

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 LAWS RELATED TO THE FOOD AND AGRICULTURAL DEVELOPMENT PROGRAM
 AND THE AGRICULTURAL DEVELOPMENT COUNCIL; ELIMINATING RESEARCH AND
 COMMERCIALIZATION PROGRAM AND FUNDING; AMENDING SECTIONS 10-2-112, 10-2-603, 10-3-801,
 15-1-122, 15-35-108, ~~90-3-1002, AND 90-3-1003, 17-7-502, 80-11-901, 81-1-112, AND 90-9-202, MCA;~~
 AMENDING SECTION 10, CHAPTER 10, SPECIAL LAWS OF MAY 2000, ~~SECTION~~ SECTIONS 3 AND 6,
 CHAPTER 481, LAWS OF 2003, AND ~~SECTION~~ SECTIONS 2 AND 3, CHAPTER 459, LAWS OF 2009;
 REPEALING ~~SECTION 6, CHAPTER 481, LAWS OF 2003, AND SECTION 3, CHAPTER 459, LAWS OF 2009;~~
REPEALING SECTIONS 90-3-1001, 90-3-1002, 90-3-1003, 90-3-1005, AND 90-3-1006, MCA; AND PROVIDING
 EFFECTIVE DATES AND A TERMINATION DATE."

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

SECTION 1. SECTION 10-2-112, MCA, IS AMENDED TO READ:

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

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

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

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

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

SECTION 2. SECTION 10-2-603, MCA, IS AMENDED TO READ:



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

3 (2) Plot allowances, donations to the cemetery program, and fund transfers pursuant to ~~15-1-122(3)(d)~~
4 15-1-122(2)(d) must be deposited into the account.

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

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

10

11 **SECTION 3. SECTION 10-3-801, MCA, IS AMENDED TO READ:**

12 **"10-3-801. Account created for funding search and rescue operations -- rules.** (1) There is an
13 account in the state special revenue fund established in 17-2-102. The account must be administered by the
14 disaster and emergency services division of the department exclusively for the purposes of search and rescue
15 as provided in this section. The department may retain up to 5% of the money in the account to pay its costs of
16 administering this section.

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

18 (a) fund transfers pursuant to ~~15-1-122(3)(e)~~ 15-1-122(2)(e);

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

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

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

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

30 (ii) a county sheriff's office at a maximum of \$6,000 for each rescue mission, regardless of the number

1 of counties or county search and rescue organizations involved.

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

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

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

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

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

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

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

20 (d) a method for compiling and keeping current a contact list of all search and rescue units in Montana
21 and in neighboring states and provinces in order to ensure collaboration, communication, and cooperation
22 between the various county search and rescue units and between the department and the county units and
23 dedication of a page on the department's website for posting the contact list and other relevant search and rescue
24 information."

25

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

27 **"15-1-122. (Temporary -- bracketed language effective July 1, 2023) Fund transfers.** (1) There is
28 transferred from the state general fund to the adoption services account, provided for in 42-2-105, a base amount
29 of \$59,209, and the amount of the transfer must be increased by 10% in each succeeding fiscal year.

30 ~~———— (2) For each fiscal years 2016 through 2019 year, there is transferred \$1.275 million \$500,000 on an~~

1 ~~annual basis from the state general fund to the research and commercialization state special revenue account~~
2 ~~provided for in 90-3-1002.~~

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

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

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

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

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

15 (A) used to:

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

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

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

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

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

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

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

28 (d) 0.81% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with
29 24.55% to be deposited in the state veterans' cemetery account provided for in 10-2-603 and with 75.45% to be
30 deposited in the veterans' services account provided for in 10-2-112(1); and

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

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

5 ~~(5)(4)~~ For fiscal years 2018 through 2021, there is transferred \$2 million on an annual basis from the
6 state general fund to the sage grouse stewardship account provided for in 76-22-109.

7 ~~(6)(5)~~ For the purposes of this section, "motor vehicle revenue deposited in the state general fund"
8 means revenue received from:

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

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

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

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

14 ~~(7)(6)~~ Except as provided in ~~subsections (2) and (5)~~ SUBSECTION (4), the amounts transferred from the
15 general fund to the designated recipient must be appropriated as state special revenue in the general
16 appropriations act for the designated purposes. (Terminates June 30, 2021--sec. 8, Ch. 360, L. 2017; bracketed
17 language in subsection ~~(4)~~ (3) effective July 1, 2023--sec. 6, Ch. 284, L. 2017.)

18 **15-1-122. (Effective July 1, 2021 -- bracketed language effective July 1, 2023) Fund transfers. (1)**

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

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

24 ~~(3)(2)~~ For each fiscal year, there is transferred from the state general fund to the accounts, entities, or
25 recipients indicated the following amounts:

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

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

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

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

6 (A) used to:

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

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

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

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

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

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

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

19 (d) 0.81% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with
20 24.55% to be deposited in the state veterans' cemetery account provided for in 10-2-603 and with 75.45% to be
21 deposited in the veterans' services account provided for in 10-2-112(1); and

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

24 ~~(4)~~(3) The amount of \$200,000 is transferred from the state general fund to the livestock loss [reduction
25 and] mitigation restricted state special revenue account provided for in 81-1-112 in each fiscal year.

26 ~~(5)~~(4) For the purposes of this section, "motor vehicle revenue deposited in the state general fund"
27 means 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 ~~(6)(5) Except as provided in subsection (2), the 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. (Bracketed language in subsection ~~(4)~~ (3) effective July 1, 2023--sec. 6, Ch. 284, L. 2017.)"

6

7 ~~Section 2. Section 15-35-108, MCA, is amended to read:~~

8 ~~"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this chapter~~
 9 ~~must, in accordance with the provisions of 17-2-124, be allocated as follows:~~

10 ~~———— (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,~~
 11 ~~section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under~~
 12 ~~17-6-203(6) and invested by the board of investments as provided by law:~~

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

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

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

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

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

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

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

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

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

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

11 ~~—— (b) The interest income of the coal severance tax permanent fund that is deposited in the general fund,~~
 12 ~~less the annual transfer of \$1.275 million \$500,000 to the research and commercialization state special revenue~~
 13 ~~account pursuant to 15-1-122(2), is statutorily appropriated, as provided in 17-7-502, on July 1 each year as~~
 14 ~~follows:~~

15 ~~—— (i) to the department of agriculture:~~

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

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

18 ~~—— (C) \$375,000 for the Montana food and agricultural development program provided for in Title 80, chapter~~
 19 ~~11;~~

20 ~~—— (iii)(ii) to the department of commerce:~~

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

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

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

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

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

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

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

1 17-6-203(6) and invested by the board of investments as provided by law:
2 ~~———(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program~~
3 ~~account established in 17-7-205.~~
4 ~~———(3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year~~
5 ~~thereafter must be allocated for provision of basic library services for the residents of all counties through library~~
6 ~~federations and for payment of the costs of participating in regional and national networking and must be~~
7 ~~deposited in the basic library services account established in 22-1-202.~~
8 ~~———(4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year~~
9 ~~thereafter must be allocated to the department of natural resources and conservation for conservation districts~~
10 ~~and deposited in the conservation district account established in 76-15-106.~~
11 ~~———(5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year~~
12 ~~thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through~~
13 ~~agriculture account established 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 2.9% must be credited to the coal natural resource account established in~~
25 ~~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) All other revenue from severance taxes collected under the provisions of this chapter must be~~
29 ~~credited to the general fund of the state."~~

30

1 **SECTION 5. SECTION 15-35-108, MCA, IS AMENDED TO READ:**

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

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

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

9 (3) The amount of ~~0.85%~~ 0.90% in fiscal year ~~2018~~ 2020 and ~~0.88%~~ 0.93% in fiscal year ~~2019~~ 2021 and
10 in each fiscal year thereafter must be allocated for provision of basic library services for the residents of all
11 counties through library federations and for payment of the costs of participating in regional and national
12 networking and must be deposited in the basic library services account established in 22-1-202.

13 (4) The amount of ~~3.89%~~ 3.77% in fiscal year ~~2018~~ 2020 and ~~3.83%~~ 3.71% in fiscal year ~~2019~~ 2021 and
14 in each fiscal year thereafter must be allocated to the department of natural resources and conservation for
15 conservation districts and deposited in the conservation district account established in 76-15-106.

16 (5) The amount of ~~0.72%~~ 0.79% in fiscal year ~~2018~~ 2020 and ~~0.75%~~ 0.82% in fiscal year ~~2019~~ 2021 and
17 in each fiscal year thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited
18 in the growth through agriculture account established in 90-9-104.

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

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

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

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

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

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

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

8 (i) to the department of agriculture:

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

10 (ii) (B) ~~\$625,000~~ \$900,000 for the growth through agriculture program provided for in Title 90, chapter
11 9;

12 (C) \$600,000 for the Montana food and agricultural development program provided for in Title 80, chapter
13 11;

14 (iii) (ii) to the department of commerce:

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

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

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

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

20 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2019—secs. 2, 3, Ch. 459, L. 2009
21 2021 2027.)

22 **15-35-108. (Effective July 1, 2019 2021 2027) Disposal of severance taxes.** Severance taxes
23 collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

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

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

29 (3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year
30 thereafter must be allocated for provision of basic library services for the residents of all counties through library

1 federations and for payment of the costs of participating in regional and national networking and must be
2 deposited in the basic library services account established in 22-1-202.

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

6 (5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year
7 thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through
8 agriculture account established in 90-9-104.

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

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

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

19 (9) The amount of 2.9% must be credited to the coal natural resource account established in
20 90-6-1001(2).

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

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

25

26 **SECTION 6.** SECTION 17-7-502, MCA, IS AMENDED TO READ:

27 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
28 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
29 need for a biennial legislative appropriation or budget amendment.

30 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both

1 of the following provisions:

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

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

5 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;
6 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310;
7 10-3-312; 10-3-314; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110;
8 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222;
9 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604;
10 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622;
11 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409;
12 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 37-54-113; 39-71-503; 41-5-2011;
13 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-6-1304; 53-9-113; 53-24-108;
14 53-24-206; 60-11-115; 61-3-321; 61-3-415; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313;
15 75-26-308; 76-13-150; 76-13-416; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518;
16 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102];
17 87-1-603; 90-1-115; 90-1-205; 90-1-504; ~~90-3-1003~~; 90-6-331; and 90-9-306.

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

1 the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of
 2 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015, the inclusion of 53-6-1304 terminates
 3 June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of
 4 contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of 17-7-215 terminates June 30, 2021; pursuant
 5 to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec.
 6 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates September 30, 2019; pursuant to sec. 33, Ch. 457,
 7 L. 2015, the inclusion of 20-9-905 terminates December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the
 8 inclusion of 37-54-113 terminates June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304
 9 terminates September 30, 2025; pursuant to sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates
 10 June 30, 2021; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant
 11 to secs. 5, 8, Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023;
 12 pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023, and pursuant to sec. 2,
 13 Ch. 340, L. 2017, and sec. 32, Ch. 429, L. 2017, is void for fiscal years 2018 and 2019; and pursuant to sec. 10,
 14 Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027.)"

15

16 **SECTION 7. SECTION 80-11-901, MCA, IS AMENDED TO READ:**

17 **"80-11-901. Montana food and agricultural development program -- definition.** (1) There is a
 18 program administered by the ~~department~~ agriculture development council provided for in Title 90, chapter 9, to
 19 promote Montana food and agricultural development. The program must ~~fund four~~ provide grant funding for
 20 Montana food and agricultural development centers ~~that were established before January 1, 2009, and that are~~
 21 charged with:

22 (a) developing Montana's capacity to produce food and value-added agricultural products, including
 23 farm-derived renewable energy, commodity processing infrastructure, and emerging technologies intended to
 24 diversify, add value, or enhance economic growth opportunities for Montana's agricultural economy; and

25 (b) providing technical assistance and other services to community-based food, agriculture, technology
 26 and farm-derived renewable energy entrepreneurs.

27 (2) Technical assistance includes but is not limited to business assistance, product development,
 28 marketing, nutritional analysis and labeling, education, assistance with food safety regulation compliance, training
 29 to educate business professionals and entrepreneurs on industry dynamics and technology of specific bioproduct
 30 industries, and evaluating existing and developing technologies.

1 (3) Each center must be a ~~certified regional development corporation or a nonprofit organization that~~
 2 ~~serves at least a four-county region and shall coordinate with other state-funded programs in order to not~~
 3 ~~duplicate state assistance.~~

4 (4) As used in this section, "farm-derived renewable energy" means renewable energy produced from
 5 products developed by farmers and ranchers, as well as entrepreneurs, using Montana farm and ranch products."
 6

7 **SECTION 8. SECTION 81-1-112, MCA, IS AMENDED TO READ:**

8 **"81-1-112. (Temporary) Livestock loss mitigation restricted account.** (1) There is an account in the
 9 state special revenue fund established by 17-2-102 to be known as the livestock loss mitigation restricted special
 10 revenue account. The account is administered by the department.

11 (2) Each fiscal year, the amount provided in ~~15-1-122(4)~~ 15-1-122(3) is transferred to the account from
 12 the state general fund and is restricted to the purpose of making payments to livestock producers for confirmed
 13 and probable livestock losses pursuant to 2-15-3112(2). Money in the account may not be expended for
 14 administrative expenses.

15 (3) The livestock loss mitigation restricted special revenue account is statutorily appropriated, as
 16 provided in 17-7-502, to the department for the purpose of making payments to livestock producers as provided
 17 in subsection (2) of this section.

18 (4) On June 30 of each year, any unencumbered funds in the account in excess of \$300,000 must be
 19 transferred to the livestock loss reduction restricted special revenue account established in 81-1-113. (Terminates
 20 June 30, 2023--secs. 5, 6, Ch. 284, L. 2017.)

21 **81-1-112. (Effective July 1, 2023) Livestock loss reduction and mitigation restricted account.** (1)
 22 There is an account in the state special revenue fund established by 17-2-102 to be known as the livestock loss
 23 reduction and mitigation restricted special revenue account. The account is administered by the department.

24 (2) Money is transferred to the account from the state general fund pursuant to 15-1-122 and is restricted
 25 to the purpose of making payments to livestock producers for confirmed and probable livestock losses pursuant
 26 to 2-15-3112(2). Money in the account may not be expended for administrative expenses."
 27

28 **SECTION 9. SECTION 90-9-202, MCA, IS AMENDED TO READ:**

29 **"90-9-202. Powers and duties of council.** (1) The council shall:

30 (a) establish policies and priorities to enhance the future development of agriculture in Montana,

1 including the Indian reservations in the state;

2 (b) make loans or grants, pursuant to the provisions of Title 90, chapter 9, part 3, that have a short-term
3 or long-term ability to stimulate agriculture development and diversification in rural, urban, and tribal settings in
4 Montana; ~~and~~

5 (c) accept grants or receive devises of money or property for use in making the loans or grants
6 authorized by this chapter;

7 (d) distribute food and agricultural development center funding pursuant to Title 80, chapter 11, part 9,
8 subject to biannual review.

9 (2) The council may:

10 (a) defer or forgive any loan in whole or in part; and

11 (b) forgive any accrued interest in whole or in part."

12

13 ~~Section 3. Section 90-3-1002, MCA, is amended to read:~~

14 ~~"90-3-1002. Research and commercialization account. (1) There is a research and commercialization~~
15 ~~special revenue account within the state treasury. The purpose of the account is to establish a permanent source~~
16 ~~of funding for research and commercialization projects to be conducted at research and commercialization~~
17 ~~centers in the state and to pay the costs of administering those projects.~~

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

20

21 ~~Section 4. Section 90-3-1003, MCA, is amended to read:~~

22 ~~"90-3-1003. Research and commercialization account -- use. (1) The research and commercialization~~
23 ~~account provided for in 90-3-1002 is statutorily appropriated, as provided in 17-7-502, to the board of research~~
24 ~~and commercialization technology, provided for in 2-15-1819, for the purposes provided in this section:~~

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

27 ~~(3) The account may be used only for:~~

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

30 ~~(b) grants that are to be used for production agriculture research, development, and commercialization~~

1 ~~projects, clean coal research and development projects, or renewable resource research and development~~
2 ~~projects to be conducted at research and commercialization centers located in Montana;~~
3 ~~—— (c) matching funds for grants from nonstate sources that are to be used for research and~~
4 ~~commercialization projects to be conducted at research and commercialization centers located in Montana;~~
5 ~~—— (d) the Montana food and agricultural development program provided for in 80-11-901; or~~
6 ~~—— (e)(d) administrative costs that are incurred by the board in carrying out the provisions of this part.~~
7 ~~—— (4) At least \$195,000 of the account funds must be distributed on an annual basis to the department of~~
8 ~~agriculture to support and administer the Montana food and agricultural development program provided for in~~
9 ~~80-11-901.~~
10 ~~—— (5)(4) An applicant for a grant shall provide matching funds from nonstate sources equal to 25% of total~~
11 ~~project costs. The requirement to provide matching funds is a qualifier, but not a criterion, for approval of a grant.~~
12 ~~—— (6)(5) The board shall establish policies, procedures, and criteria that achieve the objectives in its~~
13 ~~research and commercialization strategic plan for the awarding of grants and loans. The criteria must include:~~
14 ~~—— (a) the project's potential to diversify or add value to a traditional basic industry of the state's economy;~~
15 ~~—— (b) whether the project shows promise for enhancing technology-based sectors of Montana's economy~~
16 ~~or promise for commercial development of discoveries;~~
17 ~~—— (c) whether the project employs or otherwise takes advantage of existing research and commercialization~~
18 ~~strengths within the state's public university and private research establishment;~~
19 ~~—— (d) whether the project involves a realistic and achievable research project design;~~
20 ~~—— (e) whether the project develops or employs an innovative technology;~~
21 ~~—— (f) verification that the project activity is located within the state;~~
22 ~~—— (g) whether the project's research team possesses sufficient expertise in the appropriate technology area~~
23 ~~to complete the research objective of the project;~~
24 ~~—— (h) verification that the project was awarded based on its scientific merits, following review by a~~
25 ~~recognized federal agency, philanthropic foundation, or other private funding source; and~~
26 ~~—— (i) whether the project includes research opportunities for students.~~
27 ~~—— (7)(6) The board shall direct the state treasurer to distribute funds for approved projects. Unallocated~~
28 ~~interest and earnings from the account must be retained in the account. Repayments of loans and any~~
29 ~~agreements authorizing the board to take a financial right to licensing or royalty fees paid in connection with the~~
30 ~~transfer of technology from a research and commercialization center to another nonstate organization or~~

1 ownership of corporate stock in a private sector organization must be deposited in the account.

2 ~~———(8)(7) The board shall refer grant applications to external peer review groups. The board shall compile~~
 3 ~~a list of persons willing to serve on peer review groups for purposes of this section. The peer review group shall~~
 4 ~~review the application and make a recommendation to the board as to whether the application for a grant should~~
 5 ~~be approved. The board shall review the recommendation of the peer review group and either approve or deny~~
 6 ~~a grant application.~~

7 ~~———(9)(8) The board shall identify whether a grant or loan is to be used for basic research, applied research,~~
 8 ~~or some combination of both. For the purposes of this section, "applied research" means research that is~~
 9 ~~conducted to attain a specific benefit or solve a practical problem and "basic research" means research that is~~
 10 ~~conducted to uncover the basic function or mechanism of a scientific question."~~

11
 12 **NEW SECTION. SECTION 10. REPORTING REQUIREMENTS.** (1) THE DEPARTMENT OF COMMERCE AND
 13 DEPARTMENT OF AGRICULTURE SHALL REPORT TO THE LEGISLATIVE FINANCE COMMITTEE ON THE ECONOMIC
 14 DEVELOPMENT PROGRAMS FUNDED PURSUANT TO 15-35-108(11) THROUGH [THIS ACT].

15 (2) BY MAY 2020, EACH AGENCY SHALL REPORT TO THE LEGISLATIVE FINANCE COMMITTEE ON THE FOLLOWING:

16 (A) THE DEPARTMENT'S OBJECTIVE FOR EACH PROGRAM TO INCLUDE THE TYPES OF ECONOMIC DEVELOPMENT
 17 TO BE PROMOTED;

18 (B) THE DEPARTMENT'S STRATEGY TO IMPLEMENT EACH ECONOMIC DEVELOPMENT PROGRAM AND HOW THE
 19 SUCCESS OF EACH PROGRAM IS MEASURED; AND

20 (C) HOW FUNDS AND BENEFITS OF EACH PROGRAM ARE DISTRIBUTED ACROSS THE STATE.

21 (3) THE DEPARTMENTS SHALL ALSO PROVIDE THE LEGISLATIVE FISCAL ANALYST ACCESS TO ALL DATA RELATED
 22 TO THE PROGRAMS FUNDED IN [THIS ACT].

23

24 **Section 11.** 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, 2024 2027."

28

29 **Section 12.** Section 3, Chapter 481, Laws of 2003, is amended to read:

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

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

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

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

4 (3) [SECTION 3] TERMINATES JUNE 30, ~~2021~~ 2027.""

6 **SECTION 13. SECTION 6, CHAPTER 481, LAWS OF 2003, IS AMENDED TO READ:**

7 **"Section 6. Termination.** [Section 1] terminates June 30, ~~2010~~ 2021 2027."

9 **Section 14.** Section 2, Chapter 459, Laws of 2009, is amended to read:

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

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

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

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

14 ~~(3) [Section 3] terminates June 30, 2010 2019.~~

15 (3) [SECTION 3] TERMINATES JUNE 30, ~~2021~~ 2027.""

17 **SECTION 15. SECTION 3, CHAPTER 459, LAWS OF 2009, IS AMENDED TO READ:**

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

19 **"Section 6. Termination.** [Section 1] terminates June 30, ~~2010~~ 2019 2021 2027."

21 **NEW SECTION. SECTION 16. REPEALER. THE FOLLOWING SECTIONS OF THE MONTANA CODE ANNOTATED**

22 **ARE REPEALED:**

23 90-3-1001. PURPOSE -- DEFINITION.

24 90-3-1002. RESEARCH AND COMMERCIALIZATION ACCOUNT.

25 90-3-1003. RESEARCH AND COMMERCIALIZATION ACCOUNT -- USE.

26 90-3-1005. MEETINGS -- COMPENSATION.

27 90-3-1006. EXECUTIVE DIRECTOR -- QUALIFICATIONS.

29 ~~**NEW SECTION. Section 8. Repealer.** Section 6, Chapter 481, Laws of 2003, and section 3, Chapter~~

30 ~~459, Laws of 2009, are repealed.~~



