

HOUSE BILL NO. 52

INTRODUCED BY J. KEANE

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND MAKING PERMANENT CERTAIN FUND TRANSFERS AND STATUTORY APPROPRIATIONS RELATED TO ECONOMIC DEVELOPMENT PROGRAMS; REVISING RESEARCH AND COMMERCIALIZATION FUNDING; AMENDING SECTIONS 15-1-122, 15-35-108, 90-3-1002, AND 90-3-1003, MCA; AMENDING SECTION 10, CHAPTER 10, SPECIAL LAWS OF MAY 2000, SECTION 3, CHAPTER 481, LAWS OF 2003, AND SECTION 2, CHAPTER 459, LAWS OF 2009; REPEALING SECTION 6, CHAPTER 481, LAWS OF 2003, AND SECTION 3, CHAPTER 459, LAWS OF 2009; AND PROVIDING EFFECTIVE DATES."

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

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

"15-1-122. (Temporary -- bracketed language effective July 1, 2023) Fund transfers. (1) There is transferred from the state general fund to the adoption services account, provided for in 42-2-105, a base amount of \$59,209, and the amount of the transfer must be increased by 10% in each succeeding fiscal year.

(2) For each fiscal ~~years 2016 through 2019~~ year, there is transferred ~~\$1.275 million~~ \$500,000 on an annual basis from the state general fund to the research and commercialization state special revenue account provided for in 90-3-1002.

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

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

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

- 1 (c) to the department of fish, wildlife, and parks:
- 2 (i) 0.46% of the motor vehicle revenue deposited in the state general fund, with the applicable
3 percentage to be:
- 4 (A) used to:
- 5 (I) acquire and maintain pumpout equipment and other boat facilities, 4.8% in each fiscal year;
- 6 (II) administer and enforce the provisions of Title 23, chapter 2, part 5, 19.1% in each fiscal year;
- 7 (III) enforce the provisions of 23-2-804, 11.1% in each fiscal year; and
- 8 (IV) develop and implement a comprehensive program and to plan appropriate off-highway vehicle
9 recreational use, 16.7% in each fiscal year; and
- 10 (B) deposited in the state special revenue fund established in 23-1-105 in an amount equal to 48.3% in
11 each fiscal year;
- 12 (ii) 0.10% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with 50%
13 of the amount to be used for enforcing the purposes of Title 23, chapter 2, part 6, and 50% of the amount
14 designated for use in the development, maintenance, and operation of snowmobile facilities; and
- 15 (iii) 0.16% of the motor vehicle revenue deposited in the state general fund in each fiscal year to be
16 deposited in the motorboat account to be used as provided in 23-2-533;
- 17 (d) 0.81% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with
18 24.55% to be deposited in the state veterans' cemetery account provided for in 10-2-603 and with 75.45% to be
19 deposited in the veterans' services account provided for in 10-2-112(1); and
- 20 (e) to the search and rescue account provided for in 10-3-801, 0.04% of the motor vehicle revenue
21 deposited in the state general fund in each fiscal year.
- 22 (4) The amount of \$200,000 is transferred from the state general fund to the livestock loss [reduction
23 and] mitigation restricted state special revenue account provided for in 81-1-112 in each fiscal year.
- 24 (5) For fiscal years 2018 through 2021, there is transferred \$2 million on an annual basis from the state
25 general fund to the sage grouse stewardship account provided for in 76-22-109.
- 26 (6) For the purposes of this section, "motor vehicle revenue deposited in the state general fund" means
27 revenue received from:
- 28 (a) fees for issuing a motor vehicle title paid pursuant to 61-3-203;
- 29 (b) fees, fees in lieu of taxes, and taxes for vehicles, vessels, and snowmobiles registered or reregistered
30 pursuant to 61-3-321 and 61-3-562;

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

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

3 (7) Except as provided in subsections (2) and (5), the amounts transferred from the general fund to the
4 designated recipient must be appropriated as state special revenue in the general appropriations act for the
5 designated purposes. (Terminates June 30, 2021--sec. 8, Ch. 360, L. 2017; bracketed language in subsection
6 (4) effective July 1, 2023--sec. 6, Ch. 284, L. 2017.)

7 **15-1-122. (Effective July 1, 2021 -- bracketed language effective July 1, 2023) Fund transfers. (1)**

8 There is transferred from the state general fund to the adoption services account, provided for in 42-2-105, a base
9 amount of \$59,209, and the amount of the transfer must be increased by 10% in each succeeding fiscal year.

10 (2) For each fiscal ~~years 2016 through 2019~~ year, there is transferred ~~\$1.275 million~~ \$500,000 on an
11 annual basis from the state general fund to the research and commercialization state special revenue account
12 provided for in 90-3-1002.

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

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

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

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

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

25 (A) used to:

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

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

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

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

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

3 (ii) 0.10% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with 50%
4 of the amount to be used for enforcing the purposes of Title 23, chapter 2, part 6, and 50% of the amount
5 designated for use in the development, maintenance, and operation of snowmobile facilities; and

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

8 (d) 0.81% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with
9 24.55% to be deposited in the state veterans' cemetery account provided for in 10-2-603 and with 75.45% to be
10 deposited in the veterans' services account provided for in 10-2-112(1); and

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

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

15 (5) For the purposes of this section, "motor vehicle revenue deposited in the state general fund" means
16 revenue received from:

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

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

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

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

22 (6) Except as provided in subsection (2), the amounts transferred from the general fund to the designated
23 recipient must be appropriated as state special revenue in the general appropriations act for the designated
24 purposes. (Bracketed language in subsection (4) effective July 1, 2023--sec. 6, Ch. 284, L. 2017.)"

25

26 **Section 2.** Section 15-35-108, MCA, is amended to read:

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

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

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

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

4 (3) The amount of 0.85% in fiscal year 2018 and 0.88% in fiscal year 2019 must be allocated for
5 provision of basic library services for the residents of all counties through library federations and for payment of
6 the costs of participating in regional and national networking and must be deposited in the basic library services
7 account established in 22-1-202.

8 (4) The amount of 3.89% in fiscal year 2018 and 3.83% in fiscal year 2019 must be allocated to the
9 department of natural resources and conservation for conservation districts and deposited in the conservation
10 district account established in 76-15-106.

11 (5) The amount of 0.72% in fiscal year 2018 and 0.75% in fiscal year 2019 must be allocated to the
12 Montana Growth Through Agriculture Act and deposited in the growth through agriculture account established
13 in 90-9-104.

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

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

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

24 (9) The amount of 5.8% through June 30, 2019, and beginning July 1, 2019, the amount of 2.9% must
25 be credited to the coal natural resource account established in 90-6-1001(2).

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

28 (11) (a) Subject to subsection (11)(b), all other revenue from severance taxes collected under the
29 provisions of this chapter must be credited to the general fund of the state.

30 (b) The interest income of the coal severance tax permanent fund that is deposited in the general fund,

1 less the annual transfer of ~~\$1.275 million~~ \$500,000 to the research and commercialization state special revenue
 2 account pursuant to 15-1-122(2), is statutorily appropriated, as provided in 17-7-502, on July 1 each year as
 3 follows:

4 (i) to the department of agriculture:

5 (A) ~~\$65,000~~ to for the cooperative development center;

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

7 (C) \$375,000 for the Montana food and agricultural development program provided for in Title 80, chapter

8 11;

9 ~~(iii)(ii)~~ (ii) to the department of commerce:

10 (A) ~~\$125,000~~ \$325,000 for a small business development center;

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

12 (C) ~~\$425,000~~ \$625,000 for certified regional development corporations;

13 (D) ~~\$200,000~~ \$500,000 for the Montana manufacturing extension center at Montana state
 14 university-Bozeman; and

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

16 **~~15-35-108. (Effective July 1, 2019) Disposal of severance taxes.~~** Severance taxes collected under
 17 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

18 ~~———(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,~~
 19 ~~section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under~~
 20 ~~17-6-203(6) and invested by the board of investments as provided by law.~~

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

23 ~~———(3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year~~
 24 ~~thereafter must be allocated for provision of basic library services for the residents of all counties through library~~
 25 ~~federations and for payment of the costs of participating in regional and national networking and must be~~
 26 ~~deposited in the basic library services account established in 22-1-202.~~

27 ~~———(4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year~~
 28 ~~thereafter must be allocated to the department of natural resources and conservation for conservation districts~~
 29 ~~and deposited in the conservation district account established in 76-15-106.~~

30 ~~———(5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year~~

1 thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through
2 agriculture account established in 90-9-104.

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

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

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

13 ~~———(9) The amount of 2.9% must be credited to the coal natural resource account established in
14 90-6-1001(2).~~

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

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

19

20 **Section 3.** Section 90-3-1002, MCA, is amended to read:

21 **"90-3-1002. Research and commercialization account.** (1) There is a research and commercialization
22 special revenue account within the state treasury. The purpose of the account is to establish a permanent source
23 of funding for research and commercialization projects to be conducted at research and commercialization
24 centers in the state and to pay the costs of administering those projects.

25 (2) The research and commercialization account must be invested by the board of investments. Earnings
26 on the account must be deposited in the account for distribution pursuant to 90-3-1003(3), ~~(4)~~; and ~~(7)~~ (6)."

27

28 **Section 4.** Section 90-3-1003, MCA, is amended to read:

29 **"90-3-1003. Research and commercialization account -- use.** (1) The research and commercialization
30 account provided for in 90-3-1002 is statutorily appropriated, as provided in 17-7-502, to the board of research

1 and commercialization technology, provided for in 2-15-1819, for the purposes provided in this section.

2 (2) The establishment of the account in 90-3-1002 is intended to enhance the economic growth
3 opportunities for Montana and constitute a public purpose.

4 (3) The account may be used only for:

5 (a) loans that are to be used for research and commercialization projects to be conducted at research
6 and commercialization centers located in Montana;

7 (b) grants that are to be used for production agriculture research, development, and commercialization
8 projects, clean coal research and development projects, or renewable resource research and development
9 projects to be conducted at research and commercialization centers located in Montana;

10 (c) matching funds for grants from nonstate sources that are to be used for research and
11 commercialization projects to be conducted at research and commercialization centers located in Montana;

12 ~~(d) the Montana food and agricultural development program provided for in 80-11-901; or~~

13 ~~(e)(d)~~ administrative costs that are incurred by the board in carrying out the provisions of this part.

14 ~~(4) At least \$195,000 of the account funds must be distributed on an annual basis to the department of~~
15 ~~agriculture to support and administer the Montana food and agricultural development program provided for in~~
16 ~~80-11-901.~~

17 ~~(5)(4)~~ An applicant for a grant shall provide matching funds from nonstate sources equal to 25% of total
18 project costs. The requirement to provide matching funds is a qualifier, but not a criterion, for approval of a grant.

19 ~~(6)(5)~~ The board shall establish policies, procedures, and criteria that achieve the objectives in its
20 research and commercialization strategic plan for the awarding of grants and loans. The criteria must include:

21 (a) the project's potential to diversify or add value to a traditional basic industry of the state's economy;

22 (b) whether the project shows promise for enhancing technology-based sectors of Montana's economy
23 or promise for commercial development of discoveries;

24 (c) whether the project employs or otherwise takes advantage of existing research and commercialization
25 strengths within the state's public university and private research establishment;

26 (d) whether the project involves a realistic and achievable research project design;

27 (e) whether the project develops or employs an innovative technology;

28 (f) verification that the project activity is located within the state;

29 (g) whether the project's research team possesses sufficient expertise in the appropriate technology area
30 to complete the research objective of the project;

1 (h) verification that the project was awarded based on its scientific merits, following review by a
2 recognized federal agency, philanthropic foundation, or other private funding source; and

3 (i) whether the project includes research opportunities for students.

4 ~~(7)(6)~~ The board shall direct the state treasurer to distribute funds for approved projects. Unallocated
5 interest and earnings from the account must be retained in the account. Repayments of loans and any
6 agreements authorizing the board to take a financial right to licensing or royalty fees paid in connection with the
7 transfer of technology from a research and commercialization center to another nonstate organization or
8 ownership of corporate stock in a private sector organization must be deposited in the account.

9 ~~(8)(7)~~ The board shall refer grant applications to external peer review groups. The board shall compile
10 a list of persons willing to serve on peer review groups for purposes of this section. The peer review group shall
11 review the application and make a recommendation to the board as to whether the application for a grant should
12 be approved. The board shall review the recommendation of the peer review group and either approve or deny
13 a grant application.

14 ~~(9)(8)~~ The board shall identify whether a grant or loan is to be used for basic research, applied research,
15 or some combination of both. For the purposes of this section, "applied research" means research that is
16 conducted to attain a specific benefit or solve a practical problem and "basic research" means research that is
17 conducted to uncover the basic function or mechanism of a scientific question."
18

19 **Section 5.** Section 10, Chapter 10, Special Laws of May 2000, is amended to read:

20 "**Section 10. Termination.** (1) [Section 1] terminates June 30, 2001.

21 (2) ~~[Sections 2 through 4]~~ [Sections 2 and 4] terminate June 30, 2005."
22

23 **Section 6.** Section 3, Chapter 481, Laws of 2003, is amended to read:

24 "**Section 3.** Section 10, Chapter 10, Special Laws of May 2000, is amended to read:

25 "**Section 10. Termination.** (1) [Section 1] terminates June 30, 2001.

26 (2) ~~[Sections 2 through 4]~~ [Sections 2 and 4] terminate June 30, 2005.

27 ~~(3) [Section 3] terminates June 30, 2010."~~
28

29 **Section 7.** Section 2, Chapter 459, Laws of 2009, is amended to read:

30 "**Section 2.** Section 3, Chapter 481, Laws of 2003, is amended to read:

1 **"Section 3.** Section 10, Chapter 10, Special Laws of May 2000, is amended to read:

2 **"Section 10. Termination.** (1) [Section 1] terminates June 30, 2001.

3 (2) ~~[Sections 2 through 4]~~ [Sections 2 and 4] terminate June 30, 2005.

4 ~~(3) [Section 3] terminates June 30, 2010-2019."~~

5

6 NEW SECTION. **Section 8. Repealer.** Section 6, Chapter 481, Laws of 2003, and section 3, Chapter
7 459, Laws of 2009, are repealed.

8

9 NEW SECTION. **Section 9. Effective dates.** (1) Except as provided in subsection (2), [this act] is
10 effective July 1, 2019.

11 (2) [Sections 5 through 8] and this section are effective on passage and approval.

12

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