

## 1 SENATE BILL NO. 28

2 INTRODUCED BY M. LANG

3 BY REQUEST OF THE ENVIRONMENTAL QUALITY COUNCIL

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING TAX REVENUE FROM MARIJUANA SALES TO  
6 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS TO  
7 CONSERVATION DISTRICTS; PROVIDING FOR AN INFLATION-ADJUSTED INCREASE; AMENDING  
8 SECTIONS 16-12-111 AND 76-15-106, MCA; AND PROVIDING AN EFFECTIVE DATE."

9

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

11

12 **Section 1.** Section 16-12-111, MCA, is amended to read:13 **"16-12-111. Marijuana state special revenue account -- operating reserve -- transfer of excess**

14 **funds.** (1) There is a dedicated marijuana state special revenue account ~~within~~ in the state special revenue  
15 fund established in 17-2-102, to be administered by the department.

16 (2) The account consists of:

17 (a) money deposited into the account pursuant to this chapter;

18 (b) the taxes collected pursuant to Title 15, chapter 64, part 1;

19 (c) license and registered cardholder fees deposited into the account pursuant to this chapter;

20 (d) taxes deposited into the account pursuant to 16-12-310; and

21 (e) civil penalties collected under this chapter.

22 (3) Except as provided in subsection (4), money in the account must be used by the department  
23 for the purpose of administering the provisions of this chapter.

24 (4) At the end of each fiscal year, the department shall transfer funds in excess of a 3-month  
25 operating reserve necessary to fund operating costs at the beginning of the next fiscal year in the following  
26 order:

27 (a) an amount not to exceed \$6 million must be transferred to the healing and ending addiction  
28 through recovery and treatment (HEART) account established in 16-12-122;

1 (b) the net balance remaining after distribution to the HEART account must be distributed as  
2 follows:

3 (i) 20% to the credit of the department of fish, wildlife, and parks to be used solely as funding for  
4 wildlife habitat in the same manner as funding generated under 87-1-242(3) and used pursuant to 87-1-209;

5 (ii) 4% to the state park account established in 23-1-105(1);

6 (iii) 4% to the trails and recreational facilities account established in 23-2-108;

7 (iv) 4% to the nongame wildlife account established in 87-5-121;

8 (v) the amount determined pursuant to 76-15-106(2)(b);

9 ~~(vi)~~ 3% or \$200,000, whichever is less, to the veterans and surviving spouses state special  
10 revenue account provided for in 10-2-108;

11 ~~(vii)~~ for the biennium beginning July 1, 2021, \$300,000 to the department of justice to administer  
12 grant funding to local and state law enforcement agencies for the purpose of purchasing and training drug  
13 detection canines and canine handlers, including canines owned by local law enforcement agencies to replace  
14 canines who were trained to detect marijuana;

15 ~~(viii)~~ \$150,000 to the board of crime control to fund crisis intervention team training as provided in  
16 44-7-110; and

17 ~~(ix)~~ the remainder to the general fund. (Subsection ~~(4)(b)(vi)~~ ~~(4)(b)(vii)~~ terminates June 30, 2025--  
18 sec. 117(2), Ch. 576, L. 2021.)"

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20 **Section 2.** Section 76-15-106, MCA, is amended to read:

21 "~~76-15-106. (Temporary) Conservation district account.~~ (1) There is a conservation district  
22 account in the state special revenue fund established by 17-2-102 to be administered by the department of  
23 natural resources and conservation for providing funding for conservation districts.

24 ~~(2) On July 1 of each fiscal year, the state treasurer shall transfer the amount necessary, when~~  
25 ~~combined with available and unencumbered fund balance and anticipated revenue for the fiscal year, to fund~~  
26 ~~the amount appropriated by the legislature in the general appropriations act from the state general fund to the~~  
27 ~~conservation district special revenue account for the sole purpose of funding the appropriations authorized by~~  
28 ~~the legislature from the account. Prior to the closing of the fiscal year, the department shall reconcile anticipated~~

1 revenue with actual revenue received. If revenue is received above the anticipated amount, the transfer in the  
 2 following fiscal year shall adjust for the unanticipated amount. If revenue is received below the anticipated  
 3 amount, the state treasurer shall transfer the amount of the revenue shortfall from the general fund to the  
 4 conservation district special revenue account. (Terminates June 30, 2023--sec. 5, Ch. 138, L. 2021.)

5 **76-15-106. ~~(Effective July 1, 2023)~~ Conservation district account.** (1) There is a conservation  
 6 district account in the state special revenue fund established by 17-2-102 to be administered by the department  
 7 of natural resources and conservation for providing funding for conservation districts.

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

9 (a) coal severance taxes pursuant to 15-35-108(4); and

10 (b) from the dedicated marijuana state special revenue account established in 16-12-111, the  
 11 difference between the amount allocated pursuant to subsection (2)(a) of this section and:

12 (i) \$3.75 MILLION IN FISCAL YEAR 2024;

13 (ii) \$4.5 MILLION IN FISCAL YEAR 2025;

14 (iii) \$5.25 MILLION IN FISCAL YEAR 2026;

15 (iv) \$6 MILLION IN FISCAL YEAR 2027; AND

16 (v) \$6 million EACH YEAR AFTER adjusted annually for inflation using the method provided for in 15-  
 17 10-420(1)."

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19 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2023.

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