker of
20 the house, and the ~~education interim committee~~ legislature in accordance with 5-11-210 regarding the state's
21 participation in the compact on educational opportunity for military children established in 20-1-230."
22

23 **Section 55.** Section 20-7-101, MCA, is amended to read:

24 **"20-7-101. Standards of accreditation.** (1) Standards of accreditation for all schools must be
25 adopted by the board of public education upon the recommendations of the superintendent of public instruction.
26 The superintendent shall develop recommendations in accordance with subsection (2). The recommendations
27 presented to the board must include an economic impact statement, as described in 2-4-405, prepared in
28 consultation with the negotiated rulemaking committee under subsection (2).

1 (2) The accreditation standards recommended by the superintendent of public instruction must be
2 developed through the negotiated rulemaking process under Title 2, chapter 5, part 1. The superintendent may
3 form a negotiated rulemaking committee for accreditation standards to consider multiple proposals. The
4 negotiated rulemaking committee may not exist for longer than 2 years. The committee must represent the
5 diverse circumstances of schools of all sizes across the state and must include representatives from the
6 following groups:

- 7 (a) school district trustees;
- 8 (b) school administrators;
- 9 (c) teachers;
- 10 (d) school business officials;
- 11 (e) parents; and
- 12 (f) taxpayers.

13 (3) Prior to adoption or amendment of any accreditation standard, the board shall submit each
14 proposal, including the economic impact statement required under subsection (1), to the ~~education interim~~
15 ~~committee~~ appropriate standing committee or interim entity established by the legislature in its rules for review
16 at least 1 month in advance of a scheduled committee meeting.

17 (4) Unless the expenditures by school districts required under the proposal are determined by the
18 ~~education interim committee~~ appropriate standing committee or interim entity established by the legislature in
19 its rules to be insubstantial expenditures that can be readily absorbed into the budgets of existing district
20 programs, the board may not implement the standard until July 1 following the next regular legislative session
21 and shall request that the same legislature fund implementation of the proposed standard.

22 (5) Standards for the retention of school records must be as provided in 20-1-212."
23

24 **Section 56.** Section 20-7-469, MCA, is amended to read:

25 **"20-7-469. Dyslexia -- definition -- screening -- intervention.** (1) This section may be cited as the
26 "Montana Dyslexia Screening and Intervention Act".

27 (2) For the purposes of this section, "dyslexia" means a specific learning disability that is neurological
28 in origin and characterized by difficulties with accurate or fluent word recognition and by poor spelling and

1 decoding abilities. These difficulties typically result from a deficit in the phonological component of language
2 that is often unexpected in relation to other cognitive abilities and the provision of effective classroom
3 instruction. Secondary consequences may include problems in reading comprehension and reduced reading
4 experience that can impede the growth of vocabulary and background knowledge.

5 (3) (a) In alignment with the existing requirements of the Individuals With Disabilities Education Act,
6 rules of the board of public education, and rules of the superintendent of public instruction, school districts shall
7 establish procedures to ensure that all resident children with disabilities, including specific learning disabilities
8 resulting from dyslexia, are identified and evaluated for special education and related services as early as
9 possible.

10 (b) To support the goal of the people of Montana to develop the full educational potential of each
11 person, articulated in Article X, section 1(1), of the Montana constitution, and to ensure early identification and
12 intervention for students with dyslexia, a school district shall utilize a screening instrument aimed at identifying
13 students at risk of not meeting grade-level reading benchmarks. The screening instrument must:

14 (i) be administered to:

15 (A) a child in the first year that the child is admitted to a school of the district up to grade 2; and

16 (B) a child who has not been previously screened by the district and who fails to meet grade-level
17 reading benchmarks in any grade;

18 (ii) be administered by an individual with an understanding of, and training to identify, signs of dyslexia;
19 and

20 (iii) be designed to assess developmentally appropriate phonological and phonemic awareness skills.

21 (c) If a screening under subsection (3)(b) suggests that a child may have dyslexia or a medical
22 professional diagnoses a child with dyslexia, the child's school district shall take steps to identify the specific
23 needs of the child and implement best practice interventions to address those needs. This process may lead to
24 consideration of the child's qualification as a child with a disability under the Individuals With Disabilities
25 Education Act.

26 (4) The office of public instruction shall:

27 (a) endeavor to raise statewide awareness of dyslexia, as well as the attendant rights of students and
28 parents and the responsibilities of school districts related to dyslexia; and

- 1 (b) provide guidance to school districts related to:
- 2 (i) the early identification of students with dyslexia, including best practices for universal, valid, and
- 3 reliable screening methods and other assessments in support of the requirements of subsection (3)(b) that:
- 4 (A) have minimal or no cost to a district; and
- 5 (B) are able to be integrated with a district's existing reading programs;
- 6 (ii) best practice interventions to support students with dyslexia as early as possible, including
- 7 interventions for those students with dyslexia evaluated as requiring special education and those students with
- 8 dyslexia evaluated as not requiring special education; and
- 9 (iii) best practices for collaborating with and supporting parents of students with dyslexia.
- 10 (5) The legislature urges all entities within the state with authority over, or a role to play in, teacher
- 11 preparation and professional development to ensure that teachers and other school personnel, especially those
- 12 in the early grades, are well prepared to identify and serve students with dyslexia.
- 13 (6) No later than September 15, 2020, the office of public instruction and the board of public
- 14 education shall report to the ~~education interim committee~~ legislature in accordance with 5-11-210 on progress
- 15 made in addressing dyslexia pursuant to this act."

16

17 **Section 57.** Section 20-7-1506, MCA, is amended to read:

18 **"20-7-1506. Incentives for creation of advanced opportunity programs.** (1) A district that satisfies

19 the conditions of subsection (2) and is qualified by the board of public education pursuant to subsection (3) is

20 eligible for the funding and flexibilities in subsections (4) and (5).

21 (2) (a) To qualify for the funding and flexibilities in subsections (4) and (5), the board of trustees of a

22 district shall submit an application that has been approved by motion of the board and signed by the presiding

23 officer to the board of public education for approval of an advanced opportunity program on a form provided by

24 the superintendent of public instruction.

25 (b) The school board's application must include a strategic plan with appropriate planning horizons for

26 implementation, measurable objectives to ensure accountability, and planned strategies to:

27 (i) develop an advanced opportunity plan for each participating pupil from grades 6 through 12 that

28 fosters individualized pathways for career and postsecondary educational opportunities and that honors

1 individual interests, passions, strengths, needs, and culture and is supported through relationships among
2 teachers, family, peers, the business community, postsecondary education officials, and other community
3 stakeholders;

4 (ii) embed community-based, experiential, online, and work-based learning opportunities and foster a
5 learning environment that incorporates both face-to-face and virtual connections; and

6 (iii) ensure equality of educational opportunity to participate by all qualifying pupils of the district.

7 (3) The board of public education shall:

8 (a) establish by rule the opening and closing dates for receipt of applications and annual reports;

9 (b) no later than January 31, qualify for the subsequent school year nonparticipating districts that
10 submit an application meeting the requirements of subsection (2) for the funding in subsection (4) and the
11 flexibilities in subsection (5);

12 (c) no later than January 31, requalify for the subsequent school year participating districts that submit
13 an annual report demonstrating continued qualification for funding under this section and including a report of
14 progress toward measurable objectives under the district's advanced opportunity plan and any updates to the
15 plan;

16 (d) limit the districts qualified under subsections (3)(b) and (3)(c) based on the appropriation available
17 in the subsequent year and on the order of date received, after which further applications are to be deferred for
18 consideration in a subsequent year, in the order of date received. An application deferred for consideration in a
19 subsequent year due to lack of funding must be annually updated each year after more than 1 full fiscal year
20 has passed from the date of original submission of the application in order for the application to retain its priority
21 by original date received.

22 (e) on or before September 15 of even-numbered years, report to the ~~education interim committee~~
23 ~~pursuant to~~ legislature in accordance with 5-11-210 on the progress made by districts operating under
24 approved advanced opportunity plans. The report must address, at a minimum:

25 (i) the number of pupils benefiting from advanced opportunity aid;

26 (ii) the number and type of credits and certifications or credentials earned by pupils that have been
27 paid for by the program;

28 (iii) projected growth in the program and funding needs for the next biennium; and

1 (iv) any issues with the program reported by pupils, parents, districts, postsecondary institutions, or
2 examination administrators and how these issues are being addressed and whether the issues require
3 legislative action.

4 (4) Beginning in fiscal year 2021, the superintendent of public instruction shall provide advanced
5 opportunity aid to each district qualified by the board of public education under subsection (3) by October 1.
6 The aid under this section must be distributed directly to the school district's flexibility fund under 20-9-543.

7 (5) Advanced opportunity aid may be expended on any qualifying pupil by the district subject to the
8 following conditions:

9 (a) at least 60% of a district's annual distribution of advanced opportunity aid must be spent or
10 encumbered to address out-of-pocket costs that would otherwise, in the absence of ~~such~~ the expenditure, be
11 assumed by a qualifying pupil or the pupil's family as a result of participation in an advanced opportunity. The
12 trustees have full discretion to allocate expenditures among all pupils of the district or any select group of
13 pupils, using any reasonable method they consider appropriate in their full discretion to meet the individual
14 needs of each pupil who pursues an advanced opportunity. The trustees may create free district initiatives of
15 their own that satisfy the conditions of this subsection (5)(a). Permissible expenditures include:

16 (i) dual credit tuition at any institution under authority of the board of regents;

17 (ii) exam fees used for postsecondary advancement, placement, or credit, including but not limited to
18 exam fees associated with the ACT, SAT, CLEP, career advancement, international baccalaureate, and
19 advanced placement;

20 (iii) fees charged by and any out-of-pocket costs of any business providing work-based learning
21 opportunities to a qualifying pupil of the district, including the cost of workers' compensation insurance for work-
22 based learning opportunities;

23 (iv) exam and other fees of any industry-recognized credential or license for which a qualifying pupil is
24 eligible as a result of participation in an advanced opportunity; and

25 (v) the costs of participation for qualifying pupils that are identified as necessary, in the discretion of
26 the district and upon request of a qualifying pupil, to maximize the benefit of an advanced opportunity for a
27 qualifying pupil;

28 (b) advanced opportunity aid remaining that is not expended or carried forward for the purposes of

1 subsection (5)(a) may be spent by the district to provide any K-12 career and vocational/technical education
2 course offered by the district.

3 (6) A district qualified for funding under subsection (3) may supplement state funding of advanced
4 opportunity aid with matched expenditures from its adopted adult education budget, not to exceed 25% of the
5 district's advanced opportunity aid. The conditions under subsection (5) apply to any matched expenditures
6 funded under this subsection (6).

7 (7) The present law base calculated for K-12 local assistance under Title 17, chapter 7, part 1, must
8 include advanced opportunity aid as follows:

9 (a) for fiscal year 2022, an amount sufficient to provide advanced opportunity aid to:

- 10 (i) 50% of all elementary districts;
- 11 (ii) 50% of all high school districts; and
- 12 (iii) 50% of all K-12 districts;

13 (b) for fiscal year 2023, an amount sufficient to provide advanced opportunity aid to:

- 14 (i) 75% of all elementary districts;
- 15 (ii) 75% of all high school districts; and
- 16 (iii) 75% of all K-12 districts;

17 (c) for fiscal year 2024 and subsequent fiscal years, an amount sufficient to provide advanced
18 opportunity aid to:

- 19 (i) 100% of all elementary districts;
- 20 (ii) 100% of all high school districts; and
- 21 (iii) 100% of all K-12 districts."

22

23 **Section 58.** Section 20-7-1602, MCA, is amended to read:

24 **"20-7-1602. (Temporary) Incentives for creation of transformational learning programs.** (1) (a)

25 A school district as defined in 20-6-101 that satisfies the conditions of subsection (2) and is qualified by the
26 board of public education pursuant to subsection (3) is eligible for a 4-consecutive-year provision of the
27 transitional funding and flexibilities in subsections (4) and (5).

28 (b) A school district may be qualified by the board of public education for no more than one 4-

1 consecutive-year provision of transitional funding and flexibilities in any 8-year period.

2 (2) To qualify for the transitional funding and flexibilities in subsections (4) and (5), the board of
3 trustees of a district shall submit an application that has been approved by motion of the board of trustees and
4 signed by the presiding officer to the board of public education for approval of a transformational learning
5 program on a form provided by the superintendent of public instruction. The school board's application must:

6 (a) identify the number of full-time equivalent educators meeting the criteria of 20-9-327(3) who will
7 participate in the district's transformational learning program, with full-time equivalence calculated and reported
8 by the district based on the planned portion of each qualifying educator's full-time equivalent assignment that is
9 dedicated to the district's transformational learning program;

10 (b) include the district's definition of proficiency within the meaning of that term as used in 20-9-
11 311(4)(d). The definition must not require seat time as a condition or other element of determining proficiency.
12 The definition must be incorporated in the district's policies and must be used for purposes of determining
13 content and course mastery and other progress, promotion from grade to grade, grades, and graduation for
14 pupils enrolled in the district's transformational learning program.

15 (c) include a strategic plan with appropriate planning horizons for implementation, measurable
16 objectives to ensure accountability, and planned strategies to:

17 (i) develop a transformational learning plan for each participating pupil that honors individual interests,
18 passions, strengths, needs, and culture and that is rooted in relationships with teachers, family, peers, and
19 community members;

20 (ii) embed community-based, experiential, online, and work-based learning opportunities and foster a
21 learning environment that incorporates both face-to-face and virtual connections;

22 (iii) provide effective professional development to assist employees in transitioning to a
23 transformational learning model; and

24 (iv) ensure equality of educational opportunity to participate by all pupils of the district.

25 (3) On an annual basis, the board of public education shall:

26 (a) establish by rule the opening and closing dates for receipt of applications and annual reports;

27 (b) qualify districts that submit an application meeting the requirements of subsection (2) for the
28 funding in subsection (4) and the flexibilities in subsection (5) until the annual appropriation is exhausted, after

1 which further applications, including first-time applications and annual reports requesting an expansion of a
2 previously approved plan, are to be deferred for consideration in a subsequent year, in the order of date
3 received, if and when additional funds become available for distribution;

4 (c) require each participating school district to submit an annual report demonstrating continued
5 qualification for funding under this section and including a report of progress toward measurable objectives
6 under the school district's transformational learning plan. The school district shall include any decrease or
7 requested increase in the number of participating full-time equivalent educators under subsection (2)(a) for
8 adjustments to its funding. Any increase in funding based on requested increased levels of participation under
9 subsection (2)(a) must be determined in the order of date received among all first-time applications and annual
10 reports requesting an expansion of a previously approved plan and must be contingent on the availability of
11 funds within any appropriation of the legislature. An application deferred for consideration in a subsequent year
12 due to lack of funding must be annually updated each year after more than 1 full fiscal year has passed from
13 the date of original submission of the application in order for the application to retain its priority by original date
14 received.

15 (d) on or before September 15 of even-numbered years, report to the ~~education interim committee~~
16 legislature in accordance with 5-11-210 on the progress made by districts operating under approved
17 transformational learning plans.

18 (4) (a) Except as provided in subsection (4)(d), for a period of 4 consecutive fiscal years following the
19 fiscal year in which a district is qualified by the board of public education and contingent on continued
20 compliance with annual reporting requirements under subsection (3), the superintendent of public instruction
21 shall provide a transformational learning aid payment to the district equivalent to 50% of the quality educator
22 payment defined in 20-9-306 from the immediate prior fiscal year multiplied by the number of the district's full-
23 time equivalent educators reported under subsection (2)(a) of this section.

24 (b) The payment under this subsection (4) must be distributed directly to the school district's flexibility
25 fund established under 20-9-543 no later than June 30 of fiscal year 2020 and by October 1 of each year
26 beginning fiscal year 2021 by the superintendent of public instruction. The money must be expended by the
27 district only for the purposes set forth in the district's approved transformational learning program.

28 (c) For fiscal years 2020 and 2021, a school district may not receive more than 25% of the total

1 amount of payments made under this subsection.

2 (d) Applications qualified by the board of public education in fiscal year 2020 must be funded
3 beginning in fiscal year 2020.

4 (5) During each year that a school district remains qualified for funding under subsection (4), the
5 district's trustees may:

6 (a) if the obligations of transparency set forth in 20-9-116 are met, levy an annual permissive property
7 tax not to exceed 100% of any funds distributed to the district under subsection (4). Proceeds of the levy must
8 be deposited in the district's flexibility fund established under 20-9-543 and must be expended by the district
9 only for the purposes of the district's approved transformational learning plan.

10 (b) transfer state or local revenue from any budgeted or nonbudgeted fund, other than the debt
11 service fund or retirement fund, to the district's flexibility fund.

12 (6) (a) Any funds transferred pursuant to subsection (5)(b) may be expended by the district solely for
13 the purposes of implementing the district's approved transformational learning plan. Any transfers of funds are
14 not considered expenditures to be applied against budget authority.

15 (b) Any transfers that are not expended for the purposes of implementing the district's approved
16 transformational learning plan within 2 full school fiscal years after the funds are transferred must be transferred
17 back to the originating fund from which the revenue was transferred.

18 (c) The intent of subsection (5)(b) and this subsection (6) is to increase the flexibility and efficiency of
19 school districts without an increase in local taxes. In furtherance of this intent, if transfers of funds are made
20 from any school district fund supported by a nonvoted levy, the district may not increase its nonvoted levy for
21 the purpose of restoring the amount of funds transferred.

22 (7) The present law base calculated for K-12 local assistance under Title 17, chapter 7, part 1, must
23 include transformational learning aid as defined in subsection (8).

24 (8) For the purposes of this title, the following definitions apply:

25 (a) "Transformational learning" means a flexible system of pupil-centered learning that is designed to
26 develop the full educational potential of each pupil that:

27 (i) is customized to address each pupil's strengths, needs, and interests;

28 (ii) includes continued focus on each pupil's proficiency over content; and

- 1 (iii) actively engages each pupil in determining what, how, when, and where each pupil learns.
- 2 (b) "Transformational learning aid" means 50% of the quality educator payment defined in 20-9-306
- 3 multiplied by:
- 4 (i) for fiscal year 2020, 5% of the statewide number of full-time equivalent educators from fiscal year
- 5 2019 calculated as provided in 20-9-327;
- 6 (ii) for fiscal year 2021, 7.5% of the statewide number of full-time equivalent educators from fiscal year
- 7 2020 calculated as provided in 20-9-327; and
- 8 (iii) for fiscal year 2022 and subsequent fiscal years, 10% of the statewide number of full-time
- 9 equivalent educators from the fiscal year immediately preceding the year to which distribution of
- 10 transformational aid applies calculated as provided in 20-9-327. (Terminates June 30, 2027--sec. 7, Ch. 402, L.
- 11 2019.)"

13 **Section 59.** Section 20-9-161, MCA, is amended to read:

14 **"20-9-161. Definition of budget amendment for budgeting purposes.** As used in this title, unless
15 the context clearly indicates otherwise, the term "budget amendment" for the purpose of school budgeting
16 means an amendment to an adopted budget of the district for the following reasons:

- 17 (1) an increase in the enrollment of an elementary or high school district that is beyond what could
- 18 reasonably have been anticipated at the time of the adoption of the budget for the current school fiscal year
- 19 whenever, because of the enrollment increase, the district's budget for any or all of the regularly budgeted
- 20 funds does not provide sufficient financing to properly maintain and support the district for the entire current
- 21 school fiscal year;
- 22 (2) the destruction or impairment of any school property necessary to the maintenance of the school,
- 23 by fire, flood, storm, riot, insurrection, or act of God, to an extent rendering school property unfit for its present
- 24 school use;
- 25 (3) a judgment for damages against the district issued by a court after the adoption of the budget for
- 26 the current year;
- 27 (4) an enactment of legislation after the adoption of the budget for the current year that imposes an
- 28 additional financial obligation on the district;

- 1 (5) the receipt of:
- 2 (a) a settlement of taxes protested in a prior school fiscal year;
- 3 (b) taxes from a prior school fiscal year as the result of a tax audit by the department of revenue or its
- 4 agents;
- 5 (c) delinquent taxes from a prior school fiscal year; and
- 6 (d) a determination by the trustees that it is necessary to expend all or a portion of the taxes received
- 7 under subsection (5)(a), (5)(b), or (5)(c) for a project or projects that were deferred from a previous budget of
- 8 the district; or
- 9 (6) any other unforeseen need of the district that cannot be postponed until the next school year
- 10 without dire consequences affecting:
- 11 (a) the safety of the students and district employees; or
- 12 (b) the educational functions of the district. Any budget amendment adopted pursuant to this
- 13 subsection (6)(b) that in combination with other budget amendments within the same school fiscal year exceeds
- 14 10% of the district's adopted general fund budget must be reported by the school district to the ~~education~~
- 15 ~~interim committee~~ legislature in accordance with 5-11-210 and the board of public education with an
- 16 explanation of why the budget amendment is necessary."

Section 60. Section 20-9-323, MCA, is amended to read:

"20-9-323. Ending fund balance limits. (1) Beginning July 1, 2020, the combined ending fund balance for all budgeted funds of a school district may not exceed 300% of the maximum general fund budget. The 300% limit is not applicable to the building reserve fund, the debt service fund, or the bus depreciation reserve fund.

(2) The county superintendent shall, upon completion of a school fiscal year, redistribute any amounts in excess of the 300% limit among any other school districts in the same county whose combined ending fund balance for all budgeted funds included in subsection (1) has not exceeded the 300% limit. The county superintendent shall redistribute funds equally to the school districts qualifying for redistribution on a per-quality-educator basis, calculated by dividing the total funds by the total number of quality educators, as defined in 20-4-502, employed by the qualifying school districts in the county in the immediately preceding school fiscal

1 year. School districts receiving the funds may place the funds in any budgeted fund of the district at the
2 discretion of the board of trustees of each district.

3 (3) Unless an exception is granted under subsection (5), upon completion of a school fiscal year, a
4 school district with combined ending fund balances in excess of the 300% limit shall cooperate with the county
5 superintendent in effectuating the redistribution of excess funds as provided in subsection (2). A school district
6 may make the payment required under this subsection from any fund or funds of the district other than the debt
7 service fund, the building reserve fund, and the bus depreciation reserve fund.

8 (4) Any funds that cannot be redistributed within a county without causing a school district in the
9 county to exceed the 300% limit must be remitted by the county treasurer to the state for deposit in the
10 guarantee account and distribution in the same manner as provided in 20-9-622(2).

11 (5) In accordance with 20-9-161, a school district shall report to the ~~education interim committee~~
12 legislature in accordance with 5-11-210 for any exception taken to the limits prescribed by subsection (1) of this
13 section.

14 (6) This section does not apply to school districts that are in a nonoperating status under 20-9-505 or
15 that are in the first year of operation after reopening under 20-6-502 or 20-6-503.

16 (7) Beginning July 1, 2020, the balance of a school district's flexibility fund may not exceed 150% of
17 the school district's maximum general fund budget."
18

19 **Section 61.** Section 20-9-903, MCA, is amended to read:

20 **"20-9-903. (Temporary) Establishment of geographic regions and large districts -- innovative**
21 **educational program.** (1) (a) Geographic regions are established on the basis of county boundaries and are
22 designed to achieve approximate statewide equity among the 11 regions in terms of the number of trustees on
23 school boards located within the applicable regions. The equity must be reviewed periodically by the
24 superintendent of public instruction by dividing the number of trustees serving on school boards located within
25 the applicable region, including trustees on school boards referenced in subsection (2), by the total number of
26 geographic regions and large districts.

27 (b) The geographic regions are established as follows:

28 (i) 1st region: Flathead, Lake, and Lincoln Counties;

- 1 (ii) 2nd region: Blaine, Hill, and Phillips Counties;
- 2 (iii) 3rd region: Daniels, Roosevelt, Sheridan, and Valley Counties;
- 3 (iv) 4th region: Dawson, Garfield, McCone, Prairie, Richland, and Wibaux Counties;
- 4 (v) 5th region: Cascade, Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland
- 5 Counties;
- 6 (vi) 6th region: Mineral, Missoula, Ravalli, and Sanders Counties;
- 7 (vii) 7th region: Beaverhead, Deer Lodge, Granite, Jefferson, Madison, Powell, and Silver Bow
- 8 Counties;
- 9 (viii) 8th region: Broadwater, Gallatin, Meagher, Park, and Sweet Grass Counties;
- 10 (ix) 9th region: Big Horn, Carbon, Stillwater, Treasure, and Yellowstone Counties;
- 11 (x) 10th region: Carter, Custer, Fallon, Powder River, and Rosebud Counties; and
- 12 (xi) 11th region: Chouteau, Glacier, Lewis and Clark, Liberty, Pondera, Teton, and Toole Counties.
- 13 (2) (a) Large districts are established as each of the seven largest school districts in the state based
- 14 on combined pupil enrollment from kindergarten through the 12th grade.
- 15 (b) The seven largest school districts are established as follows:
- 16 (i) Billings;
- 17 (ii) Butte;
- 18 (iii) Bozeman;
- 19 (iv) Great Falls;
- 20 (v) Helena;
- 21 (vi) Kalispell; and
- 22 (vii) Missoula.
- 23 (3) The superintendent of public instruction shall make recommendations to the ~~education interim~~
- 24 ~~committee~~ appropriate standing committee or interim entity established by the legislature in its rules regarding
- 25 any adjustments to the regions and large districts necessary to preserve equity and fairness. (Terminates
- 26 December 31, 2023--sec. 33, Ch. 457, L. 2015.)"

27
28

Section 62. Section 20-26-105, MCA, is amended to read:

1 **"20-26-105. Montana resident student financial aid program -- reporting requirements.** The
2 commissioner of higher education shall submit an annual report to the ~~education interim committee provided for~~
3 ~~in 5-5-224 legislature in accordance with 5-11-210~~ regarding the Montana resident student financial aid
4 program. The report must provide information about the previous year and must include the progress and
5 results achieved by:

6 (1) the incentive-based financial aid program pursuant to 20-26-102(2)(a), including but not limited to
7 the number of Montana STEM scholarships awarded, the amount of scholarship funds awarded, the workforce
8 development needs targeted by the Montana STEM scholarship program, the number and type of
9 postsecondary credentials earned by Montana STEM scholarship recipients, and any measurable impacts on
10 the Montana workforce;

11 (2) the merit-based financial aid program pursuant to 20-26-102(2)(b), including but not limited to the
12 recruitment and retention of the highest-achieving Montana resident students, the number of merit-based
13 financial aid recipients, the amount and type of merit-based financial aid awarded, the number and type of
14 postsecondary credentials awarded to merit-based financial aid recipients, and any measurable impacts on the
15 Montana workforce; and

16 (3) the access-based financial aid program pursuant to 20-26-102(2)(c), including but not limited to
17 the number of access-based financial aid recipients, the amount and type of access-based financial aid
18 awarded, the effect of access-based financial aid on the retention and credential completion by recipients of
19 access-based financial aid, and any measurable impacts on the Montana workforce."
20

21 **Section 63.** Section 22-3-423, MCA, is amended to read:

22 **"22-3-423. Duties of historic preservation officer.** Subject to the supervision of the director of the
23 historical society, the historic preservation officer has the following duties and responsibilities:

24 (1) follow necessary procedures to qualify the state for money that is now or will be made available
25 under any act of congress of the United States or otherwise for purposes of historic preservation;

26 (2) conduct an ongoing statewide survey to identify and document heritage properties and
27 paleontological remains;

28 (3) maintain a state inventory file of heritage properties and paleontological remains and maintain a

1 repository for all inventory work done in the state;

2 (4) evaluate and formally nominate potential register properties according to the criteria established
3 by the register;

4 (5) prepare and annually review the state preservation plan, register nominations, and historic
5 preservation grant activity;

6 (6) maintain, publish, and disseminate information relating to heritage properties and paleontological
7 remains in the state;

8 (7) cooperate with and assist local, state, and federal government agencies in comprehensive
9 planning that allows for the preservation of heritage properties and paleontological remains;

10 (8) enter into cooperative agreements with the federal government, local governments, and other
11 governmental entities or private landowners or the owners of objects to ensure preservation and protection of
12 registered properties;

13 (9) adopt rules outlining procedures by which a state agency that has no approved rules under 22-3-
14 424(1) shall systematically consider heritage properties or paleontological remains on lands owned by the state
15 and avoid, whenever feasible, state actions or state assisted or licensed actions that substantially alter the
16 properties;

17 (10) respond to requests for consultation under section 106 of the National Historic Preservation Act,
18 as provided for in 22-3-429;

19 (11) develop procedures and guidelines for the evaluation of heritage property or paleontological
20 remains as provided in 22-3-428;

21 (12) protect from disclosure to the public any information relating to the location or character of
22 heritage properties when disclosure would create a substantial risk of harm, theft, or destruction to the
23 resources or to the area or place where the resources are located;

24 (13) report the information gathered pursuant to 22-3-422(6), along with any recommendations by the
25 historic preservation officer or the review board, to ~~an appropriate legislative interim committee established~~
26 ~~under Title 5, chapter 5, part 2~~ the legislature in accordance with 5-11-210. The report required in this
27 subsection must also be incorporated into the biennial report required to be submitted to the governor and the
28 legislature under 22-3-107(8).

1 (14) any other necessary or appropriate activity permitted by law to carry out and enforce the
2 provisions of this part."

3

4 **Section 64.** Section 22-3-1002, MCA, is amended to read:

5 **"22-3-1002. Montana heritage preservation and development commission.** (1) There is a
6 Montana heritage preservation and development commission. The commission is attached to the department of
7 commerce for administrative purposes only, pursuant to 2-15-121. The commission and the department shall
8 negotiate a specific indirect administrative rate annually, with biennial review by a designated, appropriate
9 ~~legislative interim committee~~ standing committee or interim entity established by the legislature in its rules.

10 (2) (a) The commission consists of 14 members. The members shall broadly represent the state.
11 Nine members must be appointed by the governor, one member must be appointed by the president of the
12 senate, and one member must be appointed by the speaker of the house.

13 (b) If the president of the senate and the speaker of the house do not appoint the members for which
14 they are responsible within 6 months of a vacancy having occurred in those positions, the members must be
15 appointed by the governor.

16 (c) The director of the Montana historical society, the director of the department of fish, wildlife, and
17 parks, and the director of the department of commerce shall serve as members. Of the members appointed by
18 the governor under subsection (2)(a):

19 (i) one member must have extensive experience in managing facilities that cater to the needs of
20 tourists;

21 (ii) one member must have experience in community planning;

22 (iii) one member must have experience in historic preservation;

23 (iv) two members must have broad experience in business;

24 (v) one member must be a member of the tourism advisory council established in 2-15-1816;

25 (vi) one member must be a Montana historian; and

26 (vii) two members must be from the public at large.

27 (3) Except for the initial appointments, members appointed by the governor under subsection (2)(a)
28 shall serve 3-year terms. Members appointed by the president of the senate and the speaker of the house or by

1 the governor under subsection (2)(b) shall serve 2-year terms. If a vacancy occurs, the appointing authority
2 shall make an appointment for the unexpired portion of the term.

3 (4) (a) The commission may employ:

4 (i) an executive director who has general responsibility for the selection and management of
5 commission staff, developing recommendations for the purchase of property, and overseeing the management
6 of acquired property;

7 (ii) a curator who is responsible for the display and preservation of the acquired property; and

8 (iii) other staff that the commission and the executive director determine are necessary to manage and
9 operate commission properties.

10 (b) The commission shall prescribe the duties and annual salary of the executive director, the curator,
11 and other commission staff."
12

13 **Section 65.** Section 33-1-115, MCA, is amended to read:

14 **"33-1-115. Operation of state fund as authorized insurer -- issuance of certificate of authority --**
15 **exceptions -- use of calendar year -- risk-based capital -- reporting requirements.** (1) The state fund
16 provided for in 39-71-2313 is an authorized insurer and, except as provided in this section, is subject to the
17 provisions in Title 33 that are generally applicable to authorized workers' compensation insurers in this state
18 and the provisions of Title 39, chapter 71, part 23.

19 (2) (a) The commissioner shall issue a certificate of authority to the state fund to write workers'
20 compensation insurance coverages, as provided in 39-71-2316, and except as otherwise provided in this
21 section the requirements of Title 33, chapter 2, part 1, do not apply. The certificate of authority must be
22 continuously renewed by the commissioner.

23 (b) The state fund shall pay the annual fee under 33-2-708, provide the surplus funds required under
24 33-2-109 and 33-2-110, and provide to the commissioner the available documentation and information that is
25 provided by other insurers when applying for a certificate of authority under 33-2-115.

26 (c) The state fund is subject to the reporting requirements under 33-2-705 but is not subject to the tax
27 on net premiums.

28 (3) (a) The state fund, as the guaranteed market for workers' compensation insurance for employers

1 pursuant to 39-71-2313, is not subject to:

2 (i) formation requirements of an insurer under Title 33, chapter 3;

3 (ii) revocation or suspension of its certificate of authority under any provision of Title 33 or any order or
4 any provision that requires forfeiture of the state fund's obligation to insure employers as required in 39-71-
5 2313;

6 (iii) liquidation or dissolution under Title 33;

7 (iv) participation in the guaranty association provided for in Title 33, chapter 10;

8 (v) 33-12-104; or

9 (vi) any assessment of punitive or exemplary damages.

10 (b) The state fund is subject to 33-16-1023, except as provided in 39-71-2316(1)(e), (1)(f), and (1)(g).

11 (4) The state fund shall complete financial reporting and accounting on a calendar year basis.

12 (5) (a) If the state fund's risk-based capital falls below the company action level RBC as defined in
13 33-2-1902, the commissioner shall issue a report to the governor, the state fund board of directors, and to the
14 legislature. If the legislature is not in session, the report must go to the ~~economic affairs interim committee~~
15 appropriate standing committee or interim entity established by the legislature in its rules and to the legislative
16 auditor. The report must provide a description of the RBC measurement, the regulatory implications of the state
17 fund falling below the RBC criteria, and the state fund's corrective action plan. If the commissioner is reporting
18 on a regulatory action level RBC event, the report must include the state fund's corrective action plan, results of
19 any examination or analysis by the commissioner, and any corrective orders issued by the commissioner.

20 (b) If the state fund fails to comply with any lawful order of the commissioner, the commissioner may
21 initiate supervision proceedings under Title 33, chapter 2, part 13, against state fund. If the state fund fails to
22 comply with the commissioner's lawful supervision order under this subsection (5)(b), the commissioner may
23 institute rehabilitation proceedings under Title 33, chapter 2, part 13, only if the commissioner is petitioning for
24 rehabilitation based on the grounds provided in 33-2-1321(1) or (2).

25 (6) The state fund shall annually transfer funds to the commissioner, out of its surplus, for all
26 necessary staffing and related expenses for a full-time attorney licensed to practice law in Montana and a full-
27 time examiner qualified by education, training, experience, and high professional competence to examine the
28 state fund pursuant to Title 33, chapter 1, part 4, and this section. The attorney and examiner must be

1 employees of the commissioner.

2 (7) For the purposes of this section, the term "guaranteed market" has the definition provided in 39-
3 71-2312."

4

5 **Section 66.** Section 33-22-1308, MCA, is amended to read:

6 **"33-22-1308. Board duties -- powers.** (1) The board shall:

7 (a) adopt a plan of operation and the reinsurance parameters for the following year, no later than
8 June 15, 2019, in accordance with the requirements of this part, and update the plan of operation and
9 reinsurance parameters, if needed, no later than May 1 of each succeeding year. The board shall submit its
10 plan of operation to the commissioner for approval.

11 (b) establish administrative and accounting procedures for the association and the program;

12 (c) select an association administrator in accordance with 33-22-1309 who will pay reinsurance claims
13 in accordance with the plan of operation; and

14 (d) set the budget for the reinsurance program for each policy year, including the assessment levels
15 as provided in 33-22-1313 for the various members of the association.

16 (2) The board may:

17 (a) enter into contracts as necessary to carry out the purposes of this part;

18 (b) appoint appropriate actuarial or other committees as necessary to provide technical assistance
19 and any other functions within the authority of the association; and

20 (c) apply for funds or grants from public or private sources.

21 (3) The board may be audited by the legislative auditor.

22 (4) An annual review of the association and the program for solvency and compliance must be
23 performed by an independent certified public accountant using generally accepted accounting principles and
24 submitted to the commissioner and the economic affairs committee of the legislature provided for in 5-5-223 as
25 provided in 5-11-210 for review by June 30 of each year, beginning in 2020.

26 (5) The board shall prepare an annual report on operations and finance and send that report to the
27 ~~economic affairs interim committee as provided in~~ legislature in accordance with 5-11-210 and the
28 commissioner by June 30 of each year, beginning in 2020."

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Section 67. Section 37-1-101, MCA, is amended to read:

"37-1-101. Duties of department. In addition to the provisions of 2-15-121, the department shall:

- (1) establish and provide all the administrative, legal, and clerical services needed by the boards within the department, including corresponding, receiving and processing routine applications for licenses as defined by a board, issuing and renewing routine licenses as defined by a board, disciplining licensees, setting administrative fees, preparing agendas and meeting notices, conducting mailings, taking minutes of board meetings and hearings, and filing. In issuing routine licenses for a board, the department shall issue a license within 45 days from the time of receiving a completed application or, within 10 calendar days, provide notice and response timelines to the applicant of deficiencies in the application or provide information as to any exigent circumstances that may delay issuing a license. For nonroutine licenses, the department shall confer with the board to which the licensure application is made and provide an expected timeline to an applicant for issuing a license, including notifying the applicant from that time forward of any deviations from the expected timeline.
- (2) standardize policies and procedures and keep in Helena all official records of the boards;
- (3) make arrangements and provide facilities in Helena for all meetings, hearings, and examinations of each board or elsewhere in the state if requested by the board;
- (4) contract for or administer and grade examinations required by each board;
- (5) investigate complaints received by the department of illegal or unethical conduct of a member of the profession or occupation under the jurisdiction of a board or a program within the department;
- (6) assess the costs of the department to the boards and programs on an equitable basis as determined by the department;
- (7) adopt rules setting administrative fees and expiration, renewal, and termination dates for licenses;
- (8) issue a notice to and pursue an action against a licensed individual, as a party, before the licensed individual's board after a finding of reasonable cause by a screening panel of the board pursuant to 37-1-307(1)(d);
- (9) (a) provide notice to the board and to the appropriate legislative interim committee standing committee or interim entity established by the legislature in its rules when a board cannot operate in a cost-

1 effective manner;

2 (b) suspend all duties under this title related to the board except for services related to renewal of
3 licenses;

4 (c) review the need for a board and make recommendations to the ~~legislative interim committee with~~
5 ~~monitoring responsibility for the boards~~ appropriate standing committee or interim entity established by the
6 legislature in its rules for legislation revising the board's operations to achieve fiscal solvency; and

7 (d) notwithstanding 2-15-121, recover the costs by one-time charges against all licensees of the
8 board after providing notice and meeting the requirements under the Montana Administrative Procedure Act;

9 (10) monitor a board's cash balances to ensure that the balances do not exceed two times the board's
10 annual appropriation level and adjust fees through administrative rules when necessary. [This subsection does
11 not apply to the board of public accountants, except that the department may monitor the board's cash
12 balances.]

13 (11) establish policies and procedures to set fees for administrative services, as provided in 37-1-134,
14 commensurate with the cost of the services provided. Late penalty fees may be set without being
15 commensurate with the cost of services provided.

16 (12) adopt uniform rules for all boards and department programs to comply with the public notice
17 requirements of 37-1-311 and 37-1-405. The rules may require the posting of only the licensee's name and the
18 fact that a hearing is being held when the information is being posted on a publicly available website prior to a
19 decision leading to a suspension or revocation of a license or other final decision of a board or the department.
20 (Bracketed language terminates September 30, 2023--sec. 5, Ch. 50, L. 2019.)"

21

22 **Section 68.** Section 37-1-107, MCA, is amended to read:

23 **"37-1-107. Joint meetings -- department duties.** (1) The department shall convene a joint meeting
24 once every 2 years of two or more boards that:

25 (a) have licensees with dual licensure in related professions or occupations;

26 (b) have licensees licensed by another board in a related profession or with similar scopes of practice,
27 including but not limited to:

28 (i) health care boards;

- 1 (ii) mental health care boards;
- 2 (iii) design boards;
- 3 (iv) therapeutic boards; or
- 4 (v) technical boards; or
- 5 (c) have issues of joint concern or related jurisdiction with each other.
- 6 (2) A quorum is not required for the joint meeting. However, one member from each board shall
- 7 attend.

8 (3) The department shall report to the ~~interim committee responsible for monitoring boards~~ legislature
9 in accordance with 5-11-210 with regard to attendance and issues of concern addressed by the boards."

10

11 **Section 69.** Section 37-1-122, MCA, is amended to read:

12 **"37-1-122. (Temporary) Active supervision -- rebuttable presumption -- reconsideration.** (1) (a)

13 Before making a determination approving or disapproving a board action subject to active supervision as
14 provided in 37-1-121(1)(d), the commissioner of labor and industry shall:

15 (i) notify the affected board and the ~~economic affairs interim committee~~ appropriate standing
16 committee or interim entity established by the legislature in its rules in writing of the particular action identified
17 for commissioner review;

18 (ii) give the board a timeframe of at least 30 days in which to provide the commissioner with written
19 comments and materials justifying the proposed action; and

20 (iii) meet with the board or its representatives regarding the board action.

21 (b) The commissioner may require that the board provide the commissioner with other relevant
22 information, including but not limited to comments, documents, or other material submitted to the board
23 regarding the board action.

24 (c) The commissioner may approve a board action subject to active supervision under 37-1-121(1)(d)
25 without the notice and opportunity for board comment required under subsection (1)(a) if the commissioner has
26 sufficient information to act.

27 (2) (a) There is a rebuttable presumption that if a board has not received a written notice as provided
28 in 37-1-121(1)(d) regarding a board action within 30 days, that the board action is presumed to be approved by

1 the commissioner because the department has determined the board action will not unreasonably restrain or
2 potentially unreasonably restrain competition in trade or commerce.

3 (b) At any time a board may request that the department or commissioner confirm in writing that a
4 board action is not subject to active supervision under 37-1-121(1)(d) because the commissioner has
5 determined that the board action will not unreasonably restrain or potentially unreasonably restrain competition
6 in trade or commerce.

7 (3) If the commissioner determines that a board action is subject to active supervision procedures
8 under 37-1-121(1)(d) and this section, the commissioner shall issue a written determination within 30 days after
9 meeting with the board or its representatives as provided in subsection (1).

10 (4) (a) The board may request that the commissioner reconsider the determination. A request under
11 this subsection (4) must be in writing, provide any additional supporting materials or arguments, and be
12 received by the commissioner within 10 days after issuance of the commissioner's written determination.

13 (b) The commissioner may meet with the board or representatives of the board as part of the
14 reconsideration process.

15 (c) The commissioner shall issue a written reconsideration decision within 10 days of receiving the
16 written request for a reconsideration or within 10 days after meeting with the board or its representatives
17 regarding the redetermination.

18 (5) This section may not be construed to mean that the commissioner's determination under 37-1-
19 121(1)(d) or the process described in this section is a contested case proceeding as defined in 2-4-102.

20 (6) (a) After the ~~economic affairs interim committee~~ appropriate standing committee or interim entity
21 established by the legislature in its rules is notified of the commissioner's decision to issue a written
22 determination or redetermination, the committee shall notify the commissioner if the committee plans to provide
23 an opportunity for public comment on the commissioner's action at the next committee meeting.

24 (b) The commissioner shall notify the ~~economic affairs interim committee~~ appropriate standing
25 committee or interim entity established by the legislature in its rules of a final determination under this section.
26 The committee shall follow the procedures in Title 2, chapter 4, if the committee decides to conduct a review. A
27 final determination of the commissioner may be suspended as provided in 2-4-305(9) whether the
28 determination is for a rule or for another board action. (Terminates July 1, 2021--sec. 8, Ch. 322, L. 2017.)"

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Section 70. Section 37-1-145, MCA, is amended to read:

"37-1-145. Military training or experience to satisfy licensing or certification requirements -- rulemaking. (1) Each licensing board or the department on behalf of a program shall by July 1, 2014, adopt rules that provide that certification or licensure requirements established by that board or program may be met by relevant military training, service, or education completed by an individual as a member of the armed forces or reserves of the United States, the national guard of a state, or the military reserves.

(2) (a) An applicant for certification or licensure shall provide to the board or, if applying for licensure by a program, to the department satisfactory evidence, as specified in rule, of receiving military training, service, or education that is equivalent to relevant certification or licensure requirements.

(b) The department and each licensing board shall, upon presentation of satisfactory evidence by an applicant for certification or licensure, accept education, training, or service completed by an individual as a member of the armed forces or reserves of the United States, the national guard of a state, or the military reserves toward the qualifications to receive the license or certification.

(3) The department shall report to the ~~interim committee responsible for monitoring licensing boards~~ legislature in accordance with 5-11-210 by January 1, 2014, on the progress and actions taken under this section by each licensing board or program."

Section 71. Section 37-3-203, MCA, is amended to read:

"37-3-203. Powers and duties -- rulemaking authority. (1) The board may:

(a) adopt rules necessary or proper to carry out the requirements in Title 37, chapter 3, parts 1 through 4, and of chapters covering podiatry, acupuncture, physician assistants, nutritionists, and emergency care providers as set forth in Title 37, chapters 6, 13, 20, and 25, and 50-6-203, respectively. Rules adopted for emergency care providers with an endorsement to provide community-integrated health care must address the scope of practice, competency requirements, and educational requirements.

(b) hold hearings and take evidence in matters relating to the exercise and performance of the powers and duties vested in the board;

(c) aid the county attorneys of this state in the enforcement of parts 1 through 4 and 8 of this chapter

1 as well as Title 37, chapters 6, 13, 20, and 25, and Title 50, chapter 6, regarding emergency care providers
2 licensed by the board. The board also may assist the county attorneys of this state in the prosecution of
3 persons, firms, associations, or corporations charged with violations of the provisions listed in this subsection
4 (1)(c).

5 (d) review certifications of disability and determinations of eligibility for a permit to hunt from a vehicle
6 as provided in 87-2-803(11); and

7 (e) fund additional staff, hired by the department, to administer the provisions of this chapter, by
8 increasing license fees as necessary.

9 (2) (a) The board shall establish a medical assistance program to assist and rehabilitate licensees
10 who are subject to the jurisdiction of the board and who are found to be physically or mentally impaired by
11 habitual intemperance or the excessive use of addictive drugs, alcohol, or any other drug or substance or by
12 mental illness or chronic physical illness.

13 (b) The board shall ensure that a licensee who is required or volunteers to participate in the medical
14 assistance program as a condition of continued licensure or reinstatement of licensure must be allowed to
15 enroll in a qualified medical assistance program within this state and may not require a licensee to enroll in a
16 qualified treatment program outside the state unless the board finds that there is no qualified treatment program
17 in this state.

18 (3) (a) The board shall report annually on the number and types of complaints it has received
19 involving physician practices in providing written certification, as defined in 50-46-302, for the use of marijuana
20 for a debilitating medical condition provided for in Title 50, chapter 46. The report must contain:

21 (i) the number of complaints received by the board pursuant to 37-1-308;

22 (ii) the number of complaints for which a reasonable cause determination was made pursuant to 37-1-
23 307;

24 (iii) the general nature of the complaints;

25 (iv) the number of investigations conducted into physician practices in providing written certification;

26 and

27 (v) the number of physicians disciplined by the board for their practices in providing written
28 certification for the use of marijuana for a debilitating medical condition.

1 (b) Except as provided in subsection (3)(c), the report may not contain individual identifying
2 information regarding the physicians about whom the board received complaints.

3 (c) For each physician against whom the board takes disciplinary action related to the physician's
4 practices in providing written certification for the use of marijuana for a debilitating medical condition, the report
5 must include:

- 6 (i) the name of the physician;
- 7 (ii) the general results of the investigation of the physician's practices; and
- 8 (iii) the disciplinary action taken against the physician.

9 (d) The board shall provide the report ~~to the children, families, health, and human services interim~~
10 ~~committee by August 1 of each year~~ to the legislature in accordance with 5-11-210 and shall make a copy of
11 the report available on the board's website.

12 (4) The board may enter into agreements with other states for the purposes of mutual recognition of
13 licensing standards and licensing of physicians and emergency care providers from other states under the
14 terms of a mutual recognition agreement."
15

16 **Section 72.** Section 37-7-1514, MCA, is amended to read:

17 **"37-7-1514. Report to legislature.** The board shall provide a report ~~to the appropriate interim~~
18 ~~committees of the legislature each interim~~ to the legislature in accordance with 5-11-210, including but not limited
19 to information on:

- 20 (1) the cost of establishing and maintaining the registry;
- 21 (2) any grants, gifts, or donations received to assist in establishing and maintaining the registry;
- 22 (3) how registry information was used; and
- 23 (4) how quickly the board was able to answer requests for information from the registry."
24

25 **Section 73.** Section 39-12-103, MCA, is amended to read:

26 **"39-12-103. (Temporary) Montana HELP Act workforce development -- participation -- report.**
27 (1) The department shall provide individuals receiving assistance for health care services pursuant to Title 53,
28 chapter 6, part 13, with the option of participating in an employment or reemployment assessment and in the

1 workforce development program provided for in 39-12-101. The assessment must identify any probable barriers
2 to employment that exist for the member.

3 (2) The department shall contact each program participant subject to the community engagement
4 requirements of 53-6-1308 and assist the participant with completion of an employment or reemployment
5 assessment. Based on the results of the assessment, the department shall identify services to help the
6 individual address barriers to employment.

7 (3) (a) The department shall notify the department of public health and human services when a
8 participant has received all services and assistance under subsection (1) that can reasonably be provided to
9 the individual.

10 (b) The department is not required to provide further services under this section after it has provided
11 the notification provided for in subsection (3)(a).

12 (c) A participant who is no longer receiving services under this section does not meet the criteria of
13 53-6-1307(6)(c) for the exemption granted under 53-6-1307(6).

14 (4) [The department shall report the following information to the] legislative finance committee and the
15 ~~children, families, health, and human services interim committee~~ legislature in accordance with 5-11-210:

16 (a) [the activities undertaken to establish] the employer grant program provided for in 39-12-106;

17 (b) the number of employers receiving grant awards and the number and types of activities, training,
18 or jobs the employers provided; and

19 (c) the total cost of providing workforce development services under this chapter, including related
20 administrative costs.

21 (5) To the extent possible, the department of public health and human services shall offset the cost of
22 workforce development activities provided under this section by using temporary assistance for needy families
23 reserve funds.

24 (6) The department shall reduce fraud, waste, and abuse in determining and reviewing eligibility for
25 unemployment insurance benefits by enhancing technology system support to provide knowledge-based
26 authentication for verifying the identity and employment status of individuals seeking benefits, including the use
27 of public records to confirm identity and to flag changes in demographics. (Terminates June 30, 2025--secs. 38,
28 48, Ch. 415, L. 2019.)"

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Section 74. Section 39-71-2375, MCA, is amended to read:

"39-71-2375. Operation of state fund as authorized insurer -- issuance of certificate of authority -- exceptions -- use of calendar year -- risk-based capital -- reporting requirements. (1) The state fund provided for in 39-71-2313 is an authorized insurer and, except as provided in this section, is subject to the provisions in Title 33 that are generally applicable to authorized workers' compensation insurers in this state and the provisions of Title 39, chapter 71, part 23.

(2) (a) The commissioner shall issue a certificate of authority to the state fund to write workers' compensation insurance coverages, as provided in 39-71-2316, and except as otherwise provided in this section the requirements of Title 33, chapter 2, part 1, do not apply. The certificate of authority must be continuously renewed by the commissioner.

(b) The state fund shall pay the annual fee under 33-2-708, provide the surplus funds required under 33-2-109 and 33-2-110, and provide to the commissioner the available documentation and information that is provided by other insurers when applying for a certificate of authority under 33-2-115.

(c) The state fund is subject to the reporting requirements under 33-2-705 but is not subject to the tax on net premiums.

(3) (a) The state fund, as the guaranteed market for workers' compensation insurance for employers pursuant to 39-71-2313, is not subject to:

- (i) formation requirements of an insurer under Title 33, chapter 3;
- (ii) revocation or suspension of its certificate of authority under any provision of Title 33 or any order or any provision that requires forfeiture of the state fund's obligation to insure employers as required in 39-71-2313;
- (iii) liquidation or dissolution under Title 33;
- (iv) participation in the guaranty association provided for in Title 33, chapter 10;
- (v) 33-12-104; or
- (vi) any assessment of punitive or exemplary damages.

(b) The state fund is subject to 33-16-1023, except as provided in 39-71-2316(1)(e), (1)(f), and (1)(g).

(4) The state fund shall complete financial reporting and accounting on a calendar year basis.

1 (5) (a) If the state fund's risk-based capital falls below the company action level RBC as defined in
 2 33-2-1902, the commissioner shall issue a report to the governor, the state fund board of directors, and to the
 3 legislature. If the legislature is not in session, the report must go to the ~~economic affairs interim committee~~
 4 appropriate standing committee or interim entity established by the legislature in its rules and to the legislative
 5 auditor. The report must provide a description of the RBC measurement, the regulatory implications of the state
 6 fund falling below the RBC criteria, and the state fund's corrective action plan. If the commissioner is reporting
 7 on a regulatory action level RBC event, the report must include the state fund's corrective action plan, results of
 8 any examination or analysis by the commissioner, and any corrective orders issued by the commissioner.

9 (b) If the state fund fails to comply with any lawful order of the commissioner, the commissioner may
 10 initiate supervision proceedings under Title 33, chapter 2, part 13, against state fund. If the state fund fails to
 11 comply with the commissioner's lawful supervision order under this subsection (5)(b), the commissioner may
 12 institute rehabilitation proceedings under Title 33, chapter 2, part 13, only if the commissioner is petitioning for
 13 rehabilitation based on the grounds provided in 33-2-1321(1) or (2).

14 (6) The state fund shall annually transfer funds to the commissioner, out of its surplus, for all
 15 necessary staffing and related expenses for a full-time attorney licensed to practice law in Montana and a full-
 16 time examiner qualified by education, training, experience, and high professional competence to examine the
 17 state fund pursuant to Title 33, chapter 1, part 4, and this section. The attorney and examiner must be
 18 employees of the commissioner.

19 (7) For the purposes of this section, the term "guaranteed market" has the definition provided in 39-
 20 71-2312."

21

22 **Section 75.** Section 41-3-122, MCA, is amended to read:

23 **"41-3-122. Strategic plan for child abuse and neglect prevention -- report to legislature.** (1) (a)

24 By August 15, 2018, the department shall develop a strategic plan that sets out measurable goals and
 25 strategies for reducing child abuse and neglect in Montana over a 5-year period. The plan must address ways
 26 to:

- 27 (i) increase family stability;
- 28 (ii) enhance child development for all families; and

- 1 (iii) mitigate the factors known to lead to child abuse and neglect.
- 2 (b) The plan must review factors and propose strategies specific to Montana's urban and rural areas,
- 3 as well as the state's Indian communities and reservations.
- 4 (2) The strategic plan must:
 - 5 (a) outline the degree to which child abuse and neglect are occurring in Montana and the projections
 - 6 for the occurrence of child abuse and neglect in future years;
 - 7 (b) discuss the effects that child abuse and neglect have on children, families, and society as a whole,
 - 8 including the effects on the physical, psychological, cognitive, and behavioral development of children;
 - 9 (c) examine the risk factors that lead to child abuse and neglect and the protective factors that reduce
 - 10 the potential for child abuse and neglect to occur, using the social-ecological model that takes into account
 - 11 individual, family, community, and societal factors, including factors specific to Indian communities and
 - 12 reservations;
 - 13 (d) review research related to risk and protective factors to evaluate the effectiveness of various
 - 14 prevention efforts and identify the characteristics of successful prevention responses;
 - 15 (e) inventory the prevention responses currently being used in Montana at the state and local levels;
 - 16 and
 - 17 (f) propose additional prevention strategies.
- 18 (3) The department shall, at a minimum, include the following entities in development of the strategic
- 19 plan:
 - 20 (a) the interagency coordinating council for state prevention programs provided for in 2-15-225;
 - 21 (b) the Montana children's trust fund board provided for in 2-15-2214;
 - 22 (c) the state advisory council for the child and family services division of the department;
 - 23 (d) former members of the protect Montana kids commission established by the governor by
 - 24 executive order on September 21, 2015;
 - 25 (e) representatives of Montana's tribal communities; and
 - 26 (f) representatives of other state and local agencies and organizations that work to reduce or prevent
 - 27 child abuse and neglect, including juvenile courts and health, education, social services, and law enforcement
 - 28 agencies.

1 (4) The department shall provide a copy of the strategic plan to the ~~children, families, health, and~~
2 ~~human services interim committee~~ legislature in accordance with 5-11-210 and the legislative finance
3 committee."

4

5 **Section 76.** Section 41-3-123, MCA, is amended to read:

6 **"41-3-123. (Temporary) Child abuse and neglect review commission -- duties -- confidentiality -**
7 **- liability -- report to legislature.** (1) Within existing resources, the child abuse and neglect review commission
8 established in 2-15-2019 shall:

9 (a) examine the trends and patterns of child abuse and neglect, including fatalities and near fatalities
10 attributable to child abuse and neglect;

11 (b) educate the public, service providers, and policymakers about child abuse and neglect, including
12 fatalities and near fatalities attributable to child abuse and neglect, and about strategies for intervention in and
13 prevention of child abuse and neglect;

14 (c) coordinate with the child fatality review team and the domestic fatality review commission as
15 appropriate;

16 (d) study the laws, practices, policies, successes, and failures of surrounding states in the area of
17 combating child abuse and neglect and consider whether any should be adopted in Montana; and

18 (e) recommend policies, practices, and services that may encourage collaboration and reduce
19 fatalities and near fatalities attributable to child abuse and neglect.

20 (2) The commission members may determine the frequency with which the commission will meet, but
21 the commission shall meet at least once a year.

22 (3) The commission shall select and review a representative sample of child abuse and neglect cases
23 that resulted in a fatality or near fatality.

24 (4) Upon written request from the commission, a person who possesses records necessary and
25 relevant to a review being conducted under this section shall, as soon as practicable, provide the commission
26 with the records.

27 (5) The meetings and proceedings of the commission are confidential and are exempt from the
28 provisions of Title 2, chapter 3.

1 (6) (a) The records of the commission are confidential and are exempt from the provisions of Title 2,
2 chapter 6. The records are not subject to subpoena, discovery, or introduction into evidence in a civil or criminal
3 action unless the records are reviewed by a district court judge in camera and ordered to be provided to the
4 person seeking access.

5 (b) The commission shall disclose conclusions and recommendations on request but may not
6 disclose records that are otherwise confidential.

7 (c) The commission may not use the records for purposes other than those allowed under
8 subsections (1)(a) and (1)(c).

9 (7) The commission may:

10 (a) require a person appearing before it to sign a confidentiality agreement created by the commission
11 in order to maintain the confidentiality of the proceedings; and

12 (b) enter into agreements with nonprofit organizations and private agencies to obtain otherwise
13 confidential records.

14 (8) A member of the commission who knowingly uses records obtained pursuant to subsection (4) for
15 a purpose not authorized in subsection (1) or who discloses records in violation of subsection (6) is subject to a
16 civil penalty of not more than \$500.

17 (9) (a) The commission shall report its findings and recommendations in writing to the ~~children,~~
18 ~~families, health, and human services interim committee, the law and justice interim committee~~ legislature in
19 accordance with 5-11-210, the governor, and the chief justice of the Montana supreme court prior to each
20 regular legislative session. The report shall contain the following information:

21 (i) the cause and circumstances of each fatality and near fatality attributable to child abuse or neglect
22 reviewed by the commission;

23 (ii) the age and gender of each child involved;

24 (iii) information describing any previous reports of child abuse or neglect and the results of any
25 investigations into those reports that are pertinent to the child abuse or neglect that led to each fatality or near
26 fatality; and

27 (iv) the services provided by and actions of the department of public health and human services on
28 behalf of the child that are pertinent to the child abuse or neglect that led to the fatality or near fatality.

1 (b) The commission periodically may issue other data or information in addition to the report.

2 (10) The biennial report may exclude information required under subsection (9) for cases in which
3 reporting the information would:

4 (a) be detrimental to the safety and well-being of the child, parents, or family;

5 (b) jeopardize a criminal investigation; or

6 (c) interfere with the protection of individuals who report child abuse or neglect.

7 (11) For the purposes of this section, "near fatality" means an incident in which a child was certified by
8 a physician to be in a medically serious or critical condition because of an action that constituted child abuse or
9 neglect. (Terminates September 30, 2021--sec. 12, Ch. 235, L. 2017.)"

10

11 **Section 77.** Section 41-3-210, MCA, is amended to read:

12 **"41-3-210. County attorney duties -- certification -- retention of records -- reports to attorney**

13 **general and legislature.** (1) (a) The county attorney shall gather all case notes, correspondence, evaluations,
14 interviews, and other investigative materials pertaining to each report from the department or investigation by
15 law enforcement of sexual abuse or sexual exploitation of a child made within the county. After a report is made
16 or an investigation is commenced, the following individuals or entities shall provide to the county attorney all
17 case notes, correspondence, evaluations, interviews, and other investigative materials related to the report or
18 investigation:

19 (i) the department;

20 (ii) state and local law enforcement; and

21 (iii) all members of a county or regional interdisciplinary child information and school safety team
22 established under 52-2-211.

23 (b) The duty to provide records to the county attorney under subsection (1)(a) remains throughout the
24 course of an investigation, an abuse and neglect proceeding conducted pursuant to this part, or the prosecution
25 of a case involving the sexual abuse of a child or sexual exploitation of a child.

26 (c) Upon receipt of a report from the department, as required in 41-3-202, that includes an allegation
27 of sexual abuse of a child or sexual exploitation of a child, the county attorney shall certify in writing to the
28 person who initially reported the information that the county attorney received the report. The certification must

1 include the date the report was received and the age and gender of the alleged victim. If the report was
2 anonymous, the county attorney shall provide the certification to the department. If the report was made to the
3 county attorney by a law enforcement officer, the county attorney is not required to provide the certification.

4 (2) The county attorney shall retain records relating to the report or investigation, including the
5 certification, case notes, correspondence, evaluations, videotapes, and interviews, for 25 years.

6 (3) Each county attorney shall report every 6 months to the attorney general. The report to the
7 attorney general must include, for each report from the department or investigation by law enforcement:

8 (a) a unique case identifier;

9 (b) the date that the initial report or allegation was received by the county attorney;

10 (c) the date of any decision to prosecute based on a report or investigation;

11 (d) the date of any decision to decline to prosecute based on a report or investigation; and

12 (e) if charges are filed against a defendant, any known outcomes of the case.

13 (4) The attorney general shall report to the ~~law and justice interim committee each year by September~~
14 ~~1 and as provided in legislature in accordance with 5-11-210.~~ The reports must provide aggregated information
15 regarding the status of the cases reported by the county attorneys, including data on the total number of cases
16 reported, the number of cases declined for prosecution, and the number of cases charged."

17

18 **Section 78.** Section 41-3-1211, MCA, is amended to read:

19 **"41-3-1211. Powers and duties.** The powers and duties of the ombudsman are:

20 (1) to respond to requests for assistance regarding administrative acts and to investigate
21 administrative acts;

22 (2) to investigate circumstances surrounding reports that are provided to the ombudsman pursuant to
23 41-3-209;

24 (3) to inspect, copy, or subpoena records as needed to perform the ombudsman's duties under this
25 part;

26 (4) to take appropriate steps to ensure that persons are made aware of the purpose, services, and
27 procedures of the ombudsman and how to contact the ombudsman;

28 (5) to share relevant findings related to an investigation, subject to disclosure restrictions and

- 1 confidentiality requirements, with individuals or entities legally authorized to receive, inspect, or investigate
- 2 reports of child abuse or neglect;
- 3 (6) to periodically review department procedures and promote best practices and effective programs
- 4 by working collaboratively with the department to improve procedures, practices, and programs;
- 5 (7) to undertake, participate in, and cooperate with persons and the department in activities, including
- 6 but not limited to conferences, inquiries, panels, meetings, or studies, that serve to improve the manner in
- 7 which the department functions;
- 8 (8) to provide education on the legal rights of children;
- 9 (9) to apply for and accept grants, gifts, contributions, and bequests of funds for the purpose of
- 10 carrying out the ombudsman's responsibilities; and
- 11 (10) to report annually to the attorney general and the ~~children, families, health, and human services~~
- 12 ~~interim committee~~ legislature in accordance with 5-11-210. The report must be public and may contain
- 13 recommendations from the ombudsman regarding systematic improvements for the department."

14

15 **Section 79.** Section 41-5-2003, MCA, is amended to read:

- 16 **"41-5-2003. Establishment of program -- office of court administrator duties.** (1) There is a
- 17 juvenile delinquency intervention program. Each judicial district shall participate in the program.
- 18 (2) The office of court administrator and the judicial district shall monitor the judicial district's annual
- 19 allocation provided for in 41-5-130 to ensure that the judicial district does not exceed its allocation.
- 20 (3) The office of court administrator shall provide technical assistance to each judicial district for the
- 21 monitoring of its annual allocation.
- 22 (4) The office of court administrator shall assist each youth court in developing placement alternatives
- 23 and community intervention and prevention programs and services.
- 24 (5) (a) Each fiscal year, the office of court administrator may select out-of-home placements,
- 25 programs, and services to be evaluated for their effectiveness in achieving the purposes provided in 41-5-2002.
- 26 The cost containment review panel shall provide recommendations to the office on out-of-home placements,
- 27 programs, and services to be evaluated and on the scope of the evaluation. Before conducting any evaluation,
- 28 the office shall obtain approval from the district court council established in 3-1-1602.

1 (b) The office shall report the results of any evaluation conducted under subsection (5)(a) to the
2 department, cost containment review panel, district court council, and ~~law and justice interim committee~~ the
3 legislature in accordance with 5-11-210."
4

5 **Section 80.** Section 44-2-411, MCA, is amended to read:

6 **"44-2-411. (Temporary) Missing indigenous persons task force -- membership -- duties.** (1)

7 There is a missing indigenous persons task force. The task force is allocated to the department of justice for
8 staffing services and administrative purposes only.

9 (2) Task force members, including the presiding officer, must be appointed by the attorney general or
10 a designee of the attorney general. The task force membership must include but is not limited to:

- 11 (a) an employee of the department of justice who has expertise in the subject of missing persons;
- 12 (b) a representative from each tribal government located on the seven Montana reservations and the
13 Little Shell Chippewa tribe;
- 14 (c) a member from the Montana highway patrol; and
- 15 (d) a representative from the attorney general's office.

16 (3) While respecting the government-to-government relationship between the state and each tribe, the
17 primary duties of the task force are to:

- 18 (a) administer the looping in native communities network grant program provided for in 44-2-412; and
- 19 (b) (i) identify jurisdictional barriers between federal, state, local, and tribal law enforcement and
20 community agencies; and
- 21 (ii) work to identify strategies to improve interagency communication, cooperation, and collaboration to
22 remove jurisdictional barriers and increase reporting and investigation of missing indigenous persons.

23 (4) (a) The task force members must be appointed within 60 days after May 8, 2019. A vacancy on
24 the task force must be filled in the manner of the original appointment.

25 (b) The task force shall develop and finalize the looping in native communities network grant
26 application and award criteria no later than October 15, 2019.

27 (c) The task force shall select the recipient of the looping in native communities network competitive
28 grant under 44-2-412(2) and disburse the grant funds no later than March 15, 2020.

1 (d) The task force must select eligible grantees and disburse funds for any grants awarded pursuant
2 to 44-2-412(3) by June 30, 2020.

3 (e) The task force shall convene at least one meeting with tribal and local law enforcement agencies,
4 federally recognized tribes, and urban Indian organizations for the purposes of subsection (3)(b) and to
5 determine the scope of the problem of missing indigenous women and children.

6 (f) The task force shall prepare a written report of findings and recommendations for submission to
7 ~~the state-tribal relations interim committee provided for in 5-5-229, no later than September 1, 2020~~ the
8 legislature in accordance with 5-11-210. The report must include a recommendation to the 67th legislature as to
9 whether the task force should continue in existence. (Terminates June 30, 2021--sec. 8, Ch. 373, L. 2019.)"

10

11 **Section 81.** Section 44-4-1606, MCA, is amended to read:

12 **"44-4-1606. Duties of department.** (1) (a) Except as provided in subsection (1)(b), there is a
13 statewide public safety communications system administered by the department.

14 (b) The department of natural resources and conservation may opt out of the public safety
15 communications system.

16 (2) The department shall implement, sustain, and plan for the statewide public safety communications
17 system within the limits of budget authority dedicated to the system.

18 (3) The department shall:

19 (a) encourage and foster the development of new and innovative technology within the public safety
20 communications system and ways to deliver public safety communications functions;

21 (b) promote and coordinate the sharing of statewide public safety communications system resources;

22 (c) establish and execute a long-term, fiscally sustainable strategic plan for the statewide public safety
23 communications system;

24 (d) establish and communicate policies and standards for the statewide public safety communications
25 system;

26 (e) staff and cover the costs of the advisory council established in 44-4-1604;

27 (f) operate and maintain the statewide public safety communications system for the use of state
28 government, political subdivisions, and other participating entities under terms and conditions established by

1 the department, within the limits of budget authority dedicated to the system;

2 (g) establish rates and other charges for statewide public safety communications system services
3 provided by the department;

4 (h) ensure collection of any user fees is dedicated to the operation, maintenance, expansion, or any
5 combination of operation, maintenance, or expansion of the statewide public safety communications system.
6 Proposed fees must be deposited in the account established in 44-4-1607 and included in the department's
7 budget.

8 (i) accept federal funds, gifts, grants, and donations for the purposes of this part;

9 (j) accept county, tribal, and municipal funds provided for the operation, maintenance, deployment,
10 expansion, or any combination of operation, maintenance, deployment, or expansion of the statewide public
11 safety communications system;

12 (k) at the department's discretion, accept a transfer of ownership for the existing statewide public
13 safety communications system, subsystems, or other assets or property from a county, tribal, federal, or
14 municipal government;

15 (l) establish agreements between governmental agencies that currently own, operate, or both own
16 and operate infrastructure on the statewide public safety communications system. Agreements must, if
17 applicable, recognize that current network control points are owned and administered by a county and will
18 remain owned and administered by a county.

19 (m) pursue funding opportunities that can be leveraged based on user participation;

20 (n) ~~before September 1 of each year, report to the law and justice interim committee and to the~~
21 legislature as provided in accordance with 5-11-210 on the statewide public safety communications system
22 activities of the department; and

23 (o) represent the state before public and private entities on matters pertaining to the statewide public
24 safety communications system.

25 (4) The department may contract with qualified private organizations, foundations, or individuals to
26 carry out the purposes of this part.

27 (5) The department shall operate and maintain the statewide public safety communications system
28 within the limits of budget authority dedicated to the system.

1 (6) This part does not provide the department with regulatory authority or responsibility over a
2 commercial business."

3

4 **Section 82.** Section 44-7-302, MCA, is amended to read:

5 **"44-7-302. Restorative justice grants.** (1) The purposes of the restorative justice grant programs are
6 to:

7 (a) promote the use of restorative justice practices throughout the state; and

8 (b) provide technical assistance to local and state jurisdictions and organizations interested in
9 implementing the principles of restorative justice.

10 (2) For the purposes of this part, the term "restorative justice" means criminal justice practices that
11 elevate the role of crime victims and community members in the criminal justice process, hold offenders directly
12 accountable to the people and communities they have harmed, restore emotional and material losses, and
13 provide a range of opportunities for victim, offender, and community dialogue, negotiation, and problem solving
14 to bring about a greater sense of justice, repair harm, provide restitution, reduce incarceration and recidivism
15 rates, and increase public safety.

16 (3) A restorative justice program eligible for grant funding pursuant to this section shall use evidence-
17 based practices, which may include but are not limited to facilitated victim-offender meetings, family group
18 conferencing, sentencing circles, victim impact panels, offender accountability letters, restitution programs,
19 constructive community service, victim awareness education, victim empathy programs, school expulsion
20 alternatives, peer mediation, diversion programs, and community panels.

21 (4) (a) The board of crime control shall actively seek federal grant money that may be used for the
22 purposes of this section.

23 (b) The board shall produce a biennial report summarizing the grants provided, how the grant money
24 was spent, and the program data and information reported by grant recipients.

25 (c) The board shall report ~~annually to the law and justice interim committee~~ to the legislature in
26 accordance with 5-11-210 regarding the status and performance of the restorative justice grant programs
27 established in this section."

28

1 **Section 83.** Section 46-23-1028, MCA, is amended to read:

2 **"46-23-1028. Supervision responses grid -- report.** (1) The department shall revise, maintain, and
 3 fully implement the policy known as the Montana incentives and interventions grid. The grid must guide
 4 responses to negative and positive behavior by people under supervision by the department, including
 5 responses to violations of supervision conditions, in a swift, certain, and proportional manner. The grid must
 6 include guidance and procedures to determine when and how to:

- 7 (a) request a warrant or arrest without a warrant;
- 8 (b) use a 72-hour detention;
- 9 (c) initiate an intervention hearing;
- 10 (d) seek departmental approval to use up to 90-day interventions; and
- 11 (e) exhaust and document appropriate graduated violation responses before initiating the revocation
 12 process.

13 (2) The grid must recommend the least restrictive placement for offenders based on the result of a
 14 validated risk and needs assessment. Placement decisions must be documented in the offender's file and must
 15 indicate any other less secure sanction options considered by the probation and parole officer before utilizing a
 16 higher level of custody.

- 17 (3) The department shall:
 - 18 (a) provide information and training on the grid for probation and parole officers and supervisors and
 19 for members and staff of the board of pardons and parole;
 - 20 (b) offer information and training on the grid to district court judges, prosecution and defense
 21 attorneys, law enforcement personnel, county detention center personnel, contracted service providers, and
 22 other interested personnel;
 - 23 (c) review the grid every 5 years to ensure that it adheres to evidence-based practices and that the
 24 use of sanctions and incentives by probation and parole officers is consistent across the state;
 - 25 (d) ensure that the guidance and procedures established in the grid consider community safety and
 26 the needs of the victim and offender;
 - 27 (e) collect data relating to placement decisions based on the grid; and
 - 28 (f) aggregate collected data and provide a report to the law and justice interim committee each

1 ~~biennium legislature in accordance with 5-11-210.~~"

2

3 **Section 84.** Section 47-1-125, MCA, is amended to read:

4 **"47-1-125. Reports.** (1) (a) The office shall submit a biennial report to the governor, the supreme
5 court, and the legislature, as provided in 5-11-210. Each interim, the director shall also specifically report to the
6 ~~law and justice interim committee established pursuant to 5-5-202 and 5-5-226~~ legislature in accordance with 5-
7 11-210.

8 (b) The biennial report must cover the preceding biennium and include:

- 9 (i) all policies or procedures in effect for the operation and administration of the statewide public
10 defender system;
- 11 (ii) all standards of practice established or being considered by the director for the public defender
12 division, the appellate defender division, and the conflict defender division;
- 13 (iii) the number of deputy public defenders and the region supervised by each;
- 14 (iv) the number of public defenders employed or contracted with in the system, identified by region, if
15 appropriate, and office;
- 16 (v) the number of nonattorney staff employed or contracted with in the system, identified by region, if
17 appropriate, and office;
- 18 (vi) the number of new cases in which counsel was assigned to represent a party, identified by region,
19 court, and case type;
- 20 (vii) the total number of persons represented by the public defender division, the appellate defender
21 division, and the conflict defender division identified by region, if appropriate, court, and case type;
- 22 (viii) the annual caseload and workload of each public defender identified by region, if appropriate,
23 court, and case type;
- 24 (ix) the training programs conducted by the office and the number of attorney and nonattorney staff
25 who attended each program;
- 26 (x) the continuing education courses on criminal defense or criminal procedure attended by each
27 public defender employed or contracted with in the system; and
- 28 (xi) detailed expenditure data by court and case type.

1 (2) The office shall report data for each fiscal year by September 30 of the subsequent fiscal year
2 representing the caseload for the entire statewide public defender system to the governor and legislative fiscal
3 analyst. The report must include unduplicated count data for all cases for which representation is paid for by the
4 office, the number of new cases opened, the number of cases closed, the number of cases that remain open
5 and active, the number of cases that remain open but are inactive, and the average number of days between
6 case opening and closure for each case type. The report must be provided in an electronic format."

7

8 **Section 85.** Section 50-46-329, MCA, is amended to read:

9 **"50-46-329. Inspections -- procedures -- prohibition on inspector affiliation with licensees.** (1)

10 The department shall conduct unannounced inspections of registered premises and testing laboratories.

11 (2) (a) The department shall inspect annually each registered premises and testing laboratory.

12 (b) The department shall collect samples during the inspection of registered premises and submit
13 them to one or more testing laboratories for testing as provided in 50-46-304 and by the state laboratory by
14 rule.

15 (c) The department may collect samples during the inspection of a registered premises and submit
16 the samples to all registered testing laboratories for testing as provided by the department by rule.

17 (3) (a) Each provider and marijuana-infused products provider shall keep a complete set of records
18 necessary to show all transactions with registered cardholders. The records must be open for inspection by the
19 department or state laboratory, as appropriate, and state or local law enforcement agencies during normal
20 business hours.

21 (b) Each testing laboratory shall keep:

22 (i) a complete set of records necessary to show all transactions with providers and marijuana-infused
23 products providers; and

24 (ii) all data, including instrument raw data, pertaining to the testing of marijuana and marijuana-infused
25 products.

26 (c) The records and data required under this subsection (3) must be open for inspection by the
27 department and state or local law enforcement agencies during normal business hours.

28 (d) The department may require a provider, marijuana-infused products provider, or testing laboratory

1 to furnish information that the department considers necessary for the proper administration of this part.

2 (4) (a) Registered premises and testing laboratories, including any places of storage, where
3 marijuana is cultivated, manufactured, sold, stored, or tested are subject to entry by the department or state or
4 local law enforcement agencies for the purpose of inspection or investigation during normal business hours.

5 (b) If any part of the registered premises or testing laboratory consists of a locked area, the provider,
6 marijuana-infused products provider, or testing laboratory shall make the area available for inspection without
7 delay upon request of the department or state or local law enforcement officials.

8 (5) A provider or marijuana-infused products provider shall maintain records showing the names and
9 registry identification numbers of registered cardholders to whom mature plants, seedlings, usable marijuana,
10 or marijuana-infused products were sold or transferred and the quantities sold or transferred to each
11 cardholder.

12 (6) The state laboratory shall conduct the inspections of testing laboratories required under this
13 section.

14 (7) If the department conducts an inspection because of a complaint against a licensee or registered
15 premises and does not find a violation of this part, the department shall give the licensee a copy of the
16 complaint with the name of the complainant redacted.

17 (8) The department may not hire or contract with a person to be an inspector if the person has worked
18 during the previous 4 years for a Montana business or facility operating under this part.

19 (9) In addition to any other penalties provided under this part, the department may revoke, suspend
20 for up to 1 year, or refuse to renew a license or endorsement issued under this part if, upon inspection and
21 subsequent notice to the licensee, the department finds that any of the following circumstances exist:

22 (a) a cause for which issuance of the license or endorsement could have been rejected had it been
23 known to the department at the time of issuance;

24 (b) a violation of an administrative rule adopted to carry out the provisions of this part; or

25 (c) noncompliance with any provision of this part.

26 (10) The department may suspend or modify a license or endorsement without advance notice upon a
27 finding that presents an immediate threat to the health, safety, or welfare of registered cardholders, employees
28 of the licensee, or members of the public.

1 (11) Review of a department action imposing a suspension, revocation, or other modification under this
2 part must be conducted as a contested case hearing under the provisions of the Montana Administrative
3 Procedure Act.

4 (12) The department shall establish a training protocol to ensure uniform application and enforcement
5 of the requirements of this part.

6 (13) The department shall report biennially to the ~~children, families, health, and human services interim~~
7 ~~committee legislature in accordance with 5-11-210~~ concerning the results of inspections conducted under this
8 section. The report must include the information required under 50-46-343."
9

10 **Section 86.** Section 50-46-343, MCA, is amended to read:

11 **"50-46-343. Legislative monitoring.** (1) The ~~children, families, health, and human services interim~~
12 ~~committee~~ appropriate standing committee or interim entity established by the legislature in its rules shall
13 provide oversight of the department's activities pursuant to this part, including but not limited to monitoring of:

- 14 (a) the number of registered cardholders and licensees;
- 15 (b) issues related to the cultivation, manufacture, sale, testing, and use of marijuana; and
- 16 (c) the development, implementation, and use of the seed-to-sale tracking system established in
17 accordance with 50-46-304.

18 (2) The committee shall identify issues likely to require future legislative attention and develop
19 legislation to present to the next regular session of the legislature.

20 (3) (a) The department shall periodically report to the ~~children, families, health, and human services~~
21 ~~interim committee~~ appropriate standing committee or interim entity established by the legislature in its rules and
22 submit a report to the legislative clearinghouse, as provided in 5-11-210, on persons who are licensed or
23 registered pursuant to 50-46-303. The report must include:

- 24 (i) the number of applications for registry identification cards and the number of registered
25 cardholders approved;
- 26 (ii) the nature of the debilitating medical conditions of the cardholders;
- 27 (iii) the number of providers, marijuana-infused products providers, dispensaries, and testing
28 laboratories licensed pursuant to this part;

- 1 (iv) the number of endorsements approved for chemical manufacturing;
- 2 (v) the number of registry identification cards and licenses revoked; and
- 3 (vi) the number of physicians providing written certification for registered cardholders and the number
- 4 of written certifications each physician has provided.
- 5 (b) The report may not provide any identifying information of cardholders, physicians, providers,
- 6 marijuana-infused products providers, dispensaries, or testing laboratories.
- 7 (4) The report on inspections required under 50-46-329 must include, at a minimum, the following
- 8 information for both announced and unannounced inspections:
- 9 (a) the number of inspections conducted, by canopy licensure tier;
- 10 (b) the number of providers or marijuana-infused products providers who were inspected more than
- 11 once during the year;
- 12 (c) the number of inspections that were conducted because of complaints made to the department;
- 13 and
- 14 (d) the types of enforcement actions taken as a result of the inspections.
- 15 (5) The board of medical examiners shall report annually to the ~~children, families, health, and human~~
- 16 ~~services interim committee~~ legislature in accordance with 5-11-210 on the number and types of complaints the
- 17 board has received involving physician practices in providing written certification for the use of marijuana,
- 18 pursuant to 37-3-203.
- 19 ~~(6) The reports provided for in subsections (3) through (5) must also be provided to the revenue~~
- 20 ~~interim committee provided for in 5-5-227."~~

21
22 **Section 87.** Section 52-2-211, MCA, is amended to read:

23 **"52-2-211. County or regional interdisciplinary child information and school safety team. (1)**

24 The county commissioners of each county shall ensure the formation of a county or regional interdisciplinary

25 child information and school safety team that includes representatives authorized by any of the following:

- 26 (a) the youth court;
- 27 (b) the county attorney;
- 28 (c) the department of public health and human services;

- 1 (d) the county superintendent of schools;
- 2 (e) the sheriff;
- 3 (f) the chief of any police force;
- 4 (g) any board of trustees of a public school district operating within the boundaries of the county; and
- 5 (h) the department of corrections.

6 (2) Officials under subsection (1) from one county may also cooperate with officials under subsection
7 (1) from any other county to form regional interdisciplinary child information and school safety teams, in which
8 case access to information under 41-5-215(2) is authorized for all members of the regional team for each
9 county participating in a regional team. The formation of regional teams must be formalized by written
10 agreement between participating counties.

11 (3) The persons and agencies listed in subsection (1) or (2) may by majority vote allow the following
12 persons to join the team:

- 13 (a) physicians, psychologists, psychiatrists, nurses, and other providers of medical and mental health
14 care;
- 15 (b) entities operating private elementary and secondary schools;
- 16 (c) attorneys; and
- 17 (d) a person or entity that has or may have a legitimate interest in one or more children that the team
18 will serve.

19 (4) (a) The members of the team or their designees may form one or more auxiliary teams for the
20 purpose of providing service to a single child, a group of children, or children with a particular type of problem or
21 for any other purpose.

22 (b) A member of an auxiliary team must be a person who has personal knowledge of or experience
23 with the child or children in the member's respective field.

24 (5) The purpose of the team is to ensure the timely exchange and sharing of information that one or
25 more team members may be able to use in serving a child in the course of their professions and occupations,
26 including but not limited to abused or neglected children, delinquent youth, and youth in need of intervention,
27 and of information relating to issues of school safety. Information regarding a child that a team member
28 supplies to other team members or that is disseminated to a team member under 41-3-205 or 41-5-215(2) may

1 not be disseminated beyond the organizations or departments that have an authorized member on the team
2 under this section.

3 (6) A written agreement may be created to provide for the rules under which the team will operate, the
4 method by which information will be shared, distributed, and managed, and any other matters necessary to the
5 purpose and functions of the team. Any agreement created may not limit access of any team member to
6 information under 41-5-215(2).

7 (7) An interdisciplinary child information and school safety team shall coordinate its efforts with
8 interdisciplinary child protective teams as provided in 41-3-108 and youth placement committees as provided
9 for in 41-5-121.

10 (8) To the extent that the county or regional interdisciplinary child information and school safety team
11 is involved in a proceeding that is held prior to adjudication of a youth in youth court, the team satisfies the
12 requirements of 20 U.S.C. 1232g(b)(1)(E)(ii)(I) of the Family Educational Rights and Privacy Act of 1974.
13 Montana school districts may release education records to the team. The officials and authorities to whom the
14 information is disclosed may not disclose any information to any other party without the prior written consent of
15 the parent or guardian of the student.

16 (9) The county superintendent of schools shall provide to the office of public instruction a current copy
17 of any written agreement under this section no later than September 1. The office of public instruction shall
18 report to the ~~education interim committee no later than September 15~~ legislature in accordance with 5-11-210
19 any county that has not provided a written agreement under this section."

20

21 **Section 88.** Section 52-2-311, MCA, is amended to read:

22 **"52-2-311. Out-of-state placement monitoring and reporting.** (1) The department shall collect the
23 following information regarding high-risk children with multiagency service needs:

- 24 (a) the number of children placed out of state;
- 25 (b) the reasons each child was placed out of state;
- 26 (c) the costs for each child placed out of state;
- 27 (d) the process used to avoid out-of-state placements; and
- 28 (e) the number of in-state providers participating in the pool.

1 (2) For children whose placement is funded in whole or in part by medicaid, the report must include
2 information indicating other department programs with which the child is involved.

3 (3) On an ongoing basis, the department shall attempt to reduce out-of-state placements.

4 (4) The department shall report biannually to the ~~children, families, health, and human services~~
5 ~~interim committee legislature in accordance with 5-11-210~~ concerning the information it has collected under this
6 section and the results of the efforts it has made to reduce out-of-state placements."
7

8 **Section 89.** Section 52-2-803, MCA, is amended to read:

9 **"52-2-803. Duties of department.** The department shall:

10 (1) exercise licensing authority over all programs under this part;

11 (2) adopt rules prescribing the health and safety standards upon which licenses are issued under this
12 part;

13 (3) adopt rules setting forth reasonable licensing fees;

14 (4) make available to the public information on the name, address, and contact information for each
15 licensee; and

16 (5) report to the ~~children, families, health, and human services interim committee legislature~~ in
17 accordance with 5-11-210 on the department's efforts related to this part."
18

19 **Section 90.** Section 53-1-211, MCA, is amended to read:

20 **"53-1-211. Quality assurance unit -- program standards -- evaluation -- cooperation with**
21 **department of public health and human services -- report.** (1) There is a quality assurance unit in the
22 department of corrections.

23 (2) In addition to duties assigned to it by the department director or otherwise required by law, the unit
24 shall:

25 (a) adopt an evidence-based program evaluation tool that measures how closely correctional
26 programs meet the known principles of effective intervention. The tool must measure program content and
27 capacity to ensure the delivery of effective interventions for offenders.

28 (b) conduct evaluations of programs to reduce recidivism that are funded by the state; and

1 (c) enforce standards to ensure that programs are using best practices for reducing recidivism,
2 including targeting highest-risk individuals, adhering to evidence-based or research-driven practices, and
3 integrating opportunities for ongoing quality assurance and evaluation.

4 (3) Subject to the availability of funding, the department may contract with an independent contractor
5 or academic institution to complete evaluations.

6 (4) The unit shall work jointly with the department of public health and human services to develop
7 standards for quality assurance in behavioral health programs or other clinical programs.

8 (5) The unit shall conduct regular evaluations of programs operated by the department or under a
9 contract with the department.

10 (6) The department shall:

11 (a) develop and maintain a list of evidence-based treatment curriculums to be utilized in programs
12 operated by or under contract with the department with priority being placed on adopting treatment curriculums
13 that are in the public domain and evidence-based; and

14 (b) report the results of all initial and ongoing program evaluations to the ~~law and justice interim~~
15 ~~committee each interim~~ legislature in accordance with 5-11-210, including any identified program deficiencies
16 and the department's plan to correct those deficiencies.

17 (7) After May 19, 2017, the department shall ensure that contracts signed or renewed with providers
18 contain:

19 (a) minimum program standards that adhere to the evidence-based program evaluation tool adopted
20 as required in subsection (2);

21 (b) offender eligibility criteria for program entry with the contractor; and

22 (c) program dosage requirements that conform to evidence-based practices."
23

24 **Section 91.** Section 53-1-216, MCA, is amended to read:

25 **"53-1-216. Montana criminal justice oversight council -- duties -- membership.** (1) There is a
26 Montana criminal justice oversight council. The council consists of 16 members as follows:

27 (a) (i) two members of the house of representatives, one selected by the speaker of the house and
28 one selected by the house minority leader; and

1 (ii) two members of the senate, one selected by the president of the senate and one selected by the
2 senate minority leader;

3 (b) one district court judge selected by the chief justice of the Montana supreme court;

4 (c) the director and the deputy director of the department of corrections;

5 (d) a county sheriff and a county attorney appointed by the attorney general; and

6 (e) the following individuals appointed by the governor:

7 (i) a member of a state-recognized or federally recognized Indian tribe located within the boundaries
8 of the state of Montana who has expertise in criminal justice;

9 (ii) one member of the board of pardons and parole;

10 (iii) one member who represents the office of state public defender;

11 (iv) one representative of crime victims;

12 (v) one representative of civil rights advocates; and

13 (vi) two representatives of community corrections providers, one of whom must represent a treatment
14 facility and one of whom must represent a prerelease center.

15 (2) The department of corrections shall provide clerical and administrative staff services to the
16 council.

17 (3) The council shall elect a presiding officer.

18 (4) The council shall:

19 (a) review the recommendations of the commission on sentencing established in Chapter 343, Laws
20 of 2015;

21 (b) receive and analyze data collected by agencies and entities charged with implementing the
22 recommendations of the commission on sentencing and that are collecting data during the implementation and
23 management of specific recommendations;

24 (c) assess outcomes from the recommendations the commission on sentencing has made and
25 corresponding criminal justice reforms; and

26 (d) request, receive, and review data and report on performance outcome data relating to criminal
27 justice reform.

28 (5) Data evaluation performed by the council must:

- 1 (a) assess the current electronic records utilized by criminal justice agencies;
- 2 (b) review and list all variables collected in each agency's information management system;
- 3 (c) establish a baseline for historical data comparisons;
- 4 (d) determine whether data is linked to specific offenders through a unique identifying factor;
- 5 (e) review archival data and agencies' data retention policies;
- 6 (f) determine whether presentence investigation reports are completed electronically in the
- 7 department of corrections' case management system within established statutory timelines;
- 8 (g) review any established data protocols for pretrial services;
- 9 (h) assess if the data collected or recommended to be collected on offenders and programs will
- 10 provide criminal justice agencies, the legislature, and the public adequate information to determine whether
- 11 correctional programs produce standardized outcomes across the state and are an efficient use of state
- 12 resources; and
- 13 (i) review and suggest improvements for behavioral health screening instruments and other screening
- 14 instruments as needed to ensure the integrity of data that is captured in criminal justice agencies' information
- 15 management systems.
- 16 (6) The council shall examine the feasibility of creating and maintaining a public portal through which
- 17 criminal justice data can be accessed, including data on court case filings, correctional populations, and
- 18 historical and legacy data sets.
- 19 (7) The council shall submit by September 1 of each even-numbered year a biennial report to the
- 20 governor and legislature, as provided in 5-11-210. The report must include:
- 21 (a) a description of the council's proceedings since the previous report;
- 22 (b) a summary of savings from criminal justice reforms and recommendations for how the savings
- 23 should be reinvested to reduce recidivism;
- 24 (c) a description of performance measures and outcomes related to criminal justice reforms; and
- 25 (d) a narrative of the council's progress on establishing data collection and uniformity standards and
- 26 any changes that have been implemented as a result of the council's work.
- 27 (8) The council may appoint a working group to track any legislation resulting from criminal justice
- 28 reforms and to perform other detailed analysis as directed by the council. If appointed, the working group shall

1 meet regularly and report to the council as the council requires. The working group may include representatives
2 of criminal justice agencies and key constituencies that are not members of the council.

3 (9) Using the process established in legislative rules for executive agency legislative requests, the
4 council may request legislation to enact changes to the state's criminal justice system that the council finds
5 necessary.

6 (10) The judicial branch, the department of corrections, the department of public health and human
7 services, the board of pardons and parole, and the legislative services and fiscal divisions shall provide data
8 and information as requested by the council.

9 (11) Appointments made under subsection (1) must be made within 60 days after July 1, 2019. A
10 vacancy on the council must be filled in the manner of the original appointment.

11 (12) Council members must be reimbursed for travel expenses as provided in 2-18-501 through 2-18-
12 503. Members of the council who are full-time salaried officers or employees of this state or any political
13 subdivision are entitled to their regular compensation. Legislative members must be compensated as provided
14 in 5-2-302.

15 (13) The council shall report to ~~the law and justice interim committee~~ the legislature in accordance with
16 5-11-210 and the legislative finance committee as requested."
17

18 **Section 92.** Section 53-2-215, MCA, is amended to read:

19 **"53-2-215. Social Security Act section 1115 waiver.** (1) The department may pursue approval from
20 the U.S. department of health and human services for implementation in Montana of a health insurance
21 flexibility and accountability demonstration initiative and other demonstration projects through section 1115
22 waivers.

23 (2) The department may implement a demonstration project upon approval of a section 1115 waiver
24 by the U.S. department of health and human services. The department may:

25 (a) coordinate a demonstration project with a program approved through a section 1915 waiver; or

26 (b) terminate and subsume in a new section 1115 waiver an existing managed care or access
27 program approved through a section 1915(b) waiver, an optional state plan medicaid service authorized under
28 53-6-101, an optional state plan eligibility group authorized under 53-6-131, or an existing program approved by

1 a section 1115 waiver that is administered by the department.

2 (3) The department may initiate and administer section 1115 waivers to more efficiently apply
3 available state general fund money, other available state and local public and private funding, and federal
4 money to the development and maintenance of medicaid-funded programs of health services and of other
5 public assistance services and to structure those programs or services for more efficient and effective delivery
6 to specific populations.

7 (4) (a) In establishing programs or services in a demonstration project approved through a section
8 1115 waiver, the department shall administer the expenditures under each demonstration project within the
9 state spending authority that is available for that demonstration project. The department may limit enrollments
10 in each program within a demonstration project, reduce the per capita expenditures available to enrollees, and
11 modify and reduce the types and amounts of services available through each program when the department
12 determines that expenditures can be reasonably expected to exceed the available state spending authority.

13 (b) The department shall develop a contingency plan if there is a spending cap as a condition of the
14 waiver and the spending cap is exceeded. The contingency plan must address the effects on new programs,
15 services, or eligibility groups.

16 (5) The department may coordinate the state children's health insurance program authorized under
17 Title 53, chapter 4, part 10, with a section 1115 waiver for the purpose of increasing the state funding match
18 available under the waiver and expanding the number of participants in the state children's health insurance
19 program.

20 (6) The department, subject to the terms and conditions of the section 1115 waiver:

21 (a) shall establish the eligibility groups based upon the funding principles stated in 53-6-101(2);

22 (b) may provide medicaid coverage for one or more optional medicaid eligibility groups;

23 (c) may provide medicaid coverage for one or more specific populations of persons who are not within
24 the federally authorized medicaid eligibility groups but who are within the requirements of subsection (7);

25 (d) may establish the service coverage, eligibility requirements, financial participation requirements,
26 and other features for the administration and delivery of services to each section 1115 waiver eligibility group;

27 (e) shall set limits on the number of participants for each section 1115 waiver eligibility group;

28 (f) shall set limits on the total expenditures under each demonstration project; and

1 (g) shall set the limits on the total expenditures on the services to be provided to each section 1115
2 waiver eligibility group.

3 (7) The categories of persons that the department may consider for establishment as a section 1115
4 waiver eligibility group include but are not limited to:

5 (a) low-income parents of children who are eligible to participate in medicaid under 53-6-131 or in the
6 state children's health insurance program authorized under Title 53, chapter 4, part 10;

7 (b) children who because of limits on enrollment may not be covered through the state children's
8 health insurance program authorized under Title 53, chapter 4, part 10;

9 (c) children who are eligible to participate in the state children's health insurance program authorized
10 under Title 53, chapter 4, part 10; and

11 (d) other specific groups of persons who are participants in programs or services funded solely or
12 primarily through state general funds or who the department determines are in need of specific types of health
13 care and related services, such as prescription drugs, reproductive health care, and mental health services, and
14 are without adequate financial means to procure health insurance coverage of those needs.

15 (8) Children participating in a section 1115 waiver eligibility group or children who would be eligible to
16 participate in the state children's health insurance program are subject to the eligibility criteria applicable under
17 53-4-1004, except as provided in subsection (9) of this section, for participation in the state children's health
18 insurance program and must receive benefits as provided through the state children's health insurance program
19 under 53-4-1005.

20 (9) (a) Except as provided in this subsection (9), the eligibility for the section 1115 waiver eligibility
21 groups may not exceed 150% of the federal poverty level.

22 (b) The department may establish eligibility at greater than 150% but no more than 200% of the
23 federal poverty level for any of the following groups established for purposes of a section 1115 waiver:

24 (i) participants in the state children's health insurance program;

25 (ii) participants in a group that may be covered under the state children's health insurance program;

26 (iii) participants in a family planning program;

27 (iv) participants in a group composed of persons previously served through a program funded with
28 state general fund money and other nonmedicaid money; or

1 (v) participants in a group composed of persons with a significant need for particular services that are
2 not readily available to that population through insurance products or because of personal financial limitations.

3 (c) In establishing the eligibility criteria based upon federal poverty levels, the department shall select
4 levels to ensure that the resulting expenditures will remain within the available funding and will conform with the
5 terms and conditions of approval by the U.S. department of health and human services.

6 (d) The department may adopt additional programmatic and financial eligibility criteria for a section
7 1115 waiver eligibility group in order to appropriately define the subject population, to limit use for fiscal and
8 programmatic purposes, to prevent improper use, and to conform the administration of the program with the
9 terms and conditions of the section 1115 waiver.

10 (e) Eligibility criteria applicable to a section 1115 waiver eligibility group need not conform to the
11 criteria applicable to another section 1115 waiver eligibility group or to a medicaid eligibility group that is not
12 encompassed within the demonstration project.

13 (10) (a) For each section 1115 waiver eligibility group, the department shall establish the program
14 benefit or benefits to be available to the participants in the group.

15 (b) Program benefits may be in the form of:

16 (i) assistance in the payment of health insurance premiums for health care coverage through an
17 employer or other existing group coverage available to the program enrollee;

18 (ii) assistance in the payment of health insurance premiums for health care coverage that meets a set
19 of defined standards and limitations adopted by the department in consultation with the commissioner of
20 insurance and obtained from participating private insurers or through self-insured pools;

21 (iii) premium purchase for insurance coverage on behalf of children who are 18 years of age or
22 younger for the defined set of health care and related services adopted by the department for the state
23 children's health insurance program authorized in Title 53, chapter 4, part 10; or

24 (iv) coverage of a defined set of health care and related services administered directly by the
25 department on a fee-for-service basis.

26 (c) The department may limit the types of program benefits available to enrollees in a program. For
27 programs in which the department provides for more than one type of program benefit, the department may
28 require that enrollees, either as a whole or on an individual basis based on certain circumstances, use certain

1 types of program benefits in lieu of using other types of program benefits.

2 (d) The department shall, as necessary to maintain expenditures for a program within the available
3 funding for that program, set monetary limitations on the total benefit amounts available on a periodic basis for
4 an enrollee through that program, whether that benefit is in the form of premium assistance, premium purchase,
5 or a set of covered services.

6 (11) The benefits for a section 1115 waiver eligibility group may be in the form of a defined set of
7 covered services consisting of one or more of the mandatory and optional medicaid state plan services
8 specified in 53-6-101 or other health-care related services. The department may select the types of services
9 that constitute a defined set of covered services for a section 1115 waiver eligibility group. The department may
10 provide coverage of a service not specified in 53-6-101 if the department determines the service to be
11 appropriate for the particular section 1115 waiver eligibility group. The department may define the nature,
12 components, scope, amount, and duration of each covered service to be made available to a section 1115
13 waiver eligibility group. The nature, components, scope, amount, and duration of a covered service made
14 available to a section 1115 waiver eligibility group need not conform to those aspects of that service as defined
15 by the department for delivery as a covered service to another section 1115 waiver eligibility group or to a
16 medicaid eligibility group that is not encompassed within a section 1115 waiver.

17 (12) The department may adopt financial participation requirements for enrollees in a section 1115
18 eligibility group to foster appropriate use among enrollees and to maintain the fiscal accountability of the
19 program. The department may adopt financial participation requirements, including but not limited to
20 copayments, payment of monthly or yearly enrollment fees, or deductibles. The requirements may vary among
21 the section 1115 waiver eligibility groups. In adopting financial participation requirements for enrollees selecting
22 coverage as provided in subsection (10)(b)(iv), the department may not adopt cost-sharing amounts that
23 exceed the nominal deductible, coinsurance, copayment, or similar charges adopted by the department to apply
24 to categorically or medically needy persons for a service pursuant to the state medicaid plan.

25 (13) (a) The department shall adopt rules as necessary for the implementation of a section 1115
26 waiver. Rules may include but are not limited to:

27 (i) designation of programs and activities for implementation of a section 1115 waiver;

28 (ii) features and benefit coverage of the programs;

- 1 (iii) the nature, components, scope, amount, and duration of each program service;
- 2 (iv) appropriate insurance products and coverage as benefits;
- 3 (v) required enrollee eligibility information;
- 4 (vi) enrollee eligibility categories, criteria, requirements, and related measures;
- 5 (vii) limits upon enrollment;
- 6 (viii) requirements and limitations for service costs and expenditures;
- 7 (ix) measures to ensure the appropriateness and quality of services to be delivered;
- 8 (x) provider requirements and reimbursement;
- 9 (xi) financial participation requirements for enrollees;
- 10 (xii) use measures; and
- 11 (xiii) other appropriate provisions necessary for administration of a demonstration project and for
- 12 implementation of the conditions placed upon approval of a section 1115 waiver by the U.S. department of
- 13 health and human services.

14 (b) Unless required by federal law or regulation, the department may not adopt rules that exclude a
15 child from medicaid services or require prior authorization for a child to access medicaid services if the child
16 would be eligible for or able to access the services without prior authorization if the child was not in foster care.

17 (14) The department shall administer the programs and activities that are subject to a section 1115
18 waiver in accordance with the terms and conditions of approval by the U.S. department of health and human
19 services. The department may modify aspects of established programs and activities administered by the
20 department as may be necessary to implement a section 1115 waiver as provided in this section.

21 (15) The department may seek an initial duration and durational extensions for a section 1115 waiver
22 as the department determines appropriate for demonstration and fiscal considerations.

23 (16) The department shall provide a report to the legislature, as provided in 5-11-210, on the
24 conditions of approval and the status of implementation for each section 1115 waiver approved by the U.S.
25 department of health and human services. For any proposed section 1115 waiver not approved by the U.S.
26 department of health and human services, the department shall provide to the next legislative session a report
27 on the basis for disapproval and an analysis of the fiscal costs and programmatic impacts of serving the
28 persons within the proposed section 1115 waiver eligibility groups through eligibility under one of the optional

1 medicaid eligibility categories established in federal law and authorized by 53-6-131.

2 (17) The department shall present a section 1115 waiver proposal to the appropriate medicaid
3 advisory council, which must include consumer advocates, prior to the submission of the proposal to the federal
4 government.

5 (18) The department shall present a section 1115 waiver proposal to the house appropriations
6 committee or, during the interim, the ~~children, families, health, and human services interim committee~~
7 appropriate standing committee or interim entity established by the legislature in its rules for review and
8 comment at a public hearing prior to the submission of the proposal to the federal government for formal
9 approval and shall also present the section 1115 waiver after final approval from the federal government.

10 (19) (a) The department shall provide for a public comment period on the proposed section 1115
11 waiver at least 60 days before the submission of the section 1115 waiver application to the federal government
12 for formal approval.

13 (b) The department shall give notice of the proposal by announcing the pending submittal, stating its
14 general purpose, and informing the public that information on the proposal is available on the department's
15 website.

16 (c) The department shall provide for public comment through electronic means or mail and shall
17 provide for a public forum in at least one location at which members of the public can submit views on the
18 proposal. The department shall consider comments received and make any appropriate changes to the waiver
19 request before submitting it to the federal government.

20 (d) The department shall post on its website the waiver concept paper, formal correspondence
21 regarding a waiver proposal, and the final approved waiver, including documents received from the centers for
22 medicare and medicaid services."

23

24 **Section 93.** Section 53-4-209, MCA, is amended to read:

25 **"53-4-209. Montana parents as scholars program -- department duties.** (1) There is a Montana
26 parents as scholars program administered by the department.

27 (2) The department shall:

28 (a) use state maintenance of effort funds or temporary assistance for needy families funds in a

1 program to provide assistance to eligible households for the purpose of continuation of education leading
2 toward a high school diploma, a high school equivalency diploma, vocational training, an associate's degree, or
3 a baccalaureate degree;

4 (b) allow an individual receiving temporary assistance for needy families to attend an approved
5 educational program if the individual:

6 (i) meets the income and resource eligibility requirements for temporary assistance for needy families;
7 and

8 (ii) qualifies as a full-time student pursuant to subsection (4); and

9 (c) limit approved educational programs to educational courses that are intended to promote
10 economic self-sufficiency, not to exceed the baccalaureate level.

11 (3) The participants may apply for and may be eligible for child-care assistance provided by the
12 department to be paid from the temporary assistance for needy families block grant funds that are transferred to
13 discretionary funding for child care.

14 (4) A program must require a participant to be a full-time student, which means that a participant:

15 (a) shall maintain enrollment in at least 12 credit hours each semester or 30 credit hours a year; or

16 (b) must be a full-time high school student, student studying for a high school equivalency diploma, or
17 vocational training student as defined by the institution in which the participant is enrolled;

18 (c) shall maintain a 2.0 grade point average on a 4.0 grade point scale or be making satisfactory
19 progress as defined by the institution in which the participant is enrolled; and

20 (d) may not be allowed to remain in the program after receiving a baccalaureate degree.

21 (5) (a) There may be no more than 25 participants in the program at any one time.

22 (b) Temporary assistance for needy families participants within the 12-month period allowed by
23 federal law do not count in the total number of participants in the parents as scholars program. However, the
24 parents as scholars program may be used to extend a participant's education beyond the 12-month federal
25 period.

26 (6) The department shall provide annual reports to the legislative finance committee and the ~~children,~~
27 ~~families, health, and human services interim committee~~ legislature in accordance with 5-11-210."

28

1 **Section 94.** Section 53-4-1009, MCA, is amended to read:

2 **"53-4-1009. (Temporary) Department to adopt rules -- review by interim ~~committee~~ entity.** (1)

3 The department of public health and human services shall adopt rules necessary for the administration of the
4 program, including rules governing the application process, termination, and confidentiality.

5 (2) The rules may include, as necessary:

6 (a) the amount, scope, and duration of specific services provided;

7 (b) criteria to ensure that the services provided are medically necessary and cost-effective;

8 (c) provisions for participant cost sharing, including, at the department's discretion:

9 (i) the establishment of enrollment fees, premiums, deductibles, and copayments; and

10 (ii) the process for setting the amounts of enrollment fees, premiums, deductibles, and copayments,
11 taking into account a participant's family income and resources; and

12 (d) the type of professionals who may deliver services or direct the delivery of services and the
13 qualifications required of those professionals.

14 (3) In adopting rules, the department shall consider the federal requirements on which the receipt of
15 the federal share of program funds are contingent and may not include any provision that places that funding at
16 risk. Rules adopted by the department must, when appropriate, take into account the availability of appropriated
17 funds.

18 (4) Rules adopted by the department pursuant to 53-4-1004 and 53-4-1009 must be presented to and
19 reviewed by ~~an appropriate interim committee that examines issues related to children and families~~ the
20 appropriate standing committee or interim entity established by the legislature in its rules. (Terminates on
21 occurrence of contingency--sec. 15, Ch. 571, L. 1999.)"

22

23 **Section 95.** Section 53-6-710, MCA, is amended to read:

24 **"53-6-710. Advisory council -- duties.** (1) There is an advisory council to review requests for
25 proposals issued and contracts proposed to be awarded under this part.

26 (2) The advisory council consists of seven members appointed as follows:

27 (a) two members appointed by the speaker of the house of representatives, at least one of whom
28 must be a health care provider;

- 1 (b) two members appointed by the president of the senate, at least one of whom must be a health
- 2 care provider; and
- 3 (c) three members appointed by the governor, at least one of whom must be a health care provider.
- 4 (3) Members shall serve staggered, 3-year terms.
- 5 (4) When the department proposes to seek a medicaid waiver for managed care, the council shall
- 6 conduct the following activities before the department issues a request for proposal and after it has selected a
- 7 vendor but before a contract is awarded:
- 8 (a) hold a public hearing in the geographic area that would be affected by the program or contract in
- 9 order to:
- 10 (i) educate medicaid recipients, health care providers, and the public residing in the area about the
- 11 provisions of the proposed program or contract and the consumer's options; and
- 12 (ii) accept public comment about the proposed program or contract;
- 13 (b) submit a report of its findings related to the public comment process to the ~~appropriate interim or~~
- 14 ~~legislative committee~~ legislature in accordance with 5-11-210, the legislative auditor's office, and the
- 15 department.
- 16 (5) The council shall meet according to a schedule adopted by a majority vote of the council.
- 17 (6) The council is attached to the department for administrative purposes only, and members are
- 18 entitled to reimbursement for travel expenses as provided in 2-18-501 through 2-18-503."

Section 96. Section 53-6-1325, MCA, is amended to read:

"53-6-1325. (Temporary) Report to legislature. The department shall report quarterly the following information to the legislative finance committee and the ~~children, families, health, and human services interim~~ appropriate standing committee or interim entity established by the legislature in its rules ~~quarterly~~:

- 24 (1) the number of individuals who were determined eligible for medicaid-funded services pursuant to
- 25 53-6-1304;
- 26 (2) demographic information on program participants;
- 27 (3) the average length of time that participants remained eligible for medical assistance;
- 28 (4) the number of participants subject to the fees provided for in 15-30-2660 and the total amount of

1 fees collected;

2 (5) the amount of money deposited in the Montana HELP Act special revenue account, by source of
3 funding;

4 (6) the level of participant engagement in wellness activities or incentives offered under this part;

5 (7) the number of participants who took part in community engagement activities, the number whose
6 program participation was suspended for failure to take part in community engagement activities, and the
7 number who were disenrolled from the program for failure to report a change in circumstances;

8 (8) the number of participants who reduced their dependency on the HELP Act program, either
9 voluntarily or because of increased income levels; and

10 (9) the total cost of providing services under this part, including related administrative costs.

11 (Terminates June 30, 2025, on occurrence of contingency--sec. 48, Ch. 415, L. 2019.)"

12

13 **Section 97.** Section 53-20-225, MCA, is amended to read:

14 **"53-20-225. Department monitoring of Montana developmental center residents -- report to**
15 **legislature.** (1) The department shall monitor:

16 (a) individuals released from the Montana developmental center and placed in a community home as
17 defined in 53-20-302 for 2 years after placement in a community home; and

18 (b) for the duration of their residency, individuals who are admitted to and residing at the Montana
19 developmental center.

20 (2) The department shall evaluate on a quarterly basis behaviors in the following areas to determine
21 whether the skills, abilities, and behaviors of an individual subject to this section have improved, diminished, or
22 remained unchanged:

23 (a) verbal or nonverbal communication, as appropriate for the individual;

24 (b) activities of daily living;

25 (d) emotional well-being;

26 (e) physical aggression; and

27 (f) sexually inappropriate behaviors.

28 (3) The department shall report on the results of the monitoring:

1 (a) at least quarterly to family members and guardians of the individuals if the family members and
2 guardians are authorized to receive health care information; and

3 (b) annually to the ~~children, families, health, and human services interim committee~~ legislature in
4 accordance with 5-11-210. The report ~~to the interim committee~~ may provide information only in an aggregate
5 form and may not contain any individually identifying information."
6

7 **Section 98.** Section 53-21-508, MCA, is amended to read:

8 **"53-21-508. Monitoring of children's mental health outcomes -- report.** (1) Each September and
9 March, the department shall measure factors, specific to a point in time, for children receiving targeted case
10 management services in the state-funded children's mental health system to determine the effect of the
11 services on the likelihood the children will remain at home, in school, and out of trouble.

12 (2) The department shall monitor the following factors to determine whether children receiving
13 targeted case management services are able to remain at home:

14 (a) the number of children placed in out-of-home mental health treatment, including the level and type
15 of care and whether the treatment is provided in state or out of state; and

16 (b) the number of children placed in a foster care setting, including kinship care, or a correctional
17 setting.

18 (3) The department shall monitor the following factors related to the school success of a child
19 receiving targeted case management services:

20 (a) the number of children enrolled in and attending school; and

21 (b) the number of children who advanced to the next grade level from the previous school year.

22 (4) The department shall monitor the following additional factors for children receiving targeted case
23 management services:

24 (a) the number of children receiving treatment for substance use;

25 (b) the number of children screened for substance use disorders by the current case management
26 provider;

27 (c) the number of children involved, formally or informally, with youth court; and

28 (d) the number of children in care or treatment related to suicide risk.

1 (5) The department shall report annually to the ~~children, families, health, and human services interim~~
2 ~~committee and to the legislature as provided in accordance with~~ 5-11-210 on the information required under this
3 section."

4

5 **Section 99.** Section 53-21-1102, MCA, is amended to read:

6 **"53-21-1102. Suicide reduction plan.** (1) The department of public health and human services shall
7 produce a biennial suicide reduction plan that must be submitted to the legislature ~~as provided in accordance~~
8 with 5-11-210.

9 (2) The plan must include:

10 (a) an assessment of both risk and protective factors impacting Montana's suicide rate;

11 (b) specific activities to reduce suicide;

12 (c) concrete targets for suicide reduction among various demographic populations, including but not
13 limited to American Indians, veterans, and youth;

14 (d) measurable outcomes for all activities; and

15 (e) information on all existing state suicide reduction activities for all state agencies, as well as any
16 known local or tribal suicide reduction activities.

17 (3) Upon the development of a suicide reduction plan draft, the department shall initiate a public
18 comment period of not less than 21 days during which members of mental health advocacy groups and other
19 interested parties may submit comments on and suggestions for the plan. The department shall produce a final
20 plan, which takes public comment into account, no later than 60 days after the close of the comment period.

21 The plan must be published on the department's website and submitted to the ~~appropriate interim committee of~~
22 ~~the legislature~~ legislature in accordance with 5-11-210, the director of the department, and the governor."

23

24 **Section 100.** Section 60-2-119, MCA, is amended to read:

25 **"60-2-119. (Temporary) Limit on projects -- reporting requirement.** (1) The commission may
26 award alternative project delivery contracts for no more than four projects by December 31, 2024.

27 (2) A project awarded but not completed by December 31, 2024, is authorized to proceed until final
28 completion of the project.

1 (3) (a) The department shall provide an annual report to the governor and to the ~~transportation~~
 2 ~~interim committee, legislature~~ in accordance with 5-11-210. The report must contain a benefit analysis of
 3 alternative project delivery contracting in comparison to other contracting processes authorized in 60-2-111.

4 (b) The department shall report to the governor and the ~~transportation interim committee upon~~
 5 ~~request~~ appropriate standing committee or interim entity established by the legislature in its rules to provide
 6 information about alternative project delivery contracting. (Terminates December 31, 2024--sec. 6, Ch. 54, L.
 7 2017.)"

8

9 **Section 101.** Section 61-10-154, MCA, is amended to read:

10 **"61-10-154. Department of transportation to adopt motor carrier safety standards --**
 11 **enforcement -- designation of peace officers -- duties -- violations.** (1) As used in this section, the terms
 12 "for-hire motor carrier", "private motor carrier", "gross vehicle weight rating", and "gross combination weight
 13 rating" have the same meaning as provided in 49 CFR 390.5.

14 (2) The department of transportation shall adopt, by rule, standards for safety of operations of:

15 (a) any for-hire motor carrier or any private motor carrier;

16 (b) any motor vehicle or vehicle combination used in interstate commerce that has a gross vehicle
 17 weight rating, gross combination weight rating, gross vehicle weight, or gross combination weight, whichever is
 18 greater, of 10,001 pounds or more;

19 (c) any motor vehicle or vehicle combination used in intrastate commerce that has a gross vehicle
 20 weight rating, gross combination weight rating, gross vehicle weight, or gross combination weight, whichever is
 21 greater, of 26,001 pounds or more and that is not a farm vehicle operating solely in Montana;

22 (d) any motor vehicle that is designed or used to transport at least 16 passengers, including the
 23 driver, and that is not used to transport passengers for compensation;

24 (e) any motor vehicle that is designed or used to transport at least nine passengers, including the
 25 driver, for compensation; or

26 (f) any motor vehicle that is used to transport hazardous materials of a type or quantity that requires
 27 the vehicle to be marked or placarded in accordance with federal hazardous materials regulations in 49 CFR,
 28 part 172.

1 (3) Standards of safety adopted under this section must substantially comply, within allowed tolerance
2 guidelines, to the federal motor carrier safety regulations and the federal hazardous material regulations as
3 applied to motor carriers and vehicles transporting passengers or property in commerce.

4 (4) The department of transportation shall work with the highway patrol in the enforcement of safety
5 standards adopted pursuant to this section. The highway patrol and the department of transportation shall
6 cooperate to ensure minimum duplication and maximum coordination of enforcement efforts.

7 (5) In order to enforce compliance with safety standards adopted pursuant to this section, the
8 department of transportation shall designate employees as peace officers. The designated employees must be
9 employed in the administration of the motor carrier services functions of the department of transportation. Each
10 employee designated as a peace officer may:

11 (a) issue citations and make arrests in connection with violations of safety standards adopted under
12 this section;

13 (b) issue summonses;

14 (c) accept bail;

15 (d) serve warrants for arrest;

16 (e) make reasonable inspections of cargo carried by commercial motor vehicles;

17 (f) enforce the provisions of Title 49 of the United States Code and regulations that have been
18 adopted under Title 49 and make reasonable safety inspections of commercial motor vehicles used by motor
19 carriers; and

20 (g) require production of documents relating to the cargo, driver, routing, or ownership of commercial
21 motor vehicles.

22 (6) In addition to other enforcement duties assigned under 61-10-141 and this section, an employee
23 of the department of transportation who is appointed as a peace officer pursuant to 61-12-201 or this section
24 has:

25 (a) the same authority to enforce provisions of the motor carriers law as that granted to the public
26 service commission under 69-12-203;

27 (b) the duty to secure or make copies, or both, of all bills of lading or other evidence of delivery for
28 shipment of agricultural seeds, as defined in 80-5-120, that have been sold or are intended for sale in Montana

1 and to forward the copies to the department of agriculture within 24 hours of the date that the bill of lading was
2 obtained; and

3 (c) the authority, if probable cause exists, to stop and inspect a supply tank connected to the engine
4 of any diesel-powered motor vehicle operating on the public highways of this state in order to determine
5 compliance with Title 15, chapter 70, part 4.

6 (7) A violation of the standards adopted pursuant to this section is punishable as provided in 61-9-
7 512, and the court, upon conviction, as defined in 61-5-213, shall forward a record of conviction to the
8 department within 5 days in accordance with 61-11-101.

9 (8) The department of transportation shall report to the ~~transportation interim committee biennially,~~
10 legislature in accordance with 5-11-210, on its enforcement of the provisions of Title 15, chapter 70, part 4,
11 pursuant to the authority provided in subsection (6)(c) and on any impacts that enforcement has had on the
12 state special revenue fund."

13

14 **Section 102.** Section 69-8-402, MCA, is amended to read:

15 **"69-8-402. Universal system benefits programs.** (1) Universal system benefits programs are
16 established for the state of Montana to ensure continued funding of and new expenditures for energy
17 conservation, renewable resource projects and applications, and low-income energy assistance.

18 (2) (a) Except as provided in subsection (11), beginning January 1, 1999, 2.4% of each utility's
19 annual retail sales revenue in Montana for the calendar year ending December 31, 1995, is established as the
20 initial funding level for universal system benefits programs. To collect this amount of funds on an annualized
21 basis in 1999, the commission shall establish rates for utilities subject to its jurisdiction and the governing
22 boards of cooperatives shall establish rates for the cooperatives.

23 (b) The recovery of all universal system benefits programs costs imposed pursuant to this section is
24 authorized through the imposition of a universal system benefits charge assessed at the meter for each local
25 utility system customer as provided in this section.

26 (c) A utility must receive credit toward annual funding requirements for the utility's internal programs
27 or activities that qualify as universal system benefits programs, including those amortized or nonamortized
28 portions of expenditures for the purchase of power that are for the acquisition or support of renewable energy,

1 conservation-related activities, or low-income energy assistance, and for large customers' programs or activities
2 as provided in subsection (7). The department of revenue shall review claimed credits of the utilities and large
3 customers pursuant to 69-8-414.

4 (d) A utility at which the sale of power for final end use occurs is the utility that receives credit for the
5 universal system benefits programs expenditure.

6 (e) A customer's utility shall collect universal system benefits funds less any allowable credits.

7 (f) For a utility to receive credit for low-income-related expenditures, the activity must have taken
8 place in Montana.

9 (g) If a utility's or a large customer's credit for internal activities does not satisfy the annual funding
10 provisions of this subsection (2), then the utility or large customer shall make a payment to the universal system
11 benefits fund established in 69-8-412 for any difference.

12 (3) Cooperative utilities may collectively pool their statewide credits to satisfy their annual funding
13 requirements for universal system benefits programs and low-income energy assistance.

14 (4) A utility's transition plan must describe how the utility proposes to provide for universal system
15 benefits programs, including the methodologies, such as cost-effectiveness and need determination, used to
16 measure the utility's level of contribution to each program.

17 (5) (a) A cooperative utility's minimum annual funding requirement for low-income energy and
18 weatherization assistance is established at 17% of the cooperative utility's annual universal system benefits
19 funding level and is inclusive within the overall universal system benefits funding level.

20 (b) Except as provided in subsection (11), a public utility's minimum annual funding requirement for
21 low-income energy and weatherization assistance is established at 50% of the public utility's annual universal
22 system benefits funding level and is inclusive within the overall universal system benefits funding level.

23 (c) A utility must receive credit toward the utility's low-income energy assistance annual funding
24 requirement for the utility's internal low-income energy assistance programs or activities. Internal programs and
25 activities may include providing low-income energy and weatherization assistance on Indian reservations.

26 (d) If a utility's credit for internal activities does not satisfy its annual funding requirement, then the
27 utility shall make a payment for any difference to the universal low-income energy assistance fund established
28 in 69-8-412.

1 (6) An individual customer may not bear a disproportionate share of the local utility's funding
2 requirements, and a sliding scale must be implemented to provide a more equitable distribution of program
3 costs.

4 (7) (a) A large customer:

5 (i) shall pay a universal system benefits programs charge with respect to the large customer's
6 qualifying load equal to the lesser of:

7 (A) \$500,000, less the large customer credits provided for in this subsection (7); or

8 (B) the product of 0.9 mills per kilowatt hour multiplied by the large customer's total kilowatt hour
9 purchases, less large customer credits with respect to that qualifying load provided for in this subsection (7);

10 (ii) must receive credit toward that large customer's universal system benefits charge for internal
11 expenditures and activities that qualify as a universal system benefits programs expenditure, and these internal
12 expenditures must include but not be limited to:

13 (A) expenditures that result in a reduction in the consumption of electrical energy in the large
14 customer's facility; and

15 (B) those amortized or nonamortized portions of expenditures for the purchase of power at retail or
16 wholesale that are for the acquisition or support of renewable energy or conservation-related activities.

17 (b) Large customers making these expenditures must receive a credit against the large customer's
18 universal system benefits charge, except that any of those amounts expended in a calendar year that exceed
19 that large customer's universal system benefits charge for the calendar year must be used as a credit against
20 those charges in future years until the total amount of those expenditures has been credited against that large
21 customer's universal system benefits charges.

22 (8) (a) Except as provided in subsection (11), a public utility shall prepare and submit an annual
23 summary report of the public utility's activities relating to all universal system benefits programs to the
24 commission, the department of revenue, and the ~~energy and telecommunications interim committee provided~~
25 ~~for in 5-5-230 legislature in accordance with 5-11-210~~. A cooperative utility shall prepare and submit annual
26 summary reports of activities to the cooperative utility's respective local governing body, the statewide
27 cooperative utility office, and the ~~energy and telecommunications interim committee legislature in accordance~~
28 ~~with 5-11-210~~. The statewide cooperative utility office shall prepare and submit an annual summary report of

1 the activities of individual cooperative utilities, including a summary of the pooling of statewide credits, as
2 provided in subsection (3), to the department of revenue and the ~~energy and telecommunications interim~~
3 ~~committee~~ legislature in accordance with 5-11-210. The annual report of a public utility or of the statewide
4 cooperative utility office must include but is not limited to:

5 (i) the types of internal utility and customer programs being used to satisfy the provisions of this
6 chapter;

7 (ii) the level of funding for those programs relative to the annual funding requirements prescribed in
8 subsection (2);

9 (iii) any payments made to the statewide funds in the event that internal funding was below the
10 prescribed annual funding requirements; and

11 (iv) the names of all large customers who either utilized credits to minimize or eliminate their charge
12 pursuant to subsection (7) or received a reimbursement for universal system benefits related to expenditures
13 from the utility during the previous reporting year.

14 (b) Before September 15 of the year preceding a legislative session, the ~~energy and~~
15 ~~telecommunications interim committee~~ appropriate standing committee or interim entity established by the
16 legislature in its rules shall:

17 (i) review the universal system benefits programs and, if necessary, submit recommendations
18 regarding these programs to the legislature; and

19 (ii) review annual universal system benefits reports provided by utilities in accordance with subsection
20 (8)(a) and compare those reports with reports provided by large customers to the department of revenue in
21 accordance with subsection (10)(a) and identify large customers, if any, who are not in compliance with
22 reporting requirements in accordance with this subsection (8) and subsection (10).

23 (9) A utility or large customer filing for a credit shall develop and maintain appropriate documentation
24 to support the utility's or the large customer's claim for the credit.

25 (10) (a) A large customer claiming credits for a calendar year shall submit an annual summary report
26 of its universal system benefits programs activities and expenditures to the department of revenue and to the
27 large customer's utility. A report must be filed with the department even if a large customer is being reimbursed
28 for a prior year's project. The annual report of a large customer must identify each qualifying project or

1 expenditure for which it has claimed a credit and the amount of the credit. Prior approval by the utility is not
 2 required, except as provided in subsection (10)(b).

3 (b) If a large customer claims a credit that the department of revenue disallows in whole or in part, the
 4 large customer is financially responsible for the disallowance. A large customer and the large customer's utility
 5 may mutually agree that credits claimed by the large customer be first approved by the utility. If the utility
 6 approves the large customer credit, the utility may be financially responsible for any subsequent disallowance.

7 (11) A public utility with fewer than 50 customers is exempt from the requirements of this section."
 8

9 **Section 103.** Section 75-1-208, MCA, is amended to read:

10 **"75-1-208. Environmental review procedure.** (1) (a) Except as provided in 75-1-205(4) and
 11 subsection (1)(b) of this section, an agency shall comply with this section when completing any environmental
 12 review required under this part.

13 (b) To the extent that the requirements of this section are inconsistent with federal requirements, the
 14 requirements of this section do not apply to an environmental review that is being prepared jointly by a state
 15 agency pursuant to this part and a federal agency pursuant to the National Environmental Policy Act or to an
 16 environmental review that must comply with the requirements of the National Environmental Policy Act.

17 (2) ~~(a) Except as provided in subsection (2)(b), a~~ A project sponsor may, after providing a 30-day
 18 notice, appear before the environmental quality council at any regularly scheduled meeting to discuss issues
 19 regarding the agency's environmental review of the project. The environmental quality council shall ensure that
 20 the appropriate agency personnel are available to answer questions.

21 ~~(b) If the primary concern of the agency's environmental review of a project is the quality or quantity of~~
 22 ~~water, a project sponsor may, after providing a 30-day notice, appear before the water policy committee~~
 23 ~~established in 5-5-231 at any regularly scheduled meeting to discuss issues regarding the agency's~~
 24 ~~environmental review of the project. The water policy committee shall ensure that the appropriate agency~~
 25 ~~personnel are available to answer questions.~~

26 (3) If a project sponsor experiences problems in dealing with the agency or any consultant hired by
 27 the agency regarding an environmental review, the project sponsor may submit a written request to the agency
 28 director requesting a meeting to discuss the issues. The written request must sufficiently state the issues to

1 allow the agency to prepare for the meeting. If the issues remain unresolved after the meeting with the agency
 2 director, the project sponsor may submit a written request to appear before the appropriate board, if any, to
 3 discuss the remaining issues. A written request to the appropriate board must sufficiently state the issues to
 4 allow the agency and the board to prepare for the meeting.

5 (4) (a) Subject to the requirements of subsection (5), to ensure a timely completion of the
 6 environmental review process, an agency is subject to the time limits listed in this subsection (4) unless other
 7 time limits are provided by law. All time limits are measured from the date the agency receives a complete
 8 application. An agency has:

9 (i) 60 days to complete a public scoping process, if any;

10 (ii) 90 days to complete an environmental review unless a detailed statement pursuant to 75-1-
 11 201(1)(b)(iv) or 75-1-205(4) is required; and

12 (iii) 180 days to complete a detailed statement pursuant to 75-1-201(1)(b)(iv).

13 (b) The period of time between the request for a review by a board and the completion of a review by
 14 a board under 75-1-201(9) or subsection (10) of this section may not be included for the purposes of
 15 determining compliance with the time limits established for conducting an environmental review under this
 16 subsection or the time limits established for permitting in 75-2-211, 75-2-218, 75-20-216, 75-20-231, 76-4-114,
 17 82-4-122, 82-4-231, 82-4-337, and 82-4-432.

18 (5) An agency may extend the time limits in subsection (4) by notifying the project sponsor in writing
 19 that an extension is necessary and stating the basis for the extension. The agency may extend the time limit
 20 one time, and the extension may not exceed 50% of the original time period as listed in subsection (4). After
 21 one extension, the agency may not extend the time limit unless the agency and the project sponsor mutually
 22 agree to the extension.

23 (6) If the project sponsor disagrees with the need for the extension, the project sponsor may request
 24 that the appropriate board, if any, conduct a review of the agency's decision to extend the time period. The
 25 appropriate board may, at its discretion, submit an advisory recommendation to the agency regarding the issue.

26 (7) (a) Except as provided in subsection (7)(b), if an agency has not completed the environmental
 27 review by the expiration of the original or extended time period, the agency may not withhold a permit or other
 28 authority to act unless the agency makes a written finding that there is a likelihood that permit issuance or other

1 approval to act would result in the violation of a statutory or regulatory requirement.

2 (b) Subsection (7)(a) does not apply to a permit granted under Title 75, chapter 2, or under Title 82,
3 chapter 4, parts 1 and 2.

4 (8) Under this part, an agency may only request information from the project sponsor that is relevant
5 to the environmental review required under this part.

6 (9) An agency shall ensure that the notification for any public scoping process associated with an
7 environmental review conducted by the agency is presented in an objective and neutral manner and that the
8 notification does not speculate on the potential impacts of the project.

9 (10) An agency may not require the project sponsor to provide engineering designs in greater detail
10 than that necessary to fairly evaluate the proposed project. The project sponsor may request that the
11 appropriate board, if any, review an agency's request regarding the level of design detail information that the
12 agency believes is necessary to conduct the environmental review. The appropriate board may, at its
13 discretion, submit an advisory recommendation to the agency regarding the issue.

14 (11) An agency shall, when appropriate, evaluate the cumulative impacts of a proposed project.
15 However, related future actions may only be considered when these actions are under concurrent consideration
16 by any agency through preimpact statement studies, separate impact statement evaluations, or permit
17 processing procedures."

18

19 **Section 104.** Section 75-1-324, MCA, is amended to read:

20 **"75-1-324. Duties of environmental quality council.** The environmental quality council shall:

21 (1) gather timely and authoritative information concerning the conditions and trends in the quality of
22 the environment, both current and prospective, analyze and interpret the information for the purpose of
23 determining whether the conditions and trends are interfering or are likely to interfere with the achievement of
24 the policy set forth in 75-1-103, and compile and submit to the governor and the legislature studies relating to
25 the conditions and trends;

26 (2) review and appraise the various programs and activities of the state agencies, in the light of the
27 policy set forth in 75-1-103, for the purpose of determining the extent to which the programs and activities are
28 contributing to the achievement of the policy and make recommendations to the governor and the legislature

1 with respect to the policy;

2 (3) develop and recommend to the governor and the legislature state policies to foster and promote
3 the improvement of environmental quality to meet the conservation, social, economic, health, and other
4 requirements and goals of the state;

5 (4) conduct investigations, studies, surveys, research, and analyses relating to ecological systems
6 and environmental quality;

7 (5) document and define changes in the natural environment, including the plant and animal systems,
8 and accumulate necessary data and other information for a continuing analysis of these changes or trends and
9 an interpretation of their underlying causes;

10 (6) make and furnish studies, reports on studies, and recommendations with respect to matters of
11 policy and legislation as the legislature requests;

12 (7) analyze legislative proposals in clearly environmental areas and in other fields in which legislation
13 might have environmental consequences and assist in preparation of reports for use by legislative committees,
14 administrative agencies, and the public;

15 (8) consult with and assist legislators who are preparing environmental legislation to clarify any
16 deficiencies or potential conflicts with an overall ecologic plan;

17 (9) review and evaluate operating programs in the environmental field in the several agencies to
18 identify actual or potential conflicts, both among the activities and with a general ecologic perspective, and
19 suggest legislation to remedy the situations; and

20 (10) ~~except as provided in 5-5-231,~~ perform the administrative rule review, draft legislation review,
21 program evaluation, and monitoring functions of ~~an interim committee~~ an appropriate standing committee or
22 interim entity established by the legislature in its rules for the following executive branch agencies and the
23 entities attached to the agencies for administrative purposes:

- 24 (a) department of environmental quality;
25 (b) department of fish, wildlife, and parks; and
26 (c) department of natural resources and conservation."
27

28 **Section 105.** Section 75-5-313, MCA, is amended to read:

1 **"75-5-313. Nutrient standards variances -- individual, general, and alternative.** (1) The
 2 department shall, on a case-by-case basis, approve the use of an individual nutrient standards variance in a
 3 discharge permit based upon adequate justification pursuant to subsection (2) that attainment of the base
 4 numeric nutrient standards is precluded due to economic impacts, limits of technology, or both.

5 (2) (a) The department, in consultation with the nutrient work group, shall develop guidelines for
 6 individual nutrient standards variances to ensure that the economic impacts from base numeric nutrient
 7 standards on public and private systems are equally and adequately addressed. In developing those guidelines,
 8 the department and the nutrient work group shall consider economic impacts appropriate for application within
 9 Montana, acknowledging that advanced treatment technologies for removing nutrients will result in significant
 10 and widespread economic impacts.

11 (b) The department shall consult with the nutrient work group prior to recommending base numeric
 12 nutrient standards to the board and shall continue to consult with the nutrient work group in implementing
 13 individual nutrient standards variances.

14 (3) The department shall review each application for an individual nutrient standards variance on a
 15 case-by-case basis to determine if there are reasonable alternatives, such as trading, permit compliance
 16 schedules, or the alternatives provided in subsections (5), (10), and (11), that preclude the need for the
 17 individual nutrient standards variance.

18 (4) Individual nutrient standards variances approved by the department become effective and may be
 19 incorporated into a permit only after a public hearing and adoption by the department under the rulemaking
 20 procedures of Title 2, chapter 4, part 3.

21 (5) (a) Because the treatment of wastewater to base numeric nutrient standards would result in
 22 substantial and widespread economic impacts on a statewide basis, a permittee who meets the requirements
 23 established in subsection (5)(b) may, subject to subsection (6), apply for a general nutrient standards variance.

24 (b) The department shall approve the use of a general nutrient standards variance for permittees with
 25 wastewater treatment facilities that discharge to surface water:

26 (i) in an amount greater than or equal to 1 million gallons per day of effluent if the permittee treats the
 27 discharge to, at a minimum, 1 milligram total phosphorus per liter and 10 milligrams total nitrogen per liter,
 28 calculated as a monthly average during the period in which the base numeric nutrient standards apply;

1 (ii) in an amount less than 1 million gallons per day of effluent if the permittee treats the discharge to,
2 at a minimum, 2 milligrams total phosphorus per liter and 15 milligrams total nitrogen per liter, calculated as a
3 monthly average during the period in which the base numeric nutrient standards apply; or

4 (iii) from lagoons that were not designed to actively remove nutrients if the permittee maintains the
5 performance of the lagoon at a level equal to the performance of the lagoon on October 1, 2011.

6 (6) (a) The monthly average concentrations for total nitrogen and total phosphorus in subsection
7 (5)(b) are the highest concentrations allowed in each category and remain in effect until May 31, 2016.

8 (b) Categories and concentrations in subsection (5)(b) must be adopted by rule by May 31, 2016.

9 (7) (a) Immediately after May 31, 2016, and every 3 years ~~thereafter~~ after that, the department, in
10 consultation with the nutrient work group, shall revisit and update the concentration levels provided in
11 subsection (5)(b).

12 (b) If more cost-effective and efficient treatment technologies are available, the concentration levels
13 provided in subsection (5)(b) must be updated pursuant to subsection (7)(c) to reflect those changes.

14 (c) The updates become effective and may be incorporated into a permit only after a public hearing
15 and adoption by the department under the rulemaking procedures of Title 2, chapter 4, part 3.

16 (8) An individual, general, or alternative nutrient standards variance may be established for a period
17 not to exceed 20 years and must be reviewed by the department every 3 years from the date of adoption to
18 ensure that the justification for its adoption remains valid.

19 (9) (a) Permittees receiving an individual, general, or alternative nutrient standards variance shall
20 evaluate current facility operations to optimize nutrient reduction with existing infrastructure and shall analyze
21 cost-effective methods of reducing nutrient loading, including but not limited to nutrient trading without
22 substantial investment in new infrastructure.

23 (b) The department may request that a permittee provide the results of an optimization study and
24 nutrient reduction analysis to the department within 2 years of receiving an individual, general, or alternative
25 nutrient variance.

26 (10) (a) A permittee may request that the department provide an alternative nutrient standards
27 variance if the permittee demonstrates that achieving nutrient concentrations established for an individual or
28 general nutrient standards variance would result in an insignificant reduction of instream nutrient loading.

1 (b) A permittee receiving an alternative nutrient standards variance shall comply with the
2 requirements of subsections (8) and (9) and shall demonstrate that the permittee's contribution to nutrient
3 concentrations in the watershed continues to remain insignificant.

4 (11) The department shall encourage the use of alternative effluent management methods to reduce
5 instream nutrient loading, including reuse, recharge, land application, and trading.

6 (12) ~~On or before July 1 of each year, the~~ The department, in consultation with the nutrient work group,
7 shall report to the ~~water policy committee established in 5-5-231~~ environmental quality council by providing a
8 summary of the status of the base numeric nutrient standards, the nutrient standards variances, and the
9 implementation of those standards and variances, including estimated economic impacts.

10 (13) On or before September 1 of each year preceding the convening of a regular session of the
11 legislature, the department, in consultation with the nutrient work group, shall summarize the two most recent
12 reports provided under subsection (12) and submit to the ~~water policy committee established in 5-5-231~~
13 legislature this final summary in accordance with 5-11-210."
14

15 **Section 106.** Section 75-5-703, MCA, is amended to read:

16 **"75-5-703. Development and implementation of total maximum daily loads.** (1) The department
17 shall, in consultation with local conservation districts and watershed advisory groups, develop total maximum
18 daily loads or TMDLs for threatened or impaired water bodies or segments of water bodies in order of the
19 priority ranking established by the department under 75-5-702. Each TMDL must be established at a level that
20 will achieve compliance with applicable water quality standards and must include a reasonable margin of safety
21 that takes into account any lack of knowledge concerning the relationship between the TMDL and water quality
22 standards. The department shall consider applicable guidance from the federal environmental protection
23 agency, as well as the environmental, economic, and social costs and benefits of developing and implementing
24 a TMDL.

25 (2) In establishing TMDLs under subsection (1), the department may establish waste load allocations
26 for point sources and may establish load allocations for nonpoint sources, as set forth in subsection (8), and
27 may allow for effluent trading. The department shall, in consultation with local conservation districts and
28 watershed advisory groups, develop reasonable land, soil, and water conservation practices specifically

1 recognizing established practices and programs for nonpoint sources.

2 (3) The department shall establish a schedule that provides a reasonable timeframe for TMDL
3 development for impaired and threatened water bodies that are on the most recent list prepared pursuant to 75-
4 5-702. On or before July 1 of each even-numbered year, the department shall report the progress in completing
5 TMDLs and the current schedule for completion of TMDLs for the water bodies that remain on the list to the
6 ~~water policy committee established in 5-5-231~~ environmental quality council.

7 (4) The department shall provide guidance for TMDL development on any threatened or impaired
8 water body, regardless of its priority ranking, if the necessary funding and resources from sources outside the
9 department are available to develop the TMDL and to monitor the effectiveness of implementation efforts. The
10 department shall review the TMDL and either approve or disapprove the TMDL. If the TMDL is approved by the
11 department, the department shall ensure implementation of the TMDL according to the provisions of
12 subsections (6) through (8).

13 (5) For water bodies listed under 75-5-702, the department shall provide assistance and support to
14 landowners, local conservation districts, and watershed advisory groups for interim measures that may restore
15 water quality and remove the need to establish a TMDL, such as informational programs regarding control of
16 nonpoint source pollution and voluntary measures designed to correct impairments. When a source implements
17 voluntary measures to reduce pollutants prior to development of a TMDL, those measures, whether or not
18 reflected in subsequently issued waste discharge permits, must be recognized in development of the TMDL in a
19 way that gives credit for the pollution reduction efforts.

20 (6) After development of a TMDL and upon approval of the TMDL, the department shall:

21 (a) incorporate the TMDL into its current continuing planning process;

22 (b) incorporate the waste load allocation developed for point sources during the TMDL process into
23 appropriate water discharge permits; and

24 (c) assist and inform landowners regarding the application of a voluntary program of reasonable land,
25 soil, and water conservation practices developed pursuant to subsection (2).

26 (7) Once the control measures identified in subsection (6) have been implemented, the department
27 shall, in consultation with the statewide TMDL advisory group, develop a monitoring program to assess the
28 waters that are subject to the TMDL to determine whether compliance with water quality standards has been

1 attained for a particular water body or whether the water body is no longer threatened. The monitoring program
2 must be designed based on the specific impairments or pollution sources. The department's monitoring
3 program must include long-term monitoring efforts for the analysis of the effectiveness of the control measures
4 developed.

5 (8) The department shall support a voluntary program of reasonable land, soil, and water
6 conservation practices to achieve compliance with water quality standards for nonpoint source activities for
7 water bodies that are subject to a TMDL developed and implemented pursuant to this section.

8 (9) If the monitoring program provided under subsection (7) demonstrates that the TMDL is not
9 achieving compliance with applicable water quality standards within 5 years after approval of a TMDL, the
10 department shall conduct a formal evaluation of progress in restoring water quality and the status of reasonable
11 land, soil, and water conservation practice implementation to determine if:

12 (a) the implementation of a new or improved phase of voluntary reasonable land, soil, and water
13 conservation practice is necessary;

14 (b) water quality is improving but a specified time is needed for compliance with water quality
15 standards; or

16 (c) revisions to the TMDL are necessary to achieve applicable water quality standards.

17 (10) Pending completion of a TMDL on a water body listed pursuant to 75-5-702:

18 (a) point source discharges to a listed water body may commence or continue, provided that:

19 (i) the discharge is in conformance with a discharge permit that reflects, in the manner and to the
20 extent applicable for the particular discharge, the provisions of 75-5-303;

21 (ii) the discharge will not cause a decline in water quality for parameters by which the water body is
22 impaired; and

23 (iii) minimum treatment requirements adopted pursuant to 75-5-305 are met;

24 (b) the issuance of a discharge permit may not be precluded because a TMDL is pending;

25 (c) new or expanded nonpoint source activities affecting a listed water body may commence and
26 continue if those activities are conducted in accordance with reasonable land, soil, and water conservation
27 practices; and

28 (d) for existing nonpoint source activities, the department shall continue to use educational nonpoint

1 source control programs and voluntary measures as provided in subsections (5) and (6).

2 (11) This section may not be construed to prevent a person from filing an application or petition under
3 75-5-302, 75-5-310, or 75-5-312."
4

5 **Section 107.** Section 82-2-701, MCA, is amended to read:

6 **"82-2-701. Sand and gravel deposit program -- investigation -- purpose -- prioritization.** (1) The
7 Montana bureau of mines and geology shall establish a sand and gravel deposit program for the purpose of
8 investigating sand and gravel deposits in areas of the state where conflicts between development and sand and
9 gravel operations are high.

10 (2) In prioritizing areas for investigation, the bureau of mines and geology shall consider the largest
11 counties, according to the most recent census data, and counties with the most opencut mining permits and
12 subdivision applications, according to the department of environmental quality.

13 (3) The bureau of mines and geology may start an investigation when it has sufficient funds to
14 conduct an investigation.

15 (4) Within 1 year of starting an investigation, the bureau of mines and geology shall present the
16 results of the investigation in the form of maps and text to:

- 17 (a) the counties included in the investigation; and
- 18 (b) ~~the local government interim committee; and~~
- 19 ~~(c) the environmental quality council~~ legislature in accordance with 5-11-210."

20

21 **Section 108.** Section 85-1-203, MCA, is amended to read:

22 **"85-1-203. State water plan.** (1) The department shall gather from any source reliable information
23 relating to Montana's water resources and prepare from the information a continuing comprehensive inventory
24 of the water resources of the state. In preparing this inventory, the department may:

- 25 (a) conduct studies;
- 26 (b) adopt studies made by other competent water resource groups, including federal, regional, state,
27 or private agencies;
- 28 (c) perform research or employ other competent agencies to perform research on a contract basis;

1 and

2 (d) hold public hearings in affected areas at which all interested parties must be given an opportunity
3 to appear.

4 (2) The department shall formulate and adopt and amend, extend, or add to a comprehensive,
5 coordinated multiple-use water resources plan known as the "state water plan". The state water plan may be
6 formulated and adopted in sections, with some of these sections corresponding with hydrologic divisions of the
7 state. The state water plan must set out a progressive program for the conservation, development, utilization,
8 and sustainability of the state's water resources and propose the most effective means by which these water
9 resources may be applied for the benefit of the people, with due consideration of alternative uses and
10 combinations of uses.

11 (3) Sections of the state water plan must be completed for the Missouri, Yellowstone, and Clark Fork
12 River basins, submitted to the 2015 legislature, and updated at least every 20 years. These basinwide plans
13 must include:

- 14 (a) an inventory of consumptive and nonconsumptive uses associated with existing water rights;
- 15 (b) an estimate of the amount of surface and ground water needed to satisfy new future demands;
- 16 (c) analysis of the effects of frequent drought and of new or increased depletions on the availability of
17 future water supplies;
- 18 (d) proposals for the best means, such as an evaluation of opportunities for storage of water by both
19 private and public entities, to satisfy existing water rights and new water demands;
- 20 (e) possible sources of water to meet the needs of the state; and
- 21 (f) any legislation necessary to address water resource concerns in these basins.

22 (4) (a) The department shall create a water user council in both the Yellowstone and Missouri River
23 basins that is inclusive and representative of all water interests and interests in those basins. For the Clark Fork
24 River basin, the department shall continue to utilize the Clark Fork River basin task force established pursuant
25 to 85-2-350.

26 (b) The councils in the Missouri and Yellowstone River basins consist of representatives of existing
27 watershed groups or councils within the basins.

28 (c) Each council may have up to 20 members.

1 (d) Each water user council shall make recommendations to the department on the basinwide plans
2 required by subsection (3).

3 (5) Before adopting the state water plan or any section of the plan, the department shall hold public
4 hearings in the state or in an area of the state encompassed by a section of the plan if adoption of a section is
5 proposed. Notice of the hearing or hearings must be published for 2 consecutive weeks in a newspaper of
6 general county circulation in each county encompassed by the proposed plan or section of the plan at least 30
7 days prior to the hearing.

8 (6) The department shall submit to the ~~water policy committee established in 5-5-231~~ and to the
9 legislature ~~at the beginning of each regular session~~ in accordance with 5-11-210 the state water plan or any
10 section of the plan or amendments, additions, or revisions to the plan that the department has formulated and
11 adopted.

12 (7) The legislature, by joint resolution, may revise the state water plan.

13 (8) The department shall prepare a continuing inventory of the ground water resources of the state.
14 The ground water inventory must be included in the comprehensive water resources inventory described in
15 subsection (1) but must be a separate component of the inventory.

16 (9) The department shall publish the comprehensive inventory, the state water plan, the ground water
17 inventory, or any part of each, and the department may assess and collect a reasonable charge for these
18 publications.

19 (10) In developing and revising the state water plan as provided in this section, the department shall
20 consult with the ~~water policy committee established in 5-5-231~~ environmental quality council and solicit the
21 advice of the ~~water policy~~ environmental quality council ~~committee~~ in carrying out its duties under this section."
22

23 **Section 109.** Section 85-1-501, MCA, is amended to read:

24 **"85-1-501. Survey of power generation capacity.** (1) The department shall study the economic and
25 environmental feasibility of constructing and operating a small-scale hydroelectric power generating facility on
26 each of the water projects under its control and shall periodically update those studies as the cost of the
27 electrical energy increases. In determining whether small-scale hydroelectric generation may be economically
28 feasible on a particular project, the department shall consider:

- 1 (a) the estimated cost of construction of a facility;
- 2 (b) the estimated cost of maintaining, repairing, and operating the facility;
- 3 (c) the estimated cost of tying into an existing power distribution channel;
- 4 (d) the ability of public utilities or rural electric cooperatives to lease and operate such a facility;
- 5 (e) the debt burden to be serviced;
- 6 (f) the revenue expected to be derived;
- 7 (g) the likelihood of a reasonable rate of return on the investment; and
- 8 (h) the potential impacts on water supply and streamflows.

9 (2) ~~Prior to September 1 of each even-numbered year, the department shall update the energy and~~
 10 ~~telecommunications interim committee and the water policy interim committee~~ The department shall provide a
 11 report to the legislature in accordance with 5-11-210 on all past and current studies conducted pursuant to this
 12 section."

13

14 **Section 110.** Section 85-1-621, MCA, is amended to read:

15 **"85-1-621. Report.** The department shall prepare a biennial report describing the status of the
 16 renewable resource grant and loan program. The report must describe ongoing projects and projects that have
 17 been completed during the biennium. The report must identify and rank in order of priority the projects for which
 18 the department has received applications. The report must also describe proposed projects and activities for
 19 the coming biennium and recommendations for necessary appropriations. A copy of the report must be
 20 submitted to the ~~water policy committee established in 5-5-231~~ legislature in accordance with 5-11-210."

21

22 **Section 111.** Section 85-2-281, MCA, is amended to read:

23 **"85-2-281. (Temporary) Reporting requirements.** The department and the water court shall:

24 (1) provide quarterly reports to the ~~water policy committee during a legislative interim~~ appropriate
 25 standing committee or interim entity established by the legislature in its rules on:

- 26 (a) the progress of the adjudication on a basin-by-basin basis;
- 27 (b) the number of basins for which examination was completed during the reporting period;
- 28 (c) the number and type of decrees issued in the preceding year and in each quarter of the current

- 1 year and an update on summary reports in review;
- 2 (d) the number of claims resolved each month in the preceding year;
- 3 (e) the percentage of claims resolved by basin, limited to basins under active review by the water
- 4 court, after issuance of a decree and passage of the deadline of the notices of intent to appear; and
- 5 (f) compact status describing compacts approved by the water court and pending compacts;
- 6 (2) include a status report on the adjudication in their presentation to the applicable appropriation
- 7 subcommittees during each legislative session including the number of basins for which examination was
- 8 completed during the reporting period; and
- 9 (3) provide a budget that outlines how each of the entities will be funded in the next biennium,
- 10 including general fund money and state special revenue funds. (Terminates June 30, 2028--secs. 10, 11, Ch.
- 11 269, L. 2015.)"

12
13 **Section 112.** Section 85-2-316, MCA, is amended to read:

14 **"85-2-316. State reservation of waters.** (1) The state, any political subdivision or agency of the

15 state, or the United States or any agency of the United States may apply to the department to acquire a state

16 water reservation for existing or future beneficial uses or to maintain a minimum flow, level, or quality of water

17 throughout the year or at periods or for a length of time that the department designates.

18 (2) (a) Water may be reserved for existing or future beneficial uses in the basin where it is reserved,

19 as described by the following basins:

- 20 (i) the Clark Fork River and its tributaries to its confluence with Lake Pend Oreille in Idaho;
- 21 (ii) the Kootenai River and its tributaries to its confluence with Kootenay Lake in British Columbia;
- 22 (iii) the St. Mary River and its tributaries to its confluence with the Oldman River in Alberta;
- 23 (iv) the Little Missouri River and its tributaries to its confluence with Lake Sakakawea in North Dakota;
- 24 (v) the Missouri River and its tributaries to its confluence with the Yellowstone River in North Dakota;
- 25 and
- 26 (vi) the Yellowstone River and its tributaries to its confluence with the Missouri River in North Dakota.

27 (b) A state water reservation may be made for an existing or future beneficial use outside the basin

28 where the diversion occurs only if stored water is not reasonably available for water leasing under 85-2-141 and

1 the proposed use would occur in a basin designated in subsection (2)(a).

2 (3) (a) The department shall adopt rules that are necessary to determine whether or not an
3 application is correct and complete based on the provisions applicable to issuance of a state water reservation.
4 The rules must be adopted in compliance with Title 2, chapter 4.

5 (b) An applicant shall submit a correct and complete application. The determination of whether an
6 application is correct and complete must be based on rules adopted under this subsection (3) that are in effect
7 at the time the application is submitted. The department shall proceed in accordance with 85-2-302 with regard
8 to any defects in the application.

9 (c) The application must be made on a form prescribed by the department. The department shall
10 make the forms available through its offices.

11 (d) Upon receiving a correct and complete application, the department shall proceed in accordance
12 with 85-2-307 through 85-2-309. After the hearing provided for in 85-2-309, the department shall decide
13 whether to reserve the water for the applicant. The department's costs of giving notice, holding the hearing,
14 conducting investigations, and making records incurred in acting upon the application to reserve water, except
15 the cost of salaries of the department's personnel, must be paid by the applicant. In addition, a reasonable
16 proportion of the department's cost of preparing an environmental analysis must be paid by the applicant unless
17 waived by the department upon a showing of good cause by the applicant.

18 (4) (a) Except as provided in 85-20-1401, the department shall issue a state water reservation if the
19 applicant establishes to the department by a preponderance of evidence:

- 20 (i) the purpose of the reservation;
- 21 (ii) the need for the reservation;
- 22 (iii) the amount of water necessary for the purpose of the reservation;
- 23 (iv) that the reservation is in the public interest.

24 (b) In determining the public interest under subsection (4)(a)(iv), the department shall issue a water
25 reservation for withdrawal and transport for use outside the state if the applicant proves by clear and convincing
26 evidence that:

- 27 (i) the proposed out-of-state use of water is not contrary to water conservation in Montana; and
- 28 (ii) the proposed out-of-state use of water is not otherwise detrimental to the public welfare of the

1 citizens of Montana.

2 (c) In determining whether the applicant has proved by clear and convincing evidence that the
3 requirements of subsections (4)(b)(i) and (4)(b)(ii) are met, the department shall consider the following factors:

4 (i) whether there are present or projected water shortages within the state of Montana;

5 (ii) whether the water that is the subject of the application could feasibly be transported to alleviate
6 water shortages within the state of Montana;

7 (iii) the supply and sources of water available to the applicant in the state where the applicant intends
8 to use the water; and

9 (iv) the demands placed on the applicant's supply in the state where the applicant intends to use the
10 water.

11 (d) When applying for a state water reservation to withdraw and transport water for use outside the
12 state, the applicant shall submit to and comply with the laws of the state of Montana governing the
13 appropriation, lease, use, and reservation of water.

14 (5) If the purpose of the state water reservation requires construction of a storage or diversion facility,
15 the applicant shall establish to the department by a preponderance of evidence that there will be progress
16 toward completion of the facility and accomplishment of the purpose with reasonable diligence in accordance
17 with an established plan.

18 (6) (a) Upon issuing a state water reservation for the purpose of maintaining a minimum flow, level,
19 or quality of water, the appropriation of water is complete.

20 (b) The department shall limit any state water reservations after May 9, 1979, for maintenance of
21 minimum flow, level, or quality of water that it awards at any point on a stream or river to a maximum of 50% of
22 the average annual flow of record on gauged streams. Ungauged streams are not subject to the limit under this
23 subsection (6)(b).

24 (7) A state water reservation issued under this section has a priority of appropriation dating from the
25 filing of a correct and complete application with the department.

26 (8) (a) A person desiring to use water reserved to a conservation district for agricultural purposes
27 shall make application for the use with the district, and the district, upon approval of the application, shall inform
28 the department of the approved use and issue the applicant an authorization for the use. The department shall

1 maintain records of all uses of water reserved to conservation districts and be responsible, when requested by
 2 the districts, for rendering technical and administrative assistance within the department's staffing and
 3 budgeting limitations in the preparation and processing of the applications for the conservation districts. The
 4 department shall, within its staffing and budgeting limitations, complete any feasibility study requested by the
 5 districts within 12 months of the time that the request was made. The department shall extend the time allowed
 6 to develop a plan identifying projects for using a district's reservation as long as the conservation district makes
 7 a good faith effort, within its staffing and budget limitations, to develop a plan.

8 (b) Upon actual application of water to the proposed beneficial use, the authorized user shall notify
 9 the conservation district. The notification must contain a certified statement by a person with experience in the
 10 design, construction, or operation of project works for agricultural purposes describing how the reserved water
 11 was put to use. The department or the district may then inspect the appropriation to determine if it has been
 12 completed in substantial accordance with the authorization.

13 (9) A state water reservation issued under this section may not adversely affect any rights in
 14 existence at that time. The department may issue a state water reservation subject to terms, conditions,
 15 restrictions, and limitations it considers necessary to satisfy the criteria of this section.

16 (10) (a) Except for a reservation provided in subsection (6) or a reservation provided in 85-20-1401,
 17 the department shall, at least once every 10 years, review existing state water reservations to ensure that the
 18 objectives of the reservations are being met.

19 (b) The department shall provide the ~~water policy interim committee, established in 5-5-231,~~
 20 legislature in accordance with 5-11-210 a summary of the reviews before September 15, 2026.

21 (c) Following a review pursuant to this subsection (10), at the request of the entity holding a water
 22 reservation or when the objectives of a state water reservation are not being met, the department may:

- 23 (i) extend the time period to complete the appropriation of water;
- 24 (ii) modify the reservation; or
- 25 (iii) revoke the reservation.

26 (d) Any undeveloped water made available as a result of a revocation or modification under this
 27 subsection (10) is available for appropriation by others pursuant to this part.

28 (11) Except as provided in 85-20-1401, the department may modify an existing or future order

1 originally adopted to reserve water for the purpose of maintaining minimum flow, level, or quality of water, so as
2 to reallocate the state water reservation or portion of the reservation to an applicant who is a qualified reservant
3 under this section. Reallocation of water reserved pursuant to a state water reservation may be made by the
4 department following notice and hearing if the department finds that all or part of the reservation is not required
5 for its purpose and that the need for the reallocation has been shown by the applicant to outweigh the need
6 shown by the original reservant. Reallocation of reserved water may not adversely affect the priority date of the
7 reservation, and the reservation retains its priority date despite reallocation to a different entity for a different
8 use. The department may not reallocate water reserved under this section on any stream or river more
9 frequently than once every 5 years.

10 (12) A reservant may not make a change in a state water reservation under this section, except as
11 permitted under 85-2-402 and this subsection. If the department approves a change, the department shall give
12 notice and require the reservant to establish that the criteria in subsection (4) will be met under the approved
13 change.

14 (13) A state water reservation may be transferred to another entity qualified to hold a reservation under
15 subsection (1). Only the entity holding the reservation may initiate a transfer. The transfer occurs upon the filing
16 of a water right ownership update form with the department, together with an affidavit from the entity receiving
17 the reservation establishing that the entity is a qualified reservant under subsection (1), that the entity agrees to
18 comply with the requirements of this section and the conditions of the reservation, and that the entity can meet
19 the objectives of the reservation as granted. If the transfer of a state water reservation involves a change in an
20 appropriation right, the necessary approvals must be acquired pursuant to subsection (12).

21 (14) This section does not vest the department with the authority to alter a water right that is not a state
22 water reservation.

23 (15) The department shall undertake a program to educate the public, other state agencies, and
24 political subdivisions of the state as to the benefits of the state water reservation process and the procedures to
25 be followed to secure the reservation of water. The department shall provide technical assistance to other state
26 agencies and political subdivisions in applying for reservations under this section.

27 (16) Water reserved under this section is not subject to the state water leasing program established
28 under 85-2-141."

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Section 113. Section 85-2-350, MCA, is amended to read:

"85-2-350. Clark Fork River basin task force -- duties -- water management plan. (1) The

governor's office shall designate an appropriate entity to convene and coordinate a Clark Fork River basin task force to prepare proposed amendments to the state water plan provided for under 85-1-203 related to the Clark Fork River basin. The designated appropriate entity shall:

- (a) identify the individuals and organizations, public, tribal, and private, that are interested in or affected by water management in the Clark Fork River basin;
- (b) provide advice and assistance in selecting representatives to serve on the task force;
- (c) develop, in consultation with the task force, appropriate opportunities for public participation in studies of water management in the Clark Fork River basin; and
- (d) ensure that all watersheds and viewpoints within the basin are adequately represented on the task force, including a representation from the following:
 - (i) the reach of the Clark Fork River in Montana below its confluence with the Flathead River;
 - (ii) the Flathead River basin, including Flathead Lake, from Flathead Lake to the confluence of the Flathead River and the Clark Fork River;
 - (iii) the Flathead River basin upstream from Flathead Lake;
 - (iv) the reach of the Clark Fork River between the confluence of the Blackfoot River and the Clark Fork River and the confluence of the Clark Fork River and the Flathead River;
 - (v) the Bitterroot River basin as defined in 85-2-344; and
 - (vi) the upper Clark Fork River basin as defined in 85-2-335.

(2) Task force members shall serve 2-year terms and may serve more than one term. The Confederated Salish and Kootenai tribal government has the right to appoint a representative to the task force.

- (3) The task force shall:
- (a) identify short-term and long-term water management issues and problems and alternatives for resolving any issues or problems identified;
 - (b) identify data gaps regarding basin water resources, especially ground water;
 - (c) coordinate water management by local basin watershed groups, water user organizations, and

- 1 individual water users to ensure long-term sustainable water use;
- 2 (d) provide a forum for all interests to communicate about water issues;
- 3 (e) advise government agencies about water management and permitting activities in the Clark Fork
- 4 River basin;
- 5 (f) consult with local and tribal governments within the Clark Fork River basin;
- 6 (g) make recommendations, if recommendations are considered necessary, to the department for
- 7 consideration as amendments to the state water plan provided for under 85-1-203 related to the Clark Fork
- 8 River basin; and
- 9 (h) report to:
- 10 (i) the department on a periodic basis;
- 11 (ii) ~~the water policy committee established in 5-5-231~~ environmental quality council; and
- 12 (iii) the appropriations subcommittee that deals with natural resources and commerce each legislative
- 13 session."

14
15 **Section 114.** Section 85-2-436, MCA, is amended to read:

16 **"85-2-436. Instream flow to protect, maintain, or enhance streamflows to benefit fishery**
17 **resource -- change in appropriation rights.** (1) The department of fish, wildlife, and parks may change an
18 appropriation right, which it either holds in fee simple or leases, to an instream flow purpose of use and a
19 defined place of use to protect, maintain, or enhance streamflows to benefit the fishery resource.

20 (2) The change in purpose of use or place of use must meet all of the criteria and process outlined in
21 85-2-307 through 85-2-309, 85-2-401, and 85-2-402 and the additional criteria and process described in
22 subsection (3) of this section to protect the rights of other appropriators from adverse impacts.

23 (3) (a) The department of fish, wildlife, and parks, with the consent of the commission, may lease
24 existing rights for the purpose of protecting, maintaining, or enhancing streamflows to benefit the fishery
25 resource.

26 (b) The department may not approve a change in appropriation right until all objections are resolved.

27 (c) The application for a change in appropriation right authorization must include specific information
28 on the length and location of the stream reach in which the streamflow is to be protected, maintained, or

1 enhanced and must provide a detailed streamflow measuring plan that describes the points where and the
2 manner in which the streamflow must be measured.

3 (d) The maximum quantity of water that may be changed to instream flow is the amount historically
4 diverted. However, only the amount historically consumed, or a smaller amount if specified by the department in
5 the change in appropriation right authorization, may be used to protect, maintain, or enhance streamflows
6 below the point of diversion that existed prior to the change in appropriation right.

7 (e) A lease for instream flow purposes may be entered for a term of up to 10 years, except that a
8 lease of water made available from the development of a water conservation or storage project may be for a
9 term equal to the expected life of the project but not more than 30 years. All leases may be renewed an
10 indefinite number of times but not for more than 10 years for each term. Upon receiving notice of a lease
11 renewal, the department shall notify other appropriators potentially affected by the lease and shall allow 90
12 days for submission of new evidence of adverse effects to other water rights. A change in appropriation right
13 authorization is not required for a renewal unless an appropriator other than an appropriator described in
14 subsection (3)(i) submits evidence of adverse effects to the appropriator's rights that has not been considered
15 previously. If new evidence is submitted, a change in appropriation right authorization must be obtained
16 according to the requirements of 85-2-402.

17 (f) The department may modify or revoke the change in appropriation right authorization up to 10
18 years after it is approved if an appropriator other than an appropriator described in subsection (3)(i) submits
19 new evidence not available at the time the change in appropriation right was approved that proves by a
20 preponderance of evidence that the appropriator's water right is adversely affected.

21 (g) The priority of appropriation for a lease or change in appropriation right under this section is the
22 same as the priority of appropriation of the right that is changed to an instream flow purpose.

23 (h) Neither a change in appropriation right nor any other authorization is required for the reversion of
24 a leased appropriation right to the lessor's previous use.

25 (i) A person issued a water use permit with a priority of appropriation after the date of filing of an
26 application for a change in appropriation right authorization under this section may not object to the exercise of
27 the changed water right according to its terms or to the reversion of a leased appropriation right to the lessor
28 according to the lessor's previous use.

1 (j) The department of fish, wildlife, and parks shall pay all costs associated with installing devices or
2 providing personnel to measure streamflows according to the measuring plan required under this section.

3 (4) (a) The department of fish, wildlife, and parks shall complete and submit to the department,
4 commission, and ~~water policy committee established in 5-5-234~~ the legislature in accordance with 5-11-210 a
5 biennial progress report by December 1 of odd-numbered years. This report must include a summary of all
6 appropriation rights changed to an instream flow purpose in the last 2 years.

7 (b) For each change in appropriation right to an instream flow purpose, the report must include a copy
8 of the change authorization issued by the department and must address:

9 (i) the length of the stream reach and how it is determined;

10 (ii) critical streamflow or volume needed to protect, maintain, or enhance streamflow to benefit the
11 fishery resource;

12 (iii) the amount of water available for instream flow as a result of the change in appropriation right;

13 (iv) contractual parameters, conditions, and other steps taken to ensure that each change in
14 appropriation right does not harm other appropriators, particularly if the stream is one that experiences natural
15 dewatering; and

16 (v) methods used to monitor use of water under each change in appropriation right.

17 (5) This section does not create the right for a person to bring suit to compel the renewal of a lease
18 that has expired.

19 (6) (a) From May 8, 2007, through June 30, 2029, the department of fish, wildlife, and parks may
20 change, pursuant to this section, the appropriation rights that it holds in fee simple to instream flow purposes on
21 no more than 12 stream reaches.

22 (b) After June 30, 2029, the department of fish, wildlife, and parks may not change the appropriation
23 rights that it holds in fee simple to instream flow purposes on any stream reaches.

24 (7) After June 30, 2029, the department of fish, wildlife, and parks may not enter into any new lease
25 agreements pursuant to this section or renew any leases that will expire after that date."

26

27 **Section 115.** Section 85-2-525, MCA, is amended to read:

28 **"85-2-525. Ground water investigation program -- advisory committee.** (1) The Montana bureau

1 of mines and geology shall develop and implement a ground water investigation program for the purpose of
2 collecting and compiling ground water and aquifer data. The program shall gather data, compile existing
3 information, conduct field studies, and prepare a detailed hydrogeologic assessment report for each subbasin.
4 The program shall develop a monitoring plan and a hydrogeologic model for each subbasin for which a report is
5 prepared.

6 (2) The ground water assessment steering committee, established by 2-15-1523, shall prioritize
7 subbasins for investigation based upon current and anticipated growth of agriculture, industry, housing, and
8 commercial activity. Permit applications for the development of surface water or ground water and the timing of
9 adjudication of water rights may be taken into account in prioritizing subbasins.

10 (3) The bureau of mines and geology shall report, in accordance with 5-11-210, on the work of the
11 ground water investigation program to the ~~water policy committee established in 5-5-231 legislature.~~"

12

13 **Section 116.** Section 90-1-105, MCA, is amended to read:

14 **"90-1-105. Functions of department of commerce -- economic development.** The department of
15 commerce shall:

16 (1) provide coordinating services to aid state and local groups and Indian tribal governments in the
17 promotion of new economic enterprises and conduct publicity and promotional activities within the state,
18 nationally, and internationally in connection with new economic enterprises;

19 (2) collect and disseminate information regarding the advantages of developing agricultural,
20 recreational, commercial, and industrial enterprises within this state;

21 (3) serve as an official state liaison between persons interested in locating new economic enterprises
22 in Montana and state and local groups and Indian tribal governments seeking new enterprises;

23 (4) aid communities and Indian tribal governments interested in obtaining new business or expanding
24 existing business;

25 (5) (a) study and promote means of expanding markets for Montana products within the state,
26 nationally, and globally; and

27 (b) provide training and assistance for Montana small businesses and entrepreneurs to expand
28 markets for made-in-Montana products;

1 (6) encourage and coordinate public and private agencies or bodies in publicizing the facilities and
2 attractions of the state;

3 (7) starting in 2020, publish a decennial report, to be authored by the bureau of business and
4 economic research at the university of Montana, on the economic contributions and impacts of Indian
5 reservations in Montana based on federal, state, local, tribal, and private inputs. Copies of the report must be
6 provided to the governor, each tribal government in Montana, the state-tribal economic development
7 commission, and the ~~state-tribal relations committee~~ legislature in accordance with 5-11-210, and the report
8 must be published on the department's website.

9 (8) explore the use of cooperative agreements, as provided in Title 18, chapter 11, part 1, for the
10 promotion and enhancement of economic opportunities on the Indian reservations in Montana; and

11 (9) assist the state-tribal economic development commission established in 90-1-131 in:

12 (a) identifying federal government and private sector funding sources for economic development on
13 Indian reservations in Montana; and

14 (b) fostering and providing assistance to prepare, develop, and implement cooperative agreements, in
15 accordance with Title 18, chapter 11, part 1, with each of the tribal governments in Montana."
16

17 **Section 117.** Section 90-1-132, MCA, is amended to read:

18 **"90-1-132. Commission purposes -- duties and responsibilities.** (1) The general purposes of the
19 state-tribal economic development commission include:

20 (a) assisting, promoting, encouraging, developing, and advancing economic prosperity and
21 employment on Indian reservations in Montana by fostering the expansion of business, manufacturing, tourism,
22 agriculture, and community development programs;

23 (b) cooperating and acting in conjunction with other organizations, public and private, to benefit tribal
24 communities;

25 (c) recruiting business enterprises to locate on or invest in enterprises on the reservations; and

26 (d) identifying, obtaining, and coordinating federal, state, and private sector gifts, grants, loans, and
27 donations to further economic development on the Indian reservations in Montana.

28 (2) The state-tribal economic development commission shall:

1 (a) in conjunction with the tourism advisory council provided for in 2-15-1816, oversee use of
2 proceeds to expand tourism activities and visitation in the Indian tourism region;

3 (b) determine, with assistance from the tribal business center coordinator and the federal grants
4 coordinator in the office of the state director of Indian affairs, the availability of federal, state, and private sector
5 gifts, grants, loans, and donations to tribal governments, Indian business enterprises, and communities located
6 on Indian reservations in Montana;

7 (c) apply for grants listed in the Catalog of Federal Domestic Assistance for which the commission is
8 eligible and which would, if awarded, supply identifiable economic benefits to any or all of the Indian
9 reservations in Montana;

10 (d) in cooperation with a tribal government, and when allowed by federal law and regulation, assist
11 the tribe in applying for grants listed in the Catalog of Federal Domestic Assistance for which an appropriate
12 tribal entity is eligible and which would, if awarded, supply identifiable economic benefits to any or all of the
13 Indian reservations in Montana;

14 (e) evaluate the apportionment of current spending of federal funds by state agencies in areas
15 including but not limited to economic development, housing, community infrastructure, business finance,
16 tourism promotion, transportation, and agriculture;

17 (f) conduct or commission and oversee a comprehensive assessment of the economic development
18 needs and priorities of each Indian reservation in the state;

19 (g) notify tribal governments, the governor, the state director of Indian affairs, and the directors of the
20 departments of commerce, agriculture, and transportation, of the availability of specific federal, state, or private
21 sector funding programs or opportunities that would directly benefit Indian communities in Montana;

22 (h) assist tribal governments and other tribal entities that are eligible for federal assistance programs
23 as provided in the most recent published edition in the Catalog of Federal Domestic Assistance in applying for
24 funds that would contribute to the respective tribes' economic development;

25 (i) work cooperatively with tribal government officials, the state director of Indian affairs, and other
26 appropriate state officials to help foster state-tribal cooperative agreements pursuant to Title 18, chapter 11,
27 part 1, that will:

28 (i) enhance economic development on the Indian reservations in Montana; and

1 (ii) help the department of commerce to fully implement and comply with the provisions of 90-1-105;

2 and

3 (j) provide to the governor, the legislative council, the ~~state-tribal relations committee~~ legislature in
4 accordance with 5-11-210, the legislative auditor, and to each of the presiding officers of the tribal governments
5 in Montana a biennial report that summarizes the activities of the commission."

6

7 **Section 118.** Section 90-1-182, MCA, is amended to read:

8 **"90-1-182. State assistance to local governments in review of and comment on federal land**

9 **management proposals -- rulemaking.** (1) In carrying out the provisions of 90-1-181, the department of
10 commerce may conduct on behalf of local governments a socioeconomic impact review and analysis of
11 significant federal land management proposals. The department of commerce may use the review and analysis
12 to comment in a timely manner on the federal proposals regarding projected impacts on local government.

13 (2) The department of commerce may:

14 (a) establish a minimal procedure for local governments to request from the department a review and
15 analysis of significant federal land management proposals that may have a direct socioeconomic impact on the
16 community for which the local government has requested the review. The request must include sufficient details
17 about the federal land management proposal for the department of commerce to determine a deadline by which
18 the review must be conducted.

19 (b) contract with a unit of the Montana university system experienced in technical, doctorate-level
20 analysis of the socioeconomic impacts of federal land management proposals to provide an independent
21 economic analysis of the federal proposals;

22 (c) advocate on behalf of the local government before the agency issuing the federal land
23 management proposals, using the reports generated under this subsection (2); and

24 (d) report to an ~~appropriate legislative interim committee~~ the legislature in accordance with 5-11-210
25 regarding the number of requests, the types of requests, and the number of responses handled annually. The
26 department shall post the information under this subsection (2)(d) on its website along with a summary of each
27 requested analysis.

28 (3) The department of commerce may adopt rules to implement this section."

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Section 119. Section 90-1-503, MCA, is amended to read:

"90-1-503. Outcome measures. (1) The department of commerce shall develop reasonable outcome measures by which the success of the distressed wood products industry revolving loan program provided for in this part must be measured on an annual basis. Minimal outcome that must be measured includes:

- (a) the uses of loan funds that provided the best overall results; and
- (b) a determination of the overall success of the loan program, including but not limited to the number of jobs created or retained, pay levels, financial status, reports on project activities, the growth of a local economy, and the taxable value of property or equipment.

(2) The department may require information from entities receiving loans in order to measure outcome.

(3) In accordance with 5-11-210, the department shall provide a status report of the distressed wood products industry loan account to the ~~economic affairs interim committee provided for in 5-5-223 legislature.~~"

Section 120. Section 90-3-1301, MCA, is amended to read:

"90-3-1301. Geothermal research. (1) Subject to subsection (2), the Montana bureau of mines and geology may conduct geothermal research that:

- (a) characterizes the geothermal resource base in Montana;
- (b) tests high-temperature and high-pressure drilling technologies benefiting geothermal well construction; and
- (c) determines reservoir characterization, monitoring, and modeling necessary for commercial application in Montana.

(2) If the research is conducted on private property, the bureau must have written agreements with:

- (a) the surface property owner and any owners of the geothermal resource for access and use of the site for research purposes; and
- (b) subject to subsections (3) and (4), the utility, as defined in 69-5-102, with a service area nearest the research site if the utility intends to commercially develop the site.

(3) If the utility with a service area nearest the research site intends to develop the site for future

1 commercial use, the utility shall:

2 (a) contribute, at a minimum, 25% of the research costs as determined by the bureau for research at
3 the site; and

4 (b) have an agreement in place with the surface property owner and any owners of the geothermal
5 resource where the research site is located for future development of the geothermal resource.

6 (4) If the utility with a service area nearest the research site does not intend to develop the site for
7 commercial use, the utility with a service area next nearest the site may enter into a written agreement pursuant
8 to subsection (2)(b). If a utility does not intend to develop the site for future commercial use, the agreement
9 pursuant to subsection (2)(b) is not required.

10 (5) In determining the utility with a service area nearest the site, all measurements must be made on
11 the shortest vector that can be drawn from the line nearest the service area to the nearest portion of the
12 geothermal site.

13 (6) ~~Prior to September 1 of each even-numbered year, the~~ The bureau shall update the energy and
14 ~~telecommunications interim committee~~ report to the legislature in accordance with 5-11-210 on research
15 conducted pursuant to this section and funding received pursuant to 90-3-1302."

16

17 **Section 121.** Section 90-4-1003, MCA, is amended to read:

18 **"90-4-1003. Energy policy development process.** (1) ~~At the first interim committee meeting held~~
19 ~~during each interim, the energy and telecommunications interim committee established in 5-5-230~~ The
20 appropriate standing committee or interim entity established by the legislature in its rules shall review the state
21 energy policy and, if determined necessary ~~by the committee~~, discuss at future meetings issues to be included
22 in a revised policy and recommend potential changes.

23 (2) ~~If the committee entity~~ decides to discuss issues to be included in a revised policy and
24 recommend potential changes, it shall consult with a broad representation of stakeholders, including
25 appropriate state agencies and the public, in developing the proposed revised state energy policy.

26 (3) If revisions to the state energy policy are proposed by the ~~committee entity~~, then before
27 September 15 of the year preceding a legislative session, the ~~committee entity~~ shall forward its
28 recommendations for a proposed revised state energy policy to the legislature and to the appropriate state

1 agencies for adoption.

2 (4) In carrying out its responsibilities under this section, the ~~committee entity~~ shall use its ~~interim~~
3 budget, as allocated by the legislative council, and rely on the input of locally available experts and staff
4 research to accomplish its responsibilities."

5

6 **Section 122.** Section 90-11-102, MCA, is amended to read:

7 **"90-11-102. Duties and assistance.** (1) It is the duty of the state director of Indian affairs to carry out
8 the legislative policy set forth in 90-11-101.

9 (2) The state director shall:

10 (a) meet at least quarterly with tribal governments and become acquainted with the problems
11 confronting the Indians of Montana;

12 (b) meet with executive branch directors on issues arising between Montana's Indian citizens, tribes,
13 and state agency personnel and programs;

14 (c) report to the governor's cabinet meeting concerning issues confronting Indian people and tribal
15 governments;

16 (d) advise the legislative and executive branches of the state of Montana of those problems and
17 issues;

18 (e) make recommendations for the alleviation of those problems and issues;

19 (f) serve the Montana delegation in the federal congress as an adviser and intermediary in the field of
20 Indian affairs;

21 (g) act as a liaison for representative Indian organizations and groups, public and private, whenever
22 the state director's support is solicited by tribal governmental entities;

23 (h) serve on the state-tribal economic development commission established in 90-1-131;

24 (i) report in detail at every meeting of the ~~interim committee of the legislature responsible for acting as~~
25 ~~a liaison between the legislature and the tribal governments~~ appropriate standing committee or interim entity
26 established by the legislature in its rules those actions taken by the state-tribal economic development
27 commission established by 90-1-131 to carry out its duties; and

28 (j) hire, with the concurrence of the other members of the state-tribal economic development

1 commission, a tribal business center coordinator and a federal grants coordinator, and subsequently provide
2 administrative support for both positions.

3 (3) All executive and legislative agencies of state government may within the area of their expertise
4 and authority provide assistance to tribal councils or their official designees requesting assistance on any
5 matter relating to education, health, natural resources, and economic development on Indian reservation lands."
6

7 **NEW SECTION. Section 123. Transition.** The legislative council, in accordance with 5-11-105 and
8 subject to rules adopted by the legislature, shall assign interim study resolutions passed by the 2021 legislature
9 to the appropriate administrative committee, standing committee, or interim entity established by the legislature
10 in its rules.
11

12 **NEW SECTION. Section 124. Repealer.** The following sections of the Montana Code Annotated are
13 repealed:

- 14 5-5-201. Power to administer oaths.
- 15 5-5-202. Interim committees.
- 16 5-5-211. Appointment and composition of interim committees.
- 17 5-5-212. Implied resignation of member -- vacancies.
- 18 5-5-213. Officers of interim committees.
- 19 5-5-214. Interim activity.
- 20 5-5-215. Duties of interim committees.
- 21 5-5-216. Recommendations of committees.
- 22 5-5-217. Selection and assignment of interim studies.
- 23 5-5-223. Economic affairs interim committee.
- 24 5-5-224. Education interim committee.
- 25 5-5-225. Children, families, health, and human services interim committee.
- 26 5-5-226. Law and justice interim committee.
- 27 5-5-227. Revenue interim committee -- powers and duties -- revenue estimating and use of estimates.
- 28 5-5-228. State administration and veterans' affairs interim committee.

- 1 5-5-229. State-tribal relations committee.
- 2 5-5-230. Energy and telecommunications interim committee.
- 3 5-5-231. Water policy committee.
- 4 5-5-232. Local government committee.
- 5 5-5-233. Transportation interim committee.
- 6 85-2-105. Water policy committee duties.

7

8 **NEW SECTION. Section 125. Severability.** If a part of [this act] is invalid, all valid parts that are
9 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
10 the part remains in effect in all valid applications that are severable from the invalid applications.

11

12 **NEW SECTION. Section 126. Effective dates.** (1) Except as provided in subsection (2), [this act] is
13 effective on passage and approval.

14 (2) [Section 40] is effective October 1, 2021.

15 - END -