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HOUSE BILL NO. 967

INTRODUCED BY A. BUCKLEY, S. FITZPATRICK, D. SALOMON, B. BARKER, J. KASSMIER

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A CHILD CARE SUBTRUST IN THE COAL SEVERANCE TAX TRUST FUND; ESTABLISHING A STATE SPECIAL REVENUE ACCOUNT TO RECEIVE MONTHLY INTEREST AND EARNINGS; PROVIDING FOR ELIGIBLE USES OF THE ACCOUNT; ~~REQUIRING AN APPLICATION FEE; PROVIDING FOR A TRANSFER; PROVIDING A STATUTORY APPROPRIATION;~~ AMENDING ~~SECTION SECTIONS~~ 17-5-703; ~~AND 17-7-502~~, MCA; AND PROVIDING AN ~~IMMEDIATE~~ EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Child care fund -- state special revenue account -- scholarship and grants.** (1) There is a child care state special revenue account to the benefit of the department of public health and human services. Pursuant to 17-5-703, interest and earnings from the child care trust are transferred into the state special revenue account monthly.

(2) Eligible uses of the funds in the account include funding programs within the department that provide scholarships or grants for child care expenses.

~~(3) Each applicant for a grant or scholarship from the account provided for in this section shall pay a \$5 fee upon submittal of a request for funds.~~

~~(3) Funds in the account are statutorily appropriated pursuant to 17-7-502 to the department of public health and human services for the purposes set forth in this section.~~

Section 2. 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 must be deposited;

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- 1 (b) a Montana coal endowment fund;
- 2 (c) a Montana coal endowment regional water system fund;
- 3 (d) a coal severance tax permanent fund;
- 4 (e) a coal severance tax income fund;
- 5 (f) a big sky economic development fund; ~~and~~
- 6 (g) a school facilities fund; and
- 7 (h) a child care fund.

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

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

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

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

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

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1 amount in the coal severance tax bond fund that exceeds the amount that is specified in subsection (2) to be
2 retained in the fund.

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

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

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

15 ~~(6) (a) By August 15, 2023, the state treasurer shall transfer to the child care fund \$150 million~~
16 ~~from the coal severance tax permanent fund.~~

17 ~~(b) The state treasurer shall monthly transfer from the child care fund to the account established in~~
18 ~~[section 1] the amount of earnings, excluding unrealized gains and losses, that are payable from the account.~~
19 ~~Earnings not transferred to the account established in [section 1] must be retained in the child care fund.~~

20 ~~(6)(7)~~ Any amount in the coal severance tax bond fund in excess of the amount that is specified in
21 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
22 deposited in the coal severance tax permanent fund. (Terminates June 30, 2031--secs. 1 through 3, Ch. 305, L.
23 2015.)

24 **17-5-703. (Effective July 1, 2031) Coal severance tax trust funds.** (1) The trust established under
25 Article IX, section 5, of the Montana constitution is composed of the following funds:

26 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
27 severance tax must be deposited;

28 (b) a Montana coal endowment fund;

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- 1 (c) a coal severance tax permanent fund;
- 2 (d) a coal severance tax income fund;
- 3 (e) a big sky economic development fund; ~~and~~
- 4 (f) a school facilities fund; and
- 5 (g) a child care fund.

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

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

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

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

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

27 (5) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the
28 big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the

1 amount that is specified in subsection (2) to be retained in the fund.

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

7 (6) The state treasurer shall monthly transfer from the child care fund to the account established in
8 [section 1] the amount of earnings, excluding unrealized gains and losses, that are payable from the account.

9 ~~(6)(7)~~ Any amount in the coal severance tax bond fund in excess of the amount that is specified in
10 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
11 deposited in the coal severance tax permanent fund."
12

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

14 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
15 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without
16 the need for a biennial legislative appropriation or budget amendment.

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

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

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

22 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-
23 11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-
24 807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121; 15-1-218;
25 15-31-165; 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-
26 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-
27 112; 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-
28 506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; [20-15-328]; 20-26-617; 20-26-1503; 22-

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1 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-
2 1004; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102;
3 46-32-108; 50-1-115; [\[section 1\]](#); 53-1-109; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115;
4 61-3-321; 61-3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-
5 13-150; 76-13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006;
6 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-
7 102]; 87-1-603; 87-5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

8 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
9 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
10 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
11 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined
12 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have
13 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the
14 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement
15 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410
16 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental
17 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on
18 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
19 terminates June 30, 2025; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30,
20 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025;
21 pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8,
22 Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec.
23 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017,
24 the inclusion of 76-17-103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-
25 209 terminates September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates
26 June 30, 2029; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June
27 30, 2027; pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; pursuant to
28 sec. 5, Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023; pursuant to secs. 1, 2, 3, Ch. 139,

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1 L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion
2 of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004
3 terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30,
4 2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; and
5 pursuant to sec. 15, Ch. 574, L. 2021, the inclusion of 46-32-108 terminates June 30, 2023.)"

6
7 NEW SECTION. Section 4. Transfer of funds. Before June 30, 2023, the state treasurer shall
8 transfer \$150 million from general fund to the child care fund in 17-5-703.

9
10 NEW SECTION. Section 5. Codification instruction. [Section 1] is intended to be codified as an
11 integral part of Title 52, chapter 2, part 7, and the provisions of Title 52, chapter 2, part 7, apply to [section 1].

12
13 ~~NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2023.~~

14
15 NEW SECTION. Section 6. Effective date. [This act] is effective on passage and approval.

16 - END -