HOUSE BILL NO. 646
INTRODUCED BY M. DUNWELL

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING TAX, LABOR, AND ENERGY LAWS RELATED TO DECLINING COAL PRODUCTION; ESTABLISHING THE "MONTANA AND TRIBAL GOVERNMENTS' COAL REVENUE REPLACEMENT ACT" AND THE "FOSSIL FUEL WORKER ECONOMIC SECURITY ACT" TO ADDRESS REDUCTION IN COAL-RELATED MINING, USE, TRANSPORTATION, AND EMPLOYMENT; FUNDING WORKER RETRAINING, PENSION SAFETY NETS, APPRENTICESHIPS, AND ASSISTANCE FOR COAL-IMPACTED COMMUNITIES; INCREASING THE ENERGY GENERATION TAX ON EACH KILOWATT HOUR OF ELECTRICITY PRODUCED TO REPLACE REDUCTIONS IN COAL SEVERANCE TAX, GROSS PROCEEDS TAX, AND ROYALTY REVENUE; ESTABLISHING A COAL ROYALTY REPLACEMENT ACCOUNT; REQUIRING THAT COAL SEVERANCE TAX REPLACEMENT TAX BE DEPOSITED AND ALLOCATED TO REPLACE COAL SEVERANCE FUNDS, COAL GROSS PROCEEDS REVENUE, MONTANA TRIBAL COAL RENT AND ROYALTIES, MONTANA NONTRIBAL COAL RENT AND ROYALTIES, FEDERAL EXCISE TAX ON MONTANA COAL, AND THE COAL PORTION OF THE RESOURCE INDEMNITY TRUST; PROVIDING FOR THE DISTRIBUTION OF THE COAL GROSS PROCEEDS AND ROYALTY REPLACEMENT TAXES; REQUIRING THE DEPARTMENT OF REVENUE TO COLLECT AND ADMINISTER THE TAX AND DISTRIBUTE THE PROCEEDS; REQUIRING THE DEPARTMENT OF REVENUE TO PROVIDE GRANTS TO TRIBAL GOVERNMENTS TO REPLACE COAL ROYALTIES; ESTABLISHING GUIDELINES FOR GRANTS; REQUIRING THE DEPARTMENT OF COMMERCE TO SEEK FEDERAL GRANTS; ALLOWING FOR MULTIPURPOSE GRANT PROGRAMS; REQUIRING A PUBLIC UTILITY TO PAY THE TAX FOR CERTAIN CUSTOMER-GENERATORS AND ENERGY PRODUCERS; GRANTING THE DEPARTMENTS OF REVENUE, COMMERCE, AND LABOR AND INDUSTRY RULEMAKING AUTHORITY; PROVIDING RULEMAKING AUTHORITY; PROVIDING DEFINITIONS; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 5-5-230, 15-23-703, 15-35-108, 15-38-302, 15-51-101, 15-51-102, 15-51-103, 15-51-113, 17-3-240, 17-5-703, 17-5-709, 17-5-720, 17-5-721, 17-6-203, 17-7-221, 17-7-502, 75-7-307, 77-3-318, 82-4-244, AND 85-1-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."
WHEREAS, as society transitions to a new energy economy embracing renewable energy, the state must appropriately replace income lost because taxes, royalties, and rent on coal produce less revenue as coal use dwindles, and care for displaced fossil fuel workers, fossil fuel pensioners, their families, and supporting workers in surrounding communities as well as Montanans whose livelihoods in other economic sectors are adversely affected by fossil fuel use that is drying crop, forest, and rangeland, and impacting tourism, fishing, and winter sports; and

WHEREAS, the energy tax to care for displaced workers and others of $0.0025 for each kilowatt hour provided in 15-51-101(2)(c) will cost an average consumer using 750 kilowatt hours of electricity a month about $1.88 a month or $22.50 a year, raising $955,185,000 by the time the tax sunsets at the end of 2034; and

WHEREAS, the coal severance tax replacement tax to replenish lost coal revenue at the top rate of $0.005125 for each kilowatt hour provided in 15-51-101(2)(b) will cost an average consumer using 750 kilowatt hours of electricity a month about $3.29 a year in 2021 gradually up to about $46.13 a year in 2034, raising approximately $139,877,291 a year for a total of $1,049,079,686 through 2034; and

WHEREAS, assuming unsubsidized renewable electricity is already at least $0.009 for each kilowatt hour cheaper than Montana’s coal-generated power, for each 750 kilowatt hours of clean electricity replacing coal-fired electrons under [sections 1 through 16], the 2021 combined minimum substitute tax and displaced worker tax rate of $0.0028661 or the 2034 combined maximum rate of $0.007625 for each kilowatt hour to recover lost coal revenue and worker benefits will, for consumers using 750 kilowatt hours of electricity a month, provide after tax a savings of $55.21 a year in 2021 and at least $12.37 a year in 2034; and

WHEREAS, to explain the calculations regarding taxes and subsequent revenue allocations, it is noted that:

2. The 2019 annual coal gross proceeds revenue was $20,265,434, 14.5% of the total 15-51-101(2)(b)(ii)(A)(I) through (2)(b)(ii)(A)(VI) revenue categories.


(6) The 2019 coal revenue portion of the resource indemnity trust was $2,486,569, 1.8% of the total 15-51-101(2)(b)(ii)(A)(I) through (2)(b)(ii)(A)(VI) revenue categories.

(7) The sum of 15-51-101(2)(b)(ii)(A)(I) through (2)(b)(ii)(A)(VI) revenue was $139,852,652 in total 2019 coal. To raise that amount, it would require a 2034 tax of $0.005125 for each kilowatt hour on Montana’s annual 227,291,000,000 kilowatt hours of electricity production.

(8) Since the loss of total coal revenue will be gradual over the years between 2021 and 2034, the electricity production tax to replace it can be phased in.

(9) It will require a $0.0003661 for each kilowatt hour tax on electricity production to replace the $9,991,235 total coal revenue estimated to be lost in 2021 as the transition begins. Slightly higher rates up to $0.005125 for each kilowatt hour will be needed in subsequent years to cover increasing coal revenue loss.

(10) To cover all estimated Montana coal revenue lost related to diminution in coal used to produce electricity for use anywhere, it is estimated the electric production tax used as a substitute would cost a consumer using 750 kilowatt hours of electricity a month $3.29 a year in 2021 up to $43.13 a year in 2034 and afterward. These $3.29 and $46.13 yearly amounts should be increased by $22.50 a year until 2035 for displaced worker and coal-impacted worker retraining and other benefits as explained in 15-51-101(2)(c)(ii).

(11) Using twice the amount of electricity considered in subsection (10) will cost consumers of 1,500 kilowatt hours of electricity a month twice the amounts listed in subsection (10).

(12) If the unsubsidized cost of electrons generated using renewable energy sources remains at least $0.009 for each kilowatt hour cheaper than electrons generated with fossil fuel, savings from reduction in fossil fuel cost because there is no fuel or pollution control cost in the sun and wind are estimated to be more than electricity production taxes replacing coal taxes and royalties, and will provide worker protection revenue.

(13) Fossil fuel-free electricity exported from Montana will carry an electricity production tax to recover revenue previously collected through coal severance taxes paid on that exported coal-fired electricity. Since the exported coal-fired electricity tax has been a collection practice that has been legal since 1934, and since the
tax has recently been applied to exported fossil fuel-free electricity, it is anticipated the increase of that tax rate will continue to withstand any constitutional commerce clause or other legal challenge.

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

NEW SECTION. Section 1. Short title. [Sections 1 through 7] may be cited as the "Montana and Tribal Governments' Coal Revenue Replacement Act".

NEW SECTION. Section 2. Policy and intent. (1) [Sections 1 through 7] establishes a policy to replace coal royalties, the coal severance tax, the coal gross proceeds tax, tribal taxes in lieu of coal severance taxes, coal gross proceeds taxes, and other coal-related revenue that is reduced as society transitions to a new energy economy embracing less expensive, renewable energy.

   (2) It is the intent of the legislature to generate replacement revenue from a rate increase on an existing, nondiscriminatory electrical production tax passed through to in-state and out-of-state energy consumers who will benefit from the transition to cleaner, lower-cost methods of producing electricity that do not have a fuel cost or pollution control cost included in the electricity price.

NEW SECTION. Section 3. Definitions. As used in this part, unless the context clearly indicates otherwise, the following definitions apply:

   (1) "Coal company" means an entity licensed to do business in the state and engaged in coal mining.

   (2) "Coal-impacted community" means any Montana local or tribal government located within 85 miles from:

   (a) an electric generating resource that after 2020 reduces or eliminates coal-fired or gas-fired electric generation resulting in job or financial loss within the community; or

   (b) a Montana coal mine that after 2020 reduces or eliminates coal production resulting in job or financial loss within the community.

   (3) "Cooperative utility" has the meaning provided in 69-3-2003.

   (4) "Customer-generator" has the meaning provided in 69-8-103.
"Displaced coal-impacted worker" means a person who:

(a) is not a displaced fossil fuel worker;
(b) lives in a county containing a coal-impacted community;
(c) has worked in the state for at least 24 months prior to losing a full-time job or a part-time job as defined in 39-11-103, whether year-round or for seasonal employment, for an employer who services a coal company, railroad company, or utility company, because the employer downsized its workforce because of:
   (i) output reduction from or closing of a Montana coal mine;
   (ii) output reduction from or closing of a Montana electrical generating facility; or
   (iii) reduction of the amount of coal hauled in the state by rail;
(d) is unemployed or underemployed, earning less than 75% of what the worker was earning working the worker's full-time job or part-time job prior to becoming unemployed;
(e) is experiencing difficulty obtaining appropriate employment at the prevailing wage of the job the worker held when the worker became unemployed or underemployed; and
(f) does not qualify to take full benefits pursuant to a pension or retirement plan.

"Displaced fossil fuel worker" means a person who:

(a) has worked for a coal company, railroad company, or utility company in the state for at least 24 months prior to losing a full-time job or a part-time job as defined in 39-11-103, whether year-round or for seasonal employment with the company, because the company downsized its workforce by:
   (i) reducing output from or closing a Montana coal mine;
   (ii) reducing output from or closing a Montana electrical generating facility; or
   (iii) reducing the amount of coal hauled in the state by rail;
(b) is unemployed or underemployed, earning less than 75% of what the worker was earning working the worker's full-time job or part-time job prior to becoming unemployed;
(c) is experiencing difficulty obtaining appropriate employment at the prevailing wage of the job the worker held when the worker became unemployed or underemployed; and
(d) does not qualify to take full benefits pursuant to a pension or retirement plan.

"Displaced fossil fuel worker subaccount", "displaced fossil fuel worker fund", "displaced coal-impacted worker subaccount", "displaced coal-impacted worker fund", "fossil fuel pensioner subaccount", "fossil fuel pensioner fund"
fuel pensioner fund”, "coal-impacted community economic development assistance subaccount”, or "coal-impacted community economic development assistance fund" means the fund created in [section 5], which must be:

(a) a fund containing a dedicated revenue provision as defined in 17-1-502;

(b) a state special revenue fund as provided in 17-2-102; and

(c) administered in accordance with 17-8-101.

(8) “Electric generating resource” has the meaning provided in 69-3-2003.

(9) “Eligible renewable resource” has the meaning provided in 69-3-2003.

(10) "Fossil fuel pensioner" means a person who:

(a) has worked for a coal company or a utility company in the state, or worked hauling coal in the state for a railroad company; and

(b) is drawing a pension or other retirement benefit incurred by a coal company, utility company, or railroad company, or a designee or successor of a coal company, utility company, or railroad company, or is or was entitled to draw a pension or other retirement benefit because of that work.

(11) "Producer" means a person or organization engaged in the generation, manufacture, or production of electricity and electrical energy in the state, including but not limited to through water power, wind, solar, coal, natural gas, geothermal, coalbed methane, storage, or by any other means of electricity generation for barter, sale, exchange, or commercial use. Electricity that is reasonably used to produce electricity is not included.

(12) "Public utility" has the meaning provided in 69-3-2003.

(13) “Railroad company” means a corporation licensed to do business in the state that currently transports or has transported coal mined in the state by rail to an electric generating resource either inside or outside the state.

(14) “Utility company” means an investor-owned electric or gas utility, rural electric cooperative, electric generation or transmission company, or municipally owned electric or gas utility licensed to do business in the state that owns or operates a Montana coal-fired or natural gas-fired electric generating resource or a part of a resource.
NEW SECTION. Section 4. Tribal coal revenue replacement account. (1) There is a tribal coal revenue replacement account within the state special revenue fund established in 17-2-102. There must be paid into the account:

(a) money from tribal coal royalty replacement taxes and money from tribal taxes in lieu of the Montana coal severance tax collected pursuant to 15-51-101(2)(b)(ii)(A)(III);

(b) interest income earned on the account; and

(c) any other funds, including grants, appropriations, or gifts for the purposes of administering 15-51-101(2)(b)(ii)(A)(III) and [sections 1 and 6 through 16] as the funds relate to tribes.

(2) (a) Funds in the tribal coal revenue replacement account are statutorily appropriated as provided in 17-7-502, with 15% to the department of revenue, 80% to the department of labor and industry, and 5% to the department of commerce.

(b) Funds in the tribal coal revenue replacement account must be administered in accordance with 17-8-101, 15-51-101(2)(b)(ii)(A)(III), and [sections 1 and 6 through 16] as the programs relate to tribes.

NEW SECTION. Section 5. Energy transition account -- displaced fossil fuel worker -- displaced coal-impacted worker -- fossil fuel pensioner and coal-impacted community economic development assistance subaccounts. (1) There is an energy transition account in the state special revenue fund provided for in 17-2-102, and within that account there are displaced fossil fuel worker, displaced coal-impacted worker, fossil fuel pensioner, and coal-impacted community economic development assistance subaccounts. There must be paid in the appropriate subaccount:

(a) from money from taxes collected pursuant to 15-51-101(2)(c), the amount necessary to defray fossil fuel pensioner benefits in the fossil fuel pensioner subaccount, whatever of the remainder that is necessary to defray displaced fossil fuel worker benefits into the displaced fossil fuel worker subaccount, and the remainder into the displaced coal-impacted worker subaccount;

(b) from money from taxes collected pursuant to 15-51-101(2)(c), whatever the legislature appropriates to implement [section 14] programs into the coal-impacted community economic development assistance subaccount;

(c) interest income earned on each subaccount; and
(d) any other funds, including grants, appropriations, or gifts for the purposes of administering 15-51-101(2)(c) and [sections 1 and 6 through 16].

(2) Funds in this account that are statutorily appropriated by the legislature in 17-7-502 to the department of labor and industry, department of revenue, or department of commerce, must be administered in accordance with 17-8-101 to be used in accordance with 15-51-101(2)(c) and [sections 1 and 6 through 16].

**NEW SECTION.** Section 6. Department of revenue duties. Beginning July 1, 2021, for the previous tax year and for each following tax year, the department of revenue shall:

(1) (a) in consultation with the trust lands management division of the department of natural resources and conservation and the state land board, evaluate and publish online the amount of annual coal royalty and other coal-related revenue received and lost, and if necessary, coal reserves and existing contracts, including but not limited to:

(i) the total value of coal gross proceeds taxes collected statewide in accordance with 15-23-703;

(ii) taxes paid to a federally recognized Indian tribe in the state for rents and royalties in lieu of the Montana coal severance tax;

(iii) royalties paid to a federally recognized Indian tribe in the state for coal from tribal properties in the state; and

(iv) total rental and royalty payments collected from all coal leases on state lands in the state in accordance with 77-3-316;

(b) evaluate programs to build on tribal, state, or federal land, renewable energy production or storage facilities, or other revenue-producing facilities, or to offset lost coal royalty revenue; and

(c) subtract from the amount granted for the loss of coal royalty, any offsetting economic factors;

(2) with help as requested from the department of commerce, department of labor and industry, and Montana tribes, conduct studies on the changing revenue needs and problems of tribes, coal-impacted communities, and state and local governments affected by the loss of coal royalty and other coal-related revenue and make recommendations to the governor and the legislature to address changing revenue needs; and

(3) while coordinating with the department of commerce, the department of labor and industry, and
Montana tribes, provide information pertinent to programs and services available to advise and assist tribes, coal-impacted communities, and Montana governments on the loss of coal royalty and other coal-related revenue matters.

NEW SECTION. Section 7. Rulemaking. The department of revenue may adopt rules:

(1) establishing criteria for making royalty replacement tax, gross proceeds tax, or tax in lieu of severance tax reimbursements allowed by this chapter; and

(2) concerning any other provisions necessary to carry out its duties, including but not limited to those under [sections 1 through 7, 9, 11, 14, and 20] and this chapter.

NEW SECTION. Section 8. Short title. [Sections 8 through 14] may be cited as the "Fossil Fuel Worker Economic Security Act".

NEW SECTION. Section 9. Policy and intent. As society transitions to a new energy economy embracing renewable energy, [sections 8 through 13] establishes a policy with the intent to mitigate job and revenue loss by:

(1) retraining displaced fossil fuel workers and displaced coal-impacted workers that includes but is not limited to providing necessary counseling, training, job services, mortgage payment help, and health care for the workers and their families;

(2) creating a safety net for fossil fuel pensioners by augmenting pensions that are not fully funded because employers are bankrupt or defunct;

(3) creating apprenticeship programs;

(4) providing financial assistance to coal-impacted communities and tribes; and

(5) defraying program costs with a displaced fossil fuel worker tax reclaiming some savings from lower electricity prices resulting from the transition to no-fuel cost, no-pollution control cost power.

NEW SECTION. Section 10. Definitions. As used in [sections 8 through 14], unless the context clearly indicates otherwise, the following definitions apply:
NEW SECTION. Section 11. Apprenticeships required when constructing certain generating facilities. (1) Montana electric generating resources as defined in 69-3-2003 not located on the customer side of an electric meter and built pursuant to competitive solicitation issued after January 1, 2021, are subject to the provisions of subsection (2).

(2) Subject to the availability of qualified applicants, the construction of facilities that generate electricity in the state must employ Montana citizen apprentices who are parties to an apprenticeship agreement under 39-6-105 during the construction phase of at least the following percentages of all employees for the project:

(a) 10% for projects beginning onsite construction June 1, 2021, through December 31, 2023;
(b) 17% for projects beginning onsite construction after December 31, 2023; and
(c) 25% for projects beginning onsite construction after December 31, 2025.

(3) In this section, "apprenticeship program" means a program implemented pursuant to Title 39, chapter 6, part 1, that must also encourage, as determined by the department of labor and industry:

(a) diversity among participants;
(b) participation by those underrepresented in the industry associated with an apprenticeship; and
(c) participation from coal-impacted communities.
NEW SECTION. Section 12. Programs to aid displaced fossil fuel workers, displaced coal-impacted workers, and fossil fuel pensioners. (1) The department:

(a) shall develop multipurpose services or other programs in cooperation with government agencies and private employers to aid displaced fossil fuel workers and displaced coal-impacted workers;

(b) may enter contracts with and make grants to nonprofit agencies or other organizations to establish, organize, and administer programs under this section; and

(c) may contract with an administrator for each program.

(2) The services offered to displaced fossil fuel workers and displaced coal-impacted workers through the programs may include but are not limited to:

(a) job counseling services that:

(i) are designed by considering and building on worker skills and experiences; and

(ii) provide workers with appropriate job opportunities;

(b) job training and job placement services that:

(i) include apprenticeship, training, and placement programs for jobs in the public, private, and renewable energy sectors;

(ii) assist workers in gaining admission to existing public or private, Montana certified apprenticeship, job training or educational programs; and

(iii) assist in identifying community needs and creating new public and private sector jobs;

(c) referral to or development of programs for displaced fossil fuel workers and displaced coal-impacted workers in cooperation with local agencies that provide information and assistance with respect to health care, financial matters, education, nutrition, mortgage retention, and legal issues;

(d) support services, including but not limited to:

(i) child care for preschool children;

(ii) transportation assistance;

(iii) grants for education; and

(iv) grants to maintain mortgage payments on a primary Montana residence; and

(e) development of outreach programs to serve areas where program needs have been identified.

(3) Subject to revisions resulting from an evaluation as provided in subsection (8), program costs
incurred by a displaced fossil fuel worker or a displaced coal-impacted worker must be paid for by the
department of labor and industry from the account established in [section 5], or other state, federal, or privately
funded program augmenting the account established in [section 5] if the worker:

(a) is participating in an approved apprenticeship or other retraining and reemployment program; and

(b) has started a program within 3 months of becoming displaced or as soon as a program was
offered, whichever event occurs first.

(4) Subject to the limitations of subsections (5) through (7) and (9), a displaced fossil fuel worker or a
displaced coal-impacted worker participating in a program established pursuant to this section is eligible to
receive the following from the account established in [section 5] during the worker’s training and reemployment
periods:

(a) after expiration of any unemployment benefits to which the worker is entitled pursuant to 39-51-
2116 and 39-51-2201 through 39-51-2208, or benefits received pursuant to the federal Railroad Unemployment
Insurance Act, 45 U.S.C. 351, et seq., an additional benefit amount equal to the weekly unemployment benefit
the worker was receiving prior to expiration;

(b) an additional benefit amount equal to 20% of the benefits to which the worker was entitled to
pursuant to 39-51-2116 and 39-51-2201 through 39-51-2208 or 45 U.S.C. 351, et seq.;

(c) in addition to any benefits to which the worker is entitled pursuant to subsections (3), (4)(a), and
(4)(b), an additional benefit amount not greater than $200 a month, needed to maintain up to one-third of the
mortgage payments on the worker’s primary Montana residence during a retraining period as provided in
subsection (3), plus any period elapsing prior to reemployment as provided in subsection (6); and

(d) an extension of benefits received pursuant to this section for a retraining period not to exceed 2
years from the date retraining started, plus the reemployment period as provided in subsection (6).

(5) The weekly amounts received in total from payments made pursuant to subsections (4)(a) through
(4)(d), plus unemployment benefits or federal Railroad Unemployment Insurance Act benefits, plus revenue
received from work in a training or apprenticeship program may not exceed 100% of the average weekly wage
used to calculate unemployment benefits for the displaced fossil fuel worker or the displaced coal-impacted
worker.

(6) The reemployment period for finding new employment during which a displaced fossil fuel worker
or a displaced coal-impacted worker is entitled to benefits after retraining has been completed may not extend
beyond 12 weeks after the training is complete or until the worker obtains employment, whichever occurs first.

(7) Federal unemployment benefits must be reviewed annually by the department of labor and
industry, and benefits supplied pursuant to this section must be adjusted by the department, if necessary, to
comply with this section.

(8) Subject to revisions resulting from an evaluation, if a fossil fuel pensioner’s pension plan or other
retirement obligation incurred by a coal company, utility company, or railroad company is determined by the
department of labor and industry to be insufficient to pay the fossil fuel pensioner the pension earned, the
department of labor and industry shall pay the fossil fuel pensioner monthly money from the displaced fossil fuel
worker account as a deficiency payment to make up the difference.

(9) Benefits supplied pursuant to this section must be offered in accordance with federal, social
security, and unemployment insurance requirements and, if necessary, may be subject to the Federal
Unemployment Tax Act and federal regulations.

(10) To the extent applicants have the necessary job qualifications, all positions in department of labor
and industry displaced fossil fuel worker and displaced coal-impacted worker programs must be filled by
displaced fossil fuel workers or displaced coal-impacted workers, or in the case of programs related to the
tribes, by a tribal member approved by a process established by the affected tribe, and the income from that
employment must be used to offset benefits under this section.

(11) The administrator of a local displaced fossil fuel worker program may accept, use, and dispose of
all tax, grants, or contributions of money, services, and property to carry out the provisions of this section. The
grants, contributions, or in-kind contributions may come from a local government or from another government.

(12) (a) On a first-come, first-served basis, not more than 500 displaced fossil fuel workers for each
calendar year and not more than 1,900 displaced fossil fuel workers in total may receive benefits under this
section.

(b) On a first-come, first-served basis, not more than 1,000 displaced coal-impacted workers for each
calendar year, and not more than 5,100 displaced coal-impacted workers in total may receive benefits under
this section.

(c) A displaced worker who is not eligible for benefits under this section because of annual limitations
imposed by subsections (12)(a) and (12)(b) or annual funding limitations may apply for benefits and also
request the department of labor and industry to implement the provisions for additional loan funding in 15-51-
101(2)(c)(iii).
(d) A displaced worker who is not eligible for benefits under this section because of annual limitations
imposed by subsections (12)(a) and (12)(b) and the inapplicability of subsection (12)(c) may apply for benefits
under subsection (12)(a) or (12)(b), whichever is applicable to them, and be first on the list to receive benefits in
a subsequent year.
(e) This subsection (12) does not limit the number of fossil fuel pensioners who may collect deficiency
payments under subsection (8).

NEW SECTION. Section 13. Department of labor and industry duties. The department shall:
(1) while coordinating with the department of commerce and Montana tribes, conduct studies
regarding the changing employment needs and problems of displaced fossil fuel workers and displaced coal-
impacted workers in the state and make recommendations to the governor and the legislature;
(2) provide information and materials pertinent to programs and services available to assist and
advise displaced fossil fuel workers and displaced coal-impacted workers on employment and related matters;
(3) provide for planning, developing, coordinating, and evaluating employment programs and services
for displaced fossil fuel workers and displaced coal-impacted workers;
(4) cooperate with the department of revenue, department of commerce, and Montana tribes in
carrying out activities under [section 15(1) and (4)] to carry out the purposes of [sections 11 and 12];
(5) develop opportunities in cooperation with federal, state, and local entities and private employers to
aid displaced fossil fuel workers, displaced coal-impacted workers, and fossil fuel pensioners in accordance
with programs established pursuant to [section 12];
(6) require the administrator of programs established under [sections 11 and 12] to report annually to
the department;
(7) adopt rules regarding the report as provided in subsection (6), requiring an accounting of all
expenditures and evaluating the effectiveness of each program's job counseling, training, placement referral,
support, and outreach services to workers and fossil fuel pensioners; and
(8) convey the report as provided in subsection (6) biennially to the governor and, in accordance with 5-11-210, the legislature.

NEW SECTION. Section 14. Department of labor and industry -- rulemaking. The department may adopt rules concerning:

(1) the eligibility of persons who may be served by the programs established under [sections 11 and 12];
(2) a graduated fee schedule for program services supplied under [sections 11 and 12];
(3) criteria for making grants as provided in [sections 11 through 13];
(4) benefits available under [section 12];
(5) coordination of benefits as provided in [section 12] with those in the Primary Sector Business Workforce Training Act;
(6) reporting and evaluation procedures for programs under [sections 11 and 12] and their beneficiaries; and
(7) any other provisions necessary to carry out its duties, including but not limited to those under [sections 11 through 13 and 20], and this chapter.

NEW SECTION. Section 15. Department of commerce duties -- programs to ameliorate the loss of coal royalty and other revenue. (1) To ameliorate lost coal royalty revenue and assist the economy of coal-impacted communities by fostering economic development opportunities unrelated to fossil fuel development or use, the department of commerce, with help as requested from the department of revenue and department of labor and industry:

(a) shall develop in cooperation with federal, state, and local agencies, tribes, and private employers:
   (i) an economic diversification and development plan to assist coal-impacted communities; and
   (ii) multipurpose services or other programs for tribes and other local governments facing declining revenue from the loss of coal royalty and other coal-related revenue;

(b) shall actively seek, apply for, and receive grants, appropriations, or gifts from any federal, state, or local agency, private foundation, or individual, including but not limited to funding from the federal Partnerships...
for Opportunity and Workforce and Economic Revitalization Initiative and the Montana Clean Renewable Energy Bond Act to carry out the purposes of the Montana Renewable Power Production and Rural Economic Development Act;

(c) may enter contracts with and make grants to nonprofit agencies or other organizations to establish, organize, and administer programs under this section;

(d) may contract with an administrator for each program under this section;

(e) shall require the administrator of programs established under this section to report annually to the department; and

(f) convey the report in subsection (1)(e) biennially to the governor and, in accordance with 5-11-210, to the legislature.

(2) In developing the economic diversification plan, the department shall establish a public planning process in a coal-impacted community as defined in [section 3] to determine the use of money appropriated by the legislature from the economic development assistance subaccount. There must be at least three public meetings within a 30-mile distance from a coal-impacted community’s center. After completion of the plan and appropriation, expenditures from the subaccount must be made:

(a) to an entity approved by the department to receive funds for any program established pursuant to this section;

(b) to assist employers to qualify for any tax relief for hiring a displaced fossil fuel worker as defined in [section 3] or a displaced coal-impacted worker as defined in [section 3] established under state or federal law; and

(c) to a coal-impacted community in the state for programs designed to promote economic development unrelated to fossil fuel development in the coal-impacted community.

(3) To qualify for revenue distributed under this section, those who are participating in an approved program to assist a coal-impacted community or replace lost coal royalty and other coal related revenue:

(a) must receive from the tax imposed by 15-51-101(2)(c) revenue as determined by the department after it is appropriated by the legislature; and

(b) shall cooperate with the department of revenue and the department in developing revenue-generating programs to offset coal royalty losses.
(4) While cooperating with the department of revenue and the department of labor and industry, the department may:

(a) conduct conferences for those affected by the loss of coal-related revenue and job loss to raise awareness of available renewable energy jobs, development opportunities, programs, and services; and

(b) encourage organizations and other groups to institute local self-help activities designed to:

(i) address problems caused by declining coal royalty revenue;

(ii) replace lost coal revenue;

(iii) meet displaced fossil fuel workers’ and displaced coal-impacted workers’ employment needs; and

(iv) address related coal-impacted community needs.

(5) To the extent applicants have the necessary job qualifications, all positions in programs related to replacing coal royalty or other coal-related revenue as provided in 15-51-101(2)(b)(ii)(A)(III) must be filled by members of Montana tribes approved by a process established by the affected tribes, or in the case of nontribal coal revenue loss, other persons who have lived for 2 years in coal-impacted communities affected by coal revenue loss.

(6) The elected governing body of an entity participating in a program to replace lost coal royalty or other coal-related revenue may accept, use, and dispose of all tax, grants, or contributions of money, services, and property to carry out the provisions of this section. The grants, contributions, or in-kind contributions may come from a local government or from another government.

NEW SECTION. Section 16. Department of commerce -- rulemaking. The department may adopt rules establishing:

(1) eligibility of entities who may be served by the program established under [section 15];

(2) reporting and evaluation procedures for programs established under [section 15] and their beneficiaries, including requiring the report as provided in [section 15(1)(e)] to contain:

(a) an accounting of all expenditures; and

(b) an evaluation of the effectiveness of each program in replacing lost coal royalty or other coal-related revenue; and

(3) any other provisions necessary to carry out its duties, including but not limited to those under
[sections 4 through 7, 9, 11, 15, and 20] and this chapter.

Section 17. Section 5-5-230, MCA, is amended to read:

"5-5-230. Energy and telecommunications interim committee. (1) The energy and telecommunications interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of public service regulation and the public service commission.

(2) Each biennium through the 2031 legislative session, the committee, with input from appropriate state agencies, shall:

(a) review and evaluate the effect that reduction in the use of fossil fuel is having and will have on:

(i) employment in and financial well-being of coal-impacted communities and employment and pensions of fossil fuel workers; and

(ii) revenue received pursuant to the Montana coal severance tax, Montana gross proceeds tax on coal, the wholesale energy transaction tax established by 15-72-104, taxes paid to Montana tribes for coal severance, and coal royalties paid to tribes and Montana state, county, and local governments; and

(b) make recommendations to the legislature and state agencies regarding:

(i) modifications to 15-51-101(2) and other tax rates meant to finance the replacement of lost revenue from taxes in subsection (2)(a)(ii) of this section and to fund programs to assist coal-impacted communities and their workers in those communities;

(ii) training, apprenticeships, and benefits for fossil fuel and other workers affected by the reduction in fossil fuel use; and

(iii) replacement of revenue lost due to diminution of coal use that can be offset by a tax on savings accruing from the switch to nonfossil fuel generation of electricity."

Section 18. Section 15-23-703, MCA, is amended to read:

"15-23-703. Taxation of gross proceeds -- taxable value for nontax purposes. (1) (a) The department shall compute from the reported value of coal gross proceeds a tax roll that must be transmitted to the county treasurer on or before September 15 of each year. The department may not levy or assess any mills
against coal gross proceeds but shall, subject to subsection (1)(b) and except as provided in subsection (1)(c), levy a tax of 5% against the value of coal as provided in 15-23-701(4). The county treasurer shall give full notice to each coal producer of the taxes due and shall collect the taxes.

(b) If the county grants a tax abatement for production from a new or expanding surface or underground mine as provided in 15-23-715, the department shall levy a tax at a rate that would, after providing for payment to the state of the amount attributable to all applicable state mill levies as if the tax rate were 5%, reduce the tax received by county taxing jurisdictions and any school district on the new or expanded production by the percentage amount of the tax abated by the county under 15-23-715.

(c) (i) For tax years beginning after December 31, 2011, the tax on coal mined from a new underground coal mine is 2.5% against the value of coal as provided in 15-23-701(4).

(ii) For tax years beginning on or after January 1, 2011, and ending December 31, 2030, the tax rate under subsection (1)(c)(i) applies to coal mined from an existing underground coal mine producing coal from the mine as of December 31, 2010. For tax years beginning after December 31, 2030, coal production is taxed as provided in subsection (1)(a).

(2) For all nontax purposes, the taxable value of the gross proceeds of coal is 45% of the contract sales price as defined in 15-35-102.

(3) (a) Except as provided in subsections (4) and (7) and subject to subsection (3)(b), coal gross proceeds taxes and lost coal gross proceeds tax replacement taxes deposited pursuant to 15-51-101(2)(b)(ii)(A)(II) must be allocated to the state, county, and school districts in the same relative proportions as the taxes were distributed in fiscal year 1990.

(b) The county treasurer shall multiply the coal gross proceeds taxes collected in the county under this part by the relative proportions determined for the state, county, and school districts under subsection (3)(a). Those amounts must be distributed as follows:

(i) the state share must be distributed in the relative proportions required by levies for state purposes in the same manner as property taxes were distributed in fiscal year 1990;

(ii) except as provided in subsection (5), the county share must be distributed in the relative proportions required by levies for county purposes, other than an elementary school or high school, in the same manner as property taxes were distributed in the previous fiscal year;
except as provided in subsection (6), the school districts’ share must be distributed in the relative
proportions required by levies for school district purposes in the same manner as property taxes were
distributed in the previous fiscal year.

(4) If there is a distribution of coal gross proceeds from a new or expanding surface or underground
mine with a tax abatement as provided under 15-23-715, the county treasurer shall distribute:

(a) the state’s share of the coal gross proceeds determined under subsection (1)(b) in the relative
proportion required by the appropriate levies for state purposes; and

(b) the county’s share and any school district’s share of the coal gross proceeds determined under
subsection (1)(b) as provided in this section.

(5) The board of county commissioners of a county may direct the county treasurer to reallocate the
distribution of coal gross proceeds taxes that would have gone to a taxing unit, as provided in subsection
(3)(b)(i), to another taxing unit or taxing units, other than an elementary school or high school, within the county
under the following conditions:

(a) The county treasurer shall first allocate the coal gross proceeds taxes to the taxing units within the
county in the same proportion that all other property tax proceeds were distributed in the county in the previous
fiscal year.

(b) If the allocation in subsection (5)(a) exceeds the total budget of a taxing unit, the commissioners
may direct the county treasurer to reallocate the excess to any taxing unit within the county.

(6) The board of trustees of an elementary or high school district may reallocate the coal gross
proceeds taxes distributed to the district by the county treasurer under the following conditions:

(a) The district shall first allocate the coal gross proceeds taxes to the budgeted funds of the district in
the same proportion that all other property tax proceeds were distributed in the district in the previous fiscal
year.

(b) If the allocation under subsection (6)(a) exceeds the total budget for a fund, the trustees may
reallocate the excess to any budgeted fund of the school district.

(7) Except as provided in subsections (8) and (9), the county treasurer shall credit all taxes collected
under this part from coal mines that began production after December 31, 1988, in the relative proportions
required by the levies for state, county, and school district purposes in the same manner as property taxes were
distributed in the previous fiscal year.

(8) The board of county commissioners of a county may direct the county treasurer to reallocate the distribution of coal gross proceeds under subsection (7) in the same manner as provided in subsection (5).

(9) The board of trustees of an elementary or high school district may reallocate the coal gross proceeds taxes distributed to the district by the county treasurer under subsection (7) in the same manner as provided in subsection (6)."

Section 19. Section 15-35-108, MCA, is amended to read:

"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this chapter and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(I) must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(I) is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(I) is allocated to the major repair long-range building program account established in 17-7-221.

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

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

(5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each subsequent fiscal year thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through agriculture account established in 90-9-104.
(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

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

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

(9) The amount of 5.8% through June 30, 2023, and beginning July 1, 2023, the amount of 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

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

(11) (a) Subject to subsection (11)(b), all other revenue from severance taxes collected under the provisions of this chapter and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(I) must be credited to the general fund of the state.

(b) The interest income of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on July 1 each year as follows:

(i) to the department of agriculture:

(A) $65,000 for the cooperative development center;

(B) $900,000 for the growth through agriculture program provided for in Title 90, chapter 9;

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

(ii) to the department of commerce:

(A) $325,000 for a small business development center;

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

(C) $625,000 for certified regional development corporations;
(D) $500,000 for the Montana manufacturing extension center at Montana state university-Bozeman;

and

(E) $300,000 for export trade enhancement. (Terminates June 30, 2027—secs. 13, 15, 18, Ch. 343, L. 2019.)

15-35-108. (Effective July 1, 2027) Disposal of severance taxes. Severance taxes collected under this chapter and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(I) must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(I) is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(I) is allocated to the major repair long-range building program account established in 17-7-221.

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

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

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

(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.
(7) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

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

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

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

(11) All other revenue from severance taxes collected under the provisions of this chapter and coal severance tax replacement tax collections deposited pursuant to 15-51-101(2)(b)(ii)(A)(l) must be credited to the general fund of the state."
Section 21. Section 15-51-101, MCA, is amended to read:

"15-51-101. Rate of tax -- electrical energy producers. (1) (a) A producer owning generating units with a total combined rated generation capacity of not more than 250 kilowatts is not required to render a statement under subsection (1)(b) and, subject to being assessed pursuant to tax recovery allowed in subsection (1)(b)(ii)(D), is not required to remit an electrical energy production tax pursuant to subsection (2) to the department of revenue on the production of those generating units.

(b) In addition to the license tax now provided by law, each person or other organization now engaged in the generation, manufacture, or production of electricity and electrical energy in the state of Montana, either through water power or by any other means, for barter, sale, or exchange (and hereinafter referred to as the "producer") shall on or before the 30th day after each calendar quarter, quarterly periods ending March 31, June 30, September 30, and December 31, render taxes required by this part. A producer shall provide a statement to the department of revenue showing:

(i) the mean unbundled kilowatt hour wholesale generation price of electricity for the previous calendar year supplied by the producer to Montana consumers from in-state eligible renewable resources and the mean unbundled kilowatt hour wholesale generation price of electricity for the previous calendar year supplied to Montana consumers from in-state resources using fossil fuel to generate electricity; and

(ii) the gross amount, except for actual and necessary plant use, required to produce the energy of electricity and electrical energy produced, manufactured, or generated during the preceding calendar quarter without any deduction.

(A) The statement as provided in subsection (1)(b)(ii) must, for each quarter ending March 31, June 30, September 30, and December 31, be submitted no later than 30 days after the end of each quarter, and the statement as provided in subsection (1)(b)(i) must be submitted annually no later than March 31.

(B) A producer shall include in the utility’s statements as provided in subsection (1)(b) the electricity produced from a source with a capacity rating of 250 kilowatts or less by any of its:

(I) customer-generators; and

(II) noncustomer-generators from whom the utility purchases electricity.

(C) The producer shall pay the replacement tax as required in subsections (1)(c)(iii)(C)(II), (2)(b), and
(2)(c) on the electricity produced by all entities as described in subsection (1)(b)(ii)(B).

(D) A producer may recover the replacement tax for each kilowatt hour paid pursuant to subsection (1)(b)(ii)(C) in bills to or contracts with affected entities as described in subsection (1)(b)(ii)(B).

(c) (i) (A) Taxes levied in accordance with subsections (1)(c)(iii)(C)(II), (2)(b), and (2)(c) must be substitute taxes paid from savings accruing to consumers from the transition to eligible renewable resources.

(B) To ensure that individual consumers receive some of the monetary benefit of the renewable transition, the taxes generated by subsections (1)(c)(iii)(C)(II), (2)(b), and (2)(c) may not exceed 85% of the total savings accruing to consumers from the switch to eligible renewable resources, as calculated in subsection (1)(c)(ii).

(ii) Prior to determining the assessment of taxes as required under subsection (1)(c)(iii)(C)(II), (2)(b), or (2)(c) on or before May 1 of each year from 2021 through 2034, the department of revenue shall make an energy generation determination regarding the previous calendar year by:

(A) subtracting the mean unbundled kilowatt hour wholesale generation price of electricity for the previous calendar year supplied to Montana consumers from in-state eligible renewable resources from the mean unbundled kilowatt hour wholesale generation price of electricity for the previous calendar year supplied to Montana consumers from in-state resources using fossil fuel to generate electricity; or

(B) subtracting the levelized cost of electricity from Lazard’s mean wholesale kilowatt hour price of unsubsidized onshore utility scale wind-generated electricity for the most recent year reported ($40 for each megawatt hour or $0.04 for each kilowatt hour in 2020) from the levelized cost of electricity from Lazard’s mean wholesale kilowatt hour price of coal-generated electricity for the most recent year reported ($112 for each megawatt hour or $0.112 for each kilowatt hour in 2020).

(iii) If the energy generation determination made in accordance with subsection (1)(c)(ii) is:

(A) less than zero, the department of revenue may not assess taxes in accordance with subsection (1)(c)(iii)(C)(II), (2)(b), or (2)(c) for the 12 months following June 30 of the year the calculation as provided in subsection (1)(c)(ii) was determined;

(B) more than $0.0042992 for each kilowatt hour in 2021, $0.0048483 for each kilowatt hour in 2022, $0.0053975 for each kilowatt hour in 2023, $0.0059466 for each kilowatt hour in 2024, $0.0064958 for each kilowatt hour in 2025, $0.0070449 for each kilowatt hour in 2026, $0.0075941 for each kilowatt hour in 2027,
$0.0081432 for each kilowatt hour in 2028, $0.0086924 for each kilowatt hour in 2029, $0.0092415 for each kilowatt hour in 2030, $0.0097907 for each kilowatt hour in 2031, $0.0103398 for each kilowatt hour in 2032, $0.0108890 for each kilowatt hour in 2033, or $0.0114381 for each kilowatt hour in 2034, the department of revenue shall assess taxes for the appropriate year as set forth in subsections (2)(b) and (2)(c); or

(C) more than zero but less than specified in subsection (1)(c)(iii)(B) for a year in question, to the extent that lost Montana coal revenue are not offset by legislative action made after a recommendation as provided in subsection (1)(e), and in accordance with subsections (1)(b)(ii)(B) and (1)(b)(ii)(C) as shown on the statement as required by subsection (4), for the 12 months following June 30 of the year the calculation as provided in subsection (1)(c)(ii) was determined, the department of revenue shall assess taxes equal to 85% of the result as provided in subsection (1)(c)(ii), allocating:

(I) up to $0.0025 for each kilowatt hour to tax collection as provided in subsection (2)(c); and
(II) the rest to tax collection as provided in subsection (2)(b).

(d) All costs of administering each individual tax as provided in subsections (2)(a) through (2)(c) must be paid for from funds raised by that individual tax as provided in subsections (2)(a) through (2)(c).

(e) The department shall recommend to the legislature that the tax rate as provided in subsection (1)(c)(iii)(C) or (2)(b) be lowered if the department determines that lost Montana coal severance tax or tribal coal revenue are offset by increased revenue accruing to the state or a tribe from revenue resulting from eligible renewable energy development on state or tribal lands, increased revenue accruing to the wholesale energy transaction tax established by 15-72-104, or federal offsets to the loss of Montana gross proceeds tax revenue, to replace lost coal gross proceeds tax revenue.

(2) A producer shall pay the license tax as provided in subsection (2)(a), the replacement taxes as provided in subsection (2)(b), and the displaced worker tax as provided in subsection (2)(c) as follows:

(a) and shall pay a license tax thereon in the sum of $.0002 per for each kilowatt hour on all such electricity and electrical energy generated, manufactured, or produced, measured at the place of production and as shown on the statement as required in the manner and within the time hereinafter provided by subsection (1);

(b) (i) If the department of revenue has made an energy generation determination of "more than" the kilowatt hour amount specified in subsection (1)(c)(iii)(B) for the year in question, to the extent that lost Montana
coal revenue are not offset by legislative action made after a recommendation as provided in subsection (1)(e),

and in accordance with subsections (1)(b)(ii)(B) and (1)(b)(ii)(C) as shown on the statement as required by

subsection (1), a coal severance tax replacement tax must be levied in the sum of:

(A) $0.0003661 for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2021;

(B) $0.000732 (i.e., ~2 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2022;

(C) $0.001098 (i.e., ~3 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2023;

(D) $0.001464 (i.e., ~4 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2024;

(E) $0.001831 (i.e., ~5 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2025;

(F) $0.002197 (i.e., ~6 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2026;

(G) $0.002563 (i.e., ~7 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2027;

(H) $0.002629 (i.e., ~8 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2028;

(I) $0.003295 (i.e., ~9 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2029;

(J) $0.003661 (i.e., ~10 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2030;

(K) $0.004027 (i.e., ~11 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2031;

(L) $0.004393 (i.e., ~12 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2032;

(M) $0.004759 (i.e., ~13 times $0.0003661) for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2033.
energy generated, manufactured, or produced in 2033; and

(N) $0.005125 for each kilowatt hour on all electricity and electrical energy generated, manufactured, or produced in 2034 and each subsequent year.

(ii) (A) After subtracting amounts determined pursuant to subsection (1)(d) for administrative costs, after an appropriation as provided in subsection (2)(b)(ii)(B), and to the extent that revenue derived from an eligible Montana renewable resource offsetting lost coal revenue in a category as provided in subsections (2)(b)(ii)(A)(I) through (2)(b)(ii)(A)(VI) has not changed the following percentages:

(I) 42.9% of the amounts collected pursuant to subsection (1)(c)(iii)(C)(II) or (2)(b) must be treated as if they had been collected from the coal severance tax and deposited pursuant to Title 17, chapter 5, part 7, as if they were coal severance taxes;

(II) 14.5% of the money collected in accordance with subsection (1)(c)(iii)(C)(II) or (2)(b) must be deposited to offset diminution in coal gross proceeds revenue and distributed in accordance with 15-51-103(1)(d);

(III) 16.3% of the money collected under subsection (1)(c)(iii)(C)(II) or (2)(b) must be distributed in accordance with 15-51-103(1)(e) to federally recognized Indian tribes in the state to replace rent and royalty revenue or tribal taxes collected in lieu of the Montana coal severance tax;

(IV) 16.3% of the money collected in accordance with subsection (1)(c)(iii)(C)(II) or (2)(b) must be deposited and distributed in accordance with 15-51-103(1)(f);

(V) 8.2% of the money collected in accordance with subsection (1)(c)(iii)(C)(II) or (2)(b) must be deposited and distributed in accordance with 15-51-103(1)(g); and

(VI) 1.8% of the money collected in accordance with subsection (1)(c)(iii)(C)(II) or (2)(b) must be deposited and distributed in accordance with 15-51-103(1)(h).

(B) Not less than 5% or other larger amount appropriated by the legislature of taxes as provided in subsection (1)(c)(iii)(C)(II) or (2)(b) must be distributed to fund programs as provided in [section 15] for coal-impacted communities, in addition to other programs funded by coal severance taxes.

(c) If the department of revenue has made an energy generation determination of “more than” the kilowatt hour amount specified in subsection (1)(c)(iii)(B) for the year in question, and in accordance with subsection (1)(b)(ii)(B) and (1)(b)(ii)(C) as shown on the statement required by subsection (1), a displaced
worker tax in the sum of $.0025 for each kilowatt hour must be levied on all electricity and electrical energy
generated, manufactured, or produced, measured at the place of production and as shown on the statement as
required by subsection (1).

(i) Subject to temporary assessments made pursuant to subsection (2)(c)(vi), the tax assessed in
subsection (2)(c) must cease on December 31, 2034, unless the legislature determines that the tax is needed
to make good on obligations to displaced fossil fuel workers, displaced coal-impacted workers, or fossil fuel
pensioners.

(ii) Funds used to administer the unemployment insurance program may not be used to collect or
distribute any of the revenue to or from the displaced fossil fuel worker or coal-impacted worker subaccounts
funded by subsection (2)(c) or to otherwise fund any multipurpose service program unless permission to use
funds in that manner is approved by the United States department of labor or allowed under federal law, and
the use will not endanger the unemployment insurance program. If funding from a United States department of
labor grant, the partnerships for opportunity and workforce and economic revitalization initiative, or other
funding source becomes available to finance administrative expenses, the department of labor and industry
may use the funding. Otherwise, all costs of administering subsection (2)(c) must be paid for from funds raised
under subsection (2)(c).

(iii) If at any time the money in the displaced fossil fuel worker or coal-impacted worker subaccounts
will not defray the costs of benefits under this program, the department may borrow money from a lender
offering market rates to defray those costs and repay the loan from future assessments made pursuant to
subsection (2)(c).

(iv) Before it can be closed, a displaced fossil fuel worker, coal-impacted worker, or fossil fuel
pensioner subaccount must be maintained in amounts sufficient to cover potential benefits until:
(A) there are no outstanding loans created pursuant to subsection (2)(c)(iii) to be paid off because of
payments to the beneficiaries of the subaccount to be closed; and
(B) the Montana department of labor and industry determines for the subaccount to be closed
because:
(I) there are no fossil fuel workers potentially eligible for retraining;
(II) there are no coal-impacted workers potentially eligible for retraining; or
(III) there are no fossil fuel pensioners potentially eligible for pension deficiency payments.

(v) Excess funds remaining in a displaced fossil fuel worker, coal-impacted worker, or fossil fuel pensioner subaccount at the time an account is discontinued must be transferred equally to the remaining subaccounts. Excess funds remaining in the last subaccount to be discontinued must be transferred to the coal severance tax permanent fund.

(vi) (A) If, as determined by the department, there are outstanding loans to be paid off under this section or costs of administering this act that will not be paid off within 3 years by revenue raised pursuant to assessments made pursuant to subsection (2)(c) and the interest on that revenue, or by other revenue generating provisions of this section, a temporary assessment of $0.0004 for each kilowatt hour must be added to the tax collected pursuant to subsection (2)(c).

(B) When the department determines there are no outstanding loans to be paid off under subsection (2)(c)(iii), the temporary assessment levied pursuant to subsection (2)(c)(vi) must cease.

(vii) After subtracting amounts pursuant to subsection (1)(d), the amounts collected pursuant to this subsection (2)(c) must be placed in the account established in [section 5] and the principal and interest in that fund must be used to finance programs as provided in [section 9] for fossil fuel workers, coal-impacted workers, and fossil fuel pensioners.

(3) If a power purchase agreement between the producer of electricity from an eligible renewable resource and a public utility, cooperative utility, or competitive electricity supplier does not allow for a power purchase rate to be adjusted to account for the taxes as provided in subsections (1)(c)(iii)(C)(II), (2)(b), and (2)(c), those taxes must be paid by the public utility, cooperative utility, or competitive electricity supplier in accordance with this section, and they may recover those costs in rates."

Section 22. Section 15-51-102, MCA, is amended to read:

"15-51-102. Payment of tax--must may be itemized on customers' bills. The license tax Taxes levied pursuant to 15-51-101(1)(c) or 15-51-101(2) must be remitted with the statement and paid on or before the 30th day of the month after each calendar quarter. A customer's bill or statement must contain an itemized amount of the tax imposed by 15-51-101 the taxes remitted."
Section 23. Section 15-51-103, MCA, is amended to read:

"15-51-103. Disposition of revenue -- penalty and interest on delinquency. (1) (a) The department shall, in accordance with the provisions of 17-2-124, promptly remit the collected taxes collected in accordance with 15-51-101(2)(a) to the state treasurer.


(c) Displaced worker taxes collected in accordance with 15-51-101(1)(c)(iii)(C)(I) and 15-51-101(2)(c) must be allocated and deposited in accordance with 15-51-101(2)(c)(vii).

(d) (i) Money allocated by 15-51-101(2)(b)(ii)(A)(II) to replace lost coal gross proceeds revenue must be distributed in accordance with 15-23-703(3) through (9) and any other applicable coal gross proceeds tax law, except that the revenue allocated by 15-51-101(2)(b)(ii)(A)(II) may not be directed toward any county with a mill levy below the average 56-county mill levy for the previous year.

(ii) References to "coal gross proceeds taxes" in 15-23-703(3) and elsewhere must include taxes collected pursuant to 15-51-101(2)(b)(ii)(A)(II).

(e) Money allocated by 15-51-101(2)(b)(ii)(A)(III) to replace lost tribal tax on coal in lieu of the coal severance tax or lost tribal coal royalty and rental revenue must be deposited in the tribal coal royalty replacement account established in [section 4] and distributed by the department of revenue and each affected tribe in accordance with programs as provided in [section 12] and existing tribal law regulating distribution of tribal coal revenue.

(f) Money allocated by 15-51-101(2)(b)(ii)(A)(IV) to replace lost coal rentals and royalties program revenue must be distributed in accordance with 77-3-318 and determinations in existing department of natural resources and conservation law governing that program.

(g) Money allocated by 15-51-101(2)(b)(ii)(A)(V) to replace lost federal coal royalty and rent revenue must be deposited in the state general fund and distributed in accordance with 17-3-240 and any other department of natural resources and conservation statutes governing that program, which in 2020 allocated 25% of the revenue to coal-impacted communities.

(h) Money allocated by 15-51-101(2)(b)(ii)(A)(VI) to replace revenue lost from the coal portion of the resource indemnity trust must be deposited in the trust created in 15-38-201 as if it were revenue derived
because of the application of 15-38-104(2)(b) and distributed in accordance with 15-38-202 and 15-38-203.

(2) Taxes not paid on the due date are delinquent, and penalty and interest must be added to the delinquent taxes as provided in 15-1-216."

Section 24. Section 15-51-113, MCA, is amended to read:

"15-51-113. Penalty for violation -- enforcement. Any producer referred to in required to remit a tax pursuant to 15-51-101 who shall violate any of the provisions of this chapter or who shall fail to pay fails to pay all of the license tax herein provided for or any part thereof as provided in 15-51-101 when due shall be is liable for three times the amount of the unpaid or delinquent tax taxes. The taxes may be collected in a civil action instituted for that purpose in a court of competent jurisdiction in the name of the state of Montana by the attorney general or any county where taxes are due, and in such suit, upon application of the state, an An injunction may be issued, without requiring any bond, restraining the defendant from continuing to produce electricity or electrical energy so long as the tax due hereunder from said defendant remains taxes due remain delinquent."

Section 25. Section 17-3-240, MCA, is amended to read:

"17-3-240. Federal mineral leasing funds. (1) Except as provided in subsection (2), money paid to the state pursuant to 30 U.S.C. 191 and 15-51-101(2) must be deposited in the state general fund.

(2) In fiscal year 2005 and each succeeding fiscal year, 25% of all money received pursuant to subsection (1) must be deposited in the mineral impact account established in 17-3-241 and is dedicated to local governments.

(3) On August 15 following the close of the fiscal year, the state treasurer shall distribute the revenue dedicated in subsection (2). The distribution to the eligible counties must be based on the proportion that the total amount of revenue generated by mineral extraction in an eligible county bears to the total amount of money received by the state."

Section 26. Section 17-5-703, MCA, is amended to read:

"17-5-703. (Temporary) Coal severance tax trust funds. (1) The trust established under Article IX,
section 5, of the Montana constitution is composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax and coal severance tax replacement tax allocated pursuant to 15-51-101(2)(b)(ii)(A)(l) must be deposited;

(b) a treasure state endowment fund;

(c) a treasure state endowment regional water system fund;

(d) a coal severance tax permanent fund;

(e) a coal severance tax income fund;

(f) a big sky economic development fund; and

(g) a school facilities fund.

(2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12 months and retain that amount in the coal severance tax bond fund.

(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (4) and (5).

(3) (a) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure state endowment special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.

(b) The state treasurer shall monthly transfer from the treasure state endowment regional water system fund to the treasure state endowment regional water system special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state endowment regional water system special revenue account must be retained in the treasure state endowment regional water system fund.

(4) (a) Starting July 1, 2017, the state treasurer shall quarterly transfer to the school facilities fund provided for in 20-9-380(1) 75% of the amount in the coal severance tax bond fund in excess of the amount that
is specified in subsection (2) to be retained in the fund. The budget director shall certify to the state treasurer when the balance of the school facilities fund is $200 million. Beginning with the quarter following this certification, the state treasurer shall instead transfer to the coal severance tax permanent fund 75% of the amount in the coal severance tax bond fund that exceeds the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall monthly transfer from the school facilities fund to the account established in 20-9-525 the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account. Earnings not transferred to the account established in 20-9-525 must be retained in the school facilities fund.

(5) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall monthly transfer from the big sky economic development fund to the economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account in accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must be retained in the big sky economic development fund.

(6) Any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be deposited in the coal severance tax permanent fund. (Terminates June 30, 2031--secs. 1 through 3, Ch. 305, L. 2015.)

17-5-703. (Effective July 1, 2031) Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution is composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax and coal severance tax replacement tax allocated pursuant to 15-51-101(2)(b)(ii)(A)(f) must be deposited;

(b) a treasure state endowment fund;

(c) a coal severance tax permanent fund;
(d) a coal severance tax income fund;
(e) a big sky economic development fund; and
(f) a school facilities fund.

(2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12 months and retain that amount in the coal severance tax bond fund.
(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (4) and (5).

(3) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure state endowment special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.

(4) (a) Starting July 1, 2017, the state treasurer shall quarterly transfer to the school facilities fund provided for in 20-9-380(1) 75% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund. The budget director shall certify to the state treasurer when the balance of the school facilities fund is $200 million. Beginning with the quarter following this certification, the state treasurer shall instead transfer to the coal severance tax permanent fund 75% of the amount in the coal severance tax bond fund that exceeds the amount that is specified in subsection (2) to be retained in the fund.
(b) The state treasurer shall monthly transfer from the school facilities fund to the account established in 20-9-525 the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account. Earnings not transferred to the account established in 20-9-525 must be retained in the school facilities fund.

(5) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.
(b) The state treasurer shall monthly transfer from the big sky economic development fund to the
economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding
unrealized gains and losses, required to meet the obligations of the state that are payable from the account in
accordance with 90-1-204. Earnings not transferred to the economic development special revenue account
must be retained in the big sky economic development fund.

(6) Any amount in the coal severance tax bond fund in excess of the amount that is specified in
subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
deposited in the coal severance tax permanent fund."

Section 27. Section 17-5-709, MCA, is amended to read:

"17-5-709. Continued tax deposit limit on additional bonds. (1) The legislature shall provide for
the continued assessment, levy, collection, and deposit into the coal severance tax bond fund of the coal
severance tax and coal severance tax replacement tax allocated pursuant to 15-51-101(2)(b)(ii)(A)(I) that,
together with other revenue, assets, and money that may be deposited to one or more special bond funds
pledged for the benefit of coal severance tax bonds, will be sufficient to produce an amount that is at least the
amount necessary to pay, when due, the annual debt service charges on all outstanding coal severance tax
bonds.

(2) The board of examiners may issue no coal severance tax bonds unless the aggregate amount of
coal severance tax bonds outstanding, including the proposed issue and any other coal severance tax bonds
authorized but not yet issued, can be serviced with no more than two-thirds of the annual deposits into the coal
severance tax bond fund, as determined by the average of the deposits during the preceding 3 fiscal years,
together with the average of the aggregate amount of revenue, assets, or money deposited in one or more
special bond funds used to pay debt service on outstanding coal severance tax bonds during the preceding 3
fiscal years.

(3) The provisions of this section may not be modified so as to reduce the security for any coal
severance tax bonds while the bonds are outstanding."

Section 28. Section 17-5-720, MCA, is amended to read:

"17-5-720. Authorization to issue revenue bonds. (1) In addition to the authority contained in 17-5-
716, the board of examiners may issue revenue bonds of the state to refund in whole or in part bonds issued to
finance renewable resource development projects approved by the legislature pursuant to Title 17, chapter 5,
part 7, and Title 85, chapter 1, part 6. The principal and interest on refunding bonds issued pursuant to this
section are payable solely from the project or projects for which the refunded bonds were issued.

(2) The revenue bonds may be issued in an amount sufficient to refund all or a portion of the
outstanding bonds, to pay costs incident to the issuance and sale of the refunding bonds, and to fund the
establishment of necessary reserves. The refunding bonds must be designated as "State of Montana Water
Development Revenue Bonds". All the power and authority granted to the board of examiners and provisions
with respect to the issuance of bonds under Title 17, chapter 5, part 7, except for the provision pledging the
coal severance tax or coal severance tax replacement tax to the payment of the bonds, apply to the issuance of
the revenue bonds. In authorizing the issuance of the revenue bonds, the board of examiners shall determine
that the refunding of the outstanding bonds and the issuance of the revenue bonds are in the best interest of
the state.

(3) Revenue bonds may not be issued under this section to refund bonds issued to fund a loan to a
political subdivision or local government body unless the political subdivision or local government body whose
loan repayments would be pledged to the payment of the refunding bonds has consented to the refunding.

(4) Revenue bonds issued pursuant to this section without the pledge of the coal severance tax or
coal severance tax replacement tax allocated pursuant to 15-51-101(2)(b)(ii)(A)(I) to the payment of the bonds
are not coal severance tax bonds or a state debt."

Section 29. Section 17-5-721, MCA, is amended to read:

"17-5-721. Authorization to issue revenue bonds. (1) In addition to the authority contained in 17-5-
716, the board of examiners may issue revenue bonds of the state to refund, in whole or in part, bonds issued
to finance renewable resource projects approved by the legislature pursuant to Title 17, chapter 5, part 7, and
Title 85, chapter 1, part 6. The principal and interest on refunding bonds issued pursuant to this section are
payable solely from the project or projects for which the refunded bonds were issued.

(2) The revenue bonds may be issued in an amount sufficient to refund all or a portion of the
outstanding bonds, to pay costs incident to the issuance and sale of the refunding bonds, and to fund the
establishment of necessary reserves. The refunding bonds must be designated as "State of Montana Water Development Revenue Bonds". All the power and authority granted to the board of examiners and provisions with respect to the issuance of bonds under Title 17, chapter 5, part 7, except for the provision pledging the coal severance tax or coal severance tax replacement tax to the payment of the bonds, apply to the issuance of the revenue bonds. In authorizing the issuance of the revenue bonds, the board of examiners shall determine that the refunding of the outstanding bonds and the issuance of the revenue bonds are in the best interests of the state.

(3) Revenue bonds may not be issued under this section to refund bonds issued to fund a loan to a political subdivision or local government body unless the political subdivision or local government body whose loan repayments would be pledged to the payment of the refunding bonds has consented to the refunding.

(4) Revenue bonds issued pursuant to this section without the pledge of the coal severance tax or coal severance tax replacement tax allocated pursuant to 15-51-101(2)(b)(ii)(A)(I) to the payment of the bonds are not coal severance tax bonds or a state debt."

Section 30. Section 17-6-203, MCA, is amended to read:

"17-6-203. Separate investment funds. Separate investment funds must be maintained as follows:

(1) the permanent funds, including all public school funds and funds of the Montana university system and other state institutions of learning referred to in Article X, sections 2 and 10, of the Montana constitution. The principal and any part of the principal of each fund constituting the Montana permanent fund type are subject to deposit at any time when due under the statutory provisions applicable to the fund and according to the provisions of the gift, donation, grant, legacy, bequest, or devise through or from which the particular fund arises.

(2) a separate investment fund, which may not be held jointly with other funds, for money pertaining to each retirement or insurance system maintained by the state, including:

(a) the public employees' retirement system described in Title 19, chapter 3;
(b) the judges' retirement system described in Title 19, chapter 5;
(c) the highway patrol officers' retirement system described in Title 19, chapter 6;
(d) the sheriffs' retirement system described in Title 19, chapter 7;
(e) the game wardens’ and peace officers’ retirement system described in Title 19, chapter 8;

(f) the municipal police officers’ retirement system described in Title 19, chapter 9;

(g) the firefighters’ unified retirement system described in Title 19, chapter 13;

(h) the Volunteer Firefighters’ Compensation Act under Title 19, chapter 17;

(i) the teachers’ retirement system described in Title 19, chapter 20; and

(j) the workers’ compensation program described in Title 39, chapter 71, part 23;

(3) a pooled investment fund, including all other accounts within the treasury fund structure established by 17-2-102;

(4) the fish and wildlife mitigation trust fund established by 87-1-611;

(5) a fund consisting of gifts, donations, grants, legacies, bequests, devises, and other contributions made or given for a specific purpose or under conditions expressed in the gift, donation, grant, legacy, bequest, devise, or contribution to be observed by the state of Montana. If a gift, donation, grant, legacy, bequest, devise, or contribution permits investment and is not otherwise restricted by its terms, it may be treated jointly with other gifts, donations, grants, legacies, bequests, devises, or contributions.

(6) a fund consisting of coal severance taxes and coal severance tax replacement taxes, allocated pursuant to 15-51-101(2)(b)(ii)(A)(I), allocated to the coal severance tax trust fund under Article IX, section 5, of the Montana constitution. The principal of the coal severance tax trust fund is permanent. If the legislature appropriates any part of the principal of the coal severance tax trust fund by a vote of three-fourths of the members of each house, the appropriation or investment may create a gain or loss in the principal.

(7) a Montana tobacco settlement trust fund established in accordance with Article XII, section 4, of the Montana constitution and Title 17, chapter 6, part 6; and

(8) additional investment funds that are expressly required by law or that the board of investments determines are necessary to fulfill fiduciary responsibilities of the state with respect to funds from a particular source.”

Section 31. Section 17-7-221, MCA, is amended to read:

“17-7-221. Major repair long-range building program account. (1) There is a major repair long-range building program account in the capital projects fund type to fund major repair projects.
(2) Cigarette tax revenue is deposited in the account pursuant to 16-11-119.

(3) Coal severance taxes and coal severance tax replacement taxes allocated pursuant to 15-35-108.

(4) Interest earnings, project carryover funds, administrative fees, and miscellaneous revenue must be retained in the account.”

Section 32. Section 17-7-502, MCA, is amended to read:

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

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

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

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

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 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; 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; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 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; 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; 19-21-203; 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; 22-3-1004; 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; 37-54-113; 39-71-503; [section 4]; [section 5]; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-9-113; 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; 75-5-1108; 75-6-214; 75-11-111; 75-16-131; 76-13-308; 76-13-151; 76-13-150; 76-17-103; 76-22-109; 77-1-108; 77-2-362; 80-2-222; 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; 85-2-526; 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.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 27, Ch. 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec. 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December 31, 2023; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 55, Ch. 151, L. 2017, the inclusion of 30-10-1004 terminates June 30, 2021; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant 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; pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-209 terminates September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; and pursuant to sec. 5, Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023.)

Section 33. Section 75-7-307, MCA, is amended to read:
“75-7-307. Special county government authority. The governing body of any county within or bordering upon the Flathead basin may allocate to the Flathead basin commission a portion of any money available from coal severance tax or coal severance tax replacement tax, allocated pursuant to 15-51-101(2)(b)(ii)(A)(I), allocations or other sources and designated for planning activities.”

Section 34. Section 77-3-318, MCA, is amended to read:

“77-3-318. Disposition of royalties and other receipts. All fees, rentals, royalties, and bonuses collected under state coal leases or under 15-51-101(2)(b)(ii)(A)(V) shall be paid to the department and credited as follows:

1. All fees shall be credited to the state general fund.
2. All rentals and bonuses shall be credited to the income fund of the grant to which the lands under each lease belong, or for funds collected under 15-51-101(2)(b)(ii)(A)(V), to replace income lost from the income fund of the grant to which the lands under each lease belong.
3. All moneys collected as royalties shall be credited to the permanent fund arising from the grants to which the lands under lease belong.”

Section 35. Section 82-4-244, MCA, is amended to read:

“82-4-244. Coal and uranium mine permitting and reclamation program account. (1) There is a coal and uranium mine permitting and reclamation program account within the special revenue fund established in 17-2-102.

2. Each fiscal year, there must be deposited in the account the proceeds from the coal severance tax and coal severance tax replacement tax collected in accordance with 15-51-101(2)(b)(ii)(A)(I), as provided in 15-35-108, to be appropriated by the legislature to the department for the administration and enforcement of this part.”

Section 36. Section 85-1-603, MCA, is amended to read:

“85-1-603. Renewable resource loan debt service fund created -- coal severance tax allocated -- renewable resource loan loss reserve fund created. (1) (a) There is created a renewable resource loan
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1. debt service fund within the debt service fund type established in 17-2-102.

2. (b) The state pledges and allocates and directs to be credited to the renewable resource loan debt service fund, as received:

3. (i) 0.95% of all money from time to time received from the coal severance tax collected under Title 15, chapter 35, and coal severance tax replacement taxes collected in accordance with 15-51-101(2)(b)(ii)(A)(I);

4. (ii) any principal and accrued interest under 85-1-613(5)(a) received in repayment of a loan made from the proceeds of bonds issued under 85-1-617;

5. (iii) all interest income earned on proceeds of renewable resource grant and loan program bonds;

6. (iv) revenue or money otherwise required to be paid into the natural resources projects state special revenue account pursuant to 15-38-302, as determined by the board of examiners in connection with the issuance of bonds pursuant to 85-1-617; and

7. (v) money received from the renewable resource loan loss reserve fund as the result of a loan loss.

8. (2) (a) There is a renewable resource loan loss reserve fund within the debt service fund type established in 17-2-102.

9. (b) The state pledges and allocates and directs to be credited to the renewable resource loan loss reserve fund all accrued interest under 85-1-613(5)(b) received in repayment of a loan made from the proceeds of bonds issued under 85-1-617.

10. (c) If the department determines that a loan loss has occurred on a loan made pursuant to this part, funds from the renewable resource loan loss reserve fund must be transferred to the renewable resource loan debt service fund in an amount equal to the amount that would otherwise be available for debt service under subsection (1)(b) as a result of the loan loss.”

NEW SECTION. Section 37. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

NEW SECTION. Section 38. Codification instruction. (1) [Sections 1 through 7] are intended to be codified as an integral part of Title 15, and the provisions of Title 15 apply to [sections 1 through 7].

(2) [Sections 8 through 14] are intended to be codified as an integral part of Title 39, and the
provisions of Title 39 apply to [sections 8 through 14].

(3) [Sections 15 and 16] are intended to be codified as an integral part of Title 90, and the provisions of Title 90 apply to [sections 15 and 16].

NEW SECTION. Section 39. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 40. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 41. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 2020.

- END -