

HOUSE BILL NO. 12  
INTRODUCED BY BARDANOUE  
BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

IN THE HOUSE

January 7, 1985	Introduced and referred to Committee on Appropriations.
April 1, 1985	Committee recommend bill do pass as amended. Report adopted.  Bill printed and placed on members' desks.
April 4, 1985	Second reading, do pass as amended.
April 5, 1985	Correctly engrossed.
April 8, 1985	Third reading, passed.  Transmitted to Senate.

IN THE SENATE

April 13, 1985	On motion, rules suspended to accept House Bill No. 12. Motion adopted.
April 15, 1985	Introduced and referred to Committee on Finance and Claims.
April 19, 1985	Committee recommend bill be concurrent in as amended. Report adopted.
April 22, 1985	Second reading, concurred in.

April 23, 1985

Third reading, concurred in.  
Ayes, 43; Noes, 6.

Returned to House with  
amendments.

IN THE HOUSE

April 23, 1985

Received from Senate.

Second reading, pass  
consideration.

April 24, 1985

Second reading, amendments  
concurred in.

Third reading, amendments  
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1                   HOUSE   BILL NO.   12

2 INTRODUCED BY BARDANOUBE

3                   BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE LAW  
6 RELATING TO APPROPRIATIONS BY DEFINING AND ESTABLISHING THE  
7 REQUISITES FOR VALID CONTINUING STATUTORY APPROPRIATIONS;  
8 AMENDING SECTIONS 2-9-202, 2-18-812, 10-3-203, 10-3-312,  
9 10-3-314, 13-37-304, 15-31-702, 15-36-112, 15-70-101,  
10 16-1-404, 16-1-410, 16-1-411, 17-1-204, 17-3-212, 17-5-422,  
11 19-9-702, 19-11-606, AND 20-8-111, MCA; AND PROVIDING AN  
12 IMMEDIATE EFFECTIVE DATE."

13  
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15           NEW SECTION. Section 1. Appropriations -- type. There  
16 are three types of appropriations within the meaning of  
17 "appropriation made by law" as used in Article VIII, section  
18 14, of the Montana constitution:

19           (1) temporary appropriations enacted by the  
20 legislature as part of designated appropriation bills or  
21 sections designated as appropriations in other bills;

22           (2) temporary appropriations made by valid budget  
23 amendment; and

24           (3) statutory appropriations made by permanent law in  
25 conformance with [section 2].

1           NEW SECTION. Section 2. Statutory appropriations --  
2 definition -- requisites for validity. (1) A statutory  
3 appropriation is an appropriation made by permanent law that  
4 authorizes spending by a state agency without the need for a  
5 biennial legislative appropriation or budget amendment.

6           (2) To be effective, a statutory appropriation must  
7 comply with both of the following provisions:

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

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

13           (3) The following laws are the only laws containing  
14 statutory appropriations:

15           (a) 2-9-202;  
16           (b) 2-18-812;  
17           (c) 10-3-203;  
18           (d) 10-3-312;  
19           (e) 10-3-314;  
20           (f) 13-37-304;  
21           (g) 15-31-702;  
22           (h) 15-36-112;  
23           (i) 15-70-101;  
24           (j) 16-1-404;  
25           (k) 16-1-410;

- 1 (l) 16-1-411;  
 2 (m) 17-1-204;  
 3 (n) 17-3-212;  
 4 (o) 17-5-422;  
 5 (p) 19-9-702;  
 6 (q) 19-11-606; and  
 7 (r) 20-8-111.

8 Section 3. Section 2-9-202, MCA, is amended to read:  
 9 "2-9-202. Apportionment of costs -- creation of  
 10 deductible reserve. (1) The department of administration  
 11 shall apportion the costs of all insurance purchased under  
 12 2-9-201 to the individual state participants, and the costs  
 13 shall be paid to the department subject to appropriations by  
 14 the legislature.

15 (2) The department, if it elects to utilize a  
 16 deductible insurance plan, is authorized to charge the  
 17 individual state participants an amount equal to the cost of  
 18 a full-coverage insurance plan until such time as a  
 19 deductible reserve is established. In each subsequent year,  
 20 the department may charge a sufficient amount over the  
 21 actual cost of the deductible insurance to replenish such  
 22 deductible reserves.

23 (3) The department may accumulate a self-insurance  
 24 reserve fund sufficient to provide self-insurance for all  
 25 liability coverages that in its discretion the department

1 considers should be self-insured. Payments into the  
 2 self-insurance reserve fund must be made from a legislative  
 3 appropriation for that purpose. Proceeds of the fund ~~may--be~~  
 4 used--only are statutorily appropriated, as provided in  
 5 [section 2], to the department to pay claims under parts 1  
 6 through 3 of this chapter, and Expenditures for actual and  
 7 necessary expenses required for the efficient administration  
 8 of the fund must be made from temporary appropriations, as  
 9 described in [section 1(1) or (2)], made for that purpose.

10 (4) Money in reserve funds established under this  
 11 section not needed to meet expected expenditures shall be  
 12 invested and all proceeds of the investment credited to the  
 13 fund."

14 Section 4. Section 2-18-812, MCA, is amended to read:  
 15 "2-18-812. Alternatives to conventional insurance for  
 16 providing state employee group benefits authorized --  
 17 requirements. The department may establish alternatives to  
 18 conventional insurance for providing state employee group  
 19 benefits. The requirements for providing alternatives to  
 20 conventional insurance are as follows:

21 (1) The department must maintain state employee group  
 22 benefit plans on an actuarially sound basis.

23 (2) The department must maintain reserves sufficient  
 24 to liquidate the unrevealed claims liability and other  
 25 liabilities of state employee group benefit plans.

1 (3) The department must deposit all reserve funds and  
 2 premiums paid to a state employee group benefit plan, and  
 3 such deposits are statutorily appropriated, as provided in  
 4 [section 2], to the department to be expended for claims  
 5 under the plan.

6 (4) The department must deposit income earned from the  
 7 investment of a state employee group benefit plan's reserve  
 8 fund into the account established under subsection (3) of  
 9 this section in order to offset the costs of administering  
 10 the plan.

11 (5) The department shall, prior to implementation of  
 12 any alternative to conventional insurance, present to the  
 13 advisory council the evidence upon which the department has  
 14 concluded that the alternative method will be more  
 15 efficient, less costly, or otherwise superior to contracting  
 16 for conventional insurance. The department may not implement  
 17 any full self insurance alternative prior to July 1, 1981.

18 (6) The provisions of Title 33 shall not apply to the  
 19 department when exercising the powers and duties provided  
 20 for in this section."

21 Section 5. Section 10-3-203, MCA, is amended to read:

22 "10-3-203. Acceptance of services, gifts, grants, and  
 23 loans. (1) Whenever the federal government or any agency or  
 24 officer thereof or any person, firm, or corporation shall  
 25 offer to the state, or through the state to any political

1 subdivision thereof, services, equipment, supplies,  
 2 materials, or funds by way of gift, grant, or loan for  
 3 purposes of emergency or disaster services, the state,  
 4 acting through the governor, or the political subdivision,  
 5 acting through its executive officer or governing body, may  
 6 accept the offer and upon the acceptance the governor of the  
 7 state or executive officer or governing body of the  
 8 political subdivision may authorize any officer of the state  
 9 or of the political subdivision, as the case may be, to  
 10 receive the services, equipment, supplies, materials, or  
 11 funds on behalf of the state or such political subdivision  
 12 and subject to the terms of the offer and the rules, if any,  
 13 of the agency making the offer.

14 (2) The funds, items, and services set forth in  
 15 subsection (1) are statutorily appropriated, as provided in  
 16 [section 2], to the governor for the purposes set forth in  
 17 subsection (1)."

18 Section 6. Section 10-3-312, MCA, is amended to read:

19 "10-3-312. Maximum expenditure in biennium. Whenever  
 20 an emergency or disaster is declared by the governor, there  
 21 is statutorily appropriated to him, as provided in [section  
 22 2], and he is authorized to expend from the general fund, an  
 23 amount not to exceed \$1 million in any one biennium."

24 Section 7. Section 10-3-314, MCA, is amended to read:

25 "10-3-314. Community disaster loans. Whenever, at the

1 request of the governor, the president has declared a major  
2 disaster to exist in this state, the governor is authorized:

3 (1) upon his determination that a political  
4 subdivision of the state will suffer a substantial loss of  
5 tax and other revenues from an emergency or disaster and has  
6 demonstrated a need for financial assistance to perform its  
7 governmental functions, to apply to the federal government,  
8 on behalf of the political subdivision, for a loan, ~~and--to~~  
9 The proceeds are statutorily appropriated, as provided in  
10 [section 2], to the governor, who may receive and disburse  
11 the proceeds of any approved loan to any applicant political  
12 subdivision;.

13 (2) to determine the amount needed by any applicant  
14 political subdivision to restore or resume its governmental  
15 functions and to certify the same to the federal government.  
16 However, no application amount may exceed 25% of the annual  
17 operating budget of the applicant for the fiscal year in  
18 which the emergency or disaster occurs.

19 (3) to recommend to the federal government, based upon  
20 his review, the cancellation of all or any part of repayment  
21 when, in the first 3 full fiscal years following the  
22 emergency or disaster, the revenues of the political  
23 subdivision are insufficient to meet its operating expenses,  
24 including additional emergency- or disaster-related expenses  
25 of a political subdivision operation character."

1 Section 8. Section 13-37-304, MCA, is amended to read:

2 "13-37-304. Public campaign fund. (1) There is a  
3 public campaign fund within the state special revenue fund  
4 provided for in 17-2-102.

5 (2) All money designated under 13-37-303 shall be  
6 deposited in the fund. Such money in the fund is  
7 statutorily appropriated, as provided in [section 2], for  
8 the purposes of subsections (3) and (4).

9 (3) (a) Five months before the general election in the  
10 election year, money in the fund shall be paid over in equal  
11 amounts to all eligible candidates for the designated  
12 political office according to the percentages in (3)(b). The  
13 money shall be spent only for the legitimate campaign  
14 expenses of the candidates.

15 (b) The money shall be distributed in the following  
16 percentages:

17 (i) campaign for office of governor-lieutenant  
18 governor, 50%;

19 (ii) campaigns for offices of chief justice and justice  
20 of the supreme court, 50% equally allocated to each eligible  
21 campaign fund.

22 (4) Three months before the general election in a  
23 general election year the remainder of any money in the fund  
24 shall be remitted to the treasurer of each candidate in the  
25 same proportion as provided in subsection (3)(b)."

1 Section 9. Section 15-31-702, MCA, is amended to read:

2 "15-31-702. Distribution of corporation license taxes  
3 collected from banks or savings and loan associations. (1)  
4 All corporation license taxes collected from banks and  
5 savings and loan associations shall be distributed in the  
6 following manner:

7 (a) 20% must be remitted to the state treasurer to be  
8 allocated as provided in 15-1-501(2); and

9 (b) ~~80% must be allocated~~ is statutorily appropriated,  
10 as provided in [section 2], for allocation to the various  
11 taxing jurisdictions within the county in which the bank or  
12 savings and loan association is located.

13 (2) The corporation license taxes distributed under  
14 subsection (1)(b) shall be allocated to each taxing  
15 jurisdiction in the proportion that its mill levy for that  
16 fiscal year bears to the total mill levy of the taxing  
17 authorities of the district in which the bank or savings and  
18 loan association is located.

19 (3) "Taxing jurisdictions" means, for the purposes of  
20 this section, all taxing authorities within a county  
21 permitted under state law to levy mills against the taxable  
22 value of property in the taxing district in which the bank  
23 or savings and loan association is located.

24 (4) If a return filed by a bank or savings and loan  
25 association involves branches or offices in more than one

1 taxing jurisdiction, the department of revenue shall provide  
2 a method by rule for equitable distribution among those  
3 taxing jurisdictions."

4 Section 10. Section 15-36-112, MCA, is amended to  
5 read:

6 "15-36-112. Disposition of oil and gas severance  
7 taxes. (1) Each year the department of revenue shall  
8 determine the amount of tax collected under this chapter  
9 from within each county.

10 (2) The severance taxes collected under this chapter  
11 are allocated as follows:

12 (a) 33 1/3% of the oil severance tax, not to exceed  
13 \$42 million for the biennium ending June 30, 1985, is  
14 deposited in the local government block grant account within  
15 the state special revenue fund;

16 (b) the amount, if any, by which the tax collected  
17 from within a county for any fiscal year exceeds the total  
18 amount collected from within that county for the previous  
19 fiscal year, by reason of increased production and not  
20 because of increase in or elimination of federal price  
21 ceilings on oil and gas, is allocated statutorily  
22 appropriated, as provided in [section 2], for allocation to  
23 the general fund of the county for distribution as provided  
24 in subsection (3);

25 (c) any amount not allocated to the local government

1 block grant account or the county under subsection (2)(a) or  
2 (2)(b) is allocated to the state general fund.

3 (3) (a) The county treasurer shall distribute the  
4 money received under subsection (2)(b) of this section to  
5 the county and to all the incorporated cities and towns  
6 within the county in the following manner. The county  
7 receives the available money multiplied by the ratio of the  
8 rural population to the county population. Each incorporated  
9 municipality receives the available money multiplied by the  
10 ratio of the population of the incorporated municipality to  
11 the county population. The rural population is that  
12 population of the county living outside the boundaries of an  
13 incorporated municipality. Population shall be based on the  
14 most recent figures as determined by the department of  
15 commerce.

16 (b) The money distributed under this subsection may be  
17 used for any purpose as determined by the governing body of  
18 the county, city, or town."

19 Section 11. Section 15-70-101, MCA, is amended to  
20 read:

21 "15-70-101. Disposition of funds. All taxes, interest,  
22 and penalties collected under this chapter shall be turned  
23 over promptly to the state treasurer who shall place the  
24 same in the state special revenue fund to the credit of the  
25 department of highways. Those funds hereinbelow allocated

1 to cities, towns, and counties shall be paid by the  
2 department of highways from the state special revenue fund  
3 to such cities, towns, and counties.

4 (1) \$14,000,000 of the funds collected under this  
5 chapter is statutorily appropriated, as provided in [section  
6 2], to the department of highways and shall be allocated  
7 each fiscal year on a monthly basis to the counties and  
8 incorporated cities and towns in Montana for construction,  
9 reconstruction, maintenance, and repair of rural roads and  
10 city or town streets and alleys, as provided in subsections  
11 (a) and (b) hereof:

12 (a) \$6,350,000 shall be divided among the various  
13 counties in the following manner:

14 (i) 40% in the ratio that the rural road mileage in  
15 each county, exclusive of the federal-aid interstate system  
16 and the federal-aid primary system, bears to the total rural  
17 road mileage in the state, exclusive of the federal-aid  
18 interstate system and the federal-aid primary system;

19 (ii) 40% in the ratio that the rural population in each  
20 county outside incorporated cities and towns bears to the  
21 total rural population in the state outside incorporated  
22 cities and towns;

23 (iii) 20% in the ratio that the land area of each  
24 county bears to the total land area of the state;

25 (b) \$7,650,000 shall be divided among the incorporated



1 cities and towns in the following manner:

2 (i) 50% of the sum in the ratio that the population  
3 within the corporate limits of the city or town bears to the  
4 total population within corporate limits of all the cities  
5 and towns in Montana;

6 (ii) 50% in the ratio that the city or town street and  
7 alley mileage, exclusive of the federal-aid interstate  
8 system and the federal-aid primary system, within corporate  
9 limits bears to the total street and alley mileage,  
10 exclusive of the federal-aid interstate system and  
11 federal-aid primary system, within the corporate limits of  
12 all cities and towns in Montana.

13 (2) All funds hereby allocated to counties, cities,  
14 and towns shall be used exclusively for the construction,  
15 reconstruction, maintenance, and repair of rural roads, city  
16 or town streets and alleys or for the share which such city,  
17 town, or county might otherwise expend for proportionate  
18 matching of federal funds allocated for the construction of  
19 roads or streets which are part of the federal-aid primary  
20 or secondary highway system or urban extensions thereto.

21 (3) Upon receipt of the allocation provided herein,  
22 the governing bodies of the recipient counties, cities, and  
23 towns shall inform the department of highways of the  
24 purposes for which the funds will be expended so that the  
25 county commissioners, the governing body, and the department

1 of highways may coordinate the expenditure of public funds  
2 for road improvements.

3 (4) All funds hereby allocated to counties, cities,  
4 and towns shall be disbursed to the lowest responsible  
5 bidder according to applicable bidding procedures followed  
6 in all cases where the contract for construction,  
7 reconstruction, maintenance, or repair is in excess of  
8 \$4,000.

9 (5) For the purposes of this section where  
10 distribution of funds is made on a basis related to  
11 population, the population shall be determined by the last  
12 preceding official federal census.

13 (6) For the purposes of this section where  
14 determination of mileage is necessary for distribution of  
15 funds, it shall be the responsibility of the cities, towns,  
16 and counties to furnish to the department of highways a  
17 yearly certified statement indicating the total mileage  
18 within their respective areas applicable to this chapter.  
19 All mileage submitted shall be subject to review and  
20 approval by the department of highways.

21 (7) None of the funds authorized by this section shall  
22 be used for the purchase of capital equipment.

23 (8) Funds authorized by this section shall be used for  
24 construction and maintenance programs only."

25 Section 12. Section 16-1-404, MCA, is amended to read:

1 "16-1-404. License tax on liquor -- amount --  
 2 distribution of proceeds. (1) The department is hereby  
 3 authorized and directed to charge, receive, and collect at  
 4 the time of sale and delivery of any liquor under any  
 5 provisions of the laws of the state of Montana a license tax  
 6 of 10% of the retail selling price on all liquor sold and  
 7 delivered. Said tax shall be charged and collected on all  
 8 liquor brought into the state and taxed by the department.  
 9 The retail selling price shall be computed by adding to the  
 10 cost of said liquor the state markup as designated by the  
 11 department. Said 10% license tax shall be figured in the  
 12 same manner as the state excise tax and shall be in addition  
 13 to said state excise tax. The department shall retain in a  
 14 separate account the amount of such 10% license tax so  
 15 received. Thirty percent of these revenues are statutorily  
 16 appropriated, as provided in [section 2], to the department  
 17 and shall be allocated to the counties according to the  
 18 amount of liquor purchased in each county to be distributed  
 19 to the incorporated cities and towns, as provided in  
 20 subsection (2). Four and one-half percent of these revenues  
 21 are statutorily appropriated, as provided in [section 2],  
 22 and shall be allocated to the counties according to the  
 23 amount of liquor purchased in each county, and this money  
 24 may be used for county purposes. The remaining revenues  
 25 shall be deposited in the state special revenue fund to the

1 credit of the department of institutions for the treatment,  
 2 rehabilitation, and prevention of alcoholism. Provided,  
 3 however, in the case of purchases of liquor by a retail  
 4 liquor licensee for use in his business, the department  
 5 shall make such regulations as are necessary to apportion  
 6 that proportion of license tax so generated to the county  
 7 where the licensed establishment is located, for use as  
 8 provided in 16-1-405. The That proportion of the license tax  
 9 is statutorily appropriated, as provided in [section 2], to  
 10 the department, which shall pay quarterly to each county  
 11 treasurer the proportion of the license tax due each county  
 12 to be allocated to the incorporated cities and towns of the  
 13 county.

14 (2) The license tax proceeds allocated to the county  
 15 under subsection (1) for use by cities and towns shall be  
 16 distributed by the county treasurer to the incorporated  
 17 cities and towns within 30 days of receipt from the  
 18 department. The distribution of funds to the cities and  
 19 towns shall be based on the proportion that the gross sale  
 20 of liquor in each city or town is to the gross sale of  
 21 liquor in all of the cities and towns of the county.

22 (3) The license tax proceeds that are allocated to the  
 23 department of institutions for the treatment,  
 24 rehabilitation, and prevention of alcoholism shall be  
 25 credited quarterly to the department of institutions. The

1 legislature may appropriate a portion of the license tax  
2 proceeds to support alcohol programs. The remainder shall be  
3 distributed as provided in 53-24-206."

4 Section 13. Section 16-1-410, MCA, is amended to read:  
5 "16-1-410. Tax revenue allocation. All revenue  
6 received from taxes on beer under 16-1-406 through 16-1-408  
7 over and above \$1.50 per barrel of 31 gallons shall be  
8 deposited with the state treasurer to the credit of the  
9 incorporated cities and towns beer tax account in the state  
10 special revenue fund. The money in the account is  
11 statutorily appropriated, as provided in [section 2], to the  
12 state treasurer who shall, monthly, distribute this amount  
13 of money to the incorporated cities and towns in the direct  
14 proportion that the population of each city and town bears  
15 to the total population of all incorporated cities and towns  
16 as shown in the latest official federal census. For cities  
17 and towns incorporated after the latest official federal  
18 census, the census shall be determined as of the date of  
19 incorporation as evidenced by the certificate of the  
20 incorporating officials of that city or town. If a city or  
21 town disincorporates, it shall cease to receive any funds  
22 under this section and the amount previously distributed to  
23 the city or town shall be distributed to the remaining  
24 incorporated cities and towns. All funds received by cities  
25 and towns under this section shall be expended for state

1 purposes such as law enforcement, maintenance of the  
2 transportation system, and public health."

3 Section 14. Section 16-1-411, MCA, is amended to read:

4 "16-1-411. Tax on wine. (1) A tax of 20 cents per  
5 liter is hereby levied and imposed on table wine imported by  
6 any table wine distributor or the department.

7 (2) (a) The tax on table wine imported by a table wine  
8 distributor shall be paid by the table wine distributor by  
9 the 15th day of the month following sale of the table wine  
10 from the table wine distributor's warehouse. Failure to file  
11 a table wine tax return or failure to pay the tax required  
12 by this section subjects the table wine distributor to the  
13 penalties and interest provided for in 16-1-409.

14 (b) The tax on table wine imported by the department  
15 shall be collected at the time of sale.

16 (3) The tax paid by a table wine distributor in  
17 accordance with subsection (2)(a) and the tax collected by  
18 the department in accordance with subsection (2)(b) shall be  
19 distributed as follows:

20 (a) 16 cents to the state general fund; and

21 (b) of the remaining 4 cents;

22 (i) one-third to the state special revenue fund to the  
23 credit of the department of institutions for the treatment,  
24 rehabilitation, and prevention of alcoholism;

25 (ii) one-third is statutorily appropriated, as provided

1 in [section 2], to the department, for allocation to the  
 2 counties, based on population, for the purpose established  
 3 in 16-1-404; and

4 (iii) one-third is statutorily appropriated, as  
 5 provided in [section 2], to the department, for allocation  
 6 to the cities and towns, based on population, for the  
 7 purpose established in 16-1-405.

8 (4) The tax computed and paid in accordance with this  
 9 section shall be the only tax imposed by the state or any of  
 10 its subdivisions, including cities and towns."

11 Section 15. Section 17-1-204, MCA, is amended to read:

12 "17-1-204. Payment -- pledge of taxes and revenue. (1)  
 13 The notes and interest on the notes must be paid from taxes  
 14 and revenues, which are statutorily appropriated as provided  
 15 in [section 2] for this purpose, not later than the end of  
 16 the fiscal year in which issued.

17 (2) The full faith and credit and taxing power of the  
 18 state shall be pledged for the payment of all notes issued  
 19 under this part."

20 Section 16. Section 17-3-212, MCA, is amended to read:

21 "17-3-212. Apportionment of forest reserve funds among  
 22 counties. The forest reserve funds are statutorily  
 23 appropriated, as provided in [section 2], to the state  
 24 auditor, who shall apportion said forest reserve funds for  
 25 allocation between the several counties as follows: all

1 funds received from each forest reserve shall be apportioned  
 2 between the counties in which such forest reserve is  
 3 situated in proportion to the acreage of such forest reserve  
 4 in each county, and the state treasurer shall pay the  
 5 several amounts so apportioned to the respective counties."

6 Section 17. Section 17-5-422, MCA, is amended to read:

7 "17-5-422. Bonds for state capitol improvements. (1)  
 8 The board of examiners is authorized to issue and sell  
 9 long-range building program bonds, upon the conditions and  
 10 in the manner stated in this part, in the principal amount  
 11 not to exceed \$5 million, for the purpose of financing costs  
 12 of improvements to the state capitol.

13 (2) There is statutorily appropriated, as provided in  
 14 [section 2], to the debt service account established  
 15 pursuant to 17-5-405 from the revenues of the capitol  
 16 building land grant (exclusive of income derived from  
 17 investment of accumulated revenues) in each fiscal year  
 18 during the term of the bonds authorized by subsection (1) an  
 19 amount sufficient to pay the principal of and interest on  
 20 the bonds as due and to establish and maintain required  
 21 reserves therefor. The appropriation shall be reduced in  
 22 each fiscal year by the amount, if any, of income received  
 23 in that year from investment of the reserve attributable to  
 24 the bonds. The appropriation made by this section is solely  
 25 for the benefit of the state and is not enforceable by the

1 holders of the bonds."

2 Section 18. Section 19-9-702, MCA, is amended to read:

3 "19-9-702. State contribution. The state of Montana  
4 shall make its contributions through the state auditor out  
5 of the premium tax on motor vehicle property and casualty  
6 insurance policies, which premium tax is statutorily  
7 appropriated, as provided in [section 2], for the  
8 contributions. Such payments shall be made annually after  
9 the end of each fiscal year but no later than September 1  
10 from the gross premium tax after deduction for cancellations  
11 and returned premiums. The administrator shall notify the  
12 auditor by April 1 of each year of the annual compensation  
13 paid to all active members during the preceding year. Before  
14 July 1, 1985, the state's contribution shall be 14.04% of  
15 such compensation and 15.06% on and after July 1, 1985."

16 Section 19. Section 19-11-606, MCA, is amended to  
17 read:

18 "19-11-606. Supplement to certain pensions. (1) In  
19 addition to the taxes on premiums required by law to be paid  
20 by each insurer doing business in this state that is  
21 authorized to effect insurance on risks enumerated in  
22 19-11-512, there is a tax of 1 1/2% on the fire portion of  
23 the direct premiums received during the calendar year of  
24 1975 and each succeeding year, with allowance for  
25 cancellations and returned premiums. The insurance

1 commissioner shall collect the tax during March of each year  
2 and deposit the moneys in the state special revenue fund.  
3 The proceeds of such tax are statutorily appropriated, as  
4 provided in [section 2], to the auditor, who shall pay  
5 claims as provided in subsection (2) of this section and  
6 19-13-1006. As those persons who are to receive the fund  
7 die, the tax shall be reduced proportionately, and when no  
8 eligible person, as defined by subsection (2) and  
9 19-13-1006, survives, the tax terminates and the remaining  
10 fund, if any, shall be transferred to the general fund.

11 (2) Effective January 1, 1976, each association shall  
12 pay to the firefighters retired before July 1, 1973, or  
13 their surviving spouses and children a monthly pension of  
14 not less than one-half the regular monthly salary paid to a  
15 confirmed active firefighter of that city, as provided each  
16 year in the budget of that city. In the case of volunteer  
17 firefighters, the pension may not exceed \$75 per month.  
18 Distribution of the funds provided for this purpose under  
19 subsection (1) shall be made as follows:

20 (a) At the beginning of each fiscal year the treasurer  
21 of each association shall request and the state auditor  
22 shall issue from the state special revenue fund and deliver  
23 to the treasurer of the respective city or town an amount  
24 certified to be equal to the total annual dollar difference  
25 between what the retirees or their surviving spouses and

1 children received from the fund and one-half of the salary  
 2 paid by the respective city or town to a confirmed active  
 3 firefighter for the fiscal year just preceding. The state  
 4 auditor shall, at the same time, report to the treasurer of  
 5 the appropriate association the amount of any payment  
 6 delivered to the board of investments.

7 (b) The treasurer of a city or town receiving funds  
 8 shall immediately disburse them to the treasurer of the  
 9 respective association.

10 (c) The treasurer of the association shall utilize  
 11 these funds to increase the monthly pension of retirees or  
 12 their surviving spouses and children to an amount equal to  
 13 one-half of the salary that was paid to a confirmed active  
 14 firefighter in the city or town for the preceding year."

15 Section 20. Section 20-8-111, MCA, is amended to read:

16 "20-8-111. Duty of board of public education as to  
 17 property of school. The board of public education has a  
 18 statutory appropriation, as provided in [section 2], and  
 19 shall, either directly or through a contract with a  
 20 nonprofit corporation, receive, hold, manage, use, and  
 21 dispose of real and personal property made over to such  
 22 board or to the state of Montana by purchase, gift, devise,  
 23 bequest, or otherwise acquired and the proceeds, interest,  
 24 and income thereof for the use and benefit of said school.  
 25 All donations, gifts, devises, or grants made before, on, or

1 after October 1, 1983, to the school shall vest in the board  
 2 or its designee, as trustee for the state of Montana, for  
 3 the use and benefit of the school and its students."

4 NEW SECTION. Section 21. Severability. If a part of  
 5 this act is invalid, all valid parts that are severable from  
 6 the invalid part remain in effect. If a part of this act is  
 7 invalid in one or more of its applications, the part remains  
 8 in effect in all valid applications that are severable from  
 9 the invalid applications.

10 NEW SECTION. Section 22. Effective date. This act is  
 11 effective on passage and approval.

-End-

1 HOUSE BILL NO. 12  
 2 INTRODUCED BY BARDANOUE  
 3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE  
 4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE LAW  
 6 RELATING TO APPROPRIATIONS BY DEFINING AND ESTABLISHING THE  
 7 REQUISITES FOR VALID CONTINUING STATUTORY APPROPRIATIONS;  
 8 AMENDING SECTIONS 2-9-202, 2-18-812, 10-3-203, 10-3-312,  
 9 10-3-314, 13-37-304, 15-31-702, 15-36-112, 15-70-101,  
 10 16-1-404, 16-1-410, 16-1-411, ~~17-1-284~~, 17-3-212, 17-5-404,  
 11 ~~17-5-422~~, 17-5-804, 19-8-504, 19-9-702, 19-9-1007,  
 12 19-10-205, 19-10-305, 19-10-506, 19-11-512, 19-11-513,  
 13 19-11-606, AND 19-12-301, 19-13-604, 20-6-406, 20-8-111,  
 14 80-2-103, AND 80-2-228, MCA; AND PROVIDING AN IMMEDIATE  
 15 EFFECTIVE DATE."  
 16

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 18 NEW SECTION. Section 1. Appropriations -- type. There  
 19 are three types of appropriations within the meaning of  
 20 "appropriation made by law" as used in Article VIII, section  
 21 14, of the Montana constitution:  
 22 (1) temporary appropriations enacted by the  
 23 legislature as part of designated appropriation bills or  
 24 sections designated as appropriations in other bills;  
 25 (2) temporary appropriations made by valid budget

1 amendment; and  
 2 (3) statutory appropriations made by permanent law in  
 3 conformance with [section 2].  
 4 NEW SECTION. Section 2. Statutory appropriations --  
 5 definition -- requisites for validity. (1) A statutory  
 6 appropriation is an appropriation made by permanent law that  
 7 authorizes spending by a state agency without the need for a  
 8 biennial legislative appropriation or budget amendment.  
 9 (2) ~~TO~~ EXCEPT AS PROVIDED IN SUBSECTION (4), TO be  
 10 effective, a statutory appropriation must comply with both  
 11 of the following provisions:  
 12 (a) The law containing the statutory authority must be  
 13 listed in subsection (3).  
 14 (b) The law or portion of the law making a statutory  
 15 appropriation must specifically state that a statutory  
 16 appropriation is made as provided in this section.  
 17 (3) The following laws are the only laws containing  
 18 statutory appropriations:  
 19 (a) 2-9-202;  
 20 (b) 2-18-812;  
 21 (c) 10-3-203;  
 22 (d) 10-3-312;  
 23 (e) 10-3-314;  
 24 (f) 13-37-304;  
 25 (g) 15-31-702;

**THIRD READING**  
 YELLOW PRINTING DISPENSED  
 HB 12



1 (h) 15-36-112;  
 2 (i) 15-70-101;  
 3 (j) 16-1-404;  
 4 (k) 16-1-410;  
 5 (l) 16-1-411;  
 6 ~~(m) 17-1-284;~~  
 7 ~~(n) (M) 17-3-212;~~  
 8 ~~(o) (N) 17-5-422 17-5-894;~~  
 9 (O) 19-8-504;  
 10 (p) 19-9-702;  
 11 (Q) 19-9-1007;  
 12 (R) 19-10-205;  
 13 (S) 19-10-305;  
 14 (T) 19-10-506;  
 15 (U) 19-11-512;  
 16 (V) 19-11-513;  
 17 ~~(q) (W) 19-11-606; and~~  
 18 (X) 19-12-301;  
 19 (Y) 19-13-604; AND  
 20 ~~(z) (Z) 20-8-111;~~  
 21 (AA) 20-6-406;  
 22 ~~(AA) (BB) 80-2-103; AND~~  
 23 ~~(BB) (CC) 80-2-228.~~  
 24 (4) THERE IS A STATUTORY APPROPRIATION TO PAY THE  
 25 PRINCIPAL, INTEREST, PREMIUMS, AND COSTS OF ISSUING, PAYING,

1 AND SECURING ALL BONDS, NOTES, OR OTHER OBLIGATIONS, AS DUE,  
 2 THAT HAVE BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF  
 3 MONTANA. AGENCIES THAT HAVE ENTERED INTO AGREEMENTS  
 4 AUTHORIZED BY THE LAWS OF MONTANA TO PAY THE STATE  
 5 TREASURER, FOR DEPOSIT IN ACCORDANCE WITH 17-2-101 THROUGH  
 6 17-2-107, AS DETERMINED BY THE STATE TREASURER, AN AMOUNT  
 7 SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST AS DUE ON THE  
 8 BONDS OR NOTES HAVE STATUTORY APPROPRIATION AUTHORITY FOR  
 9 SUCH PAYMENTS.

10 Section 3. Section 2-9-202, MCA, is amended to read:

11 "2-9-202. Apportionment of costs -- creation of  
 12 deductible reserve. (1) The department of administration  
 13 shall apportion the costs of all insurance purchased under  
 14 2-9-201 to the individual state participants, and the costs  
 15 shall be paid to the department subject to appropriations by  
 16 the legislature.

17 (2) The department, if it elects to utilize a  
 18 deductible insurance plan, is authorized to charge the  
 19 individual state participants an amount equal to the cost of  
 20 a full-coverage insurance plan until such time as a  
 21 deductible reserve is established. In each subsequent year,  
 22 the department may charge a sufficient amount over the  
 23 actual cost of the deductible insurance to replenish such  
 24 deductible reserves.

25 (3) The department may accumulate a self-insurance



1 reserve fund sufficient to provide self-insurance for all  
 2 liability coverages that in its discretion the department  
 3 considers should be self-insured. Payments into the  
 4 self-insurance reserve fund must be made from a legislative  
 5 appropriation for that purpose. Proceeds of the fund ~~may be~~  
 6 used only are statutorily appropriated, as provided in  
 7 [section 2], to the department to pay claims under parts 1  
 8 through 3 of this chapter, and Expenditures for actual and  
 9 necessary expenses required for the efficient administration  
 10 of the fund must be made from temporary appropriations, as  
 11 described in [section 1(1) or (2)], made for that purpose.

12 (4) Money in reserve funds established under this  
 13 section not needed to meet expected expenditures shall be  
 14 invested and all proceeds of the investment credited to the  
 15 fund."

16 Section 4. Section 2-18-812, MCA, is amended to read:

17 "2-18-812. Alternatives to conventional insurance for  
 18 providing state employee group benefits authorized --  
 19 requirements. The department may establish alternatives to  
 20 conventional insurance for providing state employee group  
 21 benefits. The requirements for providing alternatives to  
 22 conventional insurance are as follows:

23 (1) The department must maintain state employee group  
 24 benefit plans on an actuarially sound basis.

25 (2) The department must maintain reserves sufficient

1 to liquidate the unrevealed claims liability and other  
 2 liabilities of state employee group benefit plans.

3 (3) The department must deposit all reserve funds and  
 4 premiums paid to a state employee group benefit plan, and  
 5 such deposits are statutorily appropriated, as provided in  
 6 [section 2], to the department to be expended for claims  
 7 under the plan.

8 (4) The department must deposit income earned from the  
 9 investment of a state employee group benefit plan's reserve  
 10 fund into the account established under subsection (3) of  
 11 this section in order to offset the costs of administering  
 12 the plan.

13 (5) The department shall, prior to implementation of  
 14 any alternative to conventional insurance, present to the  
 15 advisory council the evidence upon which the department has  
 16 concluded that the alternative method will be more  
 17 efficient, less costly, or otherwise superior to contracting  
 18 for conventional insurance. The department may not implement  
 19 any full self insurance alternative prior to July 1, 1981.

20 (6) The provisions of Title 33 shall not apply to the  
 21 department when exercising the powers and duties provided  
 22 for in this section."

23 Section 5. Section 10-3-203, MCA, is amended to read:

24 "10-3-203. Acceptance of services, gifts, grants, and  
 25 loans. (1) Whenever the federal government or any agency or

1 officer thereof or any person, firm, or corporation shall  
 2 offer to the state, or through the state to any political  
 3 subdivision thereof, services, equipment, supplies,  
 4 materials, or funds by way of gift, grant, or loan for  
 5 purposes of emergency or disaster services, the state,  
 6 acting through the governor, or the political subdivision,  
 7 acting through its executive officer or governing body, may  
 8 accept the offer and upon the acceptance the governor of the  
 9 state or executive officer or governing body of the  
 10 political subdivision may authorize any officer of the state  
 11 or of the political subdivision, as the case may be, to  
 12 receive the services, equipment, supplies, materials, or  
 13 funds on behalf of the state or such political subdivision  
 14 and subject to the terms of the offer and the rules, if any,  
 15 of the agency making the offer.

16 (2) The funds, items, and services set forth in  
 17 subsection (1) are statutorily appropriated, as provided in  
 18 [section 2], to the governor for the purposes set forth in  
 19 subsection (1)."

20 Section 6. Section 10-3-312, MCA, is amended to read:

21 "10-3-312. Maximum expenditure in biennium. Whenever  
 22 an emergency or disaster is declared by the governor, there  
 23 is statutorily appropriated to him THE OFFICE OF THE  
 24 GOVERNOR, as provided in [section 2], and he is authorized  
 25 to expend from the general fund, an amount not to exceed \$1

1 million in any one biennium."

2 Section 7. Section 10-3-314, MCA, is amended to read:

3 "10-3-314. Community disaster loans. Whenever, at the  
 4 request of the governor, the president has declared a major  
 5 disaster to exist in this state, the governor is authorized:

6 (1) upon his determination that a political  
 7 subdivision of the state will suffer a substantial loss of  
 8 tax and other revenues from an emergency or disaster and has  
 9 demonstrated a need for financial assistance to perform its  
 10 governmental functions, to apply to the federal government,  
 11 on behalf of the political subdivision, for a loan, and to  
 12 The proceeds are statutorily appropriated, as provided in  
 13 [section 2], to the governor, who may receive and disburse  
 14 the proceeds of any approved loan to any applicant political  
 15 subdivision;

16 (2) to determine the amount needed by any applicant  
 17 political subdivision to restore or resume its governmental  
 18 functions and to certify the same to the federal government.  
 19 However, no application amount may exceed 25% of the annual  
 20 operating budget of the applicant for the fiscal year in  
 21 which the emergency or disaster occurs.

22 (3) to recommend to the federal government, based upon  
 23 his review, the cancellation of all or any part of repayment  
 24 when, in the first 3 full fiscal years following the  
 25 emergency or disaster, the revenues of the political

1 subdivision are insufficient to meet its operating expenses,  
2 including additional emergency- or disaster-related expenses  
3 of a political subdivision operation character."

4 Section 8. Section 13-37-304, MCA, is amended to read:

5 "13-37-304. Public campaign fund. (1) There is a  
6 public campaign fund within the state special revenue fund  
7 provided for in 17-2-102.

8 (2) All money designated under 13-37-303 shall be  
9 deposited in the fund. Such money in the fund is  
10 statutorily appropriated, as provided in [section 2], for  
11 the purposes of subsections (3) and (4).

12 (3) (a) Five months before the general election in the  
13 election year, money in the fund shall be paid over in equal  
14 amounts to all eligible candidates for the designated  
15 political office according to the percentages in (3)(b). The  
16 money shall be spent only for the legitimate campaign  
17 expenses of the candidates.

18 (b) The money shall be distributed in the following  
19 percentages:

20 (i) campaign for office of governor-lieutenant  
21 governor, 50%;

22 (ii) campaigns for offices of chief justice and justice  
23 of the supreme court, 50% equally allocated to each eligible  
24 campaign fund.

25 (4) Three months before the general election in a

1 general election year the remainder of any money in the fund  
2 shall be remitted to the treasurer of each candidate in the  
3 same proportion as provided in subsection (3)(b)."

4 Section 9. Section 15-31-702, MCA, is amended to read:

5 "15-31-702. Distribution of corporation license taxes  
6 collected from banks or savings and loan associations. (1)  
7 All corporation license taxes collected from banks and  
8 savings and loan associations shall be distributed in the  
9 following manner:

10 (a) 20% must be remitted to the state treasurer to be  
11 allocated as provided in 15-1-501(2); and

12 (b) ~~80% must-be-allocated~~ is statutorily appropriated,  
13 as provided in [section 2], for allocation to the various  
14 taxing jurisdictions within the county in which the bank or  
15 savings and loan association is located.

16 (2) The corporation license taxes distributed under  
17 subsection (1)(b) shall be allocated to each taxing  
18 jurisdiction in the proportion that its mill levy for that  
19 fiscal year bears to the total mill levy of the taxing  
20 authorities of the district in which the bank or savings and  
21 loan association is located.

22 (3) "Taxing jurisdictions" means, for the purposes of  
23 this section, all taxing authorities within a county  
24 permitted under state law to levy mills against the taxable  
25 value of property in the taxing district in which the bank

1 or savings and loan association is located.

2 (4) If a return filed by a bank or savings and loan  
3 association involves branches or offices in more than one  
4 taxing jurisdiction, the department of revenue shall provide  
5 a method by rule for equitable distribution among those  
6 taxing jurisdictions."

7 Section 10. Section 15-36-112, MCA, is amended to  
8 read:

9 "15-36-112. Disposition of oil and gas severance  
10 taxes. (1) Each year the department of revenue shall  
11 determine the amount of tax collected under this chapter  
12 from within each county.

13 (2) The severance taxes collected under this chapter  
14 are allocated as follows:

15 (a) 33 1/3% of the oil severance tax, not to exceed  
16 \$42 million for the biennium ending June 30, 1985, is  
17 deposited in the local government block grant account within  
18 the state special revenue fund;

19 (b) the amount, if any, by which the tax collected  
20 from within a county for any fiscal year exceeds the total  
21 amount collected from within that county for the previous  
22 fiscal year, by reason of increased production and not  
23 because of increase in or elimination of federal price  
24 ceilings on oil and gas, is allocated statutorily  
25 appropriated, as provided in [section 2], for allocation to

1 the general fund of the county for distribution as provided  
2 in subsection (3);

3 (c) any amount not allocated to the local government  
4 block grant account or the county under subsection (2)(a) or  
5 (2)(b) is allocated to the state general fund.

6 (3) (a) The county treasurer shall distribute the  
7 money received under subsection (2)(b) of this section to  
8 the county and to all the incorporated cities and towns  
9 within the county in the following manner. The county  
10 receives the available money multiplied by the ratio of the  
11 rural population to the county population. Each incorporated  
12 municipality receives the available money multiplied by the  
13 ratio of the population of the incorporated municipality to  
14 the county population. The rural population is that  
15 population of the county living outside the boundaries of an  
16 incorporated municipality. Population shall be based on the  
17 most recent figures as determined by the department of  
18 commerce.

19 (b) The money distributed under this subsection may be  
20 used for any purpose as determined by the governing body of  
21 the county, city, or town."

22 Section 11. Section 15-70-101, MCA, is amended to  
23 read:

24 "15-70-101. Disposition of funds. All taxes, interest,  
25 and penalties collected under this chapter shall be turned

1 over promptly to the state treasurer who shall place the  
 2 same in the state special revenue fund to the credit of the  
 3 department of highways. Those funds hereinbelow allocated  
 4 to cities, towns, and counties shall be paid by the  
 5 department of highways from the state special revenue fund  
 6 to such cities, towns, and counties.

7 (1) \$14,000,000 of the funds collected under this  
 8 chapter is statutorily appropriated, as provided in [section  
 9 2], to the department of highways and shall be allocated  
 10 each fiscal year on a monthly basis to the counties and  
 11 incorporated cities and towns in Montana for construction,  
 12 reconstruction, maintenance, and repair of rural roads and  
 13 city or town streets and alleys, as provided in subsections  
 14 (a) and (b) hereof:

15 (a) \$6,350,000 shall be divided among the various  
 16 counties in the following manner:

17 (i) 40% in the ratio that the rural road mileage in  
 18 each county, exclusive of the federal-aid interstate system  
 19 and the federal-aid primary system, bears to the total rural  
 20 road mileage in the state, exclusive of the federal-aid  
 21 interstate system and the federal-aid primary system;

22 (ii) 40% in the ratio that the rural population in each  
 23 county outside incorporated cities and towns bears to the  
 24 total rural population in the state outside incorporated  
 25 cities and towns;

1 (iii) 20% in the ratio that the land area of each  
 2 county bears to the total land area of the state;

3 (b) \$7,650,000 shall be divided among the incorporated  
 4 cities and towns in the following manner:

5 (i) 50% of the sum in the ratio that the population  
 6 within the corporate limits of the city or town bears to the  
 7 total population within corporate limits of all the cities  
 8 and towns in Montana;

9 (ii) 50% in the ratio that the city or town street and  
 10 alley mileage, exclusive of the federal-aid interstate  
 11 system and the federal-aid primary system, within corporate  
 12 limits bears to the total street and alley mileage,  
 13 exclusive of the federal-aid interstate system and  
 14 federal-aid primary system, within the corporate limits of  
 15 all cities and towns in Montana.

16 (2) All funds hereby allocated to counties, cities,  
 17 and towns shall be used exclusively for the construction,  
 18 reconstruction, maintenance, and repair of rural roads, city  
 19 or town streets and alleys or for the share which such city,  
 20 town, or county might otherwise expend for proportionate  
 21 matching of federal funds allocated for the construction of  
 22 roads or streets which are part of the federal-aid primary  
 23 or secondary highway system or urban extensions thereto.

24 (3) Upon receipt of the allocation provided herein,  
 25 the governing bodies of the recipient counties, cities, and

1 towns shall inform the department of highways of the  
2 purposes for which the funds will be expended so that the  
3 county commissioners, the governing body, and the department  
4 of highways may coordinate the expenditure of public funds  
5 for road improvements.

6 (4) All funds hereby allocated to counties, cities,  
7 and towns shall be disbursed to the lowest responsible  
8 bidder according to applicable bidding procedures followed  
9 in all cases where the contract for construction,  
10 reconstruction, maintenance, or repair is in excess of  
11 \$4,000.

12 (5) For the purposes of this section where  
13 distribution of funds is made on a basis related to  
14 population, the population shall be determined by the last  
15 preceding official federal census.

16 (6) For the purposes of this section where  
17 determination of mileage is necessary for distribution of  
18 funds, it shall be the responsibility of the cities, towns,  
19 and counties to furnish to the department of highways a  
20 yearly certified statement indicating the total mileage  
21 within their respective areas applicable to this chapter.  
22 All mileage submitted shall be subject to review and  
23 approval by the department of highways.

24 (7) None of the funds authorized by this section shall  
25 be used for the purchase of capital equipment.

1 (8) Funds authorized by this section shall be used for  
2 construction and maintenance programs only."

3 Section 12. Section 16-1-404, MCA, is amended to read:

4 "16-1-404. License tax on liquor -- amount --  
5 distribution of proceeds. (1) The department is hereby  
6 authorized and directed to charge, receive, and collect at  
7 the time of sale and delivery of any liquor under any  
8 provisions of the laws of the state of Montana a license tax  
9 of 10% of the retail selling price on all liquor sold and  
10 delivered. Said tax shall be charged and collected on all  
11 liquor brought into the state and taxed by the department.  
12 The retail selling price shall be computed by adding to the  
13 cost of said liquor the state markup as designated by the  
14 department. Said 10% license tax shall be figured in the  
15 same manner as the state excise tax and shall be in addition  
16 to said state excise tax. The department shall retain in a  
17 separate account the amount of such 10% license tax so  
18 received. Thirty percent of these revenues are statutorily  
19 appropriated, as provided in [section 2], to the department  
20 and shall be allocated to the counties according to the  
21 amount of liquor purchased in each county to be distributed  
22 to the incorporated cities and towns, as provided in  
23 subsection (2). Four and one-half percent of these revenues  
24 are statutorily appropriated, as provided in [section 2],  
25 and shall be allocated to the counties according to the

1 amount of liquor purchased in each county, and this money  
 2 may be used for county purposes. The remaining revenues  
 3 shall be deposited in the state special revenue fund to the  
 4 credit of the department of institutions for the treatment,  
 5 rehabilitation, and prevention of alcoholism. Provided,  
 6 however, in the case of purchases of liquor by a retail  
 7 liquor licensee for use in his business, the department  
 8 shall make such regulations as are necessary to apportion  
 9 that proportion of license tax so generated to the county  
 10 where the licensed establishment is located, for use as  
 11 provided in 16-1-405. The That proportion of the license tax  
 12 is statutorily appropriated, as provided in [section 2], to  
 13 the department, which shall pay quarterly to each county  
 14 treasurer the proportion of the license tax due each county  
 15 to be allocated to the incorporated cities and towns of the  
 16 county.

17 (2) The license tax proceeds allocated to the county  
 18 under subsection (1) for use by cities and towns shall be  
 19 distributed by the county treasurer to the incorporated  
 20 cities and towns within 30 days of receipt from the  
 21 department. The distribution of funds to the cities and  
 22 towns shall be based on the proportion that the gross sale  
 23 of liquor in each city or town is to the gross sale of  
 24 liquor in all of the cities and towns of the county.

25 (3) The license tax proceeds that are allocated to the

1 department of institutions for the treatment,  
 2 rehabilitation, and prevention of alcoholism shall be  
 3 credited quarterly to the department of institutions. The  
 4 legislature may appropriate a portion of the license tax  
 5 proceeds to support alcohol programs. The remainder shall be  
 6 distributed as provided in 53-24-206."

7 Section 13. Section 16-1-410, MCA, is amended to read:

8 "16-1-410. Tax revenue allocation. All revenue  
 9 received from taxes on beer under 16-1-406 through 16-1-408  
 10 over and above \$1.50 per barrel of 31 gallons shall be  
 11 deposited with the state treasurer to the credit of the  
 12 incorporated cities and towns beer tax account in the state  
 13 special revenue fund. The money in the account is  
 14 statutorily appropriated, as provided in [section 2], to the  
 15 state treasurer who shall, monthly, distribute this amount  
 16 of money to the incorporated cities and towns in the direct  
 17 proportion that the population of each city and town bears  
 18 to the total population of all incorporated cities and towns  
 19 as shown in the latest official federal census. For cities  
 20 and towns incorporated after the latest official federal  
 21 census, the census shall be determined as of the date of  
 22 incorporation as evidenced by the certificate of the  
 23 incorporating officials of that city or town. If a city or  
 24 town disincorporates, it shall cease to receive any funds  
 25 under this section and the amount previously distributed to

1 the city or town shall be distributed to the remaining  
 2 incorporated cities and towns. All funds received by cities  
 3 and towns under this section shall be expended for state  
 4 purposes such as law enforcement, maintenance of the  
 5 transportation system, and public health."

6 Section 14. Section 16-1-411, MCA, is amended to read:

7 "16-1-411. Tax on wine. (1) A tax of 20 cents per  
 8 liter is hereby levied and imposed on table wine imported by  
 9 any table wine distributor or the department.

10 (2) (a) The tax on table wine imported by a table wine  
 11 distributor shall be paid by the table wine distributor by  
 12 the 15th day of the month following sale of the table wine  
 13 from the table wine distributor's warehouse. Failure to file  
 14 a table wine tax return or failure to pay the tax required  
 15 by this section subjects the table wine distributor to the  
 16 penalties and interest provided for in 16-1-409.

17 (b) The tax on table wine imported by the department  
 18 shall be collected at the time of sale.

19 (3) The tax paid by a table wine distributor in  
 20 accordance with subsection (2)(a) and the tax collected by  
 21 the department in accordance with subsection (2)(b) shall be  
 22 distributed as follows:

- 23 (a) 16 cents to the state general fund; and
- 24 (b) of the remaining 4 cents:
  - 25 (i) one-third to the state special revenue fund to the

1 credit of the department of institutions for the treatment,  
 2 rehabilitation, and prevention of alcoholism;

3 (ii) one-third is statutorily appropriated, as provided  
 4 in [section 2], to the department, for allocation to the  
 5 counties, based on population, for the purpose established  
 6 in 16-1-404; and

7 (iii) one-third is statutorily appropriated, as  
 8 provided in [section 2], to the department, for allocation  
 9 to the cities and towns, based on population, for the  
 10 purpose established in 16-1-405.

11 (4) The tax computed and paid in accordance with this  
 12 section shall be the only tax imposed by the state or any of  
 13 its subdivisions, including cities and towns."

14 ~~Section 15--Section 17-1-204, MCA, is amended to read:~~

15 ~~"17-1-204--Payment---pledge--of--taxes--and--revenue--~~  
 16 ~~{1}--The--notes--and--interest--on--the--notes--must--be--paid--from~~  
 17 ~~taxes--and--revenues,--which--are--statutorily--appropriated--as~~  
 18 ~~provided--in--[section--2]--for--this--purpose,--not--later--than--the~~  
 19 ~~end--of--the--fiscal--year--in--which--issued.~~

20 ~~{2}--The--full--faith--and--credit--and--taxing--power--of--the~~  
 21 ~~state--shall--be--pledged--for--the--payment--of--all--notes--issued~~  
 22 ~~under--this--part."~~

23 Section 15. Section 17-3-212, MCA, is amended to read:

24 "17-3-212. Apportionment of forest reserve funds among  
 25 counties. The forest reserve funds AND EARNED INTEREST are



1 statutorily appropriated, as provided in [section 2], to the  
 2 state auditor, who shall apportion said forest reserve funds  
 3 AND EARNED INTEREST for allocation between the several  
 4 counties as follows: all funds received from each forest  
 5 reserve shall be apportioned between the counties in which  
 6 such forest reserve is situated in proportion to the acreage  
 7 of such forest reserve in each county, and the state  
 8 treasurer shall pay the several amounts so apportioned to  
 9 the respective counties."

10 ~~Section 17. Section 17-5-422, MCA, is amended to read:~~

11 ~~"17-5-422. Bonds for state capitol improvements. (1)~~  
 12 ~~The board of examiners is authorized to issue and sell~~  
 13 ~~long-range building program bonds, upon the conditions and~~  
 14 ~~in the manner stated in this part, in the principal amount~~  
 15 ~~not to exceed \$5 million, for the purpose of financing costs~~  
 16 ~~of improvements to the state capitol.~~

17 ~~(2) There is statutorily appropriated, as provided in~~  
 18 ~~[section 2], to the debt service account established~~  
 19 ~~pursuant to 17-5-405 from the revenues of the capitol~~  
 20 ~~building land grant (exclusive of income derived from~~  
 21 ~~investment of accumulated revenues) in each fiscal year~~  
 22 ~~during the term of the bonds authorized by subsection (1) an~~  
 23 ~~amount sufficient to pay the principal of and interest on~~  
 24 ~~the bonds as due and to establish and maintain required~~  
 25 ~~reserves therefor. The appropriation shall be reduced in~~

1 ~~each fiscal year by the amount, if any, of income received~~  
 2 ~~in that year from investment of the reserve attributable to~~  
 3 ~~the bonds. The appropriation made by this section is solely~~  
 4 ~~for the benefit of the state and is not enforceable by the~~  
 5 ~~holders of the bonds."~~

6 SECTION 16. SECTION 17-5-404, MCA, IS AMENDED TO READ:

7 "17-5-404. Use of capital projects fund. The capital  
 8 projects fund shall be segregated by the treasurer from all  
 9 other money in that or any other fund in the state treasury  
 10 and used only to pay costs of the long-range building  
 11 program, upon order of the department acting within the  
 12 limits of the authority conferred upon it by the  
 13 legislature. The department may transfer all money  
 14 authorized by the legislature for its administrative  
 15 expenditures from the capital projects fund to a special  
 16 revenue fund, and for such purposes the money is statutorily  
 17 appropriated as provided in [section 2]."

18 SECTION 17. SECTION 17-5-804, MCA, IS AMENDED TO READ:

19 "17-5-804. Use of capital projects account. The  
 20 capital projects account must be segregated by the treasurer  
 21 from all other money in that or any other account in the  
 22 state treasury and used only to pay costs of the projects  
 23 for which bonds were issued, in accordance with the  
 24 respective bond accounts, upon order of the department  
 25 acting within the limits of the authority conferred upon it

1 ~~by the legislature. The department may transfer all money~~  
 2 ~~authorized by the legislature for its administrative~~  
 3 ~~expenditures from the capital projects account to a special~~  
 4 ~~revenue fund, and for such purposes the money is statutorily~~  
 5 ~~appropriated as provided in [section 2]."~~

6 SECTION 18. SECTION 19-8-504, MCA, IS AMENDED TO READ:  
 7 "19-8-504. State's contribution. Each month the state  
 8 treasurer shall pay to the account, out of the department of  
 9 fish, wildlife, and parks moneys, a sum equal to 7.15% of  
 10 the total of all members' salaries, and out of the moneys  
 11 collected as fines and forfeited bonds under the provisions  
 12 of 87-1-601, all such collections are statutorily  
 13 appropriated to the account until the unfunded liability in  
 14 the account is solvent and a verification statement to that  
 15 effect is given to the state treasurer by the board."

16 Section 19. Section 19-9-702, MCA, is amended to read:  
 17 "19-9-702. State contribution. The state of Montana  
 18 shall make its contributions through the state auditor out  
 19 of the premium tax on motor vehicle property and casualty  
 20 insurance policies, which premium tax is statutorily  
 21 appropriated, as provided in [section 2], for the  
 22 contributions. Such payments shall be made annually after  
 23 the end of each fiscal year but no later than September 1  
 24 from the gross premium tax after deduction for cancellations  
 25 and returned premiums. The administrator shall notify the

1 auditor by April 1 of each year of the annual compensation  
 2 paid to all active members during the preceding year. Before  
 3 July 1, 1985, the state's contribution shall be 14.04% of  
 4 such compensation and 15.06% on and after July 1, 1985."

5 SECTION 20. SECTION 19-9-1007, MCA, IS AMENDED TO  
 6 READ:

7 "19-9-1007. Supplement to certain pensions. (1) The  
 8 payment for each fiscal year to the police officers,  
 9 surviving spouses, or dependent children described in  
 10 subsections (2)(a) through (2)(c) may be not less than  
 11 one-half of the base salary paid in the previous calendar  
 12 year in the appropriate city or town to newly confirmed  
 13 police officers, except that for the fiscal year beginning  
 14 July 1, 1979, all retirees and their beneficiaries who  
 15 received a supplement to their retirement allowance on July  
 16 1, 1978, and are receiving an allowance on July 1, 1979,  
 17 shall receive a 3% increase in their retirement allowance in  
 18 lieu of any other increase.

19 (2) On or before April 1 of each year, the department  
 20 of administration shall make a report including the  
 21 following information:

22 (a) the names of all police officers who are receiving  
 23 payments from the plan as of the date of the report and were  
 24 receiving payments from a prior plan before July 1, 1975;

25 (b) the names of all surviving spouses or dependent

1 children who are receiving payments from the plan because of  
 2 the death of a police officer who was receiving payments  
 3 from a prior plan before July 1, 1975;

4 (c) the names of all surviving spouses or dependent  
 5 children who are receiving payments from the plan and who  
 6 were receiving payments from a prior plan before July 1,  
 7 1975, or in the case of dependent children, whose parent,  
 8 the spouse of a police officer, was receiving payments from  
 9 a prior plan before July 1, 1975;

10 (d) for the purpose of determining the base figure for  
 11 the computations set forth in subsection (3), the following  
 12 information relating to the base fiscal year commencing July  
 13 1, 1976:

14 (i) the amount of the payments made in the base fiscal  
 15 year to each police officer described in subsection (2)(a);

16 (ii) the amount of the payments made in the base fiscal  
 17 year to each surviving spouse or dependent child (or  
 18 children) described in subsection (2)(b) or (2)(c);

19 (iii) upon the death after April 18, 1977, of any  
 20 police officer on the retired list who was receiving  
 21 payments from a prior plan before July 1, 1975, his  
 22 surviving spouse or dependent children are entitled to  
 23 receive payments from the plan, the amount which would have  
 24 been paid to an eligible surviving spouse of such police  
 25 officer had that spouse been receiving payments in the base

1 fiscal year;

2 (e) the base salary for the previous calendar year of  
 3 a newly confirmed police officer of each city or town  
 4 participating in the plan.

5 (3) The department of administration shall compute the  
 6 difference between each amount reported under subsections  
 7 (2)(d)(i) through (2)(d)(iii) and one-half the base salary  
 8 for the previous calendar year of a newly confirmed police  
 9 officer of the appropriate city or town. The difference  
 10 shall be reported to and paid by the state auditor out of  
 11 the premium tax collected on insurance sold in this state to  
 12 insure against the risks enumerated in 19-11-512(3) to the  
 13 administrator after the end of each fiscal year, but no  
 14 later than September 1. The premium tax amount paid by the  
 15 state auditor is statutorily appropriated, as provided in  
 16 [section 2]. This payment is in addition to the payment to  
 17 be made by the state auditor under 19-9-702. The  
 18 administrator shall use the funds received under this  
 19 subsection to supplement the monthly payments to persons  
 20 described in subsections (2)(a) through (2)(c) so that the  
 21 requirements of subsection (1) are met.

22 (4) In addition to the payments made by the auditor as  
 23 provided in subsection (3), the auditor shall make annual  
 24 payments of \$100,000 after the end of each fiscal year but  
 25 no later than September 1, until the sum of \$500,000 has

1 been paid to the administrator for deposit in the retirement  
 2 account. These payments are statutorily appropriated as  
 3 provided in [section 2]. These payments are to be made to  
 4 reimburse the retirement account for funds advanced to  
 5 implement this section.

6 (5) If more than one dependent child is entitled to  
 7 supplementary payments under this section by virtue of the  
 8 death of a common parent police officer, the minimum payment  
 9 to such dependent children under this section shall be  
 10 determined as if there were one such dependent child and the  
 11 supplementary payment shall be made to the dependent  
 12 children collectively."

13 SECTION 21. SECTION 19-10-205, MCA, IS AMENDED TO  
 14 READ:

15 "19-10-205. Actuarial valuation of police retirement  
 16 fund. (1) The city treasurer shall submit to the department  
 17 of administration before October 1 of each odd-numbered year  
 18 all information requested by the department necessary to  
 19 complete an actuarial valuation of the city's police  
 20 retirement fund. The valuation shall consider the actuarial  
 21 soundness of the police retirement fund for the 2 preceding  
 22 fiscal years.

23 (2) The valuation is to be prepared by a qualified  
 24 actuary selected by the department. A qualified actuary is a  
 25 member of the American academy of actuaries or of any

1 organization considered by the department to have similar  
 2 standards.

3 (3) In each fiscal year in which an actuarial  
 4 valuation is prepared, the department shall submit to the  
 5 state auditor a request for payment of the expense incurred  
 6 in securing the actuarial valuation. The expense may not  
 7 exceed \$6,000 in any fiscal year. The state auditor shall  
 8 make payment to the actuary designated in the request. The  
 9 payment is statutorily appropriated as provided in [section  
 10 2]."

11 SECTION 22. SECTION 19-10-305, MCA, IS AMENDED TO  
 12 READ:

13 "19-10-305. Annual state payments to municipality with  
 14 police department. (1) After the end of each fiscal year,  
 15 the state auditor shall issue and deliver to the treasurer  
 16 of each city and town in Montana which has a police  
 17 department and which is not a participant in the municipal  
 18 police officers' retirement system his warrant for an amount  
 19 computed in the same manner as the amount paid (or that  
 20 would be paid if an existing relief association met the  
 21 legal requirements for payment) to cities and towns for fire  
 22 department relief associations pursuant to 19-11-512. The  
 23 payment is statutorily appropriated as provided in [section  
 24 2].

25 (2) The payments provided for by 19-10-205 and

1 subsection (1) of this section shall be paid from the  
2 premium tax collected on insurance sold in this state to  
3 insure against the risks enumerated in 19-11-512. Such  
4 payments may only be made after deductions have been made  
5 from the gross premium tax for cancellations and returned  
6 premiums.

7 (3) Each city or town which has a police retirement  
8 fund shall deposit the payment to the credit of its police  
9 retirement fund.

10 (4) Payments provided for in 19-10-205 and subsection  
11 (1) of this section are in addition to those provided for in  
12 19-10-301."

13 SECTION 23. SECTION 19-10-506, MCA, IS AMENDED TO  
14 READ:

15 "19-10-506. Supplement to certain pensions. (1) The  
16 payment for each fiscal year to the police officers,  
17 spouses, or minor children described in subsections (2)(a)  
18 through (2)(c) may be not less than one-half of the salary  
19 paid in that fiscal year in the appropriate city or town to  
20 newly confirmed police officers.

21 (2) On or before April 1 of each year, the board of  
22 trustees shall make a report to the state auditor including  
23 the following information:

24 (a) the names of all police officers who are receiving  
25 payments from the police retirement fund of the city or town

1 as of the date of the report and were receiving such  
2 payments prior to July 1, 1975;

3 (b) the names of all spouses or minor children who are  
4 receiving payments from the police retirement fund because  
5 of the death of a police officer who was receiving such  
6 payments prior to July 1, 1975;

7 (c) the names of all spouses or minor children who are  
8 receiving payments from the police retirement fund and who  
9 were receiving such payments prior to July 1, 1975, or in  
10 the case of minor children, whose parent, the spouse of a  
11 police officer, was receiving such payments prior to July 1,  
12 1975;

13 (d) for the purpose of determining the base figure for  
14 the computations set forth in subsection (4), the following  
15 information relating to the base fiscal year commencing July  
16 1, 1976:

17 (i) the amount of the payments made in the base fiscal  
18 year to each police officer described in subsection (2)(a);

19 (ii) the amount of the payments made in the base fiscal  
20 year to each spouse or minor child (or children) described  
21 in subsection (2)(b) or (2)(c);

22 (iii) upon the death after April 18, 1977, of any  
23 police officer on the retired list who was receiving  
24 payments from the police retirement fund prior to July 1,  
25 1975, and who is survived by a spouse or minor children

1 entitled to receive payments therefrom, the amount which  
2 would have been paid to an eligible spouse of such police  
3 officer had that spouse been receiving payments in the base  
4 fiscal year.

5 (3) Each fiscal year immediately after the adoption by  
6 a city or town having a police retirement fund of its budget  
7 for that fiscal year, each such city or town shall report to  
8 the state auditor the salary for that fiscal year of a newly  
9 confirmed police officer of that city or town.

10 (4) The state auditor shall, upon receipt of the  
11 reports referred to in subsections (2) and (3), compute the  
12 difference between each amount reported under subsections  
13 (2)(d)(i) through (2)(d)(iii) and one-half the salary for  
14 the current fiscal year of a newly confirmed police officer  
15 of the appropriate city or town. The difference shall be  
16 paid by the state auditor out of the premium tax collected  
17 on insurance, as provided in 19-10-305(2), to the treasurer  
18 of the appropriate city or town at the same time as and in  
19 addition to the payment to be made by the state auditor  
20 under 19-10-305(1). The payment is statutorily appropriated  
21 as provided in [section 2].

22 (5) The treasurer of each city or town receiving funds  
23 under subsection (4) shall immediately deposit them to the  
24 credit of the city or town's police retirement fund. The  
25 board of trustees of the fund shall use the funds to

1 supplement the monthly payments to persons described in  
2 subsections (2)(a) through (2)(c) so that the requirements  
3 of subsection (1) are met.

4 (6) If more than one minor child is entitled to  
5 supplementary payments under this section by virtue of the  
6 death of a common parent police officer, the minimum payment  
7 to such minor children under this section shall be  
8 determined as if there were one such minor child and the  
9 supplementary payment shall be made to the minor children  
10 collectively."

11 SECTION 24. SECTION 19-11-512, MCA, IS AMENDED TO  
12 READ:

13 "19-11-512. State auditor to pay association out of  
14 insurance premium taxes. (1) After the end of the fiscal  
15 year, the state auditor shall issue and deliver the warrant  
16 described in this subsection to the treasurer of every city  
17 or town which has a fire department relief association  
18 entitled by law to receive payments. The warrant shall be  
19 for the use and benefit of the association. It shall be for  
20 an amount equal to 1 1/2 mills of the total taxable value of  
21 the city or town and shall be paid out of the premium taxes  
22 on insurance risks enumerated in subsection (3) collected by  
23 the state auditor. The payment is statutorily appropriated  
24 as provided in [section 2].

25 (2) If the payment provided for in subsection (1) is

1 less than \$100, an additional payment shall be made from the  
2 same tax moneys so that the total amount received is \$100.

3 (3) The risks referred to in subsection (1) are:

4 (a) insurance of houses, buildings, and all other  
5 kinds of property against loss or damage by fire or other  
6 casualty;

7 (b) all kinds of insurance on goods, merchandise, or  
8 other property in the course of transportation, whether by  
9 land, water, or air;

10 (c) insurance against loss or damage to motor vehicles  
11 resulting from accident, collision, or marine and inland  
12 navigation and transportation perils;

13 (d) insurance of growing crops against loss or damage  
14 resulting from hail or the elements;

15 (e) insurance against loss or damage by water to any  
16 goods or premises arising from the breakage or leakage of  
17 sprinklers, pumps, or other apparatus;

18 (f) insurance against loss or legal liability for loss  
19 because of damage to property caused by the use of teams or  
20 vehicles, whether by accident or collision or by explosion  
21 of any engine, tank, boiler, pipe, or tire of any vehicle;  
22 and

23 (g) insurance against theft of the whole or any part  
24 of any vehicle."

25 SECTION 25. SECTION 19-11-513, MCA, IS AMENDED TO

1 READ:

2 "19-11-513. Transfer of premium taxes to state  
3 treasury. The state auditor shall estimate the portion of  
4 premium taxes needed to make the payments required by this  
5 chapter and shall pay an amount equal to the estimate into  
6 the state treasury, to the credit of the state special  
7 revenue fund. The payment is statutorily appropriated as  
8 provided in [section 2]. Any balances remaining after such  
9 payments have been ordered shall be transferred to the  
10 general fund."

11 Section 26. Section 19-11-606, MCA, is amended to  
12 read:

13 "19-11-606. Supplement to certain pensions. (1) In  
14 addition to the taxes on premiums required by law to be paid  
15 by each insurer doing business in this state that is  
16 authorized to effect insurance on risks enumerated in  
17 19-11-512, there is a tax of 1 1/2% on the fire portion of  
18 the direct premiums received during the calendar year of  
19 1975 and each succeeding year, with allowance for  
20 cancellations and returned premiums. The insurance  
21 commissioner shall collect the tax during March of each year  
22 and deposit the moneys in the state special revenue fund.  
23 The proceeds of such tax are statutorily appropriated, as  
24 provided in [section 2], to the auditor, who shall pay  
25 claims as provided in subsection (2) of this section and

1 19-13-1006. As those persons who are to receive the fund  
2 die, the tax shall be reduced proportionately, and when no  
3 eligible person, as defined by subsection (2) and  
4 19-13-1006, survives, the tax terminates and the remaining  
5 fund, if any, shall be transferred to the general fund.

6 (2) Effective January 1, 1976, each association shall  
7 pay to the firefighters retired before July 1, 1973, or  
8 their surviving spouses and children a monthly pension of  
9 not less than one-half the regular monthly salary paid to a  
10 confirmed active firefighter of that city, as provided each  
11 year in the budget of that city. In the case of volunteer  
12 firefighters, the pension may not exceed \$75 per month.  
13 Distribution of the funds provided for this purpose under  
14 subsection (1) shall be made as follows:

15 (a) At the beginning of each fiscal year the treasurer  
16 of each association shall request and the state auditor  
17 shall issue from the state special revenue fund and deliver  
18 to the treasurer of the respective city or town an amount  
19 certified to be equal to the total annual dollar difference  
20 between what the retirees or their surviving spouses and  
21 children received from the fund and one-half of the salary  
22 paid by the respective city or town to a confirmed active  
23 firefighter for the fiscal year just preceding. The state  
24 auditor shall, at the same time, report to the treasurer of  
25 the appropriate association the amount of any payment

1 delivered to the board of investments.

2 (b) The treasurer of a city or town receiving funds  
3 shall immediately disburse them to the treasurer of the  
4 respective association.

5 (c) The treasurer of the association shall utilize  
6 these funds to increase the monthly pension of retirees or  
7 their surviving spouses and children to an amount equal to  
8 one-half of the salary that was paid to a confirmed active  
9 firefighter in the city or town for the preceding year."

10 SECTION 27. SECTION 19-12-301, MCA, IS AMENDED TO  
11 READ:

12 "19-12-301. Fire insurance premium tax to be paid into  
13 fund. The state auditor and ex officio commissioner of  
14 insurance shall annually deposit in the volunteer  
15 firefighters' fund a sum equivalent to 5% of the premium  
16 taxes collected from insurers authorized to effect insurance  
17 against risks enumerated in 19-11-512, computed before the  
18 amounts provided for by 19-11-512 and 19-13-604 are  
19 deducted. The moneys shall be used for the payment of claims  
20 and administrative costs as provided in this chapter. The  
21 money is statutorily appropriated as provided in (section  
22 2)."

23 SECTION 28. SECTION 19-13-604, MCA, IS AMENDED TO  
24 READ:

25 "19-13-604. State contribution. The state shall make



1 its contributions through the state auditor from the premium  
 2 taxes on the insurance risks enumerated in 19-11-512. These  
 3 payments shall be made annually to the administrator after  
 4 the end of each fiscal year but no later than September 1  
 5 from the gross premium taxes after deduction for  
 6 cancellations and returned premiums. The payment is  
 7 statutorily appropriated as provided in [section 2]. The  
 8 administrator shall notify the auditor of the annual  
 9 compensation, excluding overtime, holiday payments, shift  
 10 differential payments, compensatory time payments, and  
 11 payments in lieu of sick leave, paid to all active members  
 12 during the preceding year, and effective July 1, 1981, the  
 13 state's contribution is 12% of this compensation. This  
 14 contribution shall increase to 15% effective July 1, 1982,  
 15 to 18% effective July 1, 1983, and to 22.98% effective July  
 16 1, 1985. As soon as practicable after receipt of the state  
 17 contribution, the administrator shall deposit it with the  
 18 state treasurer."

19 SECTION 29. SECTION 20-6-406, MCA, IS AMENDED TO READ:

20 "20-6-406. Disbursal and deposit of bonus payments. On  
 21 or before June 30 of the next 3 consecutive years following  
 22 the year of application, the superintendent of public  
 23 instruction shall disburse the bonus payments for approved  
 24 applications to the enlarged school district, and such  
 25 disbursement is statutorily appropriated as provided in

1 [section 2]. The general bonus payment shall be deposited by  
 2 the county treasurer in the enlarged district's general  
 3 fund, and the transportation bonus payment shall be  
 4 deposited by the county treasurer in the transportation  
 5 fund. These bonus payments shall not be considered as a part  
 6 of the regular state equalization aid or state  
 7 transportation aid received by the enlarged district."

8 Section 30. Section 20-8-111, MCA, is amended to read:

9 "20-8-111. Duty of board of public education as to  
 10 property of school. The board of public education has a  
 11 statutory appropriation, as provided in [section 2], and  
 12 shall, either directly or through a contract with a  
 13 nonprofit corporation, receive, hold, manage, use, and  
 14 dispose of real and personal property made over to such  
 15 board or to the state of Montana by purchase, gift, devise,  
 16 bequest, or otherwise acquired and the proceeds, interest,  
 17 and income thereof for the use and benefit of said school.  
 18 All donations, gifts, devises, or grants made before, on, or  
 19 after October 1, 1983, to the school shall vest in the board  
 20 or its designee, as trustee for the state of Montana, for  
 21 the use and benefit of the school and its students."

22 SECTION 31. SECTION 80-2-103, MCA, IS AMENDED TO READ:

23 "80-2-103. Administration of trust assets. Funds and  
 24 the proceeds of the trust assets which are not authorized to  
 25 be administered by the secretary of agriculture under

1 80-2-102 shall be received by the department and paid by it  
 2 to the state treasurer for deposit in the expendable trust  
 3 fund and shall be statutorily appropriated as provided in  
 4 [section 2] to be used for expenditure or obligation by the  
 5 department for the purposes of 80-2-102 or for the rural  
 6 rehabilitation purposes permissible under the charter of the  
 7 now dissolved Montana rural rehabilitation corporation as  
 8 may be agreed upon between the department and the secretary  
 9 of agriculture, subject to Public Law 499."

10 SECTION 32. SECTION 80-2-228, MCA, IS AMENDED TO READ:

11 "80-2-228. Reserve fund. (1) Each year when the hail  
 12 board makes its annual levy for the payment of current  
 13 losses, expenses of administration, and for an addition to  
 14 the reserve if conditions permit, it may not increase the  
 15 levy enough in any year so that such addition to the reserve  
 16 will exceed 5% of the maximum risk written for that year.

17 (2) The board may engage the services of a qualified  
 18 actuary to conduct an actuarial valuation of the reserve.  
 19 This valuation shall include the actuary's determination of  
 20 the amount of reserve necessary to absorb all reasonably  
 21 anticipated catastrophic losses. This amount shall be the  
 22 maximum permissible reserve fund for the next year.

23 (3) The reserve hereby created shall be deposited in  
 24 an expendable trust fund, and is statutorily appropriated as  
 25 provided in [section 2] to the board is hereby granted the

1 ~~power-to-draw-from-its-moneys-in-the-fund-such-amounts-as-it~~  
 2 ~~considers-necessary~~ for the purpose of paying costs of  
 3 administration, interest, and losses of the program.

4 (4) The board may not draw on the reserve for any  
 5 purpose unless the amount required for the payment of losses  
 6 for the current year, including interest on warrants and  
 7 costs of administration, exceeds the amount of the estimate  
 8 made by the board for the current year pursuant to  
 9 80-2-221."

10 NEW SECTION. Section 33. Severability. If a part of  
 11 this act is invalid, all valid parts that are severable from  
 12 the invalid part remain in effect. If a part of this act is  
 13 invalid in one or more of its applications, the part remains  
 14 in effect in all valid applications that are severable from  
 15 the invalid applications.

16 NEW SECTION. Section 34. Effective date. This act is  
 17 effective on passage and approval.

-End-

# STANDING COMMITTEE REPORT

## SENATE

April 19, 1985

MR. PRESIDENT

We, your committee on Finance and Claims  
 having had under consideration House Bill No. 12  
 third reading copy ( blue )  
color

### STATUTORY APPROPRIATIONS - DEFINING AND ESTABLISHING

BARDANOUVE

Respectfully report as follows: That House Bill No. 12


be amended as follows:

1. Title, line 8.  
Following: "2-9-202,"  
Insert: "2-17-105,"
2. Title, line 13.  
Following: "20-8-111,"  
Insert: "53-24-206,"
3. Page 2.  
Following: line 19  
Insert: "(b) 2-17-105;"  
Renumber: subsequent subsections
4. Page 3.  
Following: line 7  
Insert: "(o) 17-5-404;"  
Renumber: subsequent subsections
5. Page 3, line 8.  
Strike: "17-5-894"  
Insert: "17-5-804"
6. Page 3.  
Following: line 21  
Insert: "(DD) 53-24-206;"  
Renumber: subsequent subsections

XXXXXX

XXXXXXXX

(continued)

  
 SENATOR PAT REGAN Chairman.

April 19, 1985

7. Page 5.

Following: line 15

Insert: "Section 4. Section 2-17-105, MCA, is amended to read:

"2-17-105. Insurance on state buildings -- use of proceeds -- building replacement. (1) Moneys received by the state as indemnification for damage to state buildings, except buildings procured by the department of highways by purchase or condemnation for right-of-way purposes, shall be deposited in the state special revenue fund.

(2) These moneys are statutorily appropriated as provided in [section 2] and may only be:

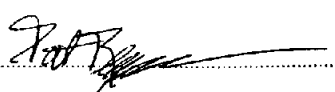
- (a) used to repair the damaged property;
  - (b) used to replace the damaged property,
- subject to the limitations in subsection (3) of this section; or

(c) transferred to the fund and account from which the premiums were paid on the policy covering the building. Moneys transferred in this manner may not be spent by the institution or agency having custody of the damaged property but shall be available for future legislative appropriation. If the moneys are not spent or committed within 2 years from the time they are received, they shall automatically revert to the fund and account from which the premiums were paid.

(3) If an insured building is totally destroyed or so badly damaged that repair is impractical, the governing board or officer responsible for the building may authorize any moneys received by the state as indemnification for property damage to be used to replace the building only if the proposed replacement is designed to be used for the same general purposes as the damaged or destroyed building and for this purpose the amounts available therefor are statutorily appropriated as provided in [section 2]. If the governing board or officer determines that the building should not be replaced, any moneys received by the state as indemnification for property damage over and above any outstanding debt on the building shall be transferred as provided in subsection (2)(c) of this section."

Renumber: subsequent sections

(continued)



April 19, 1985

8. Page 38.

Following: line 21

Insert: "Section 32. Section 53-24-206, MCA, is amended to read:

"53-24-206. Administration of financial assistance. (1) The department may apply for and receive grants, allotments, or allocations of funds or other assistance for purposes pertaining to the problems of chemical dependency or related social problems under laws and rules of the United States, any other state, or any private organization.

(2) The department may cooperate with any other government agency or private organization in programs on chemical dependency or related social problems. In carrying out cooperative programs, the department may make grants of financial assistance to government agencies and private organizations under terms and conditions agreed upon.

(3) (a) In administering proceeds derived from the liquor license tax or the beer license tax, the department shall distribute those funds appropriated by the legislature. Money that is appropriated for distribution to approved private nonprofit or public programs on a discretionary basis shall be distributed to those programs that can demonstrate that:

(i) the program is achieving the goals and objectives mutually agreed upon by the program and the department; and

(ii) the receipt of additional funds would be justified.

(b) The remainder of the proceeds shall be distributed to the counties for use by approved private nonprofit or public programs. The distribution of these proceeds is statutorily appropriated as provided in [section 2] and must be distributed in the following manner:

(i) Eighty-five percent shall be allocated according to the proportion of each county's population to the state's population according to the most recent United States census.

(ii) Fifteen percent shall be allocated according to the proportion of the county's land area to the state's land area.

(c) Money distributed under subsection (3) may only be used for purposes pertaining to the problems of alcoholism."

Renumber: subsequent sections

KB  
AND AS AMENDED  
BE CONCURRED IN

  
SENATOR PAT REGAN, CHAIRMAN

HOUSE BILL NO. 12

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE LAW RELATING TO APPROPRIATIONS BY DEFINING AND ESTABLISHING THE REQUISITES FOR VALID CONTINUING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 2-9-202, 2-17-105, 2-18-812, 10-3-203, 10-3-312, 10-3-314, 13-37-304, 15-31-702, 15-36-112, 15-70-101, 16-1-404, 16-1-410, 16-1-411, 17-1-284, 17-3-212, 17-5-404, 17-5-422, 17-5-804, 19-8-504, 19-9-702, 19-9-1007, 19-10-205, 19-10-305, 19-10-506, 19-11-512, 19-11-513, 19-11-606, AND 19-12-301, 19-13-604, 20-6-406, 20-8-111, 53-24-206, 80-2-103, AND 80-2-228, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriations -- type. There are three types of appropriations within the meaning of "appropriation made by law" as used in Article VIII, section 14, of the Montana constitution:

(1) temporary appropriations enacted by the legislature as part of designated appropriation bills or sections designated as appropriations in other bills;

(2) temporary appropriations made by valid budget

amendment; and

(3) statutory appropriations made by permanent law in conformance with [section 2].

NEW SECTION. Section 2. 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) To 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:

(a) 2-9-202;

(B) 2-17-105;

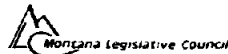
(C) 2-18-812;

(D) 10-3-203;

(E) 10-3-312;

(F) 10-3-314;

(G) 13-37-304;



1        f g}(H) 15-31-702;  
2        f h}(I) 15-36-112;  
3        f i}(J) 15-70-101;  
4        f j}(K) 16-1-404;  
5        f k}(L) 16-1-410;  
6        f l}(M) 16-1-411;  
7        f m}--~~17-1-204~~;  
8        f n}f m}(N) 17-3-212;  
9        (O) 17-5-404;  
10       f o}f n}(P) ~~17-5-422~~ ~~17-5-094~~ 17-5-804;  
11       f o}(Q) 19-8-504;  
12       f p}(R) 19-9-702;  
13       f q}(S) 19-9-1007;  
14       f r}(T) 19-10-205;  
15       f s}(U) 19-10-305;  
16       f t}(V) 19-10-506;  
17       f u}(W) 19-11-512;  
18       f v}(X) 19-11-513;  
19       f q}f w}(Y) 19-11-606; and  
20       f x}(Z) 19-12-301;  
21       f y}(AA) 19-13-604; AND  
22       f r}f z}(BB) 20-8-111;  
23       f AA}(CC) 20-6-406;  
24       (DD) 53-24-206;  
25       f AA}f BB}(EE) 80-2-103; AND

1        f BB}f EE}(FF) 80-2-228.  
2        (4) THERE IS A STATUTORY APPROPRIATION TO PAY THE  
3        PRINCIPAL, INTEREST, PREMIUMS, AND COSTS OF ISSUING, PAYING,  
4        AND SECURING ALL BONDS, NOTES, OR OTHER OBLIGATIONS, AS DUE,  
5        THAT HAVE BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF  
6        MONTANA. AGENCIES THAT HAVE ENTERED INTO AGREEMENTS  
7        AUTHORIZED BY THE LAWS OF MONTANA TO PAY THE STATE  
8        TREASURER, FOR DEPOSIT IN ACCORDANCE WITH 17-2-101 THROUGH  
9        17-2-107, AS DETERMINED BY THE STATE TREASURER, AN AMOUNT  
10       SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST AS DUE ON THE  
11       BONDS OR NOTES HAVE STATUTORY APPROPRIATION AUTHORITY FOR  
12       SUCH PAYMENTS.

13       Section 3. Section 2-9-202, MCA, is amended to read:  
14       "2-9-202. Apportionment of costs -- creation of  
15       deductible reserve. (1) The department of administration  
16       shall apportion the costs of all insurance purchased under  
17       2-9-201 to the individual state participants, and the costs  
18       shall be paid to the department subject to appropriations by  
19       the legislature.

20       (2) The department, if it elects to utilize a  
21       deductible insurance plan, is authorized to charge the  
22       individual state participants an amount equal to the cost of  
23       a full-coverage insurance plan until such time as a  
24       deductible reserve is established. In each subsequent year,  
25       the department may charge a sufficient amount over the

1 actual cost of the deductible insurance to replenish such  
 2 deductible reserves.

3 (3) The department may accumulate a self-insurance  
 4 reserve fund sufficient to provide self-insurance for all  
 5 liability coverages that in its discretion the department  
 6 considers should be self-insured. Payments into the  
 7 self-insurance reserve fund must be made from a legislative  
 8 appropriation for that purpose. Proceeds of the fund ~~may be~~  
 9 used only are statutorily appropriated, as provided in  
 10 [section 2], to the department to pay claims under parts 1  
 11 through 3 of this chapter, and Expenditures for actual and  
 12 necessary expenses required for the efficient administration  
 13 of the fund must be made from temporary appropriations, as  
 14 described in [section 1(1) or (2)], made for that purpose.

15 (4) Money in reserve funds established under this  
 16 section not needed to meet expected expenditures shall be  
 17 invested and all proceeds of the investment credited to the  
 18 fund."

19 SECTION 4. SECTION 2-17-105, MCA, IS AMENDED TO READ:

20 "2-17-105. Insurance on state buildings -- use of  
 21 proceeds -- building replacement. (1) Moneys received by the  
 22 state as indemnification for damage to state buildings,  
 23 except buildings procured by the department of highways by  
 24 purchase or condemnation for right-of-way purposes, shall be  
 25 deposited in the state special revenue fund.

1 (2) These moneys are statutorily appropriated as  
 2 provided in [section 2] and may only be:

- 3 (a) used to repair the damaged property;
  - 4 (b) used to replace the damaged property, subject to  
 5 the limitations in subsection (3) of this section; or
  - 6 (c) transferred to the fund and account from which the  
 7 premiums were paid on the policy covering the building.
- 8 Moneys transferred in this manner may not be spent by the  
 9 institution or agency having custody of the damaged property  
 10 but shall be available for future legislative appropriation.  
 11 If the moneys are not spent or committed within 2 years from  
 12 the time they are received, they shall automatically revert  
 13 to the fund and account from which the premiums were paid.

14 (3) If an insured building is totally destroyed or so  
 15 badly damaged that repair is impractical, the governing  
 16 board or officer responsible for the building may authorize  
 17 any moneys received by the state as indemnification for  
 18 property damage to be used to replace the building only if  
 19 the proposed replacement is designed to be used for the same  
 20 general purposes as the damaged or destroyed building, and  
 21 for this purpose the amounts available therefor are  
 22 statutorily appropriated as provided in [section 2]. If the  
 23 governing board or officer determines that the building  
 24 should not be replaced, any moneys received by the state as  
 25 indemnification for property damage over and above any

1 outstanding debt on the building shall be transferred as  
2 provided in subsection (2)(c) of this section."

3 Section 5. Section 2-18-812, MCA, is amended to read:

4 "2-18-812. Alternatives to conventional insurance for  
5 providing state employee group benefits authorized --  
6 requirements. The department may establish alternatives to  
7 conventional insurance for providing state employee group  
8 benefits. The requirements for providing alternatives to  
9 conventional insurance are as follows:

10 (1) The department must maintain state employee group  
11 benefit plans on an actuarially sound basis.

12 (2) The department must maintain reserves sufficient  
13 to liquidate the unrevealed claims liability and other  
14 liabilities of state employee group benefit plans.

15 (3) The department must deposit all reserve funds and  
16 premiums paid to a state employee group benefit plan, and  
17 such deposits are statutorily appropriated, as provided in  
18 [section 2], to the department to be expended for claims  
19 under the plan.

20 (4) The department must deposit in the earned from the  
21 investment of a state employee group benefit plan's reserve  
22 fund into the account established under subsection (3) of  
23 this section in order to offset the costs of administering  
24 the plan.

25 (5) The department shall, prior to implementation of

1 any alternative to conventional insurance, present to the  
2 advisory council the evidence upon which the department has  
3 concluded that the alternative method will be more  
4 efficient, less costly, or otherwise superior to contracting  
5 for conventional insurance. The department may not implement  
6 any full self insurance alternative prior to July 1, 1981.

7 (6) The provisions of Title 33 shall not apply to the  
8 department when exercising the powers and duties provided  
9 for in this section."

10 Section 6. Section 10-3-203, MCA, is amended to read:

11 "10-3-203. Acceptance of services, gifts, grants, and  
12 loans. (1) Whenever the federal government or any agency or  
13 officer thereof or any person, firm, or corporation shall  
14 offer to the state, or through the state to any political  
15 subdivision thereof, services, equipment, supplies,  
16 materials, or funds by way of gift, grant, or loan for  
17 purposes of emergency or disaster services, the state,  
18 acting through the governor, or the political subdivision,  
19 acting through its executive officer or governing body, may  
20 accept the offer and upon the acceptance the governor of the  
21 state or executive officer or governing body of the  
22 political subdivision may authorize any officer of the state  
23 or of the political subdivision, as the case may be, to  
24 receive the services, equipment, supplies, materials, or  
25 funds on behalf of the state or such political subdivision



1 and subject to the terms of the offer and the rules, if any,  
2 of the agency making the offer.

3 (2) The funds, items, and services set forth in  
4 subsection (1) are statutorily appropriated, as provided in  
5 [section 2], to the governor for the purposes set forth in  
6 subsection (1)."

7 Section 7. Section 10-3-312, MCA, is amended to read:  
8 "10-3-312. Maximum expenditure in biennium. Whenever  
9 an emergency or disaster is declared by the governor, there  
10 is statutorily appropriated to him THE OFFICE OF THE  
11 GOVERNOR, as provided in [section 2], and he is authorized  
12 to expend from the general fund, an amount not to exceed \$1  
13 million in any one biennium."

14 Section 8. Section 10-3-314, MCA, is amended to read:  
15 "10-3-314. Community disaster loans. Whenever, at the  
16 request of the governor, the president has declared a major  
17 disaster to exist in this state, the governor is authorized:

18 (1) upon his determination that a political  
19 subdivision of the state will suffer a substantial loss of  
20 tax and other revenues from an emergency or disaster and has  
21 demonstrated a need for financial assistance to perform its  
22 governmental functions, to apply to the federal government,  
23 on behalf of the political subdivision, for a loan, and to  
24 The proceeds are statutorily appropriated, as provided in  
25 [section 2], to the governor, who may receive and disburse

1 the proceeds of any approved loan to any applicant political  
2 subdivision<sub>7</sub>.

3 (2) to determine the amount needed by any applicant  
4 political subdivision to restore or resume its governmental  
5 functions and to certify the same to the federal government.  
6 However, no application amount may exceed 25% of the annual  
7 operating budget of the applicant for the fiscal year in  
8 which the emergency or disaster occurs.

9 (3) to recommend to the federal government, based upon  
10 his review, the cancellation of all or any part of repayment  
11 when, in the first 3 full fiscal years following the  
12 emergency or disaster, the revenues of the political  
13 subdivision are insufficient to meet its operating expenses,  
14 including additional emergency- or disaster-related expenses  
15 of a political subdivision operation character."

16 Section 9. Section 13-37-304, MCA, is amended to read:  
17 "13-37-304. Public campaign fund. (1) There is a  
18 public campaign fund within the state special revenue fund  
19 provided for in 17-2-102.

20 (2) All money designated under 13-37-303 shall be  
21 deposited in the fund. Such money in the fund is  
22 statutorily appropriated, as provided in [section 2], for  
23 the purposes of subsections (3) and (4).

24 (3) (a) Five months before the general election in the  
25 election year, money in the fund shall be paid over in equal

1 amounts to all eligible candidates for the designated  
 2 political office according to the percentages in (3)(b). The  
 3 money shall be spent only for the legitimate campaign  
 4 expenses of the candidates.

5 (b) The money shall be distributed in the following  
 6 percentages:

7 (i) campaign for office of governor-lieutenant  
 8 governor, 50%;

9 (ii) campaigns for offices of chief justice and justice  
 10 of the supreme court, 50% equally allocated to each eligible  
 11 campaign fund.

12 (4) Three months before the general election in a  
 13 general election year the remainder of any money in the fund  
 14 shall be remitted to the treasurer of each candidate in the  
 15 same proportion as provided in subsection (3)(b)."

16 Section 10. Section 15-31-702, MCA, is amended to  
 17 read:

18 "15-31-702. Distribution of corporation license taxes  
 19 collected from banks or savings and loan associations. (1)  
 20 All corporation license taxes collected from banks and  
 21 savings and loan associations shall be distributed in the  
 22 following manner:

23 (a) 20% must be remitted to the state treasurer to be  
 24 allocated as provided in 15-1-501(2); and

25 (b) ~~80% must be allocated~~ is statutorily appropriated,

1 as provided in [section 2], for allocation to the various  
 2 taxing jurisdictions within the county in which the bank or  
 3 savings and loan association is located.

4 (2) The corporation license taxes distributed under  
 5 subsection (1)(b) shall be allocated to each taxing  
 6 jurisdiction in the proportion that its mill levy for that  
 7 fiscal year bears to the total mill levy of the taxing  
 8 authorities of the district in which the bank or savings and  
 9 loan association is located.

10 (3) "Taxing jurisdictions" means, for the purposes of  
 11 this section, all taxing authorities within a county  
 12 permitted under state law to levy mills against the taxable  
 13 value of property in the taxing district in which the bank  
 14 or savings and loan association is located.

15 (4) If a return filed by a bank or savings and loan  
 16 association involves branches or offices in more than one  
 17 taxing jurisdiction, the department of revenue shall provide  
 18 a method by rule for equitable distribution among those  
 19 taxing jurisdictions."

20 Section 11. Section 15-36-112, MCA, is amended to  
 21 read:

22 "15-36-112. Disposition of oil and gas severance  
 23 taxes. (1) Each year the department of revenue shall  
 24 determine the amount of tax collected under this chapter  
 25 from within each county.

1 (2) The severance taxes collected under this chapter  
2 are allocated as follows:

3 (a) 33 1/3% of the oil severance tax, not to exceed  
4 \$42 million for the biennium ending June 30, 1985, is  
5 deposited in the local government block grant account within  
6 the state special revenue fund;

7 (b) the amount, if any, by which the tax collected  
8 from within a county for any fiscal year exceeds the total  
9 amount collected from within that county for the previous  
10 fiscal year, by reason of increased production and not  
11 because of increase in or elimination of federal price  
12 ceilings on oil and gas, is allocated statutorily  
13 appropriated, as provided in [section 2], for allocation to  
14 the general fund of the county for distribution as provided  
15 in subsection (3);

16 (c) any amount not allocated to the local government  
17 block grant account or the county under subsection (2)(a) or  
18 (2)(b) is allocated to the state general fund.

19 (3) (a) The county treasurer shall distribute the  
20 money received under subsection (2)(b) of this section to  
21 the county and to all the incorporated cities and towns  
22 within the county in the following manner. The county  
23 receives the available money multiplied by the ratio of the  
24 rural population to the county population. Each incorporated  
25 municipality receives the available money multiplied by the

1 ratio of the population of the incorporated municipality to  
2 the county population. The rural population is that  
3 population of the county living outside the boundaries of an  
4 incorporated municipality. Population shall be based on the  
5 most recent figures as determined by the department of  
6 commerce.

7 (b) The money distributed under this subsection may be  
8 used for any purpose as determined by the governing body of  
9 the county, city, or town."

10 Section 12. Section 15-70-101, MCA, is amended to  
11 read:

12 "15-70-101. Disposition of funds. All taxes, interest,  
13 and penalties collected under this chapter shall be turned  
14 over promptly to the state treasurer who shall place the  
15 same in the state special revenue fund to the credit of the  
16 department of highways. Those funds hereinbelow allocated  
17 to cities, towns, and counties shall be paid by the  
18 department of highways from the state special revenue fund  
19 to such cities, towns, and counties.

20 (1) \$14,000,000 of the funds collected under this  
21 chapter is statutorily appropriated, as provided in [section  
22 2], to the department of highways and shall be allocated  
23 each fiscal year on a monthly basis to the counties and  
24 incorporated cities and towns in Montana for construction,  
25 reconstruction, maintenance, and repair of rural roads and

1 city or town streets and alleys, as provided in subsections  
2 (a) and (b) hereof:

3 (a) \$6,350,000 shall be divided among the various  
4 counties in the following manner:

5 (i) 40% in the ratio that the rural road mileage in  
6 each county, exclusive of the federal-aid interstate system  
7 and the federal-aid primary system, bears to the total rural  
8 road mileage in the state, exclusive of the federal-aid  
9 interstate system and the federal-aid primary system;

10 (ii) 40% in the ratio that the rural population in each  
11 county outside incorporated cities and towns bears to the  
12 total rural population in the state outside incorporated  
13 cities and towns;

14 (iii) 20% in the ratio that the land area of each  
15 county bears to the total land area of the state;

16 (b) \$7,650,000 shall be divided among the incorporated  
17 cities and towns in the following manner:

18 (i) 50% of the sum in the ratio that the population  
19 within the corporate limits of the city or town bears to the  
20 total population within corporate limits of all the cities  
21 and towns in Montana;

22 (ii) 50% in the ratio that the city or town street and  
23 alley mileage, exclusive of the federal-aid interstate  
24 system and the federal-aid primary system, within corporate  
25 limits bears to the total street and alley mileage,

1 exclusive of the federal-aid interstate system and  
2 federal-aid primary system, within the corporate limits of  
3 all cities and towns in Montana.

4 (2) All funds hereby allocated to counties, cities,  
5 and towns shall be used exclusively for the construction,  
6 reconstruction, maintenance, and repair of rural roads, city  
7 or town streets and alleys or for the share which such city,  
8 town, or county might otherwise expend for proportionate  
9 matching of federal funds allocated for the construction of  
10 roads or streets which are part of the federal-aid primary  
11 or secondary highway system or urban extensions thereto.

12 (3) Upon receipt of the allocation provided herein,  
13 the governing bodies of the recipient counties, cities, and  
14 towns shall inform the department of highways of the  
15 purposes for which the funds will be expended so that the  
16 county commissioners, the governing body, and the department  
17 of highways may coordinate the expenditure of public funds  
18 for road improvements.

19 (4) All funds hereby allocated to counties, cities,  
20 and towns shall be disbursed to the lowest responsible  
21 bidder according to applicable bidding procedures followed  
22 in all cases where the contract for construction,  
23 reconstruction, maintenance, or repair is in excess of  
24 \$4,000.

25 (5) For the purposes of this section where

1 distribution of funds is made on a basis related to  
2 population, the population shall be determined by the last  
3 preceding official federal census.

4 (6) For the purposes of this section where  
5 determination of mileage is necessary for distribution of  
6 funds, it shall be the responsibility of the cities, towns,  
7 and counties to furnish to the department of highways a  
8 yearly certified statement indicating the total mileage  
9 within their respective areas applicable to this chapter.  
10 All mileage submitted shall be subject to review and  
11 approval by the department of highways.

12 (7) None of the funds authorized by this section shall  
13 be used for the purchase of capital equipment.

14 (8) Funds authorized by this section shall be used for  
15 construction and maintenance programs only."

16 Section 13. Section 16-1-404, MCA, is amended to read:

17 "16-1-404. License tax on liquor -- amount --  
18 distribution of proceeds. (1) The department is hereby  
19 authorized and directed to charge, receive, and collect at  
20 the time of sale and delivery of any liquor under any  
21 provisions of the laws of the state of Montana a license tax  
22 of 10% of the retail selling price on all liquor sold and  
23 delivered. Said tax shall be charged and collected on all  
24 liquor brought into the state and taxed by the department.  
25 The retail selling price shall be computed by adding to the

1 cost of said liquor the state markup as designated by the  
2 department. Said 10% license tax shall be figured in the  
3 same manner as the state excise tax and shall be in addition  
4 to said state excise tax. The department shall retain in a  
5 separate account the amount of such 10% license tax so  
6 received. Thirty percent of these revenues are statutorily  
7 appropriated, as provided in [section 2], to the department  
8 and shall be allocated to the counties according to the  
9 amount of liquor purchased in each county to be distributed  
10 to the incorporated cities and towns, as provided in  
11 subsection (2). Four and one-half percent of these revenues  
12 are statutorily appropriated, as provided in [section 2],  
13 and shall be allocated to the counties according to the  
14 amount of liquor purchased in each county, and this money  
15 may be used for county purposes. The remaining revenues  
16 shall be deposited in the state special revenue fund to the  
17 credit of the department of institutions for the treatment,  
18 rehabilitation, and prevention of alcoholism. Provided,  
19 however, in the case of purchases of liquor by a retail  
20 liquor licensee for use in his business, the department  
21 shall make such regulations as are necessary to apportion  
22 that proportion of license tax so generated to the county  
23 where the licensed establishment is located, for use as  
24 provided in 16-1-405. The That proportion of the license tax  
25 is statutorily appropriated, as provided in [section 2], to

1 the department, which shall pay quarterly to each county  
 2 treasurer the proportion of the license tax due each county  
 3 to be allocated to the incorporated cities and towns of the  
 4 county.

5 (2) The license tax proceeds allocated to the county  
 6 under subsection (1) for use by cities and towns shall be  
 7 distributed by the county treasurer to the incorporated  
 8 cities and towns within 30 days of receipt from the  
 9 department. The distribution of funds to the cities and  
 10 towns shall be based on the proportion that the gross sale  
 11 of liquor in each city or town is to the gross sale of  
 12 liquor in all of the cities and towns of the county.

13 (3) The license tax proceeds that are allocated to the  
 14 department of institutions for the treatment,  
 15 rehabilitation, and prevention of alcoholism shall be  
 16 credited quarterly to the department of institutions. The  
 17 legislature may appropriate a portion of the license tax  
 18 proceeds to support alcohol programs. The remainder shall be  
 19 distributed as provided in 53-24-206."

20 Section 14. Section 16-1-410, MCA, is amended to read:

21 "16-1-410. Tax revenue allocation. All revenue  
 22 received from taxes on beer under 16-1-406 through 16-1-40  
 23 over and above \$1.50 per barrel of 31 gallons shall be  
 24 deposited with the state treasurer to the credit of the  
 25 incorporated cities and towns beer tax account in the state

1 special revenue fund. The money in the account is  
 2 statutorily appropriated, as provided in [section 2], to the  
 3 state treasurer who shall, monthly, distribute this amount  
 4 of money to the incorporated cities and towns in the direct  
 5 proportion that the population of each city and town bears  
 6 to the total population of all incorporated cities and towns  
 7 as shown in the latest official federal census. For cities  
 8 and towns incorporated after the latest official federal  
 9 census, the census shall be determined as of the date of  
 10 incorporation as evidenced by the certificate of the  
 11 incorporating officials of that city or town. If a city or  
 12 town disincorporates, it shall cease to receive any funds  
 13 under this section and the amount previously distributed to  
 14 the city or town shall be distributed to the remaining  
 15 incorporated cities and towns. All funds received by cities  
 16 and towns under this section shall be expended for state  
 17 purposes such as law enforcement, maintenance of the  
 18 transportation system, and public health."

19 Section 15. Section 16-1-411, MCA, is amended to read:

20 "16-1-411. Tax on wine. (1) A tax of 20 cents per  
 21 liter is hereby levied and imposed on table wine imported by  
 22 any table wine distributor or the department.

23 (2) (a) The tax on table wine imported by a table wine  
 24 distributor shall be paid by the table wine distributor by  
 25 the 15th day of the month following sale of the table wine

1 from the table wine distributor's warehouse. Failure to file  
2 a table wine tax return or failure to pay the tax required  
3 by this section subjects the table wine distributor to the  
4 penalties and interest provided for in 16-1-409.

5 (b) The tax on table wine imported by the department  
6 shall be collected at the time of sale.

7 (3) The tax paid by a table wine distributor in  
8 accordance with subsection (2)(a) and the tax collected by  
9 the department in accordance with subsection (2)(b) shall be  
10 distributed as follows:

11 (a) 16 cents to the state general fund; and

12 (b) of the remaining 4 cents:

13 (i) one-third to the state special revenue fund to the  
14 credit of the department of institutions for the treatment,  
15 rehabilitation, and prevention of alcoholism;

16 (ii) one-third is statutorily appropriated, as provided  
17 in [section 2], to the department, for allocation to the  
18 counties, based on population, for the purpose established  
19 in 16-1-404; and

20 (iii) one-third is statutorily appropriated, as  
21 provided in [section 2], to the department, for allocation  
22 to the cities and towns, based on population, for the  
23 purpose established in 16-1-405.

24 (4) The tax computed and paid in accordance with this  
25 section shall be the only tax imposed by the state or any of

1 its subdivisions, including cities and towns."

2 ~~Section 15. Section 17-1-204, MCA, is amended to read:~~

3 ~~"17-1-204. Payment of taxes and revenue:~~  
4 ~~(1) The notes and interest on the notes must be paid from~~  
5 ~~taxes and revenues, which are statutorily appropriated as~~  
6 ~~provided in [section 2] for this purpose, not later than the~~  
7 ~~end of the fiscal year in which issued.~~

8 ~~(2) The full faith and credit and taxing power of the~~  
9 ~~state shall be pledged for the payment of all notes issued~~  
10 ~~under this part."~~

11 Section 16. Section 17-3-212, MCA, is amended to read:

12 "17-3-212. Apportionment of forest reserve funds among  
13 counties. The forest reserve funds AND EARNED INTEREST are  
14 statutorily appropriated, as provided in [section 2], to the  
15 state auditor, who shall apportion said forest reserve funds  
16 AND EARNED INTEREST for allocation between the several  
17 counties as follows: all funds received from each forest  
18 reserve shall be apportioned between the counties in which  
19 such forest reserve is situated in proportion to the acreage  
20 of such forest reserve in each county, and the state  
21 treasurer shall pay the several amounts so apportioned to  
22 the respective counties."

23 ~~Section 17. Section 17-5-422, MCA, is amended to read:~~

24 ~~"17-5-422. Bonds for state capitol improvements: (1)~~  
25 ~~The board of examiners is authorized to issue and sell~~

1 long-range building program bonds, upon the conditions and  
 2 in the manner stated in this part, in the principal amount  
 3 not to exceed \$5 million, for the purpose of financing costs  
 4 of improvements to the state capitol.

5 ~~{2}--There is statutorily appropriated, as provided in~~  
 6 ~~{section 2}, to the debt service account established~~  
 7 ~~pursuant to 17-5-405 from the revenues of the capitol~~  
 8 ~~building land grant (exclusive of income derived from~~  
 9 ~~investment of accumulated revenues) in each fiscal year~~  
 10 ~~during the term of the bonds authorized by subsection (1) an~~  
 11 ~~amount sufficient to pay the principal of and interest on~~  
 12 ~~the bonds as due and to establish and maintain required~~  
 13 ~~reserves therefor. The appropriation shall be reduced in~~  
 14 ~~each fiscal year by the amount, if any, of income received~~  
 15 ~~in that year from investment of the reserve attributable to~~  
 16 ~~the bonds. The appropriation made by this section is solely~~  
 17 ~~for the benefit of the state and is not enforceable by the~~  
 18 ~~holders of the bonds."~~

19 SECTION 17. SECTION 17-5-404, MCA, IS AMENDED TO READ:

20 "17-5-404. Use of capital projects fund. The capital  
 21 projects fund shall be segregated by the treasurer from all  
 22 other money in that or any other fund in the state treasury  
 23 and used only to pay costs of the long-range building  
 24 program, upon order of the department acting within the  
 25 limits of the authority conferred upon it by the

1 legislature. The department may transfer all money  
 2 authorized by the legislature for its administrative  
 3 expenditures from the capital projects fund to a special  
 4 revenue fund, and for such purposes the money is statutorily  
 5 appropriated as provided in [section 2]."

6 SECTION 18. SECTION 17-5-804, MCA, IS AMENDED TO READ:

7 "17-5-804. Use of capital projects account. The  
 8 capital projects account must be segregated by the treasurer  
 9 from all other money in that or any other account in the  
 10 state treasury and used only to pay costs of the projects  
 11 for which bonds were issued, in accordance with the  
 12 respective bond accounts, upon order of the department  
 13 acting within the limits of the authority conferred upon it  
 14 by the legislature. The department may transfer all money  
 15 authorized by the legislature for its administrative  
 16 expenditures from the capital projects account to a special  
 17 revenue fund, and for such purposes the money is statutorily  
 18 appropriated as provided in [section 2]."

19 SECTION 19. SECTION 19-8-504, MCA, IS AMENDED TO READ:

20 "19-8-504. State's contribution. Each month the state  
 21 treasurer shall pay to the account, out of the department of  
 22 fish, wildlife, and parks moneys, a sum equal to 7.15% of  
 23 the total of all members' salaries, and out of the moneys  
 24 collected as fines and forfeited bonds under the provisions  
 25 of 87-1-601, all such collections are statutorily



1 appropriated to the account until the unfunded liability in  
 2 the account is solvent and a verification statement to that  
 3 effect is given to the state treasurer by the board."

4 Section 20. Section 19-9-702, MCA, is amended to read:

5 "19-9-702. State contribution. The state of Montana  
 6 shall make its contributions through the state auditor out  
 7 of the premium tax on motor vehicle property and casualty  
 8 insurance policies, which premium tax is statutorily  
 9 appropriated, as provided in [section 2], for the  
 10 contributions. Such payments shall be made annually after  
 11 the end of each fiscal year but no later than September 1  
 12 from the gross premium tax after deduction for cancellations  
 13 and returned premiums. The administrator shall notify the  
 14 auditor by April 1 of each year of the annual compensation  
 15 paid to all active members during the preceding year. Before  
 16 July 1, 1985, the state's contribution shall be 14.04% of  
 17 such compensation and 15.06% on and after July 1, 1985."

18 SECTION 21. SECTION 19-9-1007, MCA, IS AMENDED TO  
 19 READ:

20 "19-9-1007. Supplement to certain pensions. (1) The  
 21 payment for each fiscal year to the police officers,  
 22 surviving spouses, or dependent children described in  
 23 subsections (2)(a) through (2)(c) may be not less than  
 24 one-half of the base salary paid in the previous calendar  
 25 year in the appropriate city or town to newly confirmed

1 police officers, except that for the fiscal year beginning  
 2 July 1, 1979, all retirees and their beneficiaries who  
 3 received a supplement to their retirement allowance on July  
 4 1, 1978, and are receiving an allowance on July 1, 1979,  
 5 shall receive a 3% increase in their retirement allowance in  
 6 lieu of any other increase.

7 (2) On or before April 1 of each year, the department  
 8 of administration shall make a report including the  
 9 following information:

10 (a) the names of all police officers who are receiving  
 11 payments from the plan as of the date of the report and were  
 12 receiving payments from a prior plan before July 1, 1975;

13 (b) the names of all surviving spouses or dependent  
 14 children who are receiving payments from the plan because of  
 15 the death of a police officer who was receiving payments  
 16 from a prior plan before July 1, 1975;

17 (c) the names of all surviving spouses or dependent  
 18 children who are receiving payments from the plan and who  
 19 were receiving payments from a prior plan before July 1,  
 20 1975, or in the case of dependent children, whose parent,  
 21 the spouse of a police officer, was receiving payments from  
 22 a prior plan before July 1, 1975;

23 (d) for the purpose of determining the base figure for  
 24 the computations set forth in subsection (3), the following  
 25 information relating to the base fiscal year commencing July

1 1, 1976:

2 (i) the amount of the payments made in the base fiscal  
3 year to each police officer described in subsection (2)(a);

4 (ii) the amount of the payments made in the base fiscal  
5 year to each surviving spouse or dependent child (or  
6 children) described in subsection (2)(b) or (2)(c);

7 (iii) upon the death after April 18, 1977, of any  
8 police officer on the retired list who was receiving  
9 payments from a prior plan before July 1, 1975, his  
10 surviving spouse or dependent children are entitled to  
11 receive payments from the plan, the amount which would have  
12 been paid to an eligible surviving spouse of such police  
13 officer had that spouse been receiving payments in the base  
14 fiscal year;

15 (e) the base salary for the previous calendar year of  
16 a newly confirmed police officer of each city or town  
17 participating in the plan.

18 (3) The department of administration shall compute the  
19 difference between each amount reported under subsections  
20 (2)(d)(i) through (2)(d)(iii) and one-half the base salary  
21 for the previous calendar year of a newly confirmed police  
22 officer of the appropriate city or town. The difference  
23 shall be reported to and paid by the state auditor out of  
24 the premium tax collected on insurance sold in this state to  
25 insure against the risks enumerated in 19-11-512(3) to the

1 administrator after the end of each fiscal year, but no  
2 later than September 1. The premium tax amount paid by the  
3 state auditor is statutorily appropriated, as provided in  
4 [section 2]. This payment is in addition to the payment to  
5 be made by the state auditor under 19-9-702. The  
6 administrator shall use the funds received under this  
7 subsection to supplement the monthly payments to persons  
8 described in subsections (2)(a) through (2)(c) so that the  
9 requirements of subsection (1) are met.

10 (4) In addition to the payments made by the auditor as  
11 provided in subsection (3), the auditor shall make annual  
12 payments of \$100,000 after the end of each fiscal year but  
13 no later than September 1, until the sum of \$500,000 has  
14 been paid to the administrator for deposit in the retirement  
15 account. These payments are statutorily appropriated as  
16 provided in [section 2]. These payments are to be made to  
17 reimburse the retirement account for funds advanced to  
18 implement this section.

19 (5) If more than one dependent child is entitled to  
20 supplementary payments under this section by virtue of the  
21 death of a common parent police officer, the minimum payment  
22 to such dependent children under this section shall be  
23 determined as if there were one such dependent child and the  
24 supplementary payment shall be made to the dependent  
25 children collectively."

1        SECTION 22. SECTION 19-10-205, MCA, IS AMENDED TO

2        READ:

3        "19-10-205. Actuarial valuation of police retirement  
4 fund. (1) The city treasurer shall submit to the department  
5 of administration before October 1 of each odd-numbered year  
6 all information requested by the department necessary to  
7 complete an actuarial valuation of the city's police  
8 retirement fund. The valuation shall consider the actuarial  
9 soundness of the police retirement fund for the 2 preceding  
10 fiscal years.

11        (2) The valuation is to be prepared by a qualified  
12 actuary selected by the department. A qualified actuary is a  
13 member of the American academy of actuaries or of any  
14 organization considered by the department to have similar  
15 standards.

16        (3) In each fiscal year in which an actuarial  
17 valuation is prepared, the department shall submit to the  
18 state auditor a request for payment of the expense incurred  
19 in securing the actuarial valuation. The expense may not  
20 exceed \$6,000 in any fiscal year. The state auditor shall  
21 make payment to the actuary designated in the request. The  
22 payment is statutorily appropriated as provided in [section  
23 2]."

24        SECTION 23. SECTION 19-10-305, MCA, IS AMENDED TO

25        READ:

1        "19-10-305. Annual state payments to municipality with  
2 police department. (1) After the end of each fiscal year,  
3 the state auditor shall issue and deliver to the treasurer  
4 of each city and town in Montana which has a police  
5 department and which is not a participant in the municipal  
6 police officers' retirement system his warrant for an amount  
7 computed in the same manner as the amount paid (or that  
8 would be paid if an existing relief association met the  
9 legal requirements for payment) to cities and towns for fire  
10 department relief associations pursuant to 19-11-512. The  
11 payment is statutorily appropriated as provided in [section  
12 2].

13        (2) The payments provided for by 19-10-205 and  
14 subsection (1) of this section shall be paid from the  
15 premium tax collected on insurance sold in this state to  
16 insure against the risks enumerated in 19-11-512. Such  
17 payments may only be made after deductions have been made  
18 from the gross premium tax for cancellations and returned  
19 premiums.

20        (3) Each city or town which has a police retirement  
21 fund shall deposit the payment to the credit of its police  
22 retirement fund.

23        (4) Payments provided for in 19-10-205 and subsection  
24 (1) of this section are in addition to those provided for in  
25 19-10-301."

1        SECTION 24. SECTION 19-10-506, MCA, IS AMENDED TO

2        READ:

3        "19-10-506. Supplement to certain pensions. (1) The  
4        payment for each fiscal year to the police officers,  
5        spouses, or minor children described in subsections (2)(a)  
6        through (2)(c) may be not less than one-half of the salary  
7        paid in that fiscal year in the appropriate city or town to  
8        newly confirmed police officers.

9        (2) On or before April 1 of each year, the board of  
10       trustees shall make a report to the state auditor including  
11       the following information:

12       (a) the names of all police officers who are receiving  
13       payments from the police retirement fund of the city or town  
14       as of the date of the report and were receiving such  
15       payments prior to July 1, 1975;

16       (b) the names of all spouses or minor children who are  
17       receiving payments from the police retirement fund because  
18       of the death of a police officer who was receiving such  
19       payments prior to July 1, 1975;

20       (c) the names of all spouses or minor children who are  
21       receiving payments from the police retirement fund and who  
22       were receiving such payments prior to July 1, 1975, or in  
23       the case of minor children, whose parent, the spouse of a  
24       police officer, was receiving such payments prior to July 1,  
25       1975;

1        (d) for the purpose of determining the base figure for  
2        the computations set forth in subsection (4), the following  
3        information relating to the base fiscal year commencing July  
4        1, 1976:

5        (i) the amount of the payments made in the base fiscal  
6        year to each police officer described in subsection (2)(a);

7        (ii) the amount of the payments made in the base fiscal  
8        year to each spouse or minor child (or children) described  
9        in subsection (2)(b) or (2)(c);

10       (iii) upon the death after April 18, 1977, of any  
11       police officer on the retired list who was receiving  
12       payments from the police retirement fund prior to July 1,  
13       1975, and who is survived by a spouse or minor children  
14       entitled to receive payments therefrom, the amount which  
15       would have been paid to an eligible spouse of such police  
16       officer had that spouse been receiving payments in the base  
17       fiscal year.

18       (3) Each fiscal year immediately after the adoption by  
19       a city or town having a police retirement fund of its budget  
20       for that fiscal year, each such city or town shall report to  
21       the state auditor the salary for that fiscal year of a newly  
22       confirmed police officer of that city or town.

23       (4) The state auditor shall, upon receipt of the  
24       reports referred to in subsections (2) and (3), compute the  
25       difference between each amount reported under subsections

1 (2)(d)(i) through (2)(d)(iii) and one-half the salary for  
 2 the current fiscal year of a newly confirmed police officer  
 3 of the appropriate city or town. The difference shall be  
 4 paid by the state auditor out of the premium tax collected  
 5 on insurance, as provided in 19-10-305(2), to the treasurer  
 6 of the appropriate city or town at the same time as and in  
 7 addition to the payment to be made by the state auditor  
 8 under 19-10-305(1). The payment is statutorily appropriated  
 9 as provided in [section 2].

10 (5) The treasurer of each city or town receiving funds  
 11 under subsection (4) shall immediately deposit them to the  
 12 credit of the city or town's police retirement fund. The  
 13 board of trustees of the fund shall use the funds to  
 14 supplement the monthly payments to persons described in  
 15 subsections (2)(a) through (2)(c) so that the requirements  
 16 of subsection (1) are met.

17 (6) If more than one minor child is entitled to  
 18 supplementary payments under this section by virtue of the  
 19 death of a common parent police officer, the minimum payment  
 20 to such minor children under this section shall be  
 21 determined as if there were one such minor child and the  
 22 supplementary payment shall be made to the minor children  
 23 collectively."

24 SECTION 25. SECTION 19-11-512, MCA, IS AMENDED TO  
 25 READ:

1 "19-11-512. State auditor to pay association out of  
 2 insurance premium taxes. (1) After the end of the fiscal  
 3 year, the state auditor shall issue and deliver the warrant  
 4 described in this subsection to the treasurer of every city  
 5 or town which has a fire department relief association  
 6 entitled by law to receive payments. The warrant shall be  
 7 for the use and benefit of the association. It shall be for  
 8 an amount equal to 1 1/2 mills of the total taxable value of  
 9 the city or town and shall be paid out of the premium taxes  
 10 on insurance risks enumerated in subsection (3) collected by  
 11 the state auditor. The payment is statutorily appropriated  
 12 as provided in [section 2].

13 (2) If the payment provided for in subsection (1) is  
 14 less than \$100, an additional payment shall be made from the  
 15 same tax moneys so that the total amount received is \$100.

16 (3) The risks referred to in subsection (1) are:

17 (a) insurance of houses, buildings, and all other  
 18 kinds of property against loss or damage by fire or other  
 19 casualty;

20 (b) all kinds of insurance on goods, merchandise, or  
 21 other property in the course of transportation, whether by  
 22 land, water, or air;

23 (c) insurance against loss or damage to motor vehicles  
 24 resulting from accident, collision, or marine and inland  
 25 navigation and transportation perils;

1 (d) insurance of growing crops against loss or damage  
2 resulting from hail or the elements;

3 (e) insurance against loss or damage by water to any  
4 goods or premises arising from the breakage or leakage of  
5 sprinklers, pumps, or other apparatus;

6 (f) insurance against loss or legal liability for loss  
7 because of damage to property caused by the use of teams or  
8 vehicles, whether by accident or collision or by explosion  
9 of any engine, tank, boiler, pipe, or tire of any vehicle;  
10 and

11 (g) insurance against theft of the whole or any part  
12 of any vehicle."

13 SECTION 26. SECTION 19-11-513, MCA, IS AMENDED TO  
14 READ:

15 "19-11-513. Transfer of premium taxes to state  
16 treasury. The state auditor shall estimate the portion of  
17 premium taxes needed to make the payments required by this  
18 chapter and shall pay an amount equal to the estimate into  
19 the state treasury, to the credit of the state special  
20 revenue fund. The payment is statutorily appropriated as  
21 provided in [section 2]. Any balances remaining after such  
22 payments have been ordered shall be transferred to the  
23 general fund."

24 Section 27. Section 19-11-606, MCA, is amended to  
25 read:

1 "19-11-606. Supplement to certain pensions. (1) In  
2 addition to the taxes on premiums required by law to be paid  
3 by each insurer doing business in this state that is  
4 authorized to effect insurance on risks enumerated in  
5 19-11-512, there is a tax of 1 1/2% on the fire portion of  
6 the direct premiums received during the calendar year of  
7 1975 and each succeeding year, with allowance for  
8 cancellations and returned premiums. The insurance  
9 commissioner shall collect the tax during March of each year  
10 and deposit the moneys in the state special revenue fund.  
11 The proceeds of such tax are statutorily appropriated, as  
12 provided in [section 2], to the auditor, who shall pay  
13 claims as provided in subsection (2) of this section and  
14 19-13-1006. As those persons who are to receive the fund  
15 die, the tax shall be reduced proportionately, and when no  
16 eligible person, as defined by subsection (2) and  
17 19-13-1006, survives, the tax terminates and the remaining  
18 fund, if any, shall be transferred to the general fund.

19 (2) Effective January 1, 1976, each association shall  
20 pay to the firefighters retired before July 1, 1973, or  
21 their surviving spouses and children a monthly pension of  
22 not less than one-half the regular monthly salary paid to a  
23 confirmed active firefighter of that city, as provided each  
24 year in the budget of that city. In the case of volunteer  
25 firefighters, the pension may not exceed \$75 per month.

1 Distribution of the funds provided for this purpose under  
2 subsection (1) shall be made as follows:

3 (a) At the beginning of each fiscal year the treasurer  
4 of each association shall request and the state auditor  
5 shall issue from the state special revenue fund and deliver  
6 to the treasurer of the respective city or town an amount  
7 certified to be equal to the total annual dollar difference  
8 between what the retirees or their surviving spouses and  
9 children received from the fund and one-half of the salary  
10 paid by the respective city or town to a confirmed active  
11 firefighter for the fiscal year just preceding. The state  
12 auditor shall, at the same time, report to the treasurer of  
13 the appropriate association the amount of any payment  
14 delivered to the board of investments.

15 (b) The treasurer of a city or town receiving funds  
16 shall immediately disburse them to the treasurer of the  
17 respective association.

18 (c) The treasurer of the association shall utilize  
19 these funds to increase the monthly pension of retirees or  
20 their surviving spouses and children to an amount equal to  
21 one-half of the salary that was paid to a confirmed active  
22 firefighter in the city or town for the preceding year."

23 SECTION 28. SECTION 19-12-301, MCA, IS AMENDED TO  
24 READ:

25 "19-12-301. Fire insurance premium tax to be paid into

1 fund. The state auditor and ex officio commissioner of  
2 insurance shall annually deposit in the volunteer  
3 firefighters' fund a sum equivalent to 5% of the premium  
4 taxes collected from insurers authorized to effect insurance  
5 against risks enumerated in 19-11-512, computed before the  
6 amounts provided for by 19-11-512 and 19-13-604 are  
7 deducted. The moneys shall be used for the payment of claims  
8 and administrative costs as provided in this chapter. The  
9 money is statutorily appropriated as provided in [section  
10 2]."

11 SECTION 29. SECTION 19-13-604, MCA, IS AMENDED TO  
12 READ:

13 "19-13-604. State contribution. The state shall make  
14 its contributions through the state auditor from the premium  
15 taxes on the insurance risks enumerated in 19-11-512. These  
16 payments shall be made annually to the administrator after  
17 the end of each fiscal year but no later than September 1  
18 from the gross premium taxes after deduction for  
19 cancellations and returned premiums. The payment is  
20 statutorily appropriated as provided in [section 2]. The  
21 administrator shall notify the auditor of the annual  
22 compensation, excluding overtime, holiday payments, shift  
23 differential payments, compensatory time payments, and  
24 payments in lieu of sick leave, paid to all active members  
25 during the preceding year, and effective July 1, 1981, the

1 state's contribution is 12% of this compensation. This  
 2 contribution shall increase to 15% effective July 1, 1982,  
 3 to 18% effective July 1, 1983, and to 22.98% effective July  
 4 1, 1985. As soon as practicable after receipt of the state  
 5 contribution, the administrator shall deposit it with the  
 6 state treasurer."

7 SECTION 30. SECTION 20-6-406, MCA, IS AMENDED TO READ:  
 8 "20-6-406. Disbursal and deposit of bonus payments. On  
 9 or before June 30 of the next 3 consecutive years following  
 10 the year of application, the superintendent of public  
 11 instruction shall disburse the bonus payments for approved  
 12 applications to the enlarged school district, and such  
 13 disbursement is statutorily appropriated as provided in  
 14 [section 2]. The general bonus payment shall be deposited by  
 15 the county treasurer in the enlarged district's general  
 16 fund, and the transportation bonus payment shall be  
 17 deposited by the county treasurer in the transportation  
 18 fund. These bonus payments shall not be considered as a part  
 19 of the regular state equalization aid or state  
 20 transportation aid received by the enlarged district."

21 Section 31. Section 20-8-111, MCA, is amended to read:  
 22 "20-8-111. Duty of board of public education as to  
 23 property of school. The board of public education has  
 24 statutory appropriation, as provided in [section 2], and  
 25 shall, either directly or through a contract with a

1 nonprofit corporation, receive, hold, manage, use, and  
 2 dispose of real and personal property made over to such  
 3 board or to the state of Montana by purchase, gift, devise,  
 4 bequest, or otherwise acquired and the proceeds, interest,  
 5 and income thereof for the use and benefit of said school.  
 6 All donations, gifts, devises, or grants made before, on, or  
 7 after October 1, 1983, to the school shall vest in the board  
 8 or its designee, as trustee for the state of Montana, for  
 9 the use and benefit of the school and its students."

10 SECTION 32. SECTION 53-24-206, MCA, IS AMENDED TO  
 11 READ:

12 "53-24-206. Administration of financial assistance.  
 13 (1) The department may apply for and receive grants,  
 14 allotments, or allocations of funds or other assistance for  
 15 purposes pertaining to the problems of chemical dependency  
 16 or related social problems under laws and rules of the  
 17 United States, any other state, or any private organization.

18 (2) The department may cooperate with any other  
 19 government agency or private organization in programs on  
 20 chemical dependency or related social problems. In carrying  
 21 out cooperative programs, the department may make grants of  
 22 financial assistance to government agencies and private  
 23 organizations under terms and conditions agreed upon.

24 (3) (a) In administering proceeds derived from the  
 25 liquor license tax or the beer license tax, the department



1 shall distribute those funds appropriated by the  
2 legislature. Money that is appropriated for distribution to  
3 approved private nonprofit or public programs on a  
4 discretionary basis shall be distributed to those programs  
5 that can demonstrate that:

6 (i) the program is achieving the goals and objectives  
7 mutually agreed upon by the program and the department; and

8 (ii) the receipt of additional funds would be  
9 justified.

10 (b) The remainder of the proceeds shall be distributed  
11 to the counties for use by approved private nonprofit or  
12 public programs. The distribution of these proceeds is  
13 statutorily appropriated as provided in [section 2] and must  
14 be distributed in the following manner:

15 (i) Eighty-five percent shall be allocated according  
16 to the proportion of each county's population to the state's  
17 population according to the most recent United States  
18 census.

19 (ii) Fifteen percent shall be allocated according to  
20 the proportion of the county's land area to the state's land  
21 area.

22 (c) Money distributed under subsection (3) may only be  
23 used for purposes pertaining to the problems of alcoholism."

24 SECTION 33. SECTION 80-2-103, MCA, IS AMENDED TO READ:

25 "80-2-103. Administration of trust assets. Funds and

1 the proceeds of the trust assets which are not authorized to  
2 be administered by the secretary of agriculture under  
3 80-2-102 shall be received by the department and paid by it  
4 to the state treasurer for deposit in the expendable trust  
5 fund and shall be statutorily appropriated as provided in  
6 [section 2] to be used for expenditure or obligation by the  
7 department for the purposes of 80-2-102 or for the rural  
8 rehabilitation purposes permissible under the charter of the  
9 now dissolved Montana rural rehabilitation corporation as  
10 may be agreed upon between the department and the secretary  
11 of agriculture, subject to Public Law 499."

12 SECTION 34. SECTION 80-2-228, MCA, IS AMENDED TO READ:

13 "80-2-228. Reserve fund. (1) Each year when the hail  
14 board makes its annual levy for the payment of current  
15 losses, expenses of administration, and for an addition to  
16 the reserve if conditions permit, it may not increase the  
17 levy enough in any year so that such addition to the reserve  
18 will exceed 5% of the maximum risk written for that year.

19 (2) The board may engage the services of a qualified  
20 actuary to conduct an actuarial valuation of the reserve.  
21 This valuation shall include the actuary's determination of  
22 the amount of reserve necessary to absorb all reasonably  
23 anticipated catastrophic losses. This amount shall be the  
24 maximum permissible reserve fund for the next year.

25 (3) The reserve hereby created shall be deposited in

1 an expendable trust fund, and is statutorily appropriated as  
2 provided in [section 2] to the board is hereby--granted--the  
3 power-to-draw-from-its-moneys-in-the-fund-such-amounts-as-it  
4 considers--necessary for the purpose of paying costs of  
5 administration, interest, and losses of the program.

6 (4) The board may not draw on the reserve for any  
7 purpose unless the amount required for the payment of losses  
8 for the current year, including interest on warrants and  
9 costs of administration, exceeds the amount of the estimate  
10 made by the board for the current year pursuant to  
11 80-2-221."

12 NEW SECTION. Section 35. Severability. If a part of  
13 this act is invalid, all valid parts that are severable from  
14 the invalid part remain in effect. If a part of this act is  
15 invalid in one or more of its applications, the part remains  
16 in effect in all valid applications that are severable from  
17 the invalid applications.

18 NEW SECTION. Section 36. Effective date. This act is  
19 effective on passage and approval.

-End-