

1 HOUSE BILL NO. 683

2 INTRODUCED BY B. MERCER, T. MOORE, M. REGIER

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISTRIBUTION OF RECREATIONAL
5 MARIJUANA REVENUE FOR PUBLIC PENSION PAYMENTS AND ADMINISTRATIVE COSTS; PROVIDING
6 FOR SPECIFIC DISTRIBUTIONS TO VARIOUS PENSION TRUST FUNDS; PROVIDING A STATUTORY
7 APPROPRIATION; AMENDING SECTIONS 16-12-101, 16-12-111, 16-12-401, 17-7-502, 23-1-105, 23-2-108,
8 53-6-1201, 87-1-242, AND 87-5-121, MCA; AND PROVIDING AN EFFECTIVE DATE."

9

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

11

12 **Section 1.** Section 16-12-101, MCA, is amended to read:

13 **"16-12-101. (Effective October 1, 2021) Short title -- purpose.** (1) This chapter may be cited as the
14 "Montana Marijuana Regulation and Taxation Act".

15 (2) The purpose of this chapter is to:

16 (a) provide for legal possession and use of limited amounts of marijuana legal for adults 21 years of
17 age or older;

18 (b) provide for the licensure and regulation of commercial cultivation, manufacture, production,
19 distribution, and sale of marijuana and marijuana-infused products;

20 (c) allow for limited cultivation, manufacture, delivery, and possession of marijuana as permitted by
21 this chapter;

22 (d) eliminate the illicit market for marijuana and marijuana-infused products;

23 (e) prevent the distribution of marijuana sold under this chapter to persons under 21 years of age;

24 (f) ensure the safety of marijuana and marijuana-infused products;

25 (g) ensure the security of registered premises and adult-use dispensaries;

26 (h) establish reporting requirements for adult-use providers and adult-use marijuana-infused products
27 providers;

28 (i) establish inspection requirements for registered premises, including data collection on energy use,

- 1 chemical use, water use, and packaging waste to ensure a clean and healthy environment;
- 2 (j) provide for the testing of marijuana by licensed testing laboratories;
- 3 (k) give local governments a role in establishing standards for the cultivation, manufacture, and sale
4 of marijuana that protect the public health, safety, and welfare of residents within their jurisdictions; and
- 5 (l) tax the sale of marijuana and marijuana-infused products to generate revenue for the state and
6 provide compensation for the economic and social costs of past and current marijuana cultivation, processing,
7 and use, by directing funding to:
- 8 (i) ~~conservation programs to offset the use of water and soil in marijuana cultivation;~~
- 9 (ii) ~~substance abuse treatment and prevention programs;~~
- 10 (iii) ~~veterans' services and support;~~
- 11 (iv) ~~health care;~~
- 12 (v) ~~localities where marijuana is sold; and~~
- 13 (vi) ~~the state general fund;~~
- 14 (m) ~~authorize courts to resentence persons who are currently serving sentences for acts that are~~
15 ~~permitted under this chapter or for which the penalty is reduced by this chapter and to redesignate or expunge~~
16 ~~those offenses from the criminal records of persons who have completed their sentences as set forth in this~~
17 ~~chapter~~ the department for administrative expenses associated with implementation of this chapter, with the
18 remaining amount of revenue used for the reduction of existing unfunded public pension liabilities."

19

20 **Section 2.** Section 16-12-111, MCA, is amended to read:

21 **"16-12-111. (Effective October 1, 2021) Marijuana compensation special revenue account --**
22 **administrative expenses -- unfunded pension fund distributions -- statutory appropriations.** (1) There is
23 a dedicated marijuana compensation state special revenue account within the state special revenue fund
24 established in 17-2-102, to be administered by the department.

25 (2) Marijuana sales taxes collected under the provisions of part 4 of this chapter must, in accordance
26 with the provisions of 17-2-124, be deposited into the account along with any interest and income earned on the
27 account.

28 (3) Funds deposited into the account must be used for administrative and enforcement expenses and

1 ~~then transferred in the following amounts to provide funding to state pension trust funds~~ as set out below:

2 (a) A sum equal to the amount necessary for the department to administer and enforce the provisions
3 of this chapter must be deposited to or allocated from the account to the credit of the department on a monthly
4 basis.

5 (b) After the deposit or allocation in subsection (3)(a), the remaining amount of revenue deposited in
6 the account must, in accordance with the provisions of 17-2-124, be distributed on a monthly basis to the
7 following state pension trust funds for the purpose of reducing unfunded pension liabilities:

8 (i) 2.5% to be deposited to the credit of the firefighters' unified retirement system;

9 (ii) 0.9% to be deposited to the credit of the Montana state game wardens' and peace officers'
10 retirement system;

11 (iii) 4.2% to be deposited to the credit of the municipal police officers' retirement system;

12 (iv) 46.95% to be deposited to the credit of the public employees' retirement system defined benefit
13 trust fund;

14 (v) 2% to be deposited to the credit of the sheriffs' retirement system;

15 (vi) 43.35% to be deposited to the credit of the teachers' retirement system of the state of Montana;

16 and

17 (vii) 0.1% to be deposited to the credit of the volunteer firefighters' pension trust fund.

18 ~~(a) 4.125% of the funds to be deposited into the nongame wildlife account established in 87-5-121;~~

19 ~~(b) 4.125% of the funds to be deposited into the state park account established in 23-1-105(1);~~

20 ~~(c) 4.125% of the funds to be deposited into the trails and recreational facilities account established in~~
21 ~~23-2-108;~~

22 ~~(d) 37.125% of the funds to be deposited to the credit of the department of fish, wildlife, and parks to~~
23 ~~be used solely as funding for wildlife habitat in the same manner as funding generated under 87-1-242(3) and~~
24 ~~used pursuant to 87-1-209;~~

25 ~~(e) 10.5% to the state general fund; and~~

26 ~~(f) the remainder in the subaccounts provided for in this subsection (3)(f). There are subaccounts in~~
27 ~~the marijuana compensation special revenue account established by subsection (1). Funding deposited into this~~
28 ~~account under subsection (2) is further deposited into subaccounts to be used only as follows:~~

1 ~~(i) 10% of the funds to be deposited into a subaccount to be administered by the department of public~~
2 ~~health and human services to provide grants to existing agencies and not-for-profit organizations, whether~~
3 ~~government or community-based, to increase access to evidence-based low-barrier drug addiction treatment,~~
4 ~~prioritizing medically proven treatment and overdose prevention and reversal methods and public or private~~
5 ~~treatment options with an emphasis on reintegrating recipients into their local communities, to support overdose~~
6 ~~prevention education, and to support job placement, housing, and counseling for those with substance use~~
7 ~~disorders;~~

8 ~~(ii) 10% of the funds to be deposited into a subaccount to be administered by the department of~~
9 ~~commerce for distribution to the local government representing the locality where the retail sales occurred;~~

10 ~~(iii) 10% of the funds to be deposited into a subaccount to be administered by the veterans' affairs~~
11 ~~division of the department of military affairs to provide services and assistance for all Montana veterans and~~
12 ~~surviving spouses and dependents; and~~

13 ~~(iv) 10% of the funds to be deposited into a subaccount to be administered by the Montana department~~
14 ~~of public health and human services to administer medicaid rate increases that provide for a wage increase to~~
15 ~~health care workers who provide direct medicaid-funded home and community health services for elderly and~~
16 ~~disabled persons.~~

17 ~~(4) (a) Funds transferred from the accounts and subaccounts provided in subsection (3) may be used~~
18 ~~only to increase revenue for the purposes specified and may not be used to supplant other sources of revenue~~
19 ~~used for these purposes.~~

20 ~~(b) Funds deposited into the account provided in subsection (1) may be used only to increase~~
21 ~~revenue to each special revenue account or subaccount set forth in subsection (3) and may not be used to~~
22 ~~supplant other sources of revenue for these purposes.~~

23 ~~(4) Money in the account is statutorily appropriated, as provided in 17-7-502, for the purposes~~
24 ~~described in subsection (3).~~

25
26 **Section 3.** Section 16-12-401, MCA, is amended to read:

27 **"16-12-401. (Effective October 1, 2021) Tax on marijuana sales.** (1) A tax on the purchase of
28 marijuana and marijuana-infused products for consumption, use, or any purpose other than for use for a

1 debilitating medical condition as provided in Title 50, chapter 46, part 3, or for resale in the regular course of
2 business under the provisions of this chapter is imposed on the purchaser and must be collected at the time of
3 the sale and paid by the seller to the department for deposit in the marijuana compensation state special
4 revenue account provided for in 16-12-111. The tax is imposed at a rate of 20% of the retail price.

5 (2) Adult-use marijuana providers and adult-use marijuana-infused products providers shall submit
6 quarterly reports to the department listing the total dollar amount of sales to consumers from any registered
7 premises, as defined in 16-12-102, operated by the adult-use marijuana providers or adult-use marijuana-
8 infused products providers, including dispensaries. The report must be:

9 (a) made on forms prescribed by the department; and

10 (b) submitted within 15 days of the end of each calendar quarter.

11 (3) At the time the report is filed, the licensee shall submit a payment equal to the percentage
12 provided in subsection (1) of the total dollar amount of sales.

13 (4) The department shall deposit the taxes paid under this section in the dedicated marijuana
14 compensation state special revenue account established in 16-12-111 within the state special revenue fund
15 established in 17-2-102.

16 (5) The tax imposed by this part and related interest and penalties are a personal debt of the person
17 required to file a return from the time that the liability arises, regardless of when the time for payment of the
18 liability occurs.

19 (6) For the purpose of determining liability for the filing of statements and the payment of taxes,
20 penalties, and interest owed under 16-12-402 through 16-12-405:

21 (a) the officer of a corporation whose responsibility it is to truthfully account for and pay to the state
22 taxes provided for in 16-12-402 through 16-12-405 and who fails to pay the taxes is liable to the state for the
23 taxes and the penalty and interest due on the amounts;

24 (b) each officer of the corporation, to the extent that the officer has access to the requisite records, is
25 individually liable along with the corporation for filing statements and for unpaid taxes, penalties, and interest
26 upon a determination that the officer:

27 (i) possessed the responsibility to file statements and pay taxes on behalf of the corporation; and

28 (ii) possessed the responsibility on behalf of the corporation for directing the filing of statements or the

1 payment of other corporate obligations and exercised that responsibility, resulting in the corporation's failure to
2 file statements required by this part or pay taxes due as required by this part;

3 (c) each partner of a partnership is jointly and severally liable, along with the partnership, for any
4 statements, taxes, penalties, and interest due while a partner;

5 (d) each member of a limited liability company that is treated as a partnership or as a corporation for
6 income tax purposes is jointly and severally liable, along with the limited liability company, for any statements,
7 taxes, penalties, and interest due while a member;

8 (e) the member of a single-member limited liability company that is disregarded for income tax
9 purposes is jointly and severally liable, along with the limited liability company, for any statements, taxes,
10 penalties, and interest due while a member; and

11 (f) each manager of a manager-managed limited liability company is jointly and severally liable, along
12 with the limited liability company, for any statements, taxes, penalties, and interest due while a manager.

13 (7) In determining which corporate officer is liable, the department is not limited to considering the
14 elements set forth in subsection (6)(a) to establish individual liability and may consider any other available
15 information.

16 (8) In the case of a bankruptcy, the liability of the individual remains unaffected by the discharge of
17 penalty and interest against the corporation. The individual remains liable for any statements and the amount of
18 taxes, penalties, and interest unpaid by the entity.

19 (9) The tax levied pursuant to this section is separate from and in addition to any general state and
20 local sales and use taxes that apply to retail sales, which must continue to be collected and distributed as
21 provided by law.

22 (10) The tax levied under this section must be used, as designated in 16-12-111, ~~for purposes that~~
23 ~~provide compensation for the economic and social costs of past and current marijuana cultivation, processing,~~
24 ~~and use, including funding of conservation programs to offset the use of water and soil in marijuana cultivation,~~
25 ~~funding to offset costs of provisions of health care associated with prior uses and health impacts of unregulated~~
26 ~~marijuana, funding for substance abuse treatment and prevention, funding of veterans' programs to offset prior~~
27 ~~uses of unregulated marijuana in ways that harmed veterans, funding to localities where marijuana is sold to~~
28 ~~offset the costs associated with marijuana regulation, and funding for the general fund to account for any costs~~

1 ~~to the state from marijuana use and regulation."~~

2

3 **Section 4.** Section 17-7-502, MCA, is amended to read:

4 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
5 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without
6 the need for a biennial legislative appropriation or budget amendment.

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

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

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

12 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-
13 407; 5-13-403; 5-13-404; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310;
14 10-3-312; 10-3-314; 10-3-802; 10-3-1304; 10-4-304; 15-1-121; 15-1-218; 15-31-1004; 15-31-1005; 15-35-108;
15 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 16-12-
16 111; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404;
17 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-
18 203; 20-8-107; 20-9-534; 20-9-622; 20-9-905; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-
19 1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-54-
20 113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-9-
21 113; 53-24-108; 53-24-206; 60-11-115; 61-3-321; 61-3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-
22 1108; 75-6-214; 75-11-313; 75-26-308; 76-13-151; 76-13-150; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-
23 2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-2-
24 526; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

25 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
26 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
27 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
28 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined

1 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have
 2 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the
 3 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement
 4 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410
 5 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental
 6 benefit provided by 19-6-709; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion
 7 of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115
 8 terminates June 30, 2021; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on
 9 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
 10 terminates June 30, 2025; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates
 11 December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023;
 12 pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to
 13 sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L.
 14 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8, Ch. 284, L. 2017, the
 15 inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec. 1, Ch. 340, L. 2017,
 16 the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-
 17 103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-209 terminates
 18 September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029;
 19 pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027;
 20 pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; and pursuant to sec. 5,
 21 Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023.)"

22

23 **Section 5.** Section 23-1-105, MCA, is amended to read:

24 **"23-1-105. (Temporary) Fees and charges -- use of motor vehicle registration fee.** (1) The
 25 department may levy and collect reasonable fees or other charges for the use of privileges and conveniences
 26 that may be provided and to grant concessions that it considers advisable, except as provided in subsections
 27 (2) and (6). All money derived from the activities of the department, except as provided in subsection (5), must
 28 be deposited in the state treasury in a state special revenue fund to the credit of the department.

1 (2) Overnight camping fees established by the department under subsection (1) must be discounted
2 50% for a campsite rented by a person who is a resident of Montana, as defined in 87-2-102, and is:
3 (a) 62 years of age or older;
4 (b) certified as disabled in accordance with rules adopted by the department; or
5 (c) a veteran of the armed forces. While camping at a discounted rate, the veteran shall carry proof of
6 the person's veteran status, such as a DD form 214, U.S. department of veterans affairs identification card, or a
7 driver's license indicating the person's veteran status.

8 (3) For a violation of any fee collection rule involving a vehicle, the registered owner of the vehicle at
9 the time of the violation is personally responsible if an adult is not in the vehicle at the time the violation is
10 discovered by an authorized officer. A defense that the vehicle was driven into the fee area by another person
11 is not allowable unless it is shown that at that time, the vehicle was being used without the consent of the
12 registered owner.

13 (4) Money received from the collection of fees and charges is subject to the deposit requirements of
14 17-6-105(6) unless the department has submitted and received approval for a modified deposit schedule
15 pursuant to 17-6-105(8).

16 (5) There is a fund of the enterprise fund type, as defined in 17-2-102(2)(a), for the purpose of
17 managing state park visitor services revenue. The fund is to be used by the department to serve the recreating
18 public by providing for the obtaining of inventory through purchase, production, or donation and for the sale of
19 educational, commemorative, and interpretive merchandise and other related goods and services at
20 department sites and facilities. The fund consists of money from the sale of educational, commemorative, and
21 interpretive merchandise and other related goods and services and from donations. Gross revenue from the
22 sale of educational, commemorative, and interpretive merchandise and other related goods and services must
23 be deposited in the fund. All interest and earnings on money deposited in the fund must be credited to the fund
24 for use as provided in this subsection.

25 (6) In recognition of the fact that individuals support state parks through the payment of certain motor
26 vehicle registration fees, persons who pay the fee provided for in 61-3-321(19)(a) may not be required to pay a
27 day-use fee for access to state parks. Other fees for the use of state parks and fishing access sites, such as
28 overnight camping fees, are still chargeable and may be collected by the department.

1 (7) Any increase in the motor vehicle registration fee collected pursuant to 61-3-321(19)(a) on or after
2 January 1, 2012, that is dedicated to state parks must be used by the department for maintenance and
3 operation of state parks.

4 **23-1-105. (Effective October 1, 2021) Fees and charges -- use of motor vehicle registration fee.**

5 (1) (a) The department may levy and collect reasonable fees or other charges for the use of privileges and
6 conveniences that may be provided and to grant concessions that it considers advisable, except as provided in
7 subsections (2) and (6).

8 (b) There must be deposited into a state special revenue fund in the state treasury to the credit of the
9 department:

10 ~~(i) all money derived from the activities of the department, except as provided in subsection (5); and~~

11 ~~(ii) money from marijuana taxes deposited under 16-12-111.~~

12 (2) Overnight camping fees established by the department under subsection (1) must be discounted
13 50% for a campsite rented by a person who is a resident of Montana, as defined in 87-2-102, and is:

14 (a) 62 years of age or older;

15 (b) certified as disabled in accordance with rules adopted by the department; or

16 (c) a veteran of the armed forces. While camping at a discounted rate, the veteran shall carry proof of
17 the person's veteran status, such as a DD form 214, U.S. department of veterans affairs identification card, or a
18 driver's license indicating the person's veteran status.

19 (3) For a violation of any fee collection rule involving a vehicle, the registered owner of the vehicle at
20 the time of the violation is personally responsible if an adult is not in the vehicle at the time the violation is
21 discovered by an authorized officer. A defense that the vehicle was driven into the fee area by another person
22 is not allowable unless it is shown that at that time, the vehicle was being used without the consent of the
23 registered owner.

24 (4) Money received from the collection of fees and charges is subject to the deposit requirements of
25 17-6-105(6) unless the department has submitted and received approval for a modified deposit schedule
26 pursuant to 17-6-105(8).

27 (5) There is a fund of the enterprise fund type, as defined in 17-2-102(2)(a), for the purpose of
28 managing state park visitor services revenue. The fund is to be used by the department to serve the recreating

1 public by providing for the obtaining of inventory through purchase, production, or donation and for the sale of
 2 educational, commemorative, and interpretive merchandise and other related goods and services at
 3 department sites and facilities. The fund consists of money from the sale of educational, commemorative, and
 4 interpretive merchandise and other related goods and services and from donations. Gross revenue from the
 5 sale of educational, commemorative, and interpretive merchandise and other related goods and services must
 6 be deposited in the fund. All interest and earnings on money deposited in the fund must be credited to the fund
 7 for use as provided in this subsection.

8 (6) In recognition of the fact that individuals support state parks through the payment of certain motor
 9 vehicle registration fees, persons who pay the fee provided for in 61-3-321(19)(a) may not be required to pay a
 10 day-use fee for access to state parks. Other fees for the use of state parks and fishing access sites, such as
 11 overnight camping fees, are still chargeable and may be collected by the department.

12 (7) Any increase in the motor vehicle registration fee collected pursuant to 61-3-321(19)(a) on or after
 13 January 1, 2012, that is dedicated to state parks must be used by the department for maintenance and
 14 operation of state parks."
 15

16 **Section 6.** Section 23-2-108, MCA, is amended to read:

17 **"23-2-108. (Temporary) Trails and recreational facilities account.** (1) There is a trails and
 18 recreational facilities account in the state special revenue fund established in 17-2-102.

19 (2) There must be paid into the account money collected pursuant to 61-3-321(19)(a)(iii).

20 (3) Money in the account may only be used by the department to provide trails and recreational
 21 facilities grants pursuant to 23-2-109.

22 (4) Interest and income earned on the account and any unspent or unencumbered money in the
 23 account at the end of a fiscal year must remain in the account.

24 **23-2-108. (Effective October 1, 2021) Trails and recreational facilities account.** (1) There is a
 25 trails and recreational facilities account in the state special revenue fund established in 17-2-102.

26 (2) There must be paid into the account:

27 (a) ~~money collected pursuant to 61-3-321(19)(a)(iii); and~~

28 (b) ~~money from marijuana taxes deposited under 16-12-111.~~

1 (3) Money in the account may only be used by the department to provide trails and recreational
2 facilities grants pursuant to 23-2-109.

3 (4) Interest and income earned on the account and any unspent or unencumbered money in the
4 account at the end of a fiscal year must remain in the account."
5

6 **Section 7.** Section 53-6-1201, MCA, is amended to read:

7 **"53-6-1201. (~~Subsection (2)(c) effective October 1, 2021~~) Special revenue fund -- health and**
8 **medicaid initiatives.** (1) There is a health and medicaid initiatives account in the state special revenue fund
9 established by 17-2-102. This account is to be administered by the department of public health and human
10 services.

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

12 (a) money from cigarette taxes deposited under 16-11-119(2)(c);

13 (b) money from taxes on tobacco products other than cigarettes deposited under 16-11-119(4)(b);

14 and

15 (c) ~~money from marijuana taxes deposited under 16-12-111; and~~

16 ~~(d) any interest and income earned on the account.~~

17 (3) This account may be used only to provide funding for:

18 (a) the state funds necessary to take full advantage of available federal matching funds in order to
19 administer the plan and maximize enrollment of eligible children under the healthy Montana kids plan, provided
20 for under Title 53, chapter 4, part 11, and to provide outreach to the eligible children;

21 (b) a new need-based prescription drug program established by the legislature for children, seniors,
22 chronically ill, and disabled persons that does not supplant similar services provided under any existing
23 program;

24 (c) increased medicaid services and medicaid provider rates. The increased revenue is intended to
25 increase medicaid services and medicaid provider rates and not to supplant the general fund in the trended
26 traditional level of appropriation for medicaid services and medicaid provider rates.

27 (d) an offset to loss of revenue to the general fund as a result of new tax credits; and

28 (e) grants to schools for suicide prevention activities, for the biennium beginning July 1, 2017.

1 (4) (a) On or before July 1, the budget director shall calculate a balance required to sustain each
 2 program in subsection (3) for each fiscal year of the biennium. If the budget director certifies that the reserve
 3 balance will be sufficient, then the agencies may expend the revenue for the programs as appropriated. If the
 4 budget director determines that the reserve balance of the revenue will not support the level of appropriation,
 5 the budget director shall notify each agency. Upon receipt of the notification, the agency shall adjust the
 6 operating budget for the program to reflect the available revenue as determined by the budget director.

7 (b) Until the programs or credits described in subsections (3)(b) and (3)(d) are established, the
 8 funding must be used exclusively for the purposes described in subsections (3)(a) and (3)(c).

9 (5) The phrase "trended traditional level of appropriation", as used in subsection (3)(c), means the
 10 appropriation amounts, including supplemental appropriations, as those amounts were set based on eligibility
 11 standards, services authorized, and payment amount during the past five biennial budgets.

12 (6) The department of public health and human services may adopt rules to implement this section."
 13

14 **Section 8.** Section 87-1-242, MCA, is amended to read:

15 "**87-1-242. (~~Bracketed language in subsection (3) effective October 1, 2021~~) Funding for wildlife**
 16 **habitat.** (1) The amount of money specified in this subsection from the sale of each hunting license or permit
 17 listed must be used exclusively by the commission to secure, develop, and maintain wildlife habitat, subject to
 18 appropriation by the legislature:

19 (a) Class B-10, nonresident combination, \$77;

20 (b) Nonresident antelope, \$20;

21 (c) Nonresident moose, \$20;

22 (d) Nonresident mountain goat, \$20;

23 (e) Nonresident mountain sheep, \$20;

24 (f) Class D-1, nonresident mountain lion, \$20;

25 (g) Nonresident black bear, \$20;

26 (h) Nonresident wild turkey, \$10;

27 (i) Class AAA, combination sports, \$7;

28 (j) Class B-11 nonresident deer combination, \$200.

1 (2) Twenty percent of any increase in the fee for the Class B-7 license or any license or permit listed
2 in subsection (1) must be allocated for use as provided in subsection (1).

3 (3) Eighty percent of the money allocated by this section, ~~[together with money from marijuana taxes~~
4 ~~deposited under 16-12-111 and]~~ together with the interest and income from the money, must be used to secure
5 wildlife habitat pursuant to 87-1-209.

6 (4) Twenty percent of the money allocated by this section must be used as follows:

7 (a) up to 50% a year may be used for development and maintenance of real property used for wildlife
8 habitat; and

9 (b) the remainder and any money not allocated for development and maintenance under subsection
10 (4)(a) by the end of each odd-numbered fiscal year must be credited to the account created by 87-1-601(5) for
11 use in the manner prescribed for the development and maintenance of real property used for wildlife habitat."
12

13 **Section 9.** Section 87-5-121, MCA, is amended to read:

14 **"87-5-121. (Temporary) Nongame wildlife account.** (1) There is a nongame wildlife account in the
15 state special revenue fund provided for in 17-2-102.

16 (2) All money collected under 15-30-2387 and all interest earned by the fund before being expended
17 under this section must be deposited in the account.

18 (3) Money in the account must be used by the department, upon the approval of the commission as
19 determined under 87-5-122, to provide adequate funding for:

20 (a) research and education programs on nongame wildlife in Montana, as provided for in 87-5-104;

21 and

22 (b) any management programs for nongame wildlife approved by the legislature under 87-5-105 as
23 species or subspecies in need of management.

24 (4) The money is available to the department in the same manner as provided in 87-1-601, except
25 that money collected under 15-30-2387 may not be used:

26 (a) for the purchase of any real property; or

27 (b) in such a way as to interfere with the production on or management of private property.

28 **87-5-121. (Effective October 1, 2021) Nongame wildlife account.** (1) There is a nongame wildlife

1 account in the state special revenue fund provided for in 17-2-102.

2 (2) There must be deposited into the account:

3 ~~(a) all money collected under 15-30-2387 and all interest earned by the fund before being expended~~
4 ~~under this section; and~~

5 ~~(b) money from marijuana taxes deposited under 16-12-111.~~

6 (3) Money in the account must be used by the department, upon the approval of the commission as
7 determined under 87-5-122, to provide adequate funding for:

8 (a) research and education programs on nongame wildlife in Montana, as provided for in 87-5-104;
9 and

10 (b) any management programs for nongame wildlife approved by the legislature under 87-5-105 as
11 species or subspecies in need of management.

12 (4) The money is available to the department in the same manner as provided in 87-1-601, except
13 that money collected under 15-30-2387 may not be used:

14 (a) for the purchase of any real property; or

15 (b) in such a way as to interfere with the production on or management of private property."
16

17 **NEW SECTION. Section 10. Effective date.** [This act] is effective October 1, 2021.

18 - END -