

HOUSE BILL NO. 648

INTRODUCED BY C. GLIMM

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4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING TRANSFERS AND OTHER NECESSARY
5 MEASURES TO IMPLEMENT THE GENERAL APPROPRIATIONS ACT; CLARIFYING ALLOCATIONS OF THE
6 COAL SEVERANCE TAX; ESTABLISHING AN ENTERPRISE FUND FOR DEPOSIT OF FEES FOR CERTAIN
7 SERVICES PROVIDED BY THE DEPARTMENT OF LIVESTOCK; CLARIFYING FUNDING SOURCES FOR
8 LIEN PURCHASES; ~~DIRECTING COAL SEVERANCE TAX TO THE GENERAL FUND FOR STATUTORY~~
9 ~~APPROPRIATION TO THE PENSION SYSTEM; PROVIDING FOR A STATUTORY APPROPRIATION;~~
10 DIRECTING COAL SEVERANCE TAX TO THE GENERAL FUND FOR STATUTORY APPROPRIATION TO THE
11 PENSION SYSTEM; PROVIDING FOR A STATUTORY APPROPRIATION; CREATING STATE SPECIAL
12 REVENUE ACCOUNTS; TEMPORARILY EXPANDING USAGE OF STATE PARK FUNDS; AMENDING
13 SECTIONS 15-35-108, ~~47-7-502~~, 17-7-502, 61-3-321, 75-10-743, 81-2-102, 85-1-615, AND 90-6-1001, MCA;
14 AMENDING SECTION 3, CHAPTER 115, LAWS OF 2017; AMENDING SECTION 11, CHAPTER 400, LAWS OF
15 2015; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."
16

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
18

19 NEW SECTION. Section 1. Fund transfers. (1) By August 15, 2017, the state treasurer shall make
20 the following transfers from the oil and gas production damage mitigation account:

- 21 ~~(1)~~ ~~\$120,000 to the ground water assessment account established in 85-2-905;~~
22 ~~(2)(A)~~ \$30,000 to the department of fish, wildlife, and parks for the purposes of 87-1-283; and
23 ~~(3)(B)~~ \$165,000 to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

24 (2) BY AUGUST 15, 2017, THE STATE TREASURER SHALL TRANSFER \$120,000 FROM THE WATER STORAGE
25 STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN 85-1-631 TO THE GROUND WATER ASSESSMENT STATE SPECIAL
26 REVENUE ACCOUNT PROVIDED FOR IN 85-2-905.
27

28 NEW SECTION. Section 2. Fund transfer. By [10 days after the effective date of this section], the state
29 treasurer shall transfer \$2 million from the account provided for in 75-10-532 for junk vehicles to the natural
30 resources operations state special revenue account established in 15-38-301.

1
 2 ~~NEW SECTION. Section 3. Supplemental state contribution -- appropriation.~~ (1) (a) For the fiscal
 3 year beginning July 1, 2018, the state shall contribute \$31.386 million and for the fiscal year beginning July 1,
 4 2019, the state shall contribute \$31.958 million from the general fund to the public employees' retirement system
 5 pension trust as a supplemental contribution to the public employees' retirement system.

6 ~~(b) Starting in the fiscal year beginning July 1, 2019, and each fiscal year thereafter, the state shall~~
 7 ~~contribute from the general fund to the public employees' retirement system pension trust 101% of the~~
 8 ~~contribution from the previous years as a supplemental contribution to the public employees' retirement system.~~

9 ~~(c) If the calculated amortization period, based on the most recent actuarial study for the public~~
 10 ~~employees' retirement system, is less than 20 years, the 1% increase allowed for in subsection (1)(b) is~~
 11 ~~suspended for the next fiscal year.~~

12 ~~(2) This contribution is statutorily appropriated, as provided in 17-7-502, from the general fund to the~~
 13 ~~pension trust fund.~~

14
 15 NEW SECTION. SECTION 3. SUPPLEMENTAL STATE CONTRIBUTION -- APPROPRIATION. (1) (A) FOR THE FISCAL
 16 YEAR BEGINNING JULY 1, 2017, THE STATE SHALL CONTRIBUTE \$31.386 MILLION AND FOR THE FISCAL YEAR BEGINNING
 17 JULY 1, 2018, THE STATE SHALL CONTRIBUTE \$31.958 MILLION FROM THE GENERAL FUND TO THE PUBLIC EMPLOYEES'
 18 RETIREMENT SYSTEM PENSION TRUST AS A SUPPLEMENTAL CONTRIBUTION TO THE PUBLIC EMPLOYEES' RETIREMENT
 19 SYSTEM.

20 (B) STARTING IN THE FISCAL YEAR BEGINNING JULY 1, 2019, THE STATE SHALL CONTRIBUTE FROM THE GENERAL
 21 FUND TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST 101% OF THE CONTRIBUTION FROM THE
 22 PREVIOUS YEARS AS A SUPPLEMENTAL CONTRIBUTION TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

23 (C) THE 69TH LEGISLATURE SHALL REVIEW THE PERFORMANCE OF SUBSECTION (1)(B) AND MAKE
 24 RECOMMENDATIONS FOR ADJUSTMENTS AS NEEDED.

25 (2) THIS CONTRIBUTION IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, FROM THE GENERAL FUND
 26 TO THE PENSION TRUST FUND.

27
 28 NEW SECTION. Section 4. Animal health account -- enterprise fund account for laboratory
 29 services. (1) There is an account in the state special revenue fund established by 17-2-102 to be known as the
 30 animal health account. All fees collected by the department RELATED TO ANIMAL HEALTH, except those received

1 pursuant to 81-2-102(1)(c), must be deposited in the account to be used for animal health functions of the
2 department.

3 (2) (a) There is an account of the enterprise fund type, as defined in 17-2-102(2)(a), to the credit of the
4 department for the use of the ~~animal health~~ LABORATORY functions of the department.

5 (b) Gross revenue from the collection of fees for services rendered pursuant to 81-2-102(1)(c) must be
6 deposited in the account.

7 (c) All interest and earnings on money deposited in the account must be credited to the account and
8 used for the laboratory functions of the department.

9

10 NEW SECTION. SECTION 5. BASIC LIBRARY SERVICES ACCOUNT. THERE IS A BASIC LIBRARY SERVICES
11 ACCOUNT IN THE STATE SPECIAL REVENUE FUND ESTABLISHED BY 17-2-102 TO BE ADMINISTERED BY THE STATE LIBRARY
12 FOR PROVIDING BASIC LIBRARY SERVICES.

13

14 NEW SECTION. SECTION 6. CONSERVATION DISTRICT ACCOUNT. THERE IS A CONSERVATION DISTRICT
15 ACCOUNT IN THE STATE SPECIAL REVENUE FUND ESTABLISHED BY 17-2-102 TO BE ADMINISTERED BY THE DEPARTMENT
16 OF NATURAL RESOURCES AND CONSERVATION FOR PROVIDING FUNDING FOR CONSERVATION DISTRICTS.

17

18 NEW SECTION. SECTION 7. GROWTH THROUGH AGRICULTURE ACCOUNT. THERE IS A GROWTH THROUGH
19 AGRICULTURE ACCOUNT IN THE STATE SPECIAL REVENUE FUND ESTABLISHED BY 17-2-102 TO BE ADMINISTERED BY THE
20 DEPARTMENT OF AGRICULTURE FOR PROVIDING FUNDING FOR THE GROWTH THROUGH AGRICULTURE PROGRAM.

21

22 **Section 8.** Section 15-35-108, MCA, is amended to read:

23 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter
24 must, in accordance with the provisions of 17-2-124, be allocated as follows:

25 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
26 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
27 17-6-203(6) and invested by the board of investments as provided by law.

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

30 (3) The amount of ~~5.46%~~ ~~0.93%~~ 0.85% IN FISCAL YEAR 2018 AND 0.88% IN FISCAL YEAR 2019 must be

1 ~~credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic~~
 2 ~~library services for the residents of all counties through library federations and for payment of the costs of~~
 3 ~~participating in regional and national networking AND MUST BE DEPOSITED IN THE BASIC LIBRARY SERVICES ACCOUNT~~
 4 ~~ESTABLISHED IN [SECTION 5];.~~

5 ~~(4) The amount of 3.71% 3.89% IN FISCAL YEAR 2018 AND 3.83% IN FISCAL YEAR 2019 must be allocated~~
 6 ~~to the department of natural resources and conservation for conservation districts AND DEPOSITED IN THE~~
 7 ~~CONSERVATION DISTRICT ACCOUNT ESTABLISHED IN [SECTION 6]; and.~~

8 ~~(5) The amount of 0.82% 0.72% IN FISCAL YEAR 2018 AND 0.75% IN FISCAL YEAR 2019 must be allocated~~
 9 ~~to the Montana Growth Through Agriculture Act AND DEPOSITED IN THE GROWTH THROUGH AGRICULTURE ACCOUNT~~
 10 ~~ESTABLISHED IN [SECTION 7]. Expenditures of the allocation may be made only from this account. Money may not~~
 11 ~~be transferred from this account to another account other than the general fund. Any unreserved fund balance~~
 12 ~~at the end of each fiscal year must be deposited in the general fund.~~

13 ~~(4)(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks~~
 14 ~~acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,~~
 15 ~~must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas~~
 16 ~~described in 23-1-102.~~

17 ~~(5)(7) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable~~
 18 ~~resource loan debt service fund.~~

19 ~~(6)(8) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of~~
 20 ~~art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding~~
 21 ~~unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other~~
 22 ~~cultural and aesthetic projects.~~

23 ~~(7)(9) The amount of 5.8% through June 30, 2017, and beginning July 1, 2017, the amount of 2.9% must~~
 24 ~~be credited to the coal natural resource account established in 90-6-1001(2).~~

25 ~~(8)(10) After the allocations are made under subsections (2) through (7) (9), \$250,000 for the fiscal year~~
 26 ~~must be credited to the coal and uranium mine permitting and reclamation program account established in~~
 27 ~~82-4-244.~~

28 ~~(9)(11) (a) Subject to subsection (9)(b) (11)(b), all other revenue from severance taxes collected under~~
 29 ~~the provisions of this chapter must be credited to the general fund of the state and is statutorily appropriated, as~~
 30 ~~provided in 17-7-502, on July 1 each year to the trust fund for the public employees' retirement system defined~~

1 ~~benefit plan established pursuant to 19-3-103 AND IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, ON~~
 2 ~~JULY 1 EACH YEAR TO THE TRUST FUND FOR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN~~
 3 ~~ESTABLISHED PURSUANT TO 19-3-103.~~

4 (b) The interest income of the coal severance tax permanent fund that is deposited in the general fund,
 5 less the annual transfer of \$1.275 million to the research and commercialization state special revenue account
 6 pursuant to 15-1-122(2), is statutorily appropriated, as provided in 17-7-502, on July 1 each year as follows:

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

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

9 (iii) 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; ~~AND~~

16 ~~(IV) EXCEPT AS PROVIDED IN SUBSECTION (11)(C), UP TO \$21 MILLION TO THE PUBLIC EMPLOYEES' RETIREMENT~~
 17 ~~SYSTEM DEFINED BENEFIT PLAN TRUST FUND.~~

18 ~~———— (C) IF THE LEGISLATIVE FINANCE COMMITTEE DETERMINES THAT THE PUBLIC EMPLOYEES' RETIREMENT BOARD~~
 19 ~~HAS FAILED TO PROVIDE A SUFFICIENT REPORT PURSUANT TO 19-3-117, IT SHALL RECOMMEND THAT \$5 MILLION BE~~
 20 ~~SUBTRACTED FROM THE AMOUNT ALLOCATED IN SUBSECTION (11)(B)(IV) SUBJECT TO LEGISLATIVE APPROVAL; and~~

21 ~~———— (iv) except as provided in subsection (9)(c), up to \$21 million to the public employees' retirement system~~
 22 ~~defined benefit plan trust fund.~~

23 ~~———— (c) If the legislative finance committee determines that the public employees' retirement board has failed~~
 24 ~~to provide a sufficient report pursuant to 19-3-117, it shall recommend that \$5 million be subtracted from the~~
 25 ~~amount allocated in subsection (9)(b)(iv) subject to legislative approval. (Terminates June 30, 2019--secs. 2, 3,~~
 26 ~~Ch. 459, L. 2009.)~~

27 **15-35-108. (Effective July 1, 2019) Disposal of severance taxes.** Severance taxes collected under
 28 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

29 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
 30 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under

1 17-6-203(6) and invested by the board of investments as provided by law.

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

4 (3) The amount of ~~5.46%~~ ~~0.93%~~ 0.90% IN FISCAL YEAR 2020 AND 0.93% IN FISCAL YEAR 2021 AND IN EACH
5 FISCAL YEAR THEREAFTER must be ~~credited to an account in the state special revenue fund to be allocated by the~~
6 ~~legislature~~ for provision of basic library services for the residents of all counties through library federations and
7 for payment of the costs of participating in regional and national networking AND MUST BE DEPOSITED IN THE BASIC
8 LIBRARY SERVICES ACCOUNT ESTABLISHED IN [SECTION 5];.

9 (4) The amount of ~~3.71%~~ 3.77% IN FISCAL YEAR 2020 AND 3.71% IN FISCAL YEAR 2021 AND IN EACH FISCAL
10 YEAR THEREAFTER must be allocated to THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR
11 conservation districts AND DEPOSITED IN THE CONSERVATION DISTRICT ACCOUNT ESTABLISHED IN [SECTION 6]; ~~and~~.

12 (5) The amount of ~~0.82%~~ 0.79% IN FISCAL YEAR 2020 AND 0.82% IN FISCAL YEAR 2021 AND IN EACH FISCAL
13 YEAR THEREAFTER must be allocated to the Montana Growth Through Agriculture Act AND DEPOSITED IN THE
14 GROWTH THROUGH AGRICULTURE ACCOUNT ESTABLISHED IN [SECTION 7]. ~~Expenditures of the allocation may be made~~
15 ~~only from this account. Money may not be transferred from this account to another account other than the general~~
16 ~~fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.~~

17 ~~(4)~~(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks
18 acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,
19 must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas
20 described in 23-1-102.

21 ~~(5)~~(7) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable
22 resource loan debt service fund.

23 ~~(6)~~(8) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of
24 art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding
25 unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other
26 cultural and aesthetic projects.

27 ~~(7)~~(9) The amount of 2.9% must be credited to the coal natural resource account established in
28 90-6-1001(2).

29 ~~(8)~~(10) After the allocations are made under subsections (2) through ~~(7)~~ (9), \$250,000 for the fiscal year
30 must be credited to the coal and uranium mine permitting and reclamation program account established in

1 82-4-244.

2 ~~(9)(11) (a) Subject to subsection (9)(b), all All (A) SUBJECT TO SUBSECTION (11)(B), ALL ALL other revenue~~
 3 from severance taxes collected under the provisions of this chapter must be credited to the general fund of the
 4 state, ~~AND IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, ON JULY 1 EACH YEAR TO THE TRUST FUND FOR~~
 5 ~~THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN PURSUANT TO 19-3-103.~~

6 ~~———— (b) EXCEPT AS PROVIDED IN SUBSECTION (11)(C), UP TO \$24 MILLION OF THE INTEREST INCOME FROM THE COAL~~
 7 ~~SEVERANCE TAX PERMANENT FUND THAT IS DEPOSITED IN THE GENERAL FUND IS STATUTORILY APPROPRIATED, AS~~
 8 ~~PROVIDED IN 17-7-502, ON JULY 1 EACH YEAR TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN~~
 9 ~~TRUST FUND.~~

10 ~~———— (C) IF THE LEGISLATIVE FINANCE COMMITTEE DETERMINES THAT THE PUBLIC EMPLOYEES' RETIREMENT BOARD~~
 11 ~~HAS FAILED TO PROVIDE A SUFFICIENT REPORT PURSUANT TO 19-3-117, IT SHALL RECOMMEND THAT \$5 MILLION BE~~
 12 ~~SUBTRACTED FROM THE AMOUNT ALLOCATED IN SUBSECTION (11)(B) SUBJECT TO LEGISLATIVE APPROVAL, and is~~
 13 statutorily appropriated, as provided in 17-7-502, on July 1 each year to the trust fund for the public employees'
 14 retirement system defined benefit plan pursuant to 19-3-103.

15 ~~———— (b) Except as provided in subsection (9)(c), up to \$24 million of the interest income from the coal~~
 16 ~~severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in~~
 17 ~~17-7-502, on July 1 each year to the public employees' retirement system defined benefit plan trust fund.~~

18 ~~———— (c) If the legislative finance committee determines that the public employees' retirement board has failed~~
 19 ~~to provide a sufficient report pursuant to 19-3-117, it shall recommend that \$5 million be subtracted from the~~
 20 ~~amount allocated in subsection (9)(b) subject to legislative approval."~~

21
 22 ~~———— **Section 6.** Section 17-7-502, MCA, is amended to read:~~

23 ~~———— "**17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory~~
 24 ~~appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the~~
 25 ~~need for a biennial legislative appropriation or budget amendment.~~

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

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

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

1 ~~——— (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;~~
 2 ~~5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312;~~
 3 ~~10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101;~~
 4 ~~15-70-433; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215;~~
 5 ~~18-11-112; 19-3-319; [section 3]; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305;~~
 6 ~~19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-517; 20-9-520; 20-9-534; 20-9-622; 20-9-905;~~
 7 ~~20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612;~~
 8 ~~23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101;~~
 9 ~~44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415;~~
 10 ~~69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 76-13-416; 77-1-108; 77-2-362; 80-2-222;~~
 11 ~~80-4-416; 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603;~~
 12 ~~90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.~~

13 ~~——— (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing;~~
 14 ~~paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued~~
 15 ~~pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana~~
 16 ~~to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state~~
 17 ~~treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory~~
 18 ~~appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion~~
 19 ~~of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded~~
 20 ~~liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and~~
 21 ~~sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L.~~
 22 ~~2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under~~
 23 ~~19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 442, L. 2009, the inclusion~~
 24 ~~of 90-6-331 terminates June 30, 2019; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004~~
 25 ~~terminates June 30, 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30,~~
 26 ~~2019; pursuant to sec. 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017;~~
 27 ~~pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency;~~
 28 ~~pursuant to sec. 5, Ch. 244, L. 2013, the inclusion of 22-1-327 terminates July 1, 2017; pursuant to sec. 27, Ch.~~
 29 ~~285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec.~~
 30 ~~6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015,~~

1 ~~the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of~~
 2 ~~85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of~~
 3 ~~17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117~~
 4 ~~terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates~~
 5 ~~September 30, 2019; and pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December~~
 6 ~~31, 2023.)"~~

7

8 **SECTION 9. SECTION 17-7-502, MCA, IS AMENDED TO READ:**

9 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
 10 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
 11 need for a biennial legislative appropriation or budget amendment.

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

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

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

17 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;
 18 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312;
 19 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101;
 20 15-70-433; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215;
 21 18-11-112; 19-3-319; [section 3]; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305;
 22 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-517; 20-9-520; 20-9-534; 20-9-622; 20-9-905;
 23 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612;
 24 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101;
 25 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415;
 26 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 76-13-416; 77-1-108; 77-2-362; 80-2-222;
 27 80-4-416; 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603;
 28 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

29 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 30 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued

1 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
 2 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
 3 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
 4 appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion
 5 of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded
 6 liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and
 7 sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L.
 8 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under
 9 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 442, L. 2009, the inclusion
 10 of 90-6-331 terminates June 30, 2019; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004
 11 terminates June 30, 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30,
 12 2019; pursuant to sec. 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017;
 13 pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency;
 14 pursuant to sec. 5, Ch. 244, L. 2013, the inclusion of 22-1-327 terminates July 1, 2017; pursuant to sec. 27, Ch.
 15 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec.
 16 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015,
 17 the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of
 18 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of
 19 17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
 20 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates
 21 September 30, 2019; and pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December
 22 31, 2023.)"

23

24 **SECTION 10. SECTION 61-3-321, MCA, IS AMENDED TO READ:**

25 **"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from registration**
 26 **fees -- disposition of fees.** (1) Except as otherwise provided in this section, registration fees must be paid upon
 27 registration or, if applicable, renewal of registration of motor vehicles, snowmobiles, watercraft, trailers,
 28 semitrailers, and pole trailers as provided in subsections (2) through (20).

29 (2) Unless a light vehicle is permanently registered under 61-3-562, the annual registration fee for light
 30 vehicles, trucks and buses under 1 ton, and logging trucks less than 1 ton is as follows:

- 1 (a) if the vehicle is 4 or less years old, \$217;
- 2 (b) if the vehicle is 5 through 10 years old, \$87; and
- 3 (c) if the vehicle is 11 or more years old, \$28.
- 4 (3) Except as provided in subsection (15), the one-time registration fee based on the declared weight
- 5 of a trailer, semitrailer, or pole trailer is as follows:
- 6 (a) if the declared weight is less than 6,000 pounds, \$61.25; or
- 7 (b) if the declared weight is 6,000 pounds or more, \$148.25.
- 8 (4) Except as provided in subsection (15), the one-time registration fee for motor vehicles owned and
- 9 operated solely as collector's items pursuant to 61-3-411, based on the weight of the vehicle, is as follows:
- 10 (a) 2,850 pounds and over, \$10; and
- 11 (b) under 2,850 pounds, \$5.
- 12 (5) Except as provided in subsection (15), the one-time registration fee for off-highway vehicles other
- 13 than a quadricycle or motorcycle is \$61.25.
- 14 (6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is \$22.75.
- 15 (7) (a) The annual registration fee for a motor home, based on the age of the motor home, is as follows:
- 16 (i) less than 2 years old, \$282.50;
- 17 (ii) 2 years old and less than 5 years old, \$224.25;
- 18 (iii) 5 years old and less than 8 years old, \$132.50; and
- 19 (iv) 8 years old and older, \$97.50.
- 20 (b) The owner of a motor home that is 11 years old or older and that is subject to the registration fee
- 21 under this section may permanently register the motor home upon payment of:
- 22 (i) a one-time registration fee of \$237.50;
- 23 (ii) unless a new set of license plates is being issued, an insurance verification fee of \$5, which must be
- 24 deposited in the account established under 61-6-158;
- 25 (iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406; and
- 26 (iv) if applicable, the donation fee for a generic specialty license plate under 61-3-480 or a collegiate
- 27 license plate under 61-3-465.
- 28 (8) (a) Except as provided in subsection (15), the one-time registration fee for motorcycles and
- 29 quadricycles registered for use on public highways is \$53.25, and the one-time registration fee for motorcycles
- 30 and quadricycles registered for both off-road use and for use on the public highways is \$114.50.

1 (b) An additional fee of \$16 must be collected for the registration of each motorcycle or quadricycle as
2 a safety fee, which must be deposited in the state motorcycle safety account provided for in 20-25-1002.

3 (9) Except as provided in subsection (15), the one-time registration fee for travel trailers, based on the
4 length of the travel trailer, is as follows:

5 (a) under 16 feet in length, \$72; and

6 (b) 16 feet in length or longer, \$152.

7 (10) Except as provided in subsection (15), the one-time registration fee for a motorboat, sailboat,
8 personal watercraft, or motorized pontoon required to be numbered under 23-2-512 is as follows:

9 (a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length,
10 \$65.50;

11 (b) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in
12 length, \$125.50; and

13 (c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, \$295.50.

14 (11) (a) Except as provided in subsections (11)(b) and (15), the one-time registration fee for a
15 snowmobile is \$60.50.

16 (b) (i) A snowmobile that is licensed by a Montana business and is owned exclusively for the purpose
17 of daily rental to customers is assessed:

18 (A) a fee of \$40.50 in the first year of registration; and

19 (B) if the business reregisters the snowmobile for a second year, a fee of \$20.

20 (ii) If the business reregisters the snowmobile for a third year, the snowmobile must be permanently
21 registered and the business is assessed the registration fee imposed in subsection (11)(a).

22 (12) (a) The one-time registration fee for a low-speed electric vehicle is \$25.

23 (b) The one-time registration fee for a golf cart that is owned by a person who has or is applying for a
24 low-speed restricted driver's license is \$25.

25 (c) The one-time registration fee for golf carts authorized to operate on certain public streets and
26 highways pursuant to 61-8-391 is \$25. Upon receipt of the fee, the department shall issue the owner a decal,
27 which must be displayed visibly on the golf cart.

28 (13) (a) Except as provided in subsection (13)(b), a fee of \$10 must be collected when a new set of
29 standard license plates, a new single standard license plate, or a replacement set of special license plates
30 required under 61-3-332 is issued. The \$10 fee imposed under this subsection does not apply when previously

1 issued license plates are transferred under 61-3-335. All registration fees imposed under this section must be
2 paid if the vehicle to which the plates are transferred is not currently registered.

3 (b) An additional fee of \$15 must be collected if a vehicle owner elects to keep the same license plate
4 number from license plates issued before January 1, 2010, when replacement of those plates is required under
5 61-3-332(3).

6 (c) The fees imposed in this subsection (13) must be deposited in the account established under
7 61-6-158, except that \$2 of the fee imposed in subsection (13)(a) must be deposited in the state general fund.

8 (14) The provisions of this part with respect to the payment of registration fees do not apply to and are
9 not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled
10 by the United States of America or any state, county, city, or special district, as defined in 18-8-202, or to a vehicle
11 or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a), (1)(d), (1)(e), (1)(g),
12 (1)(h), (1)(i), (1)(k), (1)(l), (1)(n), or (1)(o), 15-6-203, or 15-6-215, except as provided in 61-3-520.

13 (15) Whenever ownership of a trailer, semitrailer, pole trailer, off-highway vehicle, motorcycle,
14 quadricycle, travel trailer, motor home, motorboat, sailboat, personal watercraft, motorized pontoon, snowmobile,
15 motor vehicle owned and operated solely as a collector's item pursuant to 61-3-411, or low-speed electric vehicle
16 is transferred, the new owner shall title and register the vehicle or vessel as required by this chapter and pay the
17 fees imposed under this section.

18 (16) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

19 (17) Except as otherwise provided in this section, revenue collected under this section must be deposited
20 in the state general fund.

21 (18) The fees imposed by subsections (2) through (12) are not required to be paid by a dealer for the
22 enumerated vehicles or vessels that constitute inventory of the dealership.

23 (19) (a) Unless a person exercises the option in either subsection (19)(b) or (19)(c), an additional fee of
24 \$6 must be collected for each light vehicle registered under this part. This fee must be accounted for and
25 transmitted separately from the registration fee. The fee must be deposited in an account in the state special
26 revenue fund to be used for state parks, for fishing access sites, and for the operation of state-owned facilities.
27 Of the \$6 fee, the department of fish, wildlife, and parks shall use \$5.37 for state parks or as otherwise
28 appropriated by the legislature, 25 cents for fishing access sites, and 38 cents for the operation of state-owned
29 facilities at Virginia City and Nevada City.

30 (b) A person who registers a light vehicle may, at the time of annual registration, certify that the person

1 does not intend to use the vehicle to visit state parks and fishing access sites and may make a written election
2 not to pay the additional \$6 fee provided for in subsection (19)(a). If a written election is made, the fee may not
3 be collected.

4 (c) (i) A person who registers one or more light vehicles may, at the time of annual registration, certify
5 that the person does not intend to use any of the vehicles to visit state parks and fishing access sites and may
6 make a written election not to pay the additional \$6 fee provided for in subsection (19)(a). If a written election is
7 made, the fee may not be collected at any subsequent annual registration unless the person makes the written
8 election to pay the additional fee on one or more of the light vehicles.

9 (ii) The written election not to pay the additional fee on a light vehicle expires if the vehicle is registered
10 to a different person.

11 (20) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle,
12 quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of \$5 must be
13 collected and forwarded to the state for deposit in the account established in 44-1-504.

14 (21) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed by
15 61-3-721."

16

17 **SECTION 11. SECTION 75-10-743, MCA, IS AMENDED TO READ:**

18 **"75-10-743. Orphan share state special revenue account -- reimbursement of claims -- payment**

19 **of department costs.** (1) There is an orphan share account in the state special revenue fund established in
20 17-2-102 that is to be administered by the department. Money in the account is available to the department by
21 appropriation and, except as provided in subsections (9), (10), and (11), must be used to reimburse remedial
22 action costs claimed pursuant to 75-10-742 through 75-10-751, to provide funding for the department of justice
23 for investigations pursuant to its natural resource damage program, to pay costs incurred by the department in
24 defending the orphan share, and to pay remedial action costs incurred by the department pursuant to subsection
25 (12). Any amounts provided for investigations must be returned to the account, with interest, from the settlement
26 proceeds of a claim made under the natural resource damage program within 30 days of receiving settlement
27 proceeds.

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

29 (a) all penalties assessed pursuant to 75-10-750(12);

30 (b) funds received from the distribution of oil and natural gas production taxes pursuant to 15-36-331;

1 (c) unencumbered funds remaining in the abandoned mines state special revenue account;
2 (d) interest income on the account;
3 (e) funds received from settlements pursuant to 75-10-719(7); and
4 (f) funds received from reimbursement of the department's orphan share defense costs pursuant to
5 subsection (6).

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

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

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

18 (6) (a) The department's costs incurred in defending the orphan share must be paid by the persons
19 participating in the allocation under 75-10-742 through 75-10-751 in proportion to their allocated shares. The
20 orphan share account is responsible for a portion of the department's costs incurred in defending the orphan
21 share in proportion to the orphan share's allocated share, as follows:

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

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

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

30 (c) A state agency that is liable for remedial action costs incurred has a claim against the orphan share

1 account and must be reimbursed as provided in subsection (3). The agency may submit a claim before or after
2 remedial action is complete. Reimbursement may not be made for attorney fees, legal costs, or operation and
3 maintenance costs. The agency may be reimbursed only after:

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

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

7 (iii) the department has approved the costs.

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

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

17 (8) A person participating in the allocation process who received funds under the mixed funding pilot
18 program provided for in sections 14 through 20, Chapter 584, Laws of 1995, may not claim or receive
19 reimbursement from the orphan share account for the amount of funds received under the mixed funding pilot
20 program that are later attributed to the orphan share under the allocation process.

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

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

30 (10) (a) The department shall transfer from the orphan share account to the long-term or perpetual water

1 treatment permanent trust fund provided for in 82-4-367 \$1.2 million in each fiscal year until the board of
2 investments makes the certification pursuant to subsection (10)(b) of this section.

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

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

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

14 (c) After July 1, 2018, the department shall transfer \$1.2 million in each fiscal year from the orphan share
15 state special revenue account to the environmental quality protection fund provided in 75-10-704.

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

17 (12) Except as provided in subsection (13), the department may use the orphan share account to:

18 (a) take remedial action at a facility where there has been a release or there is a substantial threat of a
19 release into the environment that may present an imminent and substantial endangerment to the public health,
20 safety, or welfare or to the environment and there is no readily apparent person who is financially viable and
21 potentially liable under 75-10-715 to conduct the remedial action; or

22 (b) fund the administration of data collection, the monitoring of the performance of remedial action, and
23 the initial assessment of a facility to determine whether that facility may be closed or delisted.

24 (13) The department may not use for data collection, initial assessments, or monitoring pursuant to
25 subsection (12)(b) more than 20% of the funds appropriated from the orphan share account for the bienniums
26 beginning July 1, 2015, and ending June 30, 2025. For the bienniums beginning July 1, 2025, no more than 15%
27 of the funds appropriated from the orphan share account may be used for data collection, initial assessments,
28 or monitoring pursuant to subsection (12)(b).

29 (14) On or before July 1 of each year, the department shall report to the environmental quality council
30 the amount of funds from the orphan share account used pursuant to subsection (12), the type of expenditures

1 made, and the identity and location of facilities addressed. (Subsection (10)(c) terminates June 30, 2027--sec.
2 5, Ch. 387, L. 2015.)"

3

4 **Section 12.** Section 81-2-102, MCA, is amended to read:

5 **"81-2-102. Powers of department.** (1) The department may:

6 (a) supervise the sanitary conditions of livestock in this state, under the provisions of the constitution and
7 statutes of this state and the rules adopted by the department. The department may quarantine a lot, yard, land,
8 building, room, premises, enclosure, or other place or section in this state that is or may be used or occupied by
9 livestock and that in the judgment of the department is infected or contaminated with an infectious, contagious,
10 communicable, or dangerous disease or disease-carrying medium by which the disease may be communicated.
11 The department may quarantine livestock in this state when the livestock is affected with or has been exposed
12 to disease or disease-carrying medium. The department may prescribe treatments and enforce sanitary rules that
13 are necessary and proper to circumscribe, extirpate, control, or prevent the disease.

14 (b) foster, promote, and protect the livestock industry in this state by the investigation of diseases and
15 other subjects related to ways and means of prevention, extirpation, and control of diseases or to the care of
16 livestock and its products and to this end may establish and maintain a laboratory, may make or cause to be
17 made biologic products, curatives, and preventative agents, and may perform any other acts and things as may
18 be necessary or proper in the fostering, promotion, or protection of the livestock industry in this state;

19 (c) impose and collect fees that the department considers appropriate for the tests and services
20 performed by it at the laboratory or elsewhere and for biologic products, curatives, and preventative agents made
21 or caused to be made by the department. In fixing these fees, the department shall take into consideration the
22 costs, both direct and indirect, of the tests, services, products, curatives, and agents. All fees must be deposited
23 in the ~~state special revenue~~ enterprise fund account established in ~~section 4~~ ~~SECTION 3~~ ~~SECTION 4~~ for the use
24 of the animal ~~health~~ LABORATORY functions of the department.

25 (d) subject to subsection (2), adopt rules and orders that it considers necessary or proper to prevent the
26 introduction or spreading of infectious, contagious, communicable, or dangerous diseases affecting livestock and
27 alternative livestock in this state;

28 (e) (i) adopt rules and orders that it considers necessary or proper for the inspection, testing, and
29 quarantine of all livestock and alternative livestock imported into this state; and

30 (ii) adopt rules and orders that it considers necessary or proper governing inspections and tests of

1 livestock and alternative livestock intended for importation into this state to prevent the introduction or spreading
2 of infectious, contagious, communicable, or dangerous diseases affecting livestock and alternative livestock;
3 (f) adopt rules and orders that it considers necessary or proper for the supervision, inspection, and
4 control of the standards and sanitary conditions of slaughterhouses, meat depots, meat and meat food products,
5 dairies, milk depots, milk and its byproducts, barns, dairy cows, factories, and other places and premises where
6 meat or meat foods, milk or its products, or any byproducts thereof intended for sale or consumption as food are
7 produced, kept, handled, or stored. An authorized representative of the department may take samples of a
8 product so produced, kept, handled, or stored for analysis or testing by the department. The records of the
9 samples and their analysis and test, when identified as to the sample by the oath of the officer taking it and
10 verified as to the analysis or test by the oath of the chemist or bacteriologist making it, are prima facie evidence
11 of the facts set forth in them when offered in evidence in a prosecution or action at law or in equity for violation
12 of 81-9-201, 81-20-101, 81-21-102, 81-21-103, part 1, 2, or 3 of this chapter, or a rule or order of the board
13 adopted thereunder. These standards, insofar as they relate to dairies or milk and its byproducts, may not include
14 standards of weight or measurement.

15 (g) adopt rules and orders that seem necessary or proper for the supervision and control of
16 manufactured and refined foods for livestock and the manufacture, importation, sale, and method of using a
17 biologic remedy or curative agent for the treatment of diseases of livestock. However, as far as practicable, the
18 standards approved by the United States department of agriculture must be adopted.

19 (h) install an adequate system of meat inspection in accordance with 81-9-216 through 81-9-220 and
20 81-9-226 through 81-9-236 that must provide ways and means for shipping home-grown and home-killed meats
21 into any city in this state. As far as practicable, the rules must conform with the meat-inspection requirements of
22 the United States department of agriculture.

23 (i) slaughter or cause to be slaughtered any livestock in this state known to be affected with or that has
24 been exposed to an infectious, contagious, communicable, or dangerous disease, when the slaughter is
25 necessary for the protection of other livestock, and destroy or cause to be destroyed all barns, stables, sheds,
26 outbuildings, fixtures, furniture, or personal property infected with any infectious, contagious, communicable, or
27 dangerous disease when they cannot be thoroughly cleaned and disinfected and the destruction is necessary
28 to prevent the spreading of the disease;

29 (j) indemnify the owner of any property destroyed by order of the department or pursuant to any rules
30 adopted by the department under 81-20-101, 81-21-102, 81-21-103, or part 1, 2, or 3 of this chapter;

1 (k) require persons, firms, and corporations engaged in the production or handling of meat, meat food
2 products, dairy products, or any byproducts thereof to furnish statistics of the quantity and cost of the food and
3 food products produced or handled and the name and address of persons supplying them any of the products.

4 (2) (a) As used in subsection (1)(d), "order" means a command, direction, or instruction issued by the
5 department, board, or board's administrator in circumstances that clearly constitute an existing imminent peril to
6 the public health, safety, or welfare or to animal health or welfare.

7 (b) An order under subsection (1)(d) may last no more than 5 years and may be altered or rescinded as
8 necessary to address the circumstances set out in subsection (1)(d). An order may not be used to create a
9 permanent program.

10 (c) As used in subsection (2)(b), "program" means a legislatively or administratively created function,
11 project, or duty of an agency.

12 (3) When in the exercise of its powers or the discharge of its duties it becomes necessary for employees
13 of the department to investigate facts and conditions, they may administer oaths, take affidavits, and compel the
14 attendance and testimony of witnesses."
15

16 **Section 13.** Section 85-1-615, MCA, is amended to read:

17 **"85-1-615. Security interests -- purchase, operation, and resale of encumbered property.** (1) The
18 state has a lien upon a project constructed with money from the natural resources projects state special revenue
19 account established in 15-38-302 or the renewable resource loan proceeds account for the amount of the loan
20 and interest due the state. This lien may attach to any project facilities, equipment, easements, real property,
21 shares of stock in a water users' association, revenue of a water users' association, accounts receivable of a
22 water users' association, water purchase agreements, and property of any kind or nature owned by the debtor,
23 including all water rights. The department shall file with the county clerk and recorder of each county in which a
24 part of the project is located either a financing statement or a real estate mortgage covering the loan, its amount,
25 terms, and a description of the security. The county clerk and recorder shall record and index the lien as other
26 liens are required by law to be recorded and indexed. The lien is valid until paid in full or otherwise discharged.
27 The lien must be foreclosed in accordance with applicable state law governing foreclosure of mortgages and
28 liens.

29 (2) From the funds available under 15-38-301, 85-1-603, or 85-1-617, the state may:

30 (a) purchase a lien that is prior to the state's lien if:

- 1 (i) the director of the department determines that the loan is in default and the prospects for collecting
 2 the loan may be materially increased by purchasing the prior lien; and
 3 (ii) the amount to be paid for the prior lien does not exceed the appraised value of the property;
 4 (b) operate property that is subject to the state's lien if the director of the department determines that the
 5 loan is in default and that the prospects for collecting the loan may be materially increased by operating the
 6 property that is subject to the state's lien; or
 7 (c) purchase a prior lien as provided in subsection (2)(a) and operate property as provided in subsection
 8 (2)(b).
 9 (3) Any property acquired under the provisions of this section must be resold as expeditiously as possible
 10 to recover funds used under this section and funds loaned to the borrower."
 11

12 **Section 14.** Section 90-6-1001, MCA, is amended to read:

13 **"90-6-1001. Oil, gas, and coal natural resource accounts.** (1) There is an oil and gas natural resource
 14 distribution account in the state special revenue fund. The collections allocated to the account from
 15 15-36-304(7)(b) must be deposited in the account to be used as provided in 15-36-332(7) and (8).

16 (2) There is a coal natural resource account in the state special revenue fund. The collections allocated
 17 to the account from ~~15-35-108(7)~~ 15-35-108(9) must be deposited in the account. The money in the account is
 18 allocated to the coal board provided for in 2-15-1821 and may be used only for local impact grants provided for
 19 in 90-6-205 through 90-6-207 and costs related to the administration of the grant awards."
 20

21 ~~NEW SECTION. Section 8. Codification instruction. (1) [Section 3] is intended to be codified as an~~
 22 ~~integral part of Title 19, chapter 3, part 3, and the provisions of Title 19, chapter 3, part 3, apply to [section 3].~~

23 ~~(2) [Section 4] [SECTION 3] is intended to be codified as an integral part of Title 81, chapter 2, part 1, and~~
 24 ~~the provisions of Title 81, chapter 2, part 1, apply to [section 4] [SECTION 3].~~

25
 26 **SECTION 15. SECTION 3, CHAPTER 115, LAWS OF 2017, IS AMENDED TO READ:**

27 **"Section 3. Recommendations to reduce expenditures.** (1) Except as provided in subsection (4), the
 28 budget director, taking into account the criteria provided in subsection (2), shall mandate reductions to agency
 29 expenditures of at least \$10 million for the biennium ending June 30, 2017.

30 (2) Prior to mandating reductions, the budget director shall consider whether an agency program is

1 mandatory or permissive and analyze the impact of the proposed reduction in spending on the purpose of the
 2 program. Reductions in spending must be designed to have the least adverse impact on the provision of services
 3 determined to be most integral to the discharge of the agency's statutory responsibilities.

4 (3) The budget director shall submit an itemized list of mandated reductions to the 65th legislature by
 5 March 22, 2017.

6 (4) The budget director may not mandate reductions in spending for the following:

7 (a) payment of interest and principal on state debt;

8 (b) the legislative branch;

9 (c) the judicial branch;

10 (d) the school BASE funding program, including special education; ~~and~~

11 (e) salaries of elected officials during their terms of office;

12 (f) the department of justice;

13 (g) the secretary of state;

14 (h) the office of public instruction;

15 (i) the public service commission; and

16 (j) the state auditor's office."

17

18 **SECTION 16. REDUCTIONS TO APPROPRIATIONS FOR FISCAL YEAR 2017. THE FOLLOWING APPROPRIATIONS FOR**

19 **FISCAL YEAR 2017, AS ENACTED IN HOUSE BILL NO. 2 IN CH. 400, LAWS OF 2015, ARE REDUCED**

20 **AS FOLLOWS, IS AMENDED TO READ:**

21 **"Department of Justice**

22 Agency Legal Services from \$6,995,799 in general fund to \$6,870,799.

23 **Office of Public Instruction**

24 School Facility Reimbursement from \$8,586,000 in state special revenue to \$0."

25

26 **NEW SECTION. SECTION 17. CODIFICATION INSTRUCTION. (1) [SECTION 3] IS INTENDED TO BE CODIFIED AS**

27 **AN INTEGRAL PART OF TITLE 19, CHAPTER 3, PART 3, AND THE PROVISIONS OF TITLE 19, CHAPTER 3, PART 3, APPLY TO**

28 **[SECTION 3].**

29 **(2) [SECTION 4] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 81, CHAPTER 2, PART 1, AND THE**

30 **PROVISIONS OF TITLE 81, CHAPTER 2, PART 1, APPLY TO [SECTION 4].**

1 (3) [SECTION 5] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 22, CHAPTER 1, PART 2, AND THE
 2 PROVISIONS OF TITLE 22, CHAPTER 1, PART 2, APPLY TO [SECTION 5].

3 (4) [SECTION 6] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 76, CHAPTER 15, PART 1, AND THE
 4 PROVISIONS OF TITLE 76, CHAPTER 15, PART 1, APPLY TO [SECTION 6].

5 (5) [SECTION 7] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 90, CHAPTER 9, PART 1, AND THE
 6 PROVISIONS OF TITLE 90, CHAPTER 9, PART 1, APPLY TO [SECTION 7].

7
 8 COORDINATION SECTION. SECTION 18. COORDINATION INSTRUCTION. IF BOTH [THIS ACT] AND HOUSE BILL
 9 NO. 2 ARE PASSED AND APPROVED AND IF HOUSE BILL NO. 2 DOES NOT CONTAIN A RESTRICTED APPROPRIATION TO THE
 10 DEPARTMENT OF ADMINISTRATION FOR THE SUPPLEMENTAL STATE CONTRIBUTION REFERENCED IN [SECTION 3] IN THE
 11 AMOUNT OF \$1,649,000 IN THE FISCAL YEAR BEGINNING JULY 1, 2017, AND \$1,657,000 IN THE FISCAL YEAR BEGINNING
 12 JULY 1, 2018, THE AMOUNT OF THE CONTRIBUTION IN [SECTION 3(1)(A) OF THIS ACT] IS INCREASED BY \$1,649,000 IN THE
 13 FISCAL YEAR BEGINNING JULY 1, 2017, AND BY \$1,657,000 IN THE FISCAL YEAR BEGINNING JULY 1, 2018.

14
 15 NEW SECTION. SECTION 19. SEVERABILITY. IF A PART OF [THIS ACT] IS INVALID, ALL VALID PARTS THAT ARE
 16 SEVERABLE FROM THE INVALID PART REMAIN IN EFFECT. IF A PART OF [THIS ACT] IS INVALID IN ONE OR MORE OF ITS
 17 APPLICATIONS, THE PART REMAINS IN EFFECT IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE INVALID
 18 APPLICATIONS.

19
 20 ~~COORDINATION SECTION. SECTION 11. Coordination instruction. If both [this act] and House Bill~~
 21 ~~No. 2 are passed and approved and if House Bill No. 2 does not contain a restricted appropriation to the~~
 22 ~~department of administration for the supplemental state contribution referenced in [section 3] in the amount of~~
 23 ~~\$1,649,000 in the fiscal year beginning July 1, 2017, and \$1,657,000 in the fiscal year beginning July 1, 2018;~~
 24 ~~the amount of the contribution in [section 3(1)(a) of this act] is increased by \$1,649,000 in the fiscal year~~
 25 ~~beginning July 1, 2017, and by \$1,657,000 in the fiscal year beginning July 1, 2018.~~

26
 27 NEW SECTION. SECTION 20. Effective dates. (1) Except as provided in subsection (2), [this act] is
 28 effective July 1, 2017.

29 (2) ~~[Section 2]~~ [SECTIONS 2, 10, AND 15] and this section are effective on passage and approval.

30

1 NEW SECTION. SECTION 21. TERMINATION. [SECTION 10] TERMINATES JUNE 30, 2019.

2 - END -