House convened at 1:00 p.m. Mr. Speaker presiding. Invocation by Representative Bachmeier, Pledge of Allegiance to the Flag.

Roll Call. All members present, except Representative Court, Kipp III, excused. Quorum present.

COMMUNICATIONS AND PETITIONS

Mr. Speaker: We, your committee on Legislative Administration, having examined the daily journals for the first, second, third, fourth, and fifth legislative days, find the same to be correct.

Representative Ricci, Chair

BILLS (Ricci, Chair):


Correctly enrolled: HB 232.

Signed by the Speaker at 1:40 p.m., February 24, 2017: HJR 5.
Signed by the Chief Clerk of the House at 3:30 p.m., February 24, 2017: HJR 5.

REPORTS OF STANDING COMMITTEES

AGRICULTURE (Redfield, Chair):

HB 352, introduced bill, be amended as follows:

1. Title, page 1, line 9.
   Following: "50-50-301,"
   Insert: "81-2-101,"
   Following: "81-9-218,"
   Insert: "81-21-101,"
   Following: "81-21-102,"
   Insert: "81-21-103, 81-22-101,"

2. Title, page 1, line 10.
   Following: "81-22-421,"
   Strike: "AND"
   Following: "81-22-503,"
   Insert: "81-23-103, 81-23-401, and 81-23-405,"
Following: "product."
Insert: "The term includes a person operating a small dairy, as defined in 81-21-101."

Following: "(3)"
Strike: "A"
Insert: "Except as provided in subsection (7), a"

5. Page 3.
Following: line 12
Insert: "(5) Except as provided in subsection (6) and pursuant to [sections 1 through 3], a producer may donate food or food products to a traditional community social event.
(6) A producer may not donate milk to a traditional community social event.
(7)(a) Meat or meat products sold pursuant to [sections 1 through 3] must be processed at a state-licensed or federally approved meat establishment.
(b) Subsection (7)(a) does not apply to a producer, as defined in [section 2], who slaughters fewer than 1,000 poultry birds a year."

Following: line 5
Insert: "Section 10. Section 81-2-101, MCA, is amended to read:
"81-2-101. Authority of department agents. In Except for the premises of a small dairy as defined in 81-21-101, in the performance of official duties; an agent or officer of the department may enter on or in a lot, yard, land, building, room, premises, enclosure, car, wagon, boat, or other place or vehicle used for the treatment, storage, manufacture, display, or transportation of animals, meat, or dairy products intended for sale or disposal as food. The agent or officer may enter anywhere where livestock may be found that are affected with or that have been exposed to or that the officer has reason to believe are either affected with or have been exposed to an infectious, contagious, communicable, or dangerous disease or disease-carrying insects."

Renumber: subsequent sections

7. Page 9, line 30 through page 10, line 2.
Strike: "for producers" on page 9, line 30 through "[section 2]" on page 10, line 2
Insert: "as provided in [section 3]"

Following: "sells food or"
Strike: remainder of line 23
Insert: "slaughters fewer than 1,000 poultry birds a year pursuant to [section "

Strike: section 14 in its entirety
Renumber: subsequent sections
Insert: "Section 15. Section 81-21-101, MCA, is amended to read:
"81-21-101. Definitions. As used in this part, the following definitions apply:

(1) "Fluid milk plant" means a place where milk or cream is not produced but is purchased or collected and prepared for distribution to the consumer in liquid form.

(2) "Public consumption" means the use of milk or cream by the public for any purpose.

(3) "Small dairy" means a place where no more than 5 lactating cows, 10 lactating goats, or 10 lactating sheep are kept for producing milk."

Insert: "Section 16. Section 81-21-102, MCA, is amended to read:

"81-21-102. Licensing of milk plants and dairies selling milk or cream for public consumption. (1) It is unlawful for the following businesses to operate in this state without first obtaining a license from the department:

(a) a dairy selling milk or cream for public consumption in the form in which it is originally produced;

(b) a condensed, evaporated, or powdered milk plant;

(c) a fluid milk plant.

(2) A license expires on December 31 of the year issued. The department may, following the procedures in the Montana Administrative Procedure Act, deny, suspend, or revoke a license when it determines that a person to whom the license is issued has failed to comply with the rules of the department or has failed to conduct the person's establishment in a sanitary manner. All license fees collected must be deposited into the general fund.

(3) The department may issue a restraining order prohibiting a dairy from selling or giving away milk or cream not produced or handled under the laws of this state or the rules of the department. It is unlawful for a dairy, while restrained, to sell or give away for public consumption milk or cream produced or handled by the dairy, and it is also unlawful for a dairy products manufacturing plant, milk plant, or cream station to purchase or use the cream or milk from a dairy while the dairy is restrained.

(4) The department shall establish license fees for the following facilities:

(a) a condensed, evaporated, or powdered milk factory;

(b) a fluid milk plant; and

(c) a dairy.

(5) A person violating this section is guilty of a misdemeanor."

Insert: "Section 17. Section 81-21-103, MCA, is amended to read:

"81-21-103. Exceptions of certain producers of dairy products. (1) The owners or operators of small dairies, dairies, creameries, butter factories, cheese factories, or other places of business engaged in the production, storage, or transportation of dairy products are not required to procure a license from the department of public health and human services for the business of production, storage, or transportation of these food products.

(2) This section does not limit:

(a) the supervision or regulation by the department of public health and human services of the sanitary condition of a restaurant, hotel, boardinghouse, or retail market or the products sold or offered for sale at those facilities; or

(b) the duties imposed by law on the department of public health and human services to make sanitary rules for the eradication or control of an epidemic of human disease that may exist in a community.""

Insert: "Section 18. Section 81-22-101, MCA, is amended to read:

"81-22-101. Definitions. For the purpose of this chapter, the following definitions are
adopted:

(1) "Agent" means a person who is authorized by another person to act for that other person in dealing with a third person.

(2) "Butter" is the clean, nonrancid product made by gathering the fat of fresh ripened milk or cream into a mass that also contains a small portion of the other milk constituents, with or without salt, and must contain not less than 80% of milk fat. No tolerance for deficiency in milk fat is permitted. Butter may also contain added coloring matter.

(3) "Cheese" is the sound, solid, and ripened product made from milk or cream by coagulating the casein with rennet or lactic acid, with or without ripening ferments and seasoning, and must contain in the water-free substance not less than 50% of milk fat and not more than 39% of moisture. Cheese may also contain added coloring matter.

(4) "C.I.P." means the procedure by which sanitary pipelines or pieces of dairy equipment are mechanically cleaned in place by circulation when this procedure meets the 3-A accepted practices for permanently installed sanitary product-pipelines and cleaning systems.

(5) "Code of Federal Regulations" refers especially but is not limited to Title 21, which contains the definitions and standards of identity for products as established by the food and drug administration, United States department of health and human services.

(6) "Cream" means the milk fat that rises to the surface when milk is allowed to stand or that is separated from milk by centrifugal force when sold, used, or intended for use in a manufactured product.

(7) "Creamery" means a place where butter is made for commercial purposes.

(8) "Culture" means the harmless lactic acid fermenting bacteria that are added to milk or cream to make manufactured dairy products like cultured buttermilk, cheese, cottage cheese, yogurt, sour cream, cream cheese, butter, and similar products.

(9) "Dairy" or "dairy farm" means a place where one or more cows or goats 6 or more lactating cows, 11 or more lactating goats, or 11 or more lactating sheep are kept, a part or all of the milk or cream from which is used for manufacturing purposes.

(10) The term "department", unless otherwise indicated, means the department of livestock provided for in Title 2, chapter 15, part 31.

(11) "Directly acidified" and similar terms mean the process of adding a food grade acid to milk or cream instead of or in addition to the adding of culture.

(12) "Filled dairy products" means milk, cream, skimmed milk, or any combination of these, whether or not condensed, evaporated, concentrated, frozen, powdered, dried, or desiccated, or any food product made or manufactured from them, to which has been added or which has been blended or compounded with fat or oil other than milk fat so that the resulting product is in imitation or semblance of a dairy product, including milk, cream, sour cream, skinned milk, ice cream, low-fat ice cream, whipped cream, flavored milk or skim milk yogurt, dried or powdered milk, cheese, cream, cream cheese, cottage cheese, creamed cottage cheese, ice cream mix, low-fat ice cream mix, sherbet, condensed milk, evaporated milk, or concentrated milk.

(13) "French ice cream", "French custard ice cream", and similar frozen products, except sherbets and water ices, are varieties of ice cream.

(14) "Grading" means the examination of milk, cream, or products by sight, odor, taste, or laboratory analysis, the results of which determine a grade designating their quality.

(15) "Ice cream" is a frozen product made with pure, sweet milk, cream, skim milk, evaporated or condensed milk, evaporated or condensed skim milk, dry milk, dry skim milk, pure milk fat, wholesome sweet butter, or any combination of these products, with or without sweetening,
or clean wholesome eggs or egg products, with or without the use of harmless flavoring and
coloring. Ice cream must contain not less than 10% of milk fat, not less than 33% total solids, and
may or may not contain pure and harmless edible stabilizer. Ice cream may contain not to exceed
1% gelatin. A frozen milk or milk product may not be manufactured or sold unless it contains at
least 10% butterfat, excepting sherbets, ices, and other exceptions under this section. All ice cream
must be manufactured from pasteurized ice cream mix.

(16) (a) "Ice cream mix" is a pasteurized, unfrozen product used in the manufacture of ice
cream and must comply with the requirements for ice cream.

(b) "Mix" includes the liquid, unfrozen product from which those frozen products listed
under subsections (21)(a)(iii) through (21)(a)(xii) are made.

(17) "Intrastate commerce" means commerce within this state under the jurisdiction of the
state and includes the operation of a business or service establishment.

(18) "Manufactured dairy product" means an item enumerated in subsection (21) or any
other dairy product made by incorporating milk or cream or converting milk or cream into a different
state of appearance or quality. For purposes of reporting production and licensing, manufactured
dairy product includes but is not limited to:

(a) ice cream or its mix;
(b) French ice cream, custard ice cream, French custard ice cream, their low-fat
counterparts, or their mixes;
(c) sherbets of all kinds or their mixes;
(d) animal or vegetable fat frozen desserts or their mixes;
(e) frozen confections or their mixes when made in a manufactured dairy products plant;
(f) water ices or their mixes;
(g) frozen dessert sandwiches, bars, cones, and similar novelties;
(h) frozen dessert made of nondairy origins and other products made in the semblance or
imitation of dairy products or their mixes when made in a manufactured dairy products plant;
(i) ice milk or its mix;
(j) cheese of all kinds, including cottage cheese, cheese curd, cheese dressing, and cream
cheese, either cultured or directly acidified;
(k) sour cream when cultured or directly acidified;
(l) eggnog, low-fat eggnog, eggnog-flavored milk, and similar flavored products;
(m) buttermilk, cultured or from churned butter or directly acidified;
(n) butter;
(o) yogurt, low-fat yogurt, or flavored yogurt, either cultured or directly acidified or frozen.

(19) "Manufactured dairy products plant" or "factory" means a place where milk or cream
is collected and converted into a product or into a different state of appearance or quality or that
manufactures those products listed in subsection (21). If only products of semblance or imitation
dairy products are made, the plant is not considered a manufactured dairy products plant.

(20) "Milk" means the lacteal secretion, practically free from colostrum, obtained by the
milking of one or more healthy cows located in modified accredited areas and modified certified
areas or from cows in herds fully accredited as tuberculosis-free by the United States department
of agriculture or in the process of being accredited, when the milk or cream is sold for use in,
intended for use in, or used in a manufactured dairy product.

(21) (a) "Milk" and "cream" mean milk and cream sold, used, or intended for manufacturing
purposes or for conversion into products of a form other than the form in which originally produced
or products commonly known as but not limited to:
(i) butter;  
(ii) cheese, including cottage cheese, low-fat cottage cheese, cheese curd, and cream cheese, which are either cultured or directly acidified, and cheese dressings;  
(iii) ice cream or its mix;  
(iv) frozen dessert or its mix;  
(v) sherbets of all kinds or their mixes;  
(vi) frozen ice cream bars, sandwiches, cones, and similar novelties;  
(vii) frozen desserts or products made in the semblance or imitation of frozen dessert;  
(viii) frozen confections or their mixes;  
(ix) water ices or their mixes;  
(x) ice milk or its mix;  
(xi) French ice cream, French custard, or their mixes;  
(xii) frozen custard or its mix and frozen yogurt;  
(xiii) yogurt, flavored yogurt, and low-fat yogurt;  
(xiv) sour cream, either cultured or directly acidified;  
(xv) cream cheese, either cultured or directly acidified;  
(xvi) buttermilk, either cultured, from churned butter, or directly acidified;  
(xvii) eggnog, low-fat eggnog, eggnog-flavored milk, whipped cream, flavored toppings, and similar flavored products;  
(xviii) dry or powdered milk; and  
(xix) condensed milk products.  

(b) The items specified in subsection (21)(a) must conform to the standards of identity set forth in the Code of Federal Regulations. If standards of identity are not set forth in the code, then the standards adopted by the department prevail. The labeling of manufactured dairy products must be in accordance with the Montana Food, Drug, and Cosmetic Act.  

(22) "Milk or cream station" means a place other than a creamery where deliveries of milk or cream are weighed, graded, sampled, tested, or collected for purchase.  

(23) "Mislabeled", "unwholesome", "food additives", "optional ingredients", "impure", "misbranded", "contaminated", "adulterated", "perishable", "hazardous", "unfit", "spoiled", "damaged", and similar terms, when applied to a manufactured dairy product or product made in semblance or in imitation of a manufactured dairy product, are as defined in Title 50, chapter 31.  

(24) "Official test" means test procedures outlined in the sources referred to under 81-22-301 concerning samples, methods, and rules of evidence.  

(25) "Pasteurization", "pasteurizing", and similar terms mean the process of heating every particle of milk or milk product to at least 145 degrees F and holding it continuously at or above this temperature for at least 30 minutes or to at least 161 degrees F and holding it continuously at or above this temperature for at least 15 seconds in equipment that is properly operated and approved by the department. Milk products that have a higher fat content than milk or contain added sweeteners must be heated to at least 155 degrees F and held continuously at or above this temperature for at least 30 minutes, or to at least 175 degrees F and held continuously at or above this temperature for at least 25 seconds. This definition does not bar any other pasteurization process that has been recognized by the United States public health service to be equally effective and that is approved by the department.  

(26) "Person" means an individual, firm, partnership, corporation, cooperative, or other business unit or trade device.  

(27) "Producer" means the person who exercises control over the production of milk or
cream delivered to a milk or cream receiving station or manufactured dairy products plant or who receives payment for milk or cream used in manufacturing.

(28) "Safe temperature" means 45 degrees F or less unless the product is frozen, in which case the temperature must be at or below 0 degrees F.

(29) "Small dairy" means a place where no more than 5 lactating cows, 10 lactating goats, or 10 lactating sheep are kept for producing milk.

(29)(30) "Testing", "test", "tested", and similar words mean the examination of milk, cream, or manufactured dairy products by sight, odor, taste, or biological or chemical laboratory analysis to determine their quality, wholesomeness, or composition.

(30)(31) "Water ice" means a frozen product containing but not limited to the following ingredients: water, sugar, flavoring, coloring, stabilizers, and other ingredients allowed by the Code of Federal Regulations as optional ingredients."

Renumber: subsequent sections

10. Page 12, line 12 through line 13. Strike: "producers" on line 12 through "[section 2]" on line 13 Insert: "small dairies"

11. Page 12, line 24. Strike: "producer as defined in [section 2]" Insert: "small dairy"

12. Page 13, line 17 through line 18. Strike: "producers" on line 17 through "2]" on line 18 Insert: "small dairies"

13. Page 14, line 1. Strike: "producer" through "[section 2]" Insert: "small dairy"

14. Page 14, line 8 through line 9. Strike: "producer" on line 8 through "[section 2]" on line 9 Insert: "small dairy"


"81-23-103. General powers of department and board. (1) The Except for milk produced from a small dairy as defined in 81-21-101, the board shall supervise, regulate, and control the milk industry of this state, including the production, processing, storage, distribution, and sale of milk sold for consumption in this state. The board shall conduct hearings and make determinations."
under this chapter and under board rules and orders promulgated pursuant to this chapter. This chapter does not affect the status, force, or operation of any provision of public health laws, county board of health rules, or municipal ordinances for the promotion or protection of the public health.

(2) The department may cooperate with the department of public health and human services, a county or city board of health, or the department of agriculture in enforcing this chapter.

(3) The department shall assist the board by investigating all matters pertaining to the production, processing, storage, distribution, and sale of milk in this state and by bringing proceedings to enforce the orders of the board. The department, in exercising its enforcement duties, may subpoena milk dealers, their records, books, and accounts, and any other person from whom information may be desired or considered necessary to carry out the purposes and intent of this chapter. The department may take depositions of witnesses who are sick or absent from the state or who cannot otherwise appear in person before the department at its offices. The department shall give at least 10 days' notice to the proposed witness.

(4) The department shall provide staff to the board as provided in 2-15-121 to assist in technical, enforcement, and regulatory activities.”

Insert: "Section 32. Section 81-23-401, MCA, is amended to read:

"81-23-401. Entry, inspection, and investigation. The Except for the premises of a small dairy as defined in 81-21-101, the department may enter, at all reasonable hours, all places where milk is produced, processed, bottled, handled, or stored or where the books, papers, records, or documents relative to those transactions are kept, and may inspect and copy them in any place in this state. The department may administer oaths and take testimony for the purpose of ascertaining facts which, in the judgment of the department, are necessary to administer this chapter.””

Insert: "Section 33. Section 81-23-405, MCA, is amended to read:

"81-23-405. Violations made misdemeanors -- penalties. (1) A Except for a person operating a small dairy as defined in 81-21-101, a person who produces, sells, distributes, or handles milk in any way, except as a consumer, without a license from the board as required by this chapter or who violates a lawful rule of the department or board is guilty of a misdemeanor punishable by a fine not exceeding $600. Each day's violation is a separate offense.

(2) The district courts have original jurisdiction in all criminal actions for violations of this chapter and in all civil actions for the recovery or enforcement of penalties provided for in this chapter. All of those actions, both criminal and civil, must be tried in the district court.

(3) The county attorneys, in their respective counties, shall diligently prosecute all violations of this chapter.””

Renumber: subsequent section


HB 443, introduced bill, be amended as follows:

1. Title, page 1, line 5.
   Strike: "AND"

2. Title, page 1, line 6.
   Following: "MCA"
   Insert: "; AND PROVIDING A TERMINATION DATE"
   **Following:** line 26
   **Insert:**  "NEW SECTION. Section 2. Termination. [This act] terminates September 30, 2021."


**APPROPRIATIONS** (Ballance, Chair):

HB 17, introduced bill, be amended as follows:

1. Page 2, line 16.
   **Following:** "$5.80"
   **Insert:** "starting July 1, 2017, and then"

2. Page 2, line 17.
   **Following:** "months"
   **Insert:** "thereafter"
   **Following:** "the"
   **Insert:** "2019"


   HB 539, introduced bill, be amended as follows:

1. Title, page 1, line 6.
   **Strike:** "OFFICE OF BUDGET AND PROGRAM PLANNING"
   **Insert:** "APPROVING AUTHORITY"

2. Title, page 1, line 7.
   **Strike:** "WRITTEN"

3. Page 2, lines 9 through 10.
   **Following:** "2 years for my purpose"
   **Strike:** "on one-time-only expenditures, not to include expenditures for personal services"
   **Insert:** "for any purpose, except for increases in pay"

   **Strike:** "are"
   **Insert:** "is"

BUSINESS AND LABOR (Noland, Chair):

HB 291, introduced bill, be amended as follows:

1. Title, page 1, line 4.
   Strike: "FACTORS"
   Insert: "PRACTICES"

2. Page 1, line 12.
   Strike: "any of"
   Strike: "factors"
   Insert: "factor"

3. Page 1, line 13.
   Strike: "any factor"
   Insert: "the measure"

4. Page 1, line 16.
   Strike: "any of"
   Strike: "factors"
   Insert: "factor"

5. Page 1, line 18 through line 26.
   Following: "section," on line 18
   Insert: "a"
   Strike: "factors include:" on line 18 through "(h)" on line 26
   Insert: "factor includes"

6. Page 1, line 26 through line 30.
   Following: "demand" on line 26
   Strike: ":;" on line 26 through "ownership" on line 30

7. Page 2, line 1.
   Strike: "factors"
   Insert: "factor"
   Strike: "are"
   Insert: "is"


HB 402, introduced bill, be amended as follows:

1. Page 1.
   Following: line 15
   Insert: "(1) "Certified mail" means:
   (a) a method of mailing that is offered by the United States postal service and provides evidence of mailing; or
   (b) a method of mailing that is accompanied by a certificate of mailing executed by the individual who caused the notice to be mailed."
   Renumber: subsequent subsections

2. Page 1, line 27.
   Following: "flood"
   Strike: ","
   Insert: "or"
   Strike: " or another" through "action"

3. Page 2, line 23 through line 24.
   Strike: "A renter," on line 23 through "operator to enter" on line 24
   Insert: "An operator must contact the renter by telephone or electronic mail 3 days before entering"

4. Page 2, line 29 through line 30.
   Strike: "and the operator's heirs," on line 29 through "assigns" on line 30

   Strike: "any part of"

6. Page 3, line 17 through line 18.
   Strike: subsection (2) in its entirety
   Insert: "(2) A reasonable late fee may be imposed and collected by an operator for each period that a renter does not pay rent when due under the rental agreement, if the amount of the late fee and the conditions for imposing the fee are stated in the rental agreement or in an addendum to that agreement. A late fee of $20 or 20% of the monthly rent, whichever is greater, is a reasonable fee and may not be considered a penalty. Any reasonable expense incurred as a result of rent collection or lien enforcement by an operator may be charged to the renter in addition to late fees."

   Strike: "45"
   Insert: "60"

   Following: the first "property"
   Insert: "at a commercially reasonable sale"
   Strike: "Sale of" through "private proceedings."
   Following: "parcels;"
   Insert: "or"

    Following: "contracts"
    Strike: ";" on line 28 through "reasonable sale" on line 30
    Following: "."
    Insert: "(2)"
    Renumber: subsequent subsections

    Strike: "in a commercially" on line 13 through "manner" on line 14
    Insert: "in a newspaper of general circulation in the county where the sale is to be held. Alternatively, the operator may advertise the sale in any other commercially reasonable manner. The manner of advertisement is commercially reasonable if the sale is attended by at least three persons who appear personally or online, by telephone, or by any other method at the time and place advertised"

    Strike: subsection (3) in its entirety
    Renumber: subsequent subsections

    Strike: "45"
    Insert: "60"

    Strike: "an outside party"
    Insert: "a professional transfer or tow truck company"

15. Page 4, line 19 through line 20.
    Strike: "outside" on line 19 through "party" on line 20
    Insert: "professional transfer or tow truck company"

    Strike: "(2)"
    Insert: "(3)"

17. Page 5, line 4 through line 5.
    Following: "States" on line 4
    Insert: "certified"
    Strike: "Notices sent" on line 4 through "postage prepaid." on line 5

**HB 430**, introduced bill, be amended as follows:

1. Page 1, line 20.
   **Strike:** "21"
   **Insert:** "18"

2. Page 1, line 21.
   **Strike:** "provided for in 16-4-1006"
   **Insert:** "as provided in 16-4-1005"


**HB 449**, introduced bill, be amended as follows:

1. Title, page 1, line 6.
   **Strike:** "AND TO EXCLUDE TIPS"

2. Page 1, line 12.
   **Strike:** "(1)(c)"
   **Insert:** "(1)(d)"

3. Page 1, line 13.
   **Strike:** "value of"
   **Insert:** "or other monetary"

   **Following:** line 19
   **Insert:** "(c) tips or other gratuities received by the employee to the extent that tips or gratuities are documented by the employee to the employer for tax purposes;"

   **Renumber:** subsequent subsections

5. Page 2, line 9 through line 10.
   **Following:** "and other"
   **Insert:** "and other"

6. Page 2, line 11.
   **Strike:** subsection (f) in its entirety
   **Insert:** "(f) board, lodging, rent, housing, or other nonmonetary remuneration received by an employee."


**HB 462**, introduced bill, be amended as follows:
1. Page 1, line 12.
Following: "section that"
Insert: ": (a)"
Strike: "16-3-214 with a"
Insert: "the"

2. Page 1, line 13.
Following: "16-3-213,"
Strike: "for"
Insert: "except that the hours of operation of a sampling room, if one is provided, may not exceed 20 hours a week, the ounces of malt beverage that may be sold or given to each individual customer in the sampling room may not exceed 12 ounces in a business day, and the sampling room is restricted to on-premises provision of samples; and (b) operates in"

3. Page 1, line 28.
Following: "16-3-213"
Insert: ", with the exceptions provided in subsection (1)(a) of this section"


HB 496, do pass. Report adopted. 2/23/2017
HB 515, do pass. Report adopted. 2/24/2017

FISH, WILDLIFE AND PARKS (Flynn, Chair):
HB 97, introduced bill, be amended as follows:

Following: "(7)"
Insert: "(a)"

Following: line 25
Insert: "(b) By increasing the maximum payment to $15,000 on [the effective date of this act], it is the legislature’s intent to provide the opportunity for the commission to increase payments made to landowners on a per-hunter-day or equivalent basis by $2 dollars per year."


HB 151, introduced bill, be amended as follows:
1. Page 1, line 19.
   Strike: "Any"
   Insert: "Except for funding transferred from the general license account, any"

2. Page 1, line 26.
   Strike: "(8)"
   Insert: "(7)"
   Following: "effort to"
   Insert: "make every effort to"

3. Page 2, line 6 through line 8.
   Strike: subsection (7) in its entirety
   Renumber: subsequent subsections


HB 434, introduced bill, be amended as follows:

1. Page 1, line 15.
   Following: "noxious weed"
   Insert: "management"

2. Page 1, line 25.
   Following: "[section"
   Strike: "2"
   Insert: "3"

   Following: line 30
   Insert: "(b) include a plan to remove noxious weeds or prevent them from propagating or taking hold in the project area;"
   Renumber: subsequent subsections

   Strike: "noxious weed management"
   Insert: "improvement"

5. Page 4, line 17.
   Following: ","
   Strike: "and"

   Following: the second "seed"
   Insert: "; and
   (d) grazing costs as a component of an overall integrated noxious weed management plan"

HB 491, introduced bill, be amended as follows:

1. Page 1, line 17.

   Following: "access to our"
   Insert: "public"


JUDICIARY (Doane, Chair):

HB 133, introduced bill, be amended as follows:

1. Title, page 1, line 12.

   Strike: the first "ABOLISHING"
   Insert: "REVISING"

2. Title, page 1, line 13.

   Following: "OFFENSES;"
   Insert: "REVISING DUI PENALTIES;"

3. Title, page 1, line 16.

   Strike: "46-13-110,"
   Following: "46-18-231,"
   Insert: "46-18-502,"

4. Title, page 1, line 17.

   Following: "61-8-422,"
   Insert: "61-8-465, 61-8-714, 61-8-722,"

5. Title, page 1, line 18.

   Following: "45-10-108,"
   Strike: "46-13-108,"
   Insert: "AND"
   Following: "46-18-501,"
   Strike: "AND 46-18-502,"


   Strike: "$1,500"
Insert: "$500"

Strike: "$1,500"
Insert: "$500"

Strike: "exceeds"
Insert: "does not exceed"

Insert: "NEW SECTION. Section 14. Determination of number of convictions. For the purpose of determining the number of convictions under 45-6-301, 45-6-309, 45-6-316, 45-6-317, 45-6-325, or 45-6-332, a conviction means:
(1) a conviction, as defined in 45-2-101, under the same statute;
(2) a conviction for a violation of a similar statute in another state; or
(3) a forfeiture of bail or collateral deposited to secure the defendant’s appearance in court in this state or another state for a violation of a similar statute, which forfeiture has not been vacated."
Renumber: subsequent sections

Insert: "(18) "Persistent felony offender" means an offender who has previously been convicted of three separate felonies and who is presently being sentenced for a fourth felony committed on a different occasion than any of the first three. An offender is considered to have previously been convicted of three separate felonies if:
(a) the three previous felonies were for offenses committed in this state or any other jurisdiction for which a sentence of imprisonment in excess of 1 year could have been imposed;
(b) less than 5 years have elapsed between the commission of the present offense and either:
  (i) the most recent of the three felony convictions; or
  (ii) the offender's release on parole or otherwise from prison or other commitment imposed as a result of a previous felony conviction; and
(c) the offender has not been pardoned on the ground of innocence and the conviction has not been set aside at a postconviction hearing."
Renumber: subsequent subsections

11. Page 37, line 15 through page 38, line 8.
Strike: section 22 in its entirety
Renumber: subsequent sections

Following: "46-18-221(3),"
Strike: "and"
Following: "and 46-18-502(3),"

Insert: "Section 28. Section 46-18-502, MCA, is amended to read:

"46-18-502. Sentencing of persistent felony offender. (1) Except as provided in 46-18-219 and subsection (2) of this section, a persistent felony offender shall be imprisoned in the state prison for a term of not less than 5 years or more than 100 years or shall be fined an amount not to exceed $50,000, or both, if the offender was 21 years of age or older at the time of the commission of the present offense.

(2) Except as provided in 46-18-219, an offender shall be imprisoned in a state prison for a term of not less than 10 years or more than 100 years or shall be fined an amount not to exceed $50,000, or both, if:

(a) the offender was a persistent felony offender, as defined in 46-18-501, at the time of the offender's previous felony conviction;
(b) less than 5 years have elapsed between the commission of the present offense and:
   (i) the previous felony conviction; or
   (ii) the offender's release on parole, from prison, or from other commitment imposed as a result of the previous felony conviction; and
(c) the offender was 21 years of age or older at the time of the commission of the present offense.

(3) Except as provided in 46-18-222, the imposition or execution of the first 5 years of a sentence imposed under subsection (1) of this section or the first 10 years of a sentence imposed under subsection (2) of this section may not be deferred or suspended.

(4) Any sentence imposed under subsection (2) must run consecutively to any other sentence imposed."

Renumber: subsequent sections


Insert: "Section 39. Section 61-8-465, MCA, is amended to read:

"61-8-465. Aggravated DUI. (1) A person commits the offense of aggravated driving under the influence if the person is in violation of 61-8-401, 61-8-406, or 61-8-411 and:

(a) the person's alcohol concentration, as shown by analysis of the person's blood or breath, is 0.16 or more;
(b) the person is under the order of a court or the department to equip any motor vehicle the person operates with an approved ignition interlock device;
(c) the person's driver's license or privilege to drive is suspended, canceled, or revoked as a result of a prior violation of 61-8-401, 61-8-402, 61-8-406, or 61-8-411;
(d) the person refuses to provide a breath or blood sample as required in 61-8-402 and the person's driver's license or privilege to drive was suspended, canceled, or revoked under 61-8-402 within 10 years of the commission of the present offense; or
(e) the person has one prior conviction or pending charge for a violation of 45-5-106, 45-5-205, 61-8-401, 61-8-406, 61-8-411, or this section within 10 years of the commission of the present offense or has two or more prior convictions or pending charges, or any combination thereof, for violations of 45-5-106, 45-5-205, 61-8-401, 61-8-406, or 61-8-411.

(2) Except as provided in subsection (6), a person convicted of a first violation of the
offense of aggravated driving under the influence shall be punished by:
   (a) a fine of $1,000, except that if one or more passengers under 16 years of age were in
       the vehicle at the time of the offense, a fine of $2,000; and
   (b) a term of imprisonment for not less than 48 hours or more than 1 year, except that if
       one or more passengers under 16 years of age were in the vehicle at the time of the offense, a
       term of imprisonment for not less than 72 consecutive hours.
(3) (a) Except as provided in subsection (6), a person convicted of a second violation of
the offense of aggravated driving under the influence shall be punished by:
   (i) a fine of $2,500, except that if one or more passengers under 16 years of age were in
       the vehicle at the time of the offense, a fine of $5,000; and
   (ii) a term of imprisonment for not less than 15 days or more than 1 year, except that if one
       or more passengers under 16 years of age were in the vehicle at the time of the offense, a term
       of imprisonment for not less than 45 days.
   (b) Except for the minimum term of imprisonment provided in subsection (3)(a)(ii), the
       mandatory minimum imprisonment term may be suspended pending successful completion of
       court-ordered chemical dependency assessment, education, or treatment by the person.
   (c) The mandatory minimum imprisonment term may not be served under home arrest and
       may not be suspended unless the judge finds the imposition of the imprisonment sentence will pose
       a risk to the person's physical or mental well-being.
(4) (a) Except as provided in subsection (6), a person convicted of a third violation of the
offense of aggravated driving under the influence shall be punished by:
   (i) a fine of $5,000, except that if one or more passengers under 16 years of age were in
       the vehicle at the time of the offense, a fine of $10,000; and
   (ii) a term of imprisonment for not less than 40 consecutive days or more than 1 year,
       except that if one or more passengers under 16 years of age were in the vehicle at the time of the
       offense, a term of imprisonment for not less than 90 consecutive days.
   (b) Except for the minimum term of imprisonment provided in subsection (4)(a)(ii), the
       mandatory minimum imprisonment term may be suspended pending successful completion of
       court-ordered chemical dependency assessment, education, or treatment by the person.
   (c) The mandatory minimum imprisonment term may not be served under home arrest and
       may not be suspended unless the judge finds the imposition of the imprisonment sentence will pose
       a risk to the person's physical or mental well-being.
(5) During the suspended sentence imposed by the court under subsection (3)(b) or (4)(b):
   (a) the person is subject to all conditions of the suspended sentence imposed by the court,
       including mandatory participation in drug or DUI courts if available;
   (b) the person is subject to all conditions of the 24/7 sobriety and drug monitoring program
       if available and if imposed by the court; and
   (c) if the person violates any condition of the suspended sentence or any treatment
       requirement, the court may impose the remainder of any imprisonment term that was imposed and
       suspended.
(6) If the person has a prior conviction under 45-5-106, the person shall be punished as
provided in 61-8-731 for a fourth or subsequent offense of driving under the influence of alcohol
or drugs, with an excessive alcohol concentration, or under the influence of delta-9-tetrahydrocannabinol
or aggravated driving under the influence.
(7) Absolute liability, as provided for in 45-2-104, is imposed for a violation of this section.”
Insert: "Section 40. Section 61-8-714, MCA, is amended to read:

"61-8-714. Penalty for driving under influence of alcohol or drugs -- first through third offense. (1) (a) Except as provided in subsection (4) or (5), a person convicted of a first violation of 61-8-401 shall be punished by imprisonment for not less than 24 consecutive hours or more than 6 months and by a fine of not less than $600 or more than $1,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 48 consecutive hours or more than 1 year and by a fine of not less than $1,200 or more than $2,000.

(b) The mandatory minimum imprisonment term may not be served under home arrest and may not be suspended unless the judge finds that the imposition of the imprisonment sentence will pose a risk to the person's physical or mental well-being.

(c) The remainder of the imprisonment sentence may be suspended for a period of up to 1 year pending successful completion of court-ordered chemical dependency assessment, education, or treatment by the person.

(2) (a) Except as provided in subsection (4) or (5), a person convicted of a second violation of 61-8-401 shall be punished by a fine of not less than $1,200 or more than $2,000 and by imprisonment for not less than 7 days or more than 1 year, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by a fine of not less than $2,400 or more than $4,000 and by imprisonment for not less than 14 days or more than 1 year.

(b) The mandatory minimum imprisonment term may not be served under home arrest and may not be suspended unless the judge finds that the imposition of the imprisonment sentence will pose a risk to the person's physical or mental well-being.

(c) The remainder of the imprisonment sentence may be suspended for a period of up to 1 year pending the person's successful completion of a chemical dependency treatment program pursuant to 61-8-732.

(3) (a) Except as provided in subsection (4) or (5), a person convicted of a third violation of 61-8-401 shall be punished by imprisonment for a term of not less than 30 days or more than 1 year and by a fine of not less than $2,500 or more than $5,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for a term of not less than 60 days or more than 1 year and by a fine of not less than $5,000 or more than $10,000.

(b) The mandatory minimum imprisonment term may not be served under home arrest and may not be suspended unless the judge finds that the imposition of the imprisonment sentence will pose a risk to the person's physical or mental well-being.

(c) The remainder of the imprisonment sentence may be suspended for a period of up to 1 year pending the person's successful completion of a chemical dependency treatment program pursuant to 61-8-732.

(4) If the person has a prior conviction under 45-5-106, the person shall be punished as provided in 61-8-731 for a fourth or subsequent offense of driving under the influence of alcohol or drugs or with an excessive alcohol concentration, driving under the influence of delta-9-tetrahydrocannabinol, or aggravated driving under the influence.

(5) If the person has a prior conviction or pending charge for a violation of 61-8-465, the person shall be punished as provided in 61-8-465."

Insert: "Section 41. Section 61-8-722, MCA, is amended to read:
"61-8-722. Penalty for driving with excessive alcohol concentration or delta-9-tetrahydrocannabinol level -- first through third offense. (1) Except as provided in subsection (4) or (5), a person convicted of a first violation of 61-8-406 or 61-8-411 shall be punished by imprisonment for not more than 6 months and by a fine of not less than $600 or more than $1,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not more than 6 months and by a fine of not less than $1,200 or more than $2,000.

(2) (a) Except as provided in subsection (4) or (5), a person convicted of a second violation of 61-8-406 or 61-8-411 shall be punished by imprisonment for not less than 5 days or more than 1 year and by a fine of not less than $1,200 or more than $2,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 10 days or more than 1 year and by a fine of not less than $2,400 or more than $4,000.

(b) The mandatory minimum imprisonment sentence may not be served under home arrest and may not be suspended unless the judge finds that imposition of the imprisonment sentence will pose a risk to the person's physical or mental well-being.

(c) The remainder of the imprisonment sentence may be suspended for a period of up to 1 year pending the person's successful completion of a chemical dependency treatment program pursuant to 61-8-732.

(3) (a) Except as provided in subsection (4) or (5), a person convicted of a third violation of 61-8-406 or 61-8-411 shall be punished by imprisonment for not less than 30 days or more than 1 year and by a fine of not less than $2,500 or more than $5,000, except that if one or more passengers under 16 years of age were in the vehicle at the time of the offense, the person shall be punished by imprisonment for not less than 60 days or more than 1 year and by a fine of not less than $5,000 or more than $10,000.

(b) The mandatory minimum imprisonment sentence may not be served under home arrest and may not be suspended unless the judge finds that imposition of the imprisonment sentence will pose a risk to the person's physical or mental well-being.

(c) The remainder of the imprisonment sentence may be suspended for a period of up to 1 year pending the person's successful completion of a chemical dependency treatment program pursuant to 61-8-732.

(4) If the person has a prior conviction under 45-5-106, the person shall be punished as provided in 61-8-731 for a fourth or subsequent offense of driving under the influence of alcohol or drugs or with an excessive alcohol concentration.

(5) If the person has a prior conviction or pending charge for a violation of 61-8-465, the person shall be punished as provided in 61-8-465."

Renumber: subsequent sections

15. Page 56, line 16.
Following: "fourth"
Strike: "or"
Insert: "offense -- penalty for fifth or"

Following: "three"
Strike: "or more"

17. Page 57, line 12 through line 15.
Following: "61-8-401(1),"
Strike: "and the person" on line 12 through ", or both." on line 15
Insert: "the person shall be imprisoned in the state prison for a term of not less than 5 years or more than 100 years or be fined an amount not to exceed $50,000, or both. The imposition of the first 5 years of the sentence imposed may not be deferred or suspended."

Strike: "or subsequent"

Strike: line 19

Strike: line 21

Insert: "NEW SECTION. Section 46. Codification instruction. [Section 14] is intended to be codified as an integral part of Title 45, chapter 6, part 3, and the provisions of Title 45, chapter 6, part 3, apply to [section 14]."
Renumber: subsequent sections


HB 385, introduced bill, be amended as follows:

1. Page 1, line 15.
Following: "Purpose."
Insert: "(1)"

2. Page 1, line 18.
Following: "45-8-321"
Insert: "and meets one of the following criteria:
(a) qualifies with firearms according to the minimal standard for a peace officer as certified by a firearms instructor recognized by a national organization of firearm owners;
(b) is classified as a "c-class competitor" by the United States practical shooting association;
(c) is classified as a "marksman level competitor" by the international defensive pistol association; or
(d) meets any standard established by the local school board in conjunction with local law enforcement.
(2) Subject to 45-8-322(7), a school district employee shall notify local law enforcement if the employee elects to possess and carry a firearm pursuant to subsection (1)"


LOCAL GOVERNMENT (Greef, Chair): 2/23/2017
HB 422, introduced bill, be amended as follows:

1. Title, page 1, line 5.
   **Strike:** "OR OFFSETTING ENTITLEMENT SHARE"
   **Insert:** "CERTAIN"

2. Title, page 1, line 8.
   **Following:** "15-1-121," on line 8
   **Strike:** "AND 17-4-105,"

3. Title, page 1, line 9.
   **Strike:** "IMMEDIATE"

4. Page 1, line 22 through line 23.
   **Strike:** "declines" on line 22 through "to prosecute the officer" on line 23
   **Insert:** "does not commence an action pursuant to 45-7-401(3)"

5. Page 1, line 24.
   **Following:** "[section 1]"
   **Insert:** "within 90 days of the receipt of the complaint"

   **Following:** line 28
   **Insert:** "(c) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:
   (i) file a financial report required by 15-1-504;
   (ii) remit any amounts collected on behalf of the state as required by 15-1-504; or
   (iii) remit any other amounts owed to the state or another taxing jurisdiction."

7. Page 7, line 29.
   **Following:** line 28
   **Insert:** "Section 5. Section 15-36-331, MCA, is amended to read:
   "15-36-331. Distribution of taxes. (1) (a) For each calendar quarter, the department shall determine the amount of tax, late payment interest, and penalties collected under this part.
   (b) For the purposes of distribution of oil and natural gas production taxes to county and school district taxing units under 15-36-332 and to the state, the department shall determine the amount of oil and natural gas production taxes paid on production in the taxing unit.
   (2) (a) The amount of oil and natural gas production taxes collected for the privilege and"
license tax pursuant to 82-11-131 must be deposited, in accordance with the provisions of 17-2-124, in the state special revenue fund for the purpose of paying expenses of the board, as provided in 82-11-135.

(b) The amount of the tax allocated in 15-36-304(7)(b) for the oil and gas natural resource distribution account established in 90-6-1001(1) must be deposited in the account.

(3) (a) For each tax year, the amount of oil and natural gas production taxes determined under subsection (1)(b) is allocated to each county according to the following schedule:

<table>
<thead>
<tr>
<th>County</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Horn</td>
<td>45.05%</td>
</tr>
<tr>
<td>Blaine</td>
<td>58.39%</td>
</tr>
<tr>
<td>Carbon</td>
<td>48.27%</td>
</tr>
<tr>
<td>Chouteau</td>
<td>58.14%</td>
</tr>
<tr>
<td>Custer</td>
<td>69.53%</td>
</tr>
<tr>
<td>Daniels</td>
<td>50.81%</td>
</tr>
<tr>
<td>Dawson</td>
<td>47.79%</td>
</tr>
<tr>
<td>Fallon</td>
<td>41.78%</td>
</tr>
<tr>
<td>Fergus</td>
<td>69.18%</td>
</tr>
<tr>
<td>Garfield</td>
<td>45.96%</td>
</tr>
<tr>
<td>Glacier</td>
<td>58.83%</td>
</tr>
<tr>
<td>Golden Valley</td>
<td>58.37%</td>
</tr>
<tr>
<td>Hill</td>
<td>64.51%</td>
</tr>
<tr>
<td>Liberty</td>
<td>57.94%</td>
</tr>
<tr>
<td>McConne</td>
<td>49.92%</td>
</tr>
<tr>
<td>Musselshell</td>
<td>48.64%</td>
</tr>
<tr>
<td>Petroleum</td>
<td>48.04%</td>
</tr>
<tr>
<td>Phillips</td>
<td>54.02%</td>
</tr>
<tr>
<td>Pondera</td>
<td>54.26%</td>
</tr>
<tr>
<td>Powder River</td>
<td>60.9%</td>
</tr>
<tr>
<td>Prairie</td>
<td>40.38%</td>
</tr>
<tr>
<td>Richland</td>
<td>47.47%</td>
</tr>
</tbody>
</table>

STATE INTERNET/BBS COPY 24
(b) The oil and natural gas production taxes allocated to each county must be deposited in the state special revenue fund and transferred to each county for distribution, as provided in 15-36-332.

(4) The department shall, in accordance with the provisions of 17-2-124, distribute the state portion of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3) as follows:

(a) for each fiscal year through the fiscal year ending June 30, 2011, to be distributed as follows:

(i) 1.23% to the coal bed methane protection account established in 76-15-904;
(ii) 1.45% to the natural resources projects state special revenue account established in 15-38-302;
(iii) 1.45% to the natural resources operations state special revenue account established in 15-38-301;
(iv) 2.99% to the orphan share account established in 75-10-743;
(v) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108; and
(vi) all remaining proceeds to the state general fund;

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

(i) 2.16% to the natural resources projects state special revenue account established in 15-38-302;
(ii) 2.02% to the natural resources operations state special revenue account established in 15-38-301;
(iii) 2.95% to the orphan share account established in 75-10-743;
(iv) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108; and
(v) all remaining proceeds to the state general fund.
(5) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:

(a) file a financial report required by 15-1-504;
(b) remit any amounts collected on behalf of the state as required by 15-1-504; or
(c) remit any other amounts owed to the state or another taxing jurisdiction.

Insert: "Section 6. Section 15-36-332, MCA, is amended to read:

"15-36-332. (Temporary) Distribution of taxes to taxing units -- appropriation. (1) (a) Subject to 20-9-310 and subsection (9) of this section, by the dates referred to in subsection (6) of this section, the department shall distribute oil and natural gas production taxes allocated under 15-36-331(3) to each eligible county.

(b) By Except as provided by subsection (9), by the dates referred to in subsection (6), the department shall distribute the amount deposited in the oil and gas natural resource distribution account under 15-36-331(2)(b) as provided in subsection (7) of this section.

(2) (a) Each county treasurer shall distribute the amount of oil and natural gas production taxes designated under subsection (1)(a), including the amounts referred to in subsection (2)(b), to the countywide elementary and high school retirement funds, countywide transportation funds, and eligible school districts according to the following schedule:

<table>
<thead>
<tr>
<th>County</th>
<th>Elementary Retirement</th>
<th>High School Retirement</th>
<th>Countywide Transportation</th>
<th>School Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Horn</td>
<td>14.81%</td>
<td>10.36%</td>
<td>2.99%</td>
<td>26.99%</td>
</tr>
<tr>
<td>Blaine</td>
<td>5.86%</td>
<td>2.31%</td>
<td>2.71%</td>
<td>24.73%</td>
</tr>
<tr>
<td>Carbon</td>
<td>3.6%</td>
<td>6.62%</td>
<td>1.31%</td>
<td>49.18%</td>
</tr>
<tr>
<td>Chouteau</td>
<td>8.1%</td>
<td>4.32%</td>
<td>3.11%</td>
<td>23.79%</td>
</tr>
<tr>
<td>Custer</td>
<td>6.9%</td>
<td>3.4%</td>
<td>1.19%</td>
<td>31.25%</td>
</tr>
<tr>
<td>Daniels</td>
<td>0</td>
<td>7.77%</td>
<td>3.92%</td>
<td>48.48%</td>
</tr>
<tr>
<td>Dawson</td>
<td>5.53%</td>
<td>2.5%</td>
<td>1.11%</td>
<td>35.6%</td>
</tr>
<tr>
<td>Fallon</td>
<td>0</td>
<td>7.63%</td>
<td>1.24%</td>
<td>42.58%</td>
</tr>
<tr>
<td>Fergus</td>
<td>7.88%</td>
<td>4.84%</td>
<td>2.08%</td>
<td>53.25%</td>
</tr>
<tr>
<td>Garfield</td>
<td>4.04%</td>
<td>3.13%</td>
<td>5.29%</td>
<td>26.19%</td>
</tr>
<tr>
<td>Glacier</td>
<td>11.2%</td>
<td>4.87%</td>
<td>3.01%</td>
<td>46.11%</td>
</tr>
<tr>
<td>Golden Valley</td>
<td>0</td>
<td>11.52%</td>
<td>2.77%</td>
<td>54.65%</td>
</tr>
<tr>
<td>Hill</td>
<td>6.7%</td>
<td>4.07%</td>
<td>1.59%</td>
<td>49.87%</td>
</tr>
<tr>
<td>Liberty</td>
<td>4.9%</td>
<td>4.56%</td>
<td>1.15%</td>
<td>35.22%</td>
</tr>
<tr>
<td>McConc</td>
<td>4.18%</td>
<td>3.19%</td>
<td>2.58%</td>
<td>43.21%</td>
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</tbody>
</table>
### Oil and Natural Gas Production Taxes Distribution

<table>
<thead>
<tr>
<th>County</th>
<th>Oil (%)</th>
<th>Natural Gas (%)</th>
<th>Gas (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musselshell</td>
<td>5.98</td>
<td>4.07</td>
<td>3.53</td>
<td>32.17</td>
</tr>
<tr>
<td>Petroleum</td>
<td>0.00</td>
<td>11.92</td>
<td>4.59</td>
<td>55.48</td>
</tr>
<tr>
<td>Phillips</td>
<td>0.43</td>
<td>6.6</td>
<td>1.08</td>
<td>41.29</td>
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<tr>
<td>Pondera</td>
<td>6.96</td>
<td>5.06</td>
<td>1.94</td>
<td>45.17</td>
</tr>
<tr>
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<td>3.96</td>
<td>2.97</td>
<td>4.57</td>
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<tr>
<td>Prairie</td>
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<td>1.63</td>
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<tr>
<td>Richland</td>
<td>4.1</td>
<td>3.92</td>
<td>2.26</td>
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</tr>
<tr>
<td>Roosevelt</td>
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<td>7.37</td>
<td>2.74</td>
<td>40.94</td>
</tr>
<tr>
<td>Rosebud</td>
<td>3.87</td>
<td>2.24</td>
<td>1.05</td>
<td>72.97</td>
</tr>
<tr>
<td>Sheridan</td>
<td>0.00</td>
<td>3.39</td>
<td>2.22</td>
<td>47.63</td>
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<tr>
<td>Stillwater</td>
<td>6.87</td>
<td>4.86</td>
<td>1.63</td>
<td>41.16</td>
</tr>
<tr>
<td>Sweet Grass</td>
<td>6.12</td>
<td>6.5</td>
<td>2.4</td>
<td>37.22</td>
</tr>
<tr>
<td>Teton</td>
<td>6.88</td>
<td>8.19</td>
<td>3.8</td>
<td>29.43</td>
</tr>
<tr>
<td>Toole</td>
<td>2.78</td>
<td>4.78</td>
<td>1.3</td>
<td>43.56</td>
</tr>
<tr>
<td>Valley</td>
<td>2.26</td>
<td>12.61</td>
<td>4.63</td>
<td>41.11</td>
</tr>
<tr>
<td>Wibaux</td>
<td>0.00</td>
<td>4.1</td>
<td>0.77</td>
<td>31.46</td>
</tr>
<tr>
<td>Yellowstone</td>
<td>7.98</td>
<td>4.56</td>
<td>1.07</td>
<td>52.77</td>
</tr>
<tr>
<td>All other counties</td>
<td>3.81</td>
<td>7.84</td>
<td>1.81</td>
<td>41.04</td>
</tr>
</tbody>
</table>

(b) (i) The county treasurer shall distribute 9.8% of the Custer County share to the countywide community college district in Custer County.

(ii) The county treasurer shall distribute 14.5% of the Dawson County share to the countywide community college district in Dawson County.

(3) The remaining oil and natural gas production taxes for each county must be used for the exclusive use and benefit of the county, including districts within the county established by the county.

(4) (a) The county treasurer shall distribute oil and natural gas production taxes to school districts in each county referred to in subsection (2) as provided in subsections (4)(b) through (4)(d) and subject to the provisions of 20-9-310.

(b) The amount distributed to each K-12 district within the county is equal to oil and natural gas production taxes in the county multiplied by the ratio that oil and natural gas production taxes attributable to oil and natural gas production in the K-12 school district bear to total oil and natural gas production.
gas production taxes attributable to total oil and natural gas production in the county and multiply that amount by the school district percentage figure for the county referred to in subsection (2)(a).

(c) For the amount to be distributed to each elementary school district and to each high school district under subsection (4)(d), the department shall first determine the amount of oil and natural gas production taxes in the high school district that is attributable to oil and natural gas production in each elementary school district that is located in whole or in part within the exterior boundaries of a high school district and multiply that amount by the school district percentage figure for the county referred to in subsection (2)(a).

(d) (i) The amount distributed to each elementary school district that is located in whole or in part within the exterior boundaries of a high school district is equal to the amount determined in subsection (4)(c) multiplied by the ratio that the total mills of the elementary school district bear to the sum of the total mills of the elementary school district and the total mills of the high school district.

(ii) The amount distributed to the high school district is equal to the amount determined in subsection (4)(c) multiplied by the ratio that the total mills of the high school district bear to the sum of the total mills of each elementary school district referred to in subsection (4)(c) and the total mills of the high school district.

(5) Oil and natural gas production taxes calculated for each school district under subsections (4)(b) through (4)(d) must be distributed to each school district as provided in 20-9-310.

(6) Subject to 20-9-310 and subsection (9) of this section, the department shall remit the amounts to be distributed in this section to the county treasurer by the following dates:

(a) On or before August 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending March 31 of the current year.

(b) On or before November 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending June 30 of the current year.

(c) On or before February 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending September 30 of the previous year.

(d) On or before May 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending December 31 of the previous year.

(7) The department shall distribute the funds received under 15-36-331(2)(b) to counties based on county oil and gas production. Of the distribution to a county, one-third must be distributed to the county government and two-thirds must be distributed to incorporated cities and towns within the county. If there is more than one incorporated city or town within the county, the city and town allocation must be distributed to the cities and towns based on their relative populations.

(8) The distributions to taxing units and to counties and incorporated cities and towns under this section are statutorily appropriated, as provided in 17-7-502, from the state special revenue fund.

(9) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:

(a) file a financial report required by 15-1-504;
(b) remit any amounts collected on behalf of the state as required by 15-1-504; or
(c) remit any other amounts owed to the state or another taxing jurisdiction. (Terminates
June 30, 2020--sec. 38, Ch. 400, L. 2013.)

15-36-332. (Effective July 1, 2020) Distribution of taxes to taxing units -- appropriation.
(1) (a) By Except as provided by subsection (9), by the dates referred to in subsection (6), the department shall distribute oil and natural gas production taxes allocated under 15-36-331(3) to each eligible county.

(b) By Except as provided by subsection (9), by the dates referred to in subsection (6), the department shall distribute the amount deposited in the oil and gas natural resource distribution account under 15-36-331(2)(b) as provided in subsection (7) of this section.

(2) (a) Each county treasurer shall distribute the amount of oil and natural gas production taxes designated under subsection (1)(a), including the amounts referred to in subsection (2)(b), to the countywide elementary and high school retirement funds, countywide transportation funds, and eligible school districts according to the following schedule:

<table>
<thead>
<tr>
<th>County</th>
<th>Elementary Retirement</th>
<th>High School Retirement</th>
<th>Countywide Transportation</th>
<th>School Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Horn</td>
<td>14.81%</td>
<td>10.36%</td>
<td>2.99%</td>
<td>26.99%</td>
</tr>
<tr>
<td>Blaine</td>
<td>5.86%</td>
<td>2.31%</td>
<td>2.71%</td>
<td>24.73%</td>
</tr>
<tr>
<td>Carbon</td>
<td>3.6%</td>
<td>6.62%</td>
<td>1.31%</td>
<td>49.18%</td>
</tr>
<tr>
<td>Chouteau</td>
<td>8.1%</td>
<td>4.32%</td>
<td>3.11%</td>
<td>23.79%</td>
</tr>
<tr>
<td>Custer</td>
<td>6.9%</td>
<td>3.4%</td>
<td>1.19%</td>
<td>31.25%</td>
</tr>
<tr>
<td>Daniels</td>
<td>0</td>
<td>7.77%</td>
<td>3.92%</td>
<td>48.48%</td>
</tr>
<tr>
<td>Dawson</td>
<td>5.53%</td>
<td>2.5%</td>
<td>1.11%</td>
<td>35.6%</td>
</tr>
<tr>
<td>Fallon</td>
<td>0</td>
<td>7.63%</td>
<td>1.24%</td>
<td>42.58%</td>
</tr>
<tr>
<td>Fergus</td>
<td>7.88%</td>
<td>4.84%</td>
<td>2.08%</td>
<td>53.25%</td>
</tr>
<tr>
<td>Garfield</td>
<td>4.04%</td>
<td>3.13%</td>
<td>5.29%</td>
<td>26.19%</td>
</tr>
<tr>
<td>Glacier</td>
<td>11.2%</td>
<td>4.87%</td>
<td>3.01%</td>
<td>46.11%</td>
</tr>
<tr>
<td>Golden Valley</td>
<td>0</td>
<td>11.52%</td>
<td>2.77%</td>
<td>54.65%</td>
</tr>
<tr>
<td>Hill</td>
<td>6.7%</td>
<td>4.07%</td>
<td>1.59%</td>
<td>49.87%</td>
</tr>
<tr>
<td>Liberty</td>
<td>4.9%</td>
<td>4.56%</td>
<td>1.15%</td>
<td>35.22%</td>
</tr>
<tr>
<td>McConc</td>
<td>4.18%</td>
<td>3.19%</td>
<td>2.58%</td>
<td>43.21%</td>
</tr>
<tr>
<td>Musselshell</td>
<td>5.98%</td>
<td>4.07%</td>
<td>3.53%</td>
<td>32.17%</td>
</tr>
</tbody>
</table>
(b) (i) The county treasurer shall distribute 9.8% of the Custer County share to the countywide community college district in Custer County.

(ii) The county treasurer shall distribute 14.5% of the Dawson County share to the countywide community college district in Dawson County.

(3) The remaining oil and natural gas production taxes for each county must be used for the exclusive use and benefit of the county, including districts within the county established by the county.

(4) (a) The county treasurer shall distribute oil and natural gas production taxes to school districts in each county referred to in subsection (2) as provided in subsections (4)(b) through (4)(d).

(b) The amount distributed to each K-12 district within the county is equal to oil and natural gas production taxes in the county multiplied by the ratio that oil and natural gas production taxes attributable to oil and natural gas production in the K-12 school district bear to total oil and natural gas production taxes attributable to total oil and natural gas production in the county and multiply that amount by the school district percentage figure for the county referred to in subsection (2)(a).
(c) For the amount to be distributed to each elementary school district and to each high school district under subsection (4)(d), the department shall first determine the amount of oil and natural gas taxes in the high school district that is attributable to oil and natural gas production in each elementary school district that is located in whole or in part within the exterior boundaries of a high school district and multiply that amount by the school district percentage figure for the county referred to in subsection (2)(a).

(d) (i) The amount distributed to each elementary school district that is located in whole or in part within the exterior boundaries of a high school district is equal to the amount determined in subsection (4)(c) multiplied by the ratio that the total mills of the elementary school district bear to the sum of the total mills of the elementary school district and the total mills of the high school district.

(ii) The amount distributed to the high school district is equal to the amount determined in subsection (4)(c) multiplied by the ratio that the total mills of the high school district bear to the sum of the total mills of each elementary school district referred to in subsection (4)(c) and the total mills of the high school district.

(5) (a) Oil and natural gas production taxes calculated for each school district under subsections (4)(b) through (4)(d) must be distributed to each school district in the relative proportion of the mill levy for each fund.

(b) If a distribution under subsection (5)(a) exceeds the total budget for a school district fund, the board of trustees of an elementary or high school district may reallocate the excess to any budgeted fund of the school district.

(6) The department shall remit the amounts to be distributed in this section to the county treasurer by the following dates:

(a) On or before August 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending March 31 of the current year.

(b) On or before November 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending June 30 of the current year.

(c) On or before February 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending September 30 of the previous year.

(d) On or before May 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending December 31 of the previous year.

(7) The department shall distribute the funds received under 15-36-331(2)(b) to counties based on county oil and gas production. Of the distribution to a county, one-third must be distributed to the county government and two-thirds must be distributed to incorporated cities and towns within the county. If there is more than one incorporated city or town within the county, the city and town allocation must be distributed to the cities and towns based on their relative populations.

(8) The distributions to taxing units and to counties and incorporated cities and towns under this section are statutorily appropriated, as provided in 17-7-502, from the state special revenue fund.

(9) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:
(a) file a financial report required by 15-1-504;
(b) remit any amounts collected on behalf of the state as required by 15-1-504; or
(c) remit any other amounts owed to the state or another taxing jurisdiction.”

Insert: "Section 7. Section 15-37-117, MCA, is amended to read:

15-37-117. (Temporary) Disposition of metalliferous mines license taxes. (1) Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the provisions of 17-2-124, be allocated as follows:
(a) to the credit of the general fund of the state, 47% of total collections each year;
(b) to the state special revenue fund to the credit of the hard-rock mining impact trust account established in 90-6-304(2), 2.5% of total collections each year;
(c) to the hard-rock mining reclamation debt service fund established in 82-4-312, 8.5% of total collections each year;
(d) to the natural resources operations state special revenue account established in 15-38-301, 7% of total collections each year; and
(e) within 60 days of the date the tax is payable pursuant to 15-37-105, to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if an impact plan has not been prepared, to the county in which the mine is located, 35% of total collections each year, to be allocated by the county commissioners as follows:
(i) not less than 37.5% to the county hard-rock mine trust account established in 7-6-2225; and
(ii) all money not allocated to the account pursuant to subsection (1)(e)(i) to be further allocated as follows:
(A) 33 1/3% is allocated to the county for general planning functions or economic development activities as described in 7-6-2225(3)(c) through (3)(e);
(B) 33 1/3% is allocated to the elementary school districts within the county that have been affected by the development or operation of the metal mine; and
(C) 33 1/3% is allocated to the high school districts within the county that have been affected by the development or operation of the metal mine.
(2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under subsection (1)(e) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part 4.
(3) The department shall return to the county in which metals are produced the tax collections allocated under subsection (1)(e). The allocation to the county described by subsection (1)(e) is a statutory appropriation pursuant to 17-7-502.
(4) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:
(a) file a financial report required by 15-1-504;
(b) remit any amounts collected on behalf of the state as required by 15-1-504; or
(c) remit any other amounts owed to the state or another taxing jurisdiction. (Terminates June 30, 2027--sec. 5, Ch. 387, L. 2015.)

15-37-117. (Effective July 1, 2027) Disposition of metalliferous mines license taxes.
(1) Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the provisions of 17-2-124, be allocated as follows:

(a) to the credit of the general fund of the state, 57% of total collections each year;
(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 2.5% of total collections each year;
(c) to the hard-rock mining reclamation debt service fund established in 82-4-312, 8.5% of total collections each year;
(d) to the natural resources operations state special revenue account established in 15-38-301, 7% of total collections each year; and
(e) within 60 days of the date the tax is payable pursuant to 15-37-105, to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

(i) not less than 37.5% to the county hard-rock mine trust account established in 7-6-2225; and

(ii) all money not allocated to the account pursuant to subsection (1)(e)(i) to be further allocated as follows:

(A) 33 1/3% is allocated to the county for general planning functions or economic development activities as described in 7-6-2225(3)(c) through (3)(e);
(B) 33 1/3% is allocated to the elementary school districts within the county that have been affected by the development or operation of the metal mine; and
(C) 33 1/3% is allocated to the high school districts within the county that have been affected by the development or operation of the metal mine.

(2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under subsection (1)(e) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part 4.

(3) The department shall return to the county in which metals are produced the tax collections allocated under subsection (1)(e). The allocation to the county described by subsection (1)(e) is a statutory appropriation pursuant to 17-7-502.

(4) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:

(a) file a financial report required by 15-1-504;
(b) remit any amounts collected on behalf of the state as required by 15-1-504; or
(c) remit any other amounts owed to the state or another taxing jurisdiction.

Insert: "Section 8. Section 15-39-110, MCA, is amended to read:

"15-39-110. Distribution of taxes. (1) (a) For each semiannual period, the department shall determine the amount of tax, late payment interest, and penalties collected under this part from bentonite mines that produced bentonite before January 1, 2005. The tax is distributed as provided in subsections (2) through (9).

(b) For each semiannual period, the department shall determine the amount of tax, late payment interest, and penalties collected under this part from bentonite mines that first began
producing bentonite after December 31, 2004. The tax is distributed as provided in subsection (10).

(2) The percentage of the tax determined under subsection (1)(a) and specified in subsections (3) through (9) is allocated according to the following schedule:
   (a) 2.33% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108;
   (b) 18.14% to the state general fund to be appropriated for the purposes of the tax levies as provided in 20-9-331, 20-9-333, and 20-9-360;
   (c) 3.35% to Carbon County to be distributed in proportion to current fiscal year mill levies in the taxing jurisdictions in which production occurs, except a distribution may not be made for county and state levies under 15-10-108, 20-9-331, 20-9-333, and 20-9-360; and
   (d) 76.18% to Carter County to be distributed in proportion to current fiscal year mill levies in the taxing jurisdictions in which production occurs, except a distribution may not be made for county and state levies under 15-10-108, 20-9-331, 20-9-333, and 20-9-360.

(3) For the production of bentonite occurring after December 31, 2008, and before January 1, 2010, 60% of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 40% must be distributed as provided in subsection (10).

(4) For the production of bentonite occurring after December 31, 2009, and before January 1, 2011, 50% of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 50% must be distributed as provided in subsection (10).

(5) For the production of bentonite occurring after December 31, 2010, and before January 1, 2012, 40% of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 60% must be distributed as provided in subsection (10).

(6) For the production of bentonite occurring after December 31, 2011, and before January 1, 2013, 30% of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 70% must be distributed as provided in subsection (10).

(7) For the production of bentonite occurring after December 31, 2012, and before January 1, 2014, 20% of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 80% must be distributed as provided in subsection (10).

(8) For the production of bentonite occurring after December 31, 2013, and before January 1, 2015, 10% of the tax determined under subsection (1)(a) must be distributed as provided in subsection (2) and 90% must be distributed as provided in subsection (10).

(9) For the production of bentonite occurring in tax years beginning after December 31, 2014, 100% of the tax determined under subsection (1)(a) must be distributed as provided in subsection (10).

(10) For the production of bentonite, 100% of the tax determined under subsection (1)(b) and the distribution percentages determined under subsections (3) through (9) are allocated according to the following schedule:
   (a) 1.30% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108;
   (b) 20.75% to the state general fund to be appropriated for the purposes of the tax levies as provided in 20-9-331, 20-9-333, and 20-9-360;
   (c) 77.95% to the county in which production occurred to be distributed in proportion to current fiscal year mill levies in the taxing jurisdictions in which production occurs, except a distribution may not be made for county and state levies under 15-10-108, 20-9-331, 20-9-333, and 20-9-360.

(11) Except as provided by subsection (14), the department shall remit the amounts...
to be distributed in this section to the county treasurer by the following dates:

(a) On or before October 1 of each year, the department shall remit the county's share of bentonite production tax payments received for the semiannual period ending June 30 of the current year to the county treasurer.

(b) On or before April 1 of each year, the department shall remit the county's share of bentonite production tax payments received to the county treasurer for the semiannual period ending December 31 of the previous year.

(12) (a) The department shall also provide to each county the amount of gross yield of value from bentonite, including royalties, for the previous calendar year. Thirty-three and one-third percent of the gross yield of value must be treated as taxable value for determining school district debt limits under 20-9-406.

(b) The percentage amount of the gross yield of value determined under subsection (12)(a) must be treated as assessed value under 15-8-111 for the purposes of local government debt limits and other bonding provisions as provided by law.

(13) The bentonite tax proceeds are statutorily appropriated, as provided in 17-7-502, to the department for distribution as provided in this section.

(14) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:

(a) file a financial report required by 15-1-504;

(b) remit any amounts collected on behalf of the state as required by 15-1-504; or

(c) remit any other amounts owed to the state or another taxing jurisdiction."

8. Page 8, line 1 through page 10, line 4.
Strike: section 5 in its entirety
Renumber: subsequent sections

Insert: "Section 9. Section 20-9-310, MCA, is amended to read:

"20-9-310. (Temporary) Oil and natural gas production taxes for school districts -- allocation and limits. (1) Except as provided in subsection (6), the maximum amount of oil and natural gas production taxes that a school district may retain is 130% of the school district's maximum budget, determined in accordance with 20-9-308.

(2) Upon receipt of school district budget reports required under 20-9-134, the superintendent of public instruction shall provide the department of revenue with a list reporting the maximum general fund budget for each school district.

(3) The department of revenue shall make the full quarterly distribution of oil and natural gas production taxes as required under 15-36-332(6) until the amount distributed reaches the limitation in subsection (1) of this section. The department of revenue shall deposit any amount exceeding the limitation in subsection (1) in the state school oil and natural gas distribution account provided for in 20-9-520.

(4) (a) By the last day of the month immediately following the month in which the quarterly distribution of oil and natural gas production taxes in subsection (3) is made, the office of public instruction shall distribute any amount of oil and natural gas production taxes exceeding the limitation in subsection (1) based on allocations determined by the department of revenue pursuant to subsection (3) to school districts that are directly impacted by oil and natural gas development,"
but that receive insufficient oil and natural gas revenue to address the oil and natural gas
development impacts. The office of public instruction shall adopt administrative rules to establish
a process, criteria, and a mechanism for distribution under this subsection (4), using the negotiated
rulemaking process set forth in the Montana Negotiated Rulemaking Act, Title 2, chapter 5, part

(b) In developing administrative rules, the office of public instruction shall establish two
independent negotiated rulemaking committees to consider issues for the purpose of reaching a
consensus to develop proposed rules for the distribution of the funds under this subsection (4).

(c) The members of the first negotiated rulemaking committee appointed by the office of
public instruction must include public school officials and public school employees from school
districts that are located in or are immediately adjacent to a county in which oil and natural gas
production taxes are generated and professional organizations representing these public school
officials and employees. This committee shall transmit proposed rules regarding distribution of 50%
of the funds available under this subsection (4) in accordance with 2-5-108.

(d) The members of the second negotiated rulemaking committee appointed by the office
of public instruction must include public school officials and public school employees from school
districts around the state and professional organizations representing these public school
officials and employees. This committee shall transmit proposed rules regarding the distribution of the
remaining 50% of the funds available under this subsection (4) in accordance with 2-5-108.

(5) (a) Subject to the limitation in subsection (1) and the conditions in subsection (5)(b), the
trustees shall budget and allocate the oil and natural gas production taxes anticipated by the district
in any budgeted fund at the discretion of the trustees. Oil and natural gas production taxes
allocated to the district general fund may be applied to the BASE or over-BASE portions of the
general fund budget at the discretion of the trustees.

(b) Except as provided in subsection (5)(c), if the trustees apply an amount less than 12.5%
of the total oil and natural gas production taxes received by the district in the prior school fiscal year
to the district's general fund BASE budget for the upcoming school fiscal year, then:

(i) the trustees shall levy the number of mills required to raise an amount equal to the
difference between 12.5% of the oil and natural gas production taxes received by the district in the
prior school fiscal year and the amount of oil and natural gas production taxes the trustees budget
in the district's general fund BASE budget for the upcoming school fiscal year;

(ii) the mills levied under subsection (5)(b)(i) are not eligible for the guaranteed tax base
subsidy under the provisions of 20-9-366 through 20-9-369; and

(iii) the general fund BASE budget levy requirement calculated in 20-9-141 must be
calculated as though the trustees budgeted 12.5% of the oil and natural gas production taxes
received by the district in the prior year and the number of mills calculated in subsection (5)(b)(i)
must be added to the number of mills calculated in 20-9-141(2).

(c) The provisions of subsection (5)(b) do not apply to the following:

(i) a district that has a maximum general fund budget of less than $1 million;

(ii) a district whose oil and natural gas revenue combined with its adopted general fund
budget totals 105% or less of its maximum general fund budget;

(iii) a district that has a maximum general fund budget of $1 million or more and has had
an unusual enrollment increase approved by the superintendent of public instruction as provided
in 20-9-314 in the year immediately preceding the fiscal year to which the provisions of this
subsection (5) would otherwise apply; or

(iv) a district that has issued outstanding oil and natural gas revenue bonds. Funds received
pursuant to this section must first be applied by the district to payment of debt service obligations for oil and natural gas revenue bonds for the next 12-month period.

(6) The limit on oil and natural gas production taxes that a school district may retain under subsection (1) must be increased for any school district with an unusual enrollment increase approved by the superintendent of public instruction as provided in 20-9-314. The increase in the limit on oil and natural gas production taxes that a school district may retain under subsection (1) applies in the year immediately following the fiscal year in which the office of public instruction has approved the district's unusual enrollment increase and must be calculated by multiplying $45,000 times each additional ANB approved by the superintendent of public instruction as provided in 20-9-314.

(7) In any year in which the actual oil and natural gas production taxes received by a school district are less than 50% of the total oil and natural gas production taxes received by the district in the prior year, the district may transfer money from any budgeted fund to its general fund in an amount not to exceed the amount of the shortfall. (Terminates June 30, 2019--sec. 7, Ch. 433, L. 2015.)

20-9-310. (Effective July 1, 2019) Oil and natural gas production taxes for school districts – allocation and limits. (1) Except as provided in subsection (6), the maximum amount of oil and natural gas production taxes that a school district may retain is 130% of the school district's maximum budget, determined in accordance with 20-9-308.

(2) Upon receipt of school district budget reports required under 20-9-134, the superintendent of public instruction shall provide the department of revenue with a list reporting the maximum general fund budget for each school district.

(3) Except as provided by 15-36-332(9), the department of revenue shall make the full quarterly distribution of oil and natural gas production taxes as required under 15-36-332(6) until the amount distributed reaches the limitation in subsection (1) of this section. The department of revenue shall deposit any amount exceeding the limitation in subsection (1) in the state school oil and natural gas distribution account provided for in 20-9-520.

(4) By the last day of the month immediately following the month in which the quarterly distribution of oil and natural gas production taxes in subsection (3) is made, the office of public instruction shall distribute any amount of oil and natural gas production taxes exceeding the limitation in subsection (1) based on allocations determined by the department of revenue pursuant to subsection (3) as follows:

(a) 70% of the retained amount must be deposited in the guarantee account provided for in 20-9-622;

(b) 5% of the retained amount must be deposited in the state school oil and natural gas impact account provided for in 20-9-517; and

(c) 25% of the retained amount must be distributed to the counties in proportion to a county's oil and natural gas production taxes for the preceding 3 years compared to the total of all counties' oil and natural gas production taxes for the preceding 3 years. Funds distributed must be deposited in a county's county school oil and natural gas impact fund provided for in 20-9-518.

(5) (a) Subject to the limitation in subsection (1) and the conditions in subsection (5)(b), the trustees shall budget and allocate the oil and natural gas production taxes anticipated by the district in any budgeted fund at the discretion of the trustees. Oil and natural gas production taxes allocated to the district general fund may be applied to the BASE or over-BASE portions of the
general fund budget at the discretion of the trustees.

(b) Except as provided in subsection (5)(c), if the trustees apply an amount less than 12.5% of the total oil and natural gas production taxes received by the district in the prior school fiscal year to the district's general fund BASE budget for the upcoming school fiscal year, then:

(i) the trustees shall levy the number of mills required to raise an amount equal to the difference between 12.5% of the oil and natural gas production taxes received by the district in the prior school fiscal year and the amount of oil and natural gas production taxes the trustees budget in the district's general fund BASE budget for the upcoming school fiscal year;

(ii) the mills levied under subsection (5)(b)(i) are not eligible for the guaranteed tax base subsidy under the provisions of 20-9-366 through 20-9-369; and

(iii) the general fund BASE budget levy requirement calculated in 20-9-141 must be calculated as though the trustees budgeted 12.5% of the oil and natural gas production taxes received by the district in the prior year and the number of mills calculated in subsection (5)(b)(i) must be added to the number of mills calculated in 20-9-141(2).

(c) The provisions of subsection (5)(b) do not apply to the following:

(i) a district that has a maximum general fund budget of less than $1 million;

(ii) a district whose oil and natural gas revenue combined with its adopted general fund budget totals 105% or less of its maximum general fund budget;

(iii) a district that has a maximum general fund budget of $1 million or more and has had an unusual enrollment increase approved by the superintendent of public instruction as provided in 20-9-314 in the year immediately preceding the fiscal year to which the provisions of this subsection (5) would otherwise apply; or

(iv) a district that has issued outstanding oil and natural gas revenue bonds. Funds received pursuant to this section must first be applied by the district to payment of debt service obligations for oil and natural gas revenue bonds for the next 12-month period.

(6) The limit on oil and natural gas production taxes that a school district may retain under subsection (1) must be increased for any school district with an unusual enrollment increase approved by the superintendent of public instruction as provided in 20-9-314. The increase in the limit on oil and natural gas production taxes that a school district may retain under subsection (1) applies in the year immediately following the fiscal year in which the office of public instruction has approved the district's unusual enrollment increase and must be calculated by multiplying $45,000 times each additional ANB approved by the superintendent of public instruction as provided in 20-9-314.

(7) In any year in which the actual oil and natural gas production taxes received by a school district are less than 50% of the total oil and natural gas production taxes received by the district in the prior year, the district may transfer money from any budgeted fund to its general fund in an amount not to exceed the amount of the shortfall."

Renumber: subsequent sections


Strike: "on passage and approval"

Insert: "July 1, 2017"


STATE ADMINISTRATION (Mandeville, Chair): HB 388, introduced bill, be amended as follows:

1. Title, page 1, line 4 through line 6.
   Strike: the first "REVISING" on line 4 through "OPERATION;" on line 6

2. Title, page 1, line 8.
   Strike: "COUNTY ELECTION OFFICE"
   Insert: "IRRIGATION DISTRICT"

3. Title, page 1, line 9.
   Following: "PROVIDED"
   Insert: "TO THE COUNTY ELECTION OFFICE"
   Strike: "AND"

4. Title, page 1, line 9 through line 10.
   Strike: "SECTIONS" on line 9 through "AND" on line 10
   Insert: "SECTION"

5. Title, page 1, line 10.
   Following: "MCA"
   Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

6. Page 1, line 14 through line 24.
   Strike: section 1 in its entirety
   Renumber: subsequent section

7. Page 1, line 29.
   Strike: ":"

8. Page 1, line 30.
   Strike: "(i) all individuals having the qualifications of"
   Insert: "if, except as provided in subsection (1)(b), they are qualified"
   Renumber: subsequent subsections

   Following: "state"
   Strike: ":"
   Insert: ":"

    Strike: "at their discretion may"
    Insert: "shall"
11. Page 2, line 17.
Strike: "co-owner or by an agent"
Insert: "individual"

Strike: subsection (5)(a) in its entirety
Insert: "(5) (a) Each holder of the title or evidence of title to irrigable land within the district who is qualified as an elector under subsection (1)(a) shall provide notice to the irrigation district in which the land is located designating the individual who will be voting in the election with respect to the irrigable land. If there is a change in the designation, a new notice must be provided to the irrigation district."

Strike: "special" on line 3 through "mailed" on line 4
Insert: "the election"

Following: line 4
Insert: "NEW SECTION. Section 2. One-time notification requirement. By December 31, 2017, the district shall notify each holder of a title or evidence of title to irrigable land within the district concerning the requirements under 85-7-1710(5)(a)."
Insert: "NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval."


HB 401, introduced bill, be amended as follows: 2/23/2017

1. Title, page 1, line 8.
Following: "13-37-205,"
Insert: "AND"

2. Page 1, line 13.
Following: "elections."
Insert: "Except as provided in 13-37-226(3):"
Strike: "A"
Insert: "a"

3. Page 1, line 14.
Strike: ";"
Insert: "; and"

4. Page 1, line 15.
Strike: "A"
Insert: "a"

5. Page 3, line 25.
Strike: "if" through "issue"
Insert: "unless that activity or communication mentions or depicts a voting position, candidate, or ballot issue"

6. Page 9, line 26 through page 12, line 24.
Strike: section 6 through section 7 in their entirety
Renumber: subsequent sections


HB 448, introduced bill, be amended as follows:

1. Title, page 1, line 6.
Following: "NONPARTISAN"
Insert: "OR FROM NONPARTISAN TO PARTISAN"

2. Page 1, line 27.
Following: "nonpartisan basis"
Insert: "or from being conducted on a nonpartisan basis to being conducted on a partisan basis"


MESSAGES FROM THE SENATE

February 24, 2017
Austin Knudsen  
Speaker of the House  

Mr. Speaker, the Senate is working towards being able to adjourn for the transmittal recess on Friday, February 24. Pursuant to Article V, Section 10(5) of the Montana Constitution. I am requesting the consent of the House of Representatives for the Senate to adjourn on Friday, which is more than three calendar days before the 45th day.

Sincerely,  
Scott Sales  
President of the Senate  

Representative G. Hertz motioned to allow the Senate to adjourn Friday, February 24th. Without objection, so ordered.

Senate bills passed and transmitted to the House for concurrence: 2/22/2017

SB 92, introduced by Olszewski  
SB 99, introduced by C. Smith  
SB 143, introduced by Lang  
SB 155, introduced by Lang  
SB 182, introduced by Lang  
SB 206, introduced by Osmundson  
SB 212, introduced by Cohenour  
SB 216, introduced by Thomas  
SB 226, introduced by Cohenour  
SB 227, introduced by Cohenour  
SB 231, introduced by R. Webb

Senate bills passed and transmitted to the House for concurrence: 2/23/2017

SB 198, introduced by Caferro  
SB 199, introduced by Caferro  
SB 213, introduced by Cohenour  
SB 219, introduced by Buttrey  
SB 224, introduced by Malek  
SB 228, introduced by Ankney  
SB 243, introduced by Connell  
SB 252, introduced by Blasdel  
SB 291, introduced by Facey  
SB 301, introduced by D. Brown

House bill concurred in as amended and returned to the House for concurrence in Senate amendments: 2/23/2017
HB 119, introduced by Berglee
HB 247, introduced by Dudik

FIRST READING AND COMMITMENT OF BILLS

The following House bills were introduced, read first time, and referred to committees:

HB 568, introduced by K. White, referred to Fish, Wildlife and Parks.
HB 569, introduced by T. Jacobson, referred to Judiciary.
HB 570, introduced by W. Curdy, D. Salomon, referred to Business and Labor.

The following Senate bills were read first time, and referred to committees:

SB 92, introduced by A. Olszewski, referred to Human Services.
SB 99, introduced by C. Smith, referred to Judiciary.
SB 143, introduced by M. Lang, referred to State Administration.
SB 155, introduced by M. Lang, referred to Agriculture.
SB 182, introduced by M. Lang, referred to Transportation.
SB 198, introduced by M. Caferro, referred to Human Services.
SB 199, introduced by M. Caferro, referred to Human Services.
SB 206, introduced by R. Osmundson, referred to State Administration.
SB 212, introduced by J. Cohenour, referred to Business and Labor.
SB 213, introduced by J. Cohenour, referred to Fish, Wildlife and Parks.
SB 216, introduced by F. Thomas, referred to Business and Labor.
SB 219, introduced by E. Buttrey, referred to Business and Labor.
SB 224, introduced by S. Malek, referred to Local Government.
SB 226, introduced by J. Cohenour, referred to Education.
SB 227, introduced by J. Cohenour, referred to Education.
SB 228, introduced by D. Ankney, referred to Judiciary.
SB 231, introduced by R. Webb, referred to Transportation.
SB 252, introduced by M. Blasdel, referred to Taxation.
SB 291, introduced by T. Facey, referred to Business and Labor.
SB 301, introduced by D. Brown, referred to State Administration.

SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)
Majority Leader Ehli moved the House to resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative Berglee in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**HB 338** - Representative A. Knudsen moved **HB 338** do pass. Motion carried as follows:

Total 99

Nays: Stewart-Per.
Total 1

Excused: None.
Total 0

Absent or not voting: None.
Total 0

**HB 345** - Representative Custer moved **HB 345** do pass. Motion carried as follows:

Total 99
Nays: Stewart-Per.
Total 1

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 372 - Representative Doane moved HB 372 do pass. Motion carried as follows:
Total 97

Nays: Dunwell, Olsen, Stewart-Per.
Total 3

Excused: None.
Total 0

Absent or not voting: None.
Total 0

Representative Court present at this time.

HB 376 - Representative Windy Boy moved HB 376 do pass.

HB 376 - Representative Brodehl moved for cloture. Motion carried. Motion carried as follows:
Speaker.
Total 83

Nays: Bachmeier, Bennett, Court, Curtis, Dudik, Fern, Funk, Hayman, Karjala, Morigeau, Olsen, Price, Ryan, Smith, Webber, Windy Boy.
Total 16

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

HB 376 - Do pass motion for HB 376 carried as follows:

Total 57

Total 43

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 406 - Representative G. Hertz moved HB 406 do pass. Motion carried as follows:

Total 57
Total  43

Excused: None.
Total  0

Absent or not voting: None.
Total  0

HB 409 - Representative Z. Brown moved HB 409 do pass. Motion carried as follows:

Total  53

Total  47

Excused: None.
Total  0

Absent or not voting: None.
Total  0

HB 415 - Representative Morigeau moved HB 415 do pass. Motion carried as follows:

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Total  69
Nays: Anderson, Ballance, Beard, Bennett, Berglee, Brodehl, B. Brown, Burnett, Custer, Doane, Galloway, Harris, Holmlund, Jacobson, Keane, Lenz, Lynch, Mandeville, Mortensen, Noland, O'Hara, Patelis, Regier, Rosendale, Schreiner, Skees, Tschida, Wagoner, Webb, White, Mr. Speaker.
Total  31

Excused: None.
Total  0

Absent or not voting: None.
Total  0

HB 416 - Representative Greef moved HB 416 do pass. Motion carried as follows:

Total  99

Nays: Stewart-Per.
Total  1

Excused: None.
Total  0

Absent or not voting: None.
Total  0

HB 421 - Representative Brodehl moved HB 421 do pass. Motion carried as follows:

McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.
Total  98

Nays: Stewart-Per.
Total  1

Excused: None.
Total  0

Absent or not voting: Staffanson.
Total  1

HB 490 - Representative Fern moved HB 490 do pass. Motion failed as follows:

Total  36

Total  63

Excused: None.
Total  0

Absent or not voting: Schreiner.
Total  1

Majority Leader Ehli moved the committee rise and report. Motion carried. Committee arose. House resumed. Mr. Speaker presiding. Chair Berglee moved the Committee of the Whole report be adopted. Report adopted as follows:

Total  95

Nays: Bennett, Peppers, Smith, Woods.
Total  4

Excused: None.
Total  0

Absent or not voting: Kipp III
Total  1

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

HB 137 passed as follows:

Total  82

Total  17

Excused: None.
Total  0

Absent or not voting: Kipp III.
Total  1

HB 142 passed as follows:
Total  50

Total  49

Excused: None.
Total  0

Absent or not voting: Kipp III.
Total  1

HB 407 passed as follows:
Total  95

Nays: Dunwell, Olsen, Peppers, Regier.
Total  4

Excused: None.
Total  0

Absent or not voting: Kipp III.
Total  1

HB 455 passed as follows:
Total 58

Total 41

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

HB 456 passed as follows:

Total 97

Nays: Olsen, Smith.
Total 2

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

HB 470 passed as follows:
Total 96

Nays: McCarthy, Olsen, Ryan.
Total 3

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

HB 474 passed as follows:

Total 93

Nays: Burnett, Lenz, McKamey, Noland, Tschida, Windy Boy.
Total 6

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

HB 482 passed as follows:
Total  99

Nays: None.
Total  0

Excused: None.
Total  0

Absent or not voting: Kipp III.
Total  1

HB 492 passed as follows:

Total  98

Nays: Zolnikov.
Total  1

Excused: None.
Total  0

Absent or not voting: Kipp III.
Total  1

HB 507 passed as follows:
Total 84

Total 15

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

HB 510 passed as follows:

Total 97

Nays: Olsen, Zolnikov.
Total 2

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

REPORTS OF STANDING COMMITTEES
JUDICIARY (Doane, Chair):

HB 303, introduced bill, be amended as follows:

1. Title, page 1, line 10.
   Strike: "AND"
   Insert: ","
   Following: "APPLICABILITY DATE"
   Insert: ", AND A TERMINATION DATE"

2. Page 1, line 14.
   Following: "(1)"
   Strike: "There"
   Insert: "Within existing resources, there"

3. Page 1, line 20.
   Strike: subsection (ii) in its entirety
   Renumber: subsequent subsections

   Strike: "parent"
   Following: "was a"
   Insert: "former"

   Strike: subsection (vi) in its entirety
   Renumber: subsequent subsections

   Following: "disabilities;"
   Insert: "and"

7. Page 2, line 8 through line 9.
   Following: "youth" on line 8
   Strike: "; and" on line 8 through "work" on line 9

   Strike: "but may"
   Insert: "and may not"

   Following: "(1)"
   Strike: "The"
   Insert: "Within existing resources, the"

Following: line 9
Insert: "NEW SECTION. Section 12. Termination. [Sections 1 through 9] terminate September 30, 2021."


MOTIONS

Representative Ehli moved to re-refer HB 372 to the Appropriations Committee. Without objection, so ordered.

Representative Ehli moved to re-refer HB 376 to the Appropriations Committee. Without objection, so ordered.

Representative Funk moved HB 253 be taken from the Education Committee and placed on second reading on the 42nd legislative day.

Motion failed as follows:

Total 41

Total 58

Excused: None.
Total 0

Absent or not voting: Kipp III.
Total 1

Representative Olsen moved that HB 229 be taken from Business and Labor and placed on second reading on the 42nd legislative day.

Motion failed as follows:
Total  40

Total  59

Excused: None.  
Total  0

Absent or not voting: Kipp III.  
Total  1

Representative Manzella rose on a Point of Personal Privilege to apologize for using personal names during her discussion on February 14th.  "It bothered me, violated trust and diminished my own credibility in the eyes of the body.  For that I am sincerely sorry."

Representative Redfield rose on a Point of Personal Privilege for an apology.  "I apologize for my attempted humor.  Not everybody is privy to the Agriculture Committee's degree of lightness on some of the bills."

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Representative Ehli moved that the House adjourn until 8:00 a.m., Saturday, February 25,
2017. Motion carried.

House adjourned at 3:15 p.m.

LINDSEY VROEGINDEWEY
Chief Clerk of the House

AUSTIN KNUDSEN
Speaker of the House