

## 1 HOUSE BILL NO. 18

2 INTRODUCED BY G. HOLLENBAUGH

3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DISTRIBUTIONS AND AMOUNTS TO BE  
6 TRANSFERRED FROM THE STATE GENERAL FUND TO THE RESEARCH AND COMMERCIALIZATION  
7 STATE SPECIAL REVENUE ACCOUNT; AMENDING SECTIONS 7-14-112, 10-2-112, 10-2-603, 10-3-801,  
8 15-1-122, AND 15-35-108, MCA; AND PROVIDING AN EFFECTIVE DATE."

9

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

11

12 **Section 1.** Section 7-14-112, MCA, is amended to read:13 **"7-14-112. Senior citizen and persons with disabilities transportation services account -- use.** (1)

14 There is a senior citizen and persons with disabilities transportation services account in the state special revenue  
15 fund. Money must be deposited in the account pursuant to 15-1-122~~(2)(e)~~(3)(e).

16 (2) Except as provided in subsection (6), the account must be used to provide operating funds or  
17 matching funds for operating grants pursuant to 49 U.S.C. 5311 to counties, incorporated cities and towns,  
18 transportation districts, or nonprofit organizations for transportation services for persons 60 years of age or older  
19 and for persons with disabilities.

20 (3) (a) Subject to the conditions of subsection (3)(b), the department of transportation is authorized to  
21 award grants to counties, incorporated cities and towns, transportation districts, and nonprofit organizations for  
22 transportation services using guidelines established in the state management plan for the purposes described  
23 in 49 U.S.C. 5310 and 5311.

24 (b) Priority for awarding grants must be determined according to the following factors:

25 (i) the most recent census or federal estimate of persons 60 years of age or older and persons with  
26 disabilities in the area served by a county, incorporated city or town, transportation district, or nonprofit  
27 organization;

28 (ii) the annual number of trips provided by the transportation provider to persons 60 years of age or older  
29 and to persons with disabilities in the transportation service area;

30 (iii) the ability of the transportation provider to provide matching money in an amount determined by the

1 department of transportation; and

2 (iv) the coordination of services as required in subsection (5).

3 (4) The department of transportation shall ensure that the available funding is distributed equally among  
4 the five transportation districts provided in 2-15-2502.

5 (5) In awarding grants, the department of transportation shall give preference to proposals that:

6 (a) include the establishment of a transit authority to coordinate service area or regional transportation  
7 services;

8 (b) address and document the transportation needs within the community, county, and service area or  
9 region;

10 (c) identify all other transportation providers in the community, county, and service area or region;

11 (d) explain how services are going to be coordinated with the other transportation providers in the service  
12 area or region;

13 (e) indicate how services are going to be expanded to meet the unmet needs of senior citizens and  
14 disabled persons within the community, county, and service area or region who are dependent upon public transit;

15 (f) include documentation of coordination with other local transportation programs within the community,  
16 county, and service area or region, including:

17 (i) utilization of existing resources and equipment to maximize the delivery of service; and

18 (ii) the projected increase in ridership and expansion of service;

19 (g) invite school districts to participate or be included in the transportation coordination efforts within the  
20 community, county, and service area or region; and

21 (h) at a minimum, comply with the provisions in subsections (5)(b) through (5)(f).

22 (6) Any money remaining after grants have been awarded to transportation providers who provide  
23 transportation services for persons 60 years of age or older and persons with disabilities may be awarded to other  
24 transportation providers for operating costs or matching funds for operating grants for the purposes described  
25 in 49 U.S.C. 5311 other than for transportation services for persons 60 years of age or older or persons with  
26 disabilities."

27

28 **Section 2.** Section 10-2-112, MCA, is amended to read:

29 **"10-2-112. Veterans' services special revenue account -- sources of funds -- designated uses. (1)**

30 There is a veterans' services account in the state special revenue fund, established pursuant to 17-2-102(1)(b),

1 to the credit of the board.

2 (2) Money transferred pursuant to 15-1-122~~(2)(d)~~(3)(d), from license plate sales as described in  
3 10-2-114, and from gifts, grants, or donations must be deposited in the veterans' services account.

4 (3) Legislative appropriations of money in the veterans' services account must be used for the purposes  
5 identified in 10-2-102 or other functions authorized by the board.

6 (4) There is a veterans' services federal account in the federal special revenue fund established for  
7 federal funds received under 10-2-106."

8

9 **Section 3.** Section 10-2-603, MCA, is amended to read:

10 **"10-2-603. Special revenue account -- use of funds -- solicitation.** (1) There is an account in the  
11 special revenue fund to the credit of the board for the state veterans' cemeteries.

12 (2) Plot allowances, donations to the cemetery program, and fund transfers pursuant to  
13 15-1-122~~(2)(d)~~(3)(d) must be deposited into the account.

14 (3) The account is statutorily appropriated, as provided in 17-7-502, to the board and may be used only  
15 for the construction, maintenance, operation, and administration of the state veterans' cemeteries.

16 (4) The board shall solicit veterans' license plate sales and donations on behalf of the state veterans'  
17 cemeteries."

18

19 **Section 4.** Section 10-3-801, MCA, is amended to read:

20 **"10-3-801. Account created for funding search and rescue operations -- rules.** (1) There is an  
21 account in the state special revenue fund established in 17-2-102. The account must be administered by the  
22 disaster and emergency services division of the department exclusively for the purposes of search and rescue  
23 as provided in this section. The department may retain up to 5% of the money in the account to pay its costs of  
24 administering this section.

25 (2) There must be deposited in the account:

26 (a) fund transfers pursuant to 15-1-122~~(2)(f)~~(3)(f);

27 (b) fund transfers pursuant to 87-1-601(10). These funds may be used only as provided in 87-1-601(10).

28 (c) all money received by the department in the form of gifts, grants, reimbursements, or appropriations  
29 from any source intended to be used for search and rescue operations.

30 (3) (a) Not less than 50% of the money in the account must be used by the department to defray costs

1 of:

2 (i) local search and rescue units for search and rescue missions conducted through a county sheriff's  
3 office at a maximum of \$6,000 for each rescue mission, regardless of the number of counties or county search  
4 and rescue organizations involved. To fulfill the purposes of this subsection (3)(a)(i), the department shall transmit  
5 reimbursement money to the county treasurer, who shall deposit the funds in a separate search and rescue fund  
6 accessible by the local search and rescue unit that requested the reimbursement. The county treasurer shall  
7 notify the reimbursed local search and rescue unit by mail when the deposit occurs.

8 (ii) a county sheriff's office at a maximum of \$6,000 for each rescue mission, regardless of the number  
9 of counties or county search and rescue organizations involved.

10 (b) The remaining money in the account may be used by the department:

11 (i) to match local funds for the purchase of equipment for use by local search and rescue units at a  
12 maximum of \$6,000 for each unit in a calendar year. The cost-sharing match must be 35% local funds to 65%  
13 from the account.

14 (ii) for reimbursement of expenses related to the training of search and rescue volunteers.

15 (4) The department may adopt rules to implement the proper administration of the account. The rules  
16 may include:

17 (a) a method of reimbursing local search and rescue units or a county sheriff's office, on a case-by-case  
18 basis, for authorized search and rescue operations conducted pursuant to subsection (3)(a), including verification  
19 of search missions, claims procedures, fiscal accountability, and the number and circumstances of search  
20 missions involving persons engaged in hunting, fishing, and trapping in a fiscal year;

21 (b) methods for processing requests for equipment matching funds and training funds made pursuant  
22 to subsection (3)(b), including any verification and accounting necessary to ensure that the provisions of  
23 subsection (3)(b) are met, and determining the percentage of all search missions involving persons engaged in  
24 hunting, fishing, or trapping in a fiscal year;

25 (c) a system involving input from representatives of county sheriff organizations and state and local  
26 search and rescue organizations for assistance in verifying and processing claims for reimbursement, equipment,  
27 and training; and

28 (d) a method for compiling and keeping current a contact list of all search and rescue units in Montana  
29 and in neighboring states and provinces in order to ensure collaboration, communication, and cooperation  
30 between the various county search and rescue units and between the department and the county units and

1 dedication of a page on the department's website for posting the contact list and other relevant search and rescue  
2 information."

3

4 **Section 5.** Section 15-1-122, MCA, is amended to read:

5 **"15-1-122. Fund transfers.** (1) There is transferred from the state general fund to the adoption services  
6 account, provided for in 42-2-105, a base amount of \$59,209, and the amount of the transfer must be increased  
7 by 10% in each succeeding fiscal year.

8 (2) For fiscal years 2014 through 2019, there is transferred \$3.65 million on an annual basis from the  
9 state general fund to the research and commercialization state special revenue account provided for in  
10 90-3-1002.

11 ~~(2)~~(3) For each fiscal year, there is transferred from the state general fund to the accounts, entities, or  
12 recipients indicated the following amounts:

13 (a) to the motor vehicle recycling and disposal program provided for in Title 75, chapter 10, part 5, 1.48%  
14 of the motor vehicle revenue deposited in the state general fund in each fiscal year. The amount of 9.48% of the  
15 allocation in each fiscal year must be used for the purpose of reimbursing the hired removal of abandoned  
16 vehicles. Any portion of the allocation not used for abandoned vehicle removal reimbursement must be used as  
17 provided in 75-10-532.

18 (b) to the noxious weed state special revenue account provided for in 80-7-816, 1.50% of the motor  
19 vehicle revenue deposited in the state general fund in each fiscal year;

20 (c) to the department of fish, wildlife, and parks:

21 (i) 0.46% of the motor vehicle revenue deposited in the state general fund, with the applicable  
22 percentage to be:

23 (A) used to:

24 (I) acquire and maintain pumpout equipment and other boat facilities, 4.8% in each fiscal year;

25 (II) administer and enforce the provisions of Title 23, chapter 2, part 5, 19.1% in each fiscal year;

26 (III) enforce the provisions of 23-2-804, 11.1% in each fiscal year; and

27 (IV) develop and implement a comprehensive program and to plan appropriate off-highway vehicle  
28 recreational use, 16.7% in each fiscal year; and

29 (B) deposited in the state special revenue fund established in 23-1-105 in an amount equal to 48.3% in  
30 each fiscal year;

1 (ii) 0.10% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with 50%  
 2 of the amount to be used for enforcing the purposes of 23-2-601, 23-2-602, 23-2-611, 23-2-614 through 23-2-618,  
 3 23-2-621, 23-2-622, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644 and 50% of the amount  
 4 designated for use in the development, maintenance, and operation of snowmobile facilities; and

5 (iii) 0.16% of the motor vehicle revenue deposited in the state general fund in each fiscal year to be  
 6 deposited in the motorboat account to be used as provided in 23-2-533;

7 (d) 0.64% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with  
 8 24.55% to be deposited in the state veterans' cemetery account provided for in 10-2-603 and with 75.45% to be  
 9 deposited in the veterans' services account provided for in 10-2-112(1);

10 (e) 0.30% of the motor vehicle revenue deposited in the state general fund in each fiscal year for deposit  
 11 in the state special revenue fund to the credit of the senior citizens and persons with disabilities transportation  
 12 services account provided for in 7-14-112; and

13 (f) to the search and rescue account provided for in 10-3-801, 0.04% of the motor vehicle revenue  
 14 deposited in the state general fund in each fiscal year.

15 ~~(3)~~(4) The amount of \$200,000 is transferred from the state general fund to the livestock loss reduction  
 16 and mitigation restricted state special revenue account provided for in 81-1-112 in each fiscal year.

17 ~~(4)~~(5) For the purposes of this section, "motor vehicle revenue deposited in the state general fund"  
 18 means revenue received from:

19 (a) fees for issuing a motor vehicle title paid pursuant to 61-3-203;

20 (b) fees, fees in lieu of taxes, and taxes for vehicles, vessels, and snowmobiles registered or reregistered  
 21 pursuant to 61-3-321 and 61-3-562;

22 (c) GVW fees for vehicles registered for licensing pursuant to Title 61, chapter 3, part 3; and

23 (d) all money collected pursuant to 15-1-504(3).

24 ~~(5)~~(6) Except as provided in subsection (2), the The amounts transferred from the general fund to the  
 25 designated recipient must be appropriated as state special revenue in the general appropriations act for the  
 26 designated purposes."

27

28 **Section 6.** Section 15-35-108, MCA, is amended to read:

29 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter  
 30 must, in accordance with the provisions of 17-2-124, be allocated as follows:

1 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,  
2 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under  
3 17-6-203(6) and invested by the board of investments as provided by law.

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

6 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated  
7 by the legislature for provision of basic library services for the residents of all counties through library federations  
8 and for payment of the costs of participating in regional and national networking, conservation districts, and the  
9 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.  
10 Money may not be transferred from this account to another account other than the general fund. Beginning July  
11 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

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

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

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

22 (7) The amount of 5.8% through September 30, 2013, and beginning October 1, 2013, the amount of  
23 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

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

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

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

30 (i) \$65,000 to the cooperative development center;

- 1 (ii) \$625,000 for the growth through agriculture program provided for in Title 90, chapter 9;
- 2 (iii) \$1.275 million to the research and commercialization state special revenue account created in  
3 90-3-1002, of which \$375,000 per year is appropriated for fiscal years 2012 and 2013 to the department of  
4 commerce for the small business state matching grant program authorized in 90-1-117 to provide matching grants  
5 for small business innovation research and small business technology transfer, \$125,000 per year is appropriated  
6 for fiscal years 2012 and 2013 to the high-performance supercomputing program in the department of commerce,  
7 and \$300,000 per year is appropriated for fiscal years 2012 and 2013 to the board of regents for the development  
8 of energy and natural resources doctoral programs at Montana tech of the university of Montana;
- 9 (iv) to the department of commerce:
- 10 (A) \$125,000 for a small business development center;
- 11 (B) \$50,000 for a small business innovative research program;
- 12 (C) \$425,000 for certified regional development corporations;
- 13 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;
- 14 and
- 15 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2013--sec. 5, Ch. 459, L. 2009.)
- 16 **15-35-108. (Effective July 1, 2013) Disposal of severance taxes.** Severance taxes collected under  
17 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:
- 18 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,  
19 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under  
20 17-6-203(6) and invested by the board of investments as provided by law.
- 21 (2) The amount of 12% of coal severance tax collections is allocated to the long-range building program  
22 account established in 17-7-205.
- 23 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated  
24 by the legislature for provision of basic library services for the residents of all counties through library federations  
25 and for payment of the costs of participating in regional and national networking, conservation districts, and the  
26 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.  
27 Money may not be transferred from this account to another account other than the general fund. Beginning July  
28 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.
- 29 (4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks  
30 acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,



1 must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas  
2 described in 23-1-102.

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

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

9 (7) The amount of 5.8% through September 30, 2013, and beginning October 1, 2013, the amount of  
10 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

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

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

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

17 (i) \$65,000 to the cooperative development center;

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

19 ~~(iii) \$3.65 million to the research and commercialization state special revenue account created in~~  
20 ~~90-3-1002;~~

21 ~~(iv)~~(iii) to the department of commerce:

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

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

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

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

26 and

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

28 **15-35-108. (Effective July 1, 2019) Disposal of severance taxes.** Severance taxes collected under  
29 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

30 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,

1 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under  
2 17-6-203(6) and invested by the board of investments as provided by law.

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

5 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated  
6 by the legislature for provision of basic library services for the residents of all counties through library federations  
7 and for payment of the costs of participating in regional and national networking, conservation districts, and the  
8 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.  
9 Money may not be transferred from this account to another account other than the general fund. Beginning July  
10 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

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

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

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

21 (7) The amount of 2.9% must be credited to the coal natural resource account established in  
22 90-6-1001(2).

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

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

27

28 **NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 2013.

29

- END -