

HOUSE BILL NO. 1

INTRODUCED BY N. BALLANCE

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING TRANSFERS TO OFFSET PROJECTED GENERAL FUND REVENUE SHORTFALLS; AMENDING SECTIONS 2-15-405, 15-70-125, 20-9-516, 30-10-115, 33-2-708, 33-28-120, 69-1-402, AND 90-1-205, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Fund transfers.** (1) By December 1, 2017, the state treasurer shall make the following transfers:

(a) \$210,000 from the economic development special revenue account provided for in 90-1-205 to the general fund;

(b) \$2,000,000 from the capitol complex major maintenance account to the general fund;

(c) \$3,400,000 from the school facility and technology account provided for in 20-9-516 to the guarantee account provided for in 20-9-622;

(d) \$410,427 from the secretary of state enterprise fund account provided for in 2-15-405 to the general fund;

(e) \$443,259 from the insurance licensing fee account provided for in 33-2-708 to the general fund;

(f) \$11,149 from the captive insurance regulatory and supervision account provided for in 33-28-120 to the general fund;

(g) \$76,417 from the securities special revenue account provided for in 30-10-115 to the general fund;

and

(h) \$276,964 from the public service commission state special revenue fund provided for in 69-1-402 to the general fund.

(2) By August 1, 2018, the state treasurer shall make the following transfers:

(a) \$2,400,000 from the school facility and technology account provided for in 20-9-516 to the guarantee account provided for in 20-9-622;

(b) \$399,668 from the secretary of state enterprise fund account provided for in 2-15-405 to the general

1 fund;

2 (c) \$443,571 from the insurance licensing fee account provided for in 33-2-708 to the general fund;

3 (d) \$14,454 from the captive insurance regulatory and supervision account provided for in 33-28-120

4 to the general fund;

5 (e) \$77,001 from the securities special revenue account provided for in 30-10-115 to the general fund;

6 (f) \$248,251 from the public service commission state special revenue fund provided for in 69-1-402 to

7 the general fund; and

8 (g) \$4,000,000 from the highway nonrestricted account provided for in 15-70-125 to the general fund.

9 (3) By June 30, 2019, the state treasurer shall make the following transfers:

10 (a) \$2,400,000 from the school facility and technology account provided for in 20-9-516 to the guarantee

11 account provided for in 20-9-622; and

12 (b) \$4,000,000 from the highway nonrestricted account provided for in 15-70-125 to the general fund.

13

14 **Section 2.** Section 2-15-405, MCA, is amended to read:

15 **"2-15-405. Fees charged by secretary of state -- deposit to account -- rulemaking.** (1) The secretary

16 of state shall, for fees charged by the secretary of state, set by administrative rule each fee authorized by law.

17 (2) Unless otherwise specified by law, fees:

18 (a) must be commensurate with the overall costs of the office of the secretary of state; and

19 (b) must reasonably reflect the prevailing rates charged in the public and private sectors for similar

20 services.

21 (3) The secretary of state shall maintain records sufficient to support the fees established pursuant to

22 this section.

23 (4) Except as otherwise provided by law, fees collected by the secretary of state must be deposited to

24 an account in the enterprise fund type to the credit of the secretary of state. All income and interest earned on

25 money in the account must be credited to the account. Funds in the account are subject to legislative fund

26 transfer."

27

28 **Section 3.** Section 15-70-125, MCA, is amended to read:

29 **"15-70-125. Highway nonrestricted account.** (1) There is a highway nonrestricted account in the state

30 special revenue fund. All interest and penalties collected under this chapter, except those collected by a justice's

1 court, must, in accordance with the provisions of 17-2-124, be placed in the highway nonrestricted account. All
 2 interest and income earned on the account must be deposited to the credit of the account and any unexpended
 3 balance in the account must remain in the account.

4 (2) Funds in the account are subject to legislative fund transfer."

5

6 **Section 4.** Section 20-9-516, MCA, is amended to read:

7 **"20-9-516. School facility and technology account.** (1) There is a school facility and technology
 8 account in the state special revenue fund provided for in 17-2-102. The Subject to legislative fund transfer, the
 9 purpose of the account is to provide, contingent on appropriation from the legislature, funding for the following
 10 in priority order:

11 (a) school technology purposes as provided in 20-9-534; and

12 (b) state debt service assistance as provided in 20-9-371.

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

14 (a) an amount of money equal to the income attributable to the difference between the average sale
 15 value of 18 million board feet and the total income produced from the annual timber harvest on common school
 16 trust lands during the fiscal year; and

17 (b) the income received from certain lands and riverbeds as provided in 17-3-1003(5).

18 (3) For the biennium beginning July 1, 2017, no payments may be distributed as authorized under
 19 subsection (1)(b). Transfers required by [section 1] must be completed prior to any transfers authorized under
 20 subsection (4).

21 ~~(3)(4)~~ If in any fiscal year the amount of revenue in the school facility and technology account is sufficient
 22 to fund debt service assistance without a proration reduction pursuant to 20-9-346(2)(b) and if in that same fiscal
 23 year the amount of revenue available in the school major maintenance aid account established in 20-9-525 will
 24 result in a proration reduction in school major maintenance aid pursuant to 20-9-525(5) for that fiscal year, the
 25 state treasurer shall transfer any excess funds in the school facility and technology account to the school major
 26 maintenance aid account not to exceed the amount required to avoid a proration reduction."

27

28 **Section 5.** Section 30-10-115, MCA, is amended to read:

29 **"30-10-115. Deposits to general fund -- exceptions.** (1) Except as provided in subsection (2), all fees
 30 and miscellaneous charges received by the commissioner pursuant to parts 1 through 3 of this chapter must be

1 deposited in the general fund.

2 (2) (a) All notice filing fees collected under 30-10-209(1)(d) and examination costs collected under
3 30-10-210 must be deposited in the state special revenue fund in an account to the credit of the state auditor's
4 office. ~~The Subject to legislative fund transfer, the~~ funds allocated by this subsection (2)(a) to the state special
5 revenue account may be used only to defray the expenses of the state auditor's office in discharging its
6 administrative and regulatory powers and duties in relation to notice filing under 30-10-209(1)(d) and
7 examinations.

8 (b) Any fees in excess of the amount required for the purposes listed in subsection (2)(a) must be
9 deposited in the general fund.

10 (c) On or after July 1, 2019, 4.5% of the total fees collected annually under 30-10-209(1)(b) must be
11 deposited in the securities restitution assistance fund provided for in 30-10-1004. The remainder must be
12 deposited in the general fund. On or after July 1, 2021, all fees collected annually under 30-10-209(1)(b) must
13 be deposited in the general fund."
14

15 **Section 6.** Section 33-2-708, MCA, is amended to read:

16 **"33-2-708. Fees and licenses.** (1) (a) Except as provided in subsection (5), the commissioner shall
17 collect a fee of \$1,900 from each insurer applying for or annually renewing a certificate of authority to conduct
18 the business of insurance in Montana.

19 (b) The commissioner shall collect certain additional fees as follows:

20 (i) nonresident insurance producer's license:

21 (A) application for original license, including issuance of license, if issued, \$100;

22 (B) biennial renewal of license, \$50;

23 (C) lapsed license reinstatement fee, \$100;

24 (ii) resident insurance producer's license lapsed license reinstatement fee, \$100;

25 (iii) surplus lines insurance producer's license:

26 (A) application for original license and for issuance of license, if issued, \$50;

27 (B) biennial renewal of license, \$100;

28 (C) lapsed license reinstatement fee, \$200;

29 (iv) insurance adjuster's license:

30 (A) application for original license, including issuance of license, if issued, \$50;

- 1 (B) biennial renewal of license, \$100;
- 2 (C) lapsed license reinstatement fee, \$200;
- 3 (v) insurance consultant's license:
- 4 (A) application for original license, including issuance of license, if issued, \$50;
- 5 (B) biennial renewal of license, \$100;
- 6 (C) lapsed license reinstatement fee, \$200;
- 7 (vi) viatical settlement broker's license:
- 8 (A) application for original license, including issuance of license, if issued, \$50;
- 9 (B) biennial renewal of license, \$100;
- 10 (C) lapsed license reinstatement fee, \$200;
- 11 (vii) resident and nonresident rental car entity producer's license:
- 12 (A) application for original license, including issuance of license, if issued, \$100;
- 13 (B) quarterly filing fee, \$25;
- 14 (viii) an original notification fee for a life insurance producer acting as a viatical settlement broker, in
15 accordance with 33-20-1303(2)(b), \$50;
- 16 (ix) navigator certification:
- 17 (A) application for original certification, including issuance of certificate if issued, \$100;
- 18 (B) biennial renewal of certification, \$50;
- 19 (C) lapsed certification reinstatement fee, \$100;
- 20 (x) 50 cents for each page for copies of documents on file in the commissioner's office.
- 21 (c) The commissioner may adopt rules to determine the date by which a nonresident insurance producer,
22 a surplus lines insurance producer, an insurance adjuster, an insurance public adjuster, or an insurance
23 consultant is required to pay the fee for the biennial renewal of a license.
- 24 (2) (a) The commissioner shall charge a fee of \$75 for each course or program submitted for review as
25 required by 33-17-1204 and 33-17-1205, but may not charge more than \$1,500 to a sponsoring organization
26 submitting courses or programs for review in any biennium.
- 27 (b) Insurers and associations composed of members of the insurance industry are exempt from the
28 charge in subsection (2)(a).
- 29 (3) (a) Except as provided in subsection (3)(b), the commissioner shall promptly deposit with the state
30 treasurer to the credit of the general fund all fines and penalties and those amounts received pursuant to

1 33-2-311, 33-2-705, 33-28-201, and 50-3-109.

2 (b) The commissioner shall deposit 33% of the money collected under 33-2-705 in the special revenue
3 account provided for in 53-4-1115.

4 (c) All other fees collected by the commissioner pursuant to Title 33 and the rules adopted under Title
5 33 must be deposited in the state special revenue fund to the credit of the state auditor's office and are subject
6 to legislative fund transfer.

7 (4) All fees are considered fully earned when received. In the event of overpayment, only those amounts
8 in excess of \$10 will be refunded.

9 (5) The commissioner shall collect a licensing fee of \$500 for casualty insurance companies issuing
10 policies of legal professional liability insurance pursuant to 33-1-206."

11

12 **Section 7.** Section 33-28-120, MCA, is amended to read:

13 **"33-28-120. Captive insurance regulatory and supervision account.** (1) There is an account in the
14 state special revenue fund called the captive insurance regulatory and supervision account, which may be
15 referred to as the captive account.

16 (2) ~~The~~ Subject to legislative fund transfer, the purpose of the captive account is to provide the financial
17 means for the commissioner to administer this chapter and for reimbursement of reasonable expenses incurred
18 in promoting captive insurance in this state.

19 (3) (a) Five percent of the premium tax collected under 33-28-201 and all fees and assessments received
20 by the commissioner pursuant to the administration of this chapter must be deposited in the captive account.

21 (b) All fines and administrative penalties collected pursuant to this chapter must be deposited in the
22 general fund.

23 (4) All payments from the captive account for the maintenance of staff and associated expenses,
24 including necessary contractual services, may only be disbursed from the state treasury upon warrants issued
25 by the commissioner, after receipt by the commissioner of proper documentation regarding services rendered
26 and expenses incurred.

27 (5) At the end of each fiscal year, the balance in the captive account must be transferred to the general
28 fund."

29

30 **Section 8.** Section 69-1-402, MCA, is amended to read:

1 **"69-1-402. Funding of department of public service regulation.** (1) All fees collected under this
2 section and any other fees, except as provided in 69-1-114(3) and subject to legislative fund transfer, must be
3 deposited in an account in the state special revenue fund to the credit of the department. An appropriation to the
4 department may consist of a base appropriation for regular operating expenses and a contingency appropriation
5 for expenses due to an unanticipated caseload.

6 (2) In addition to all other licenses, fees, and taxes imposed by law, all regulated companies shall, within
7 30 days after the close of each calendar quarter, pay to the department of revenue a fee based on a percentage
8 of gross operating revenue reported pursuant to 69-1-223(2)(a), as determined by the department of revenue
9 under 69-1-403.

10 (3) The amount of money that may be raised by the fee on the regulated companies during a fiscal year
11 may not be increased, except as provided in 69-1-224(1)(c), from the amount appropriated to the department by
12 the legislature for that fiscal year, including both base and contingency appropriations. Any additional money
13 required for operation of the department must be obtained from other sources in a manner authorized by the
14 legislature."

15

16 **Section 9.** Section 90-1-205, MCA, is amended to read:

17 **"90-1-205. Economic development special revenue account.** (1) There is an economic development
18 state special revenue account. The account receives earnings from the big sky economic development fund as
19 provided in 17-5-703. ~~The~~ Subject to legislative fund transfer, money in the account may be used only as provided
20 in this part.

21 (2) The money in the account is statutorily appropriated, as provided in 17-7-502, to the department. Of
22 the money that is deposited in the account that is not used for administrative expenses:

23 (a) 75% must be allocated for distribution to local governments and tribal governments to be used for
24 job creation efforts; and

25 (b) 25% must be allocated for distribution to certified regional development corporations, economic
26 development organizations that are located in a county that is not part of a certified regional development
27 corporation, and tribal governments."

28

29 NEW SECTION. **Section 10. Effective date.** [This act] is effective on passage and approval.

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