

HOUSE BILL NO. 583
INTRODUCED BY BARDANOUE
BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE

IN THE HOUSE

| | |
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| FEBRUARY 4, 1989 | INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS. |
| | FIRST READING. |
| MARCH 17, 1989 | COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED. |
| MARCH 18, 1989 | PRINTING REPORT. |
| MARCH 22, 1989 | SECOND READING, DO PASS AS AMENDED. |
| MARCH 23, 1989 | ENGROSSING REPORT. |
| | THIRD READING, PASSED. AYES, 67; NOES, 29. |
| | TRANSMITTED TO SENATE. |

IN THE SENATE

| | |
|----------------|--|
| MARCH 27, 1989 | INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS. |
| | FIRST READING. |
| APRIL 6, 1989 | COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED. |
| APRIL 8, 1989 | SECOND READING, CONCURRED IN. |
| APRIL 10, 1989 | THIRD READING, CONCURRED IN. AYES, 49; NOES, 0. |
| | RETURNED TO HOUSE WITH AMENDMENTS. |

IN THE HOUSE

APRIL 8, 1989

ON MOTION, LATE AMENDMENTS FROM
SENATE ACCEPTED.

APRIL 11, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 12, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 583
2 INTRODUCED BY Bardone
3 BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE STATUTORY
6 APPROPRIATIONS FOR EXPENSES OF ADMINISTERING OR OPERATING A
7 PROGRAM; AMENDING SECTIONS 2-18-812, 10-4-301, 15-65-121,
8 17-7-502, 20-4-109, 23-5-1027, 33-31-212, 33-31-401,
9 67-3-205, 75-7-305, 76-12-123, 80-2-103, 80-2-228, 90-9-306,
10 AND 90-15-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 2-18-812, MCA, is amended to read:

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

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

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

25 (3) The department must deposit all reserve funds and

1 premiums paid to a state employee group benefit plan, and
2 such the deposits are statutorily appropriated, as provided
3 in 17-7-502, to the department to be expended for claims
4 under the plan.

5 (4) The department must deposit income earned from the
6 investment of a state employee group benefit plan's reserve
7 fund into the account established under subsection (3) of
8 this section in order to offset the costs of administering
9 the plan. Expenditures for actual and necessary expenses
10 required for the efficient administration of the plan must
11 be made from temporary appropriations, as described in
12 17-7-501(1) or (2), made for that purpose.

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 2.** Section 10-4-301, MCA, is amended to read:

24 "10-4-301. Establishment of emergency
25 telecommunications account. A 9-1-1 emergency

1 telecommunications account is established in the state
 2 special revenue fund in the state treasury. All money
 3 received by the department of revenue pursuant to 10-4-201
 4 must be paid to the state treasurer for deposit in the
 5 account. After payment of refunds pursuant to 10-4-205, the
 6 balance of the account ~~is--statutorily--appropriated--as~~
 7 ~~provided--in--17-7-502--to--the--department--to~~ must be used for
 8 the purposes described in part 1 of this chapter."

9 **Section 3.** Section 15-65-121, MCA, is amended to read:

10 "15-65-121. (Effective July 1, 1989) Distribution of
 11 tax proceeds -- general fund loan authority. (1) The
 12 proceeds of the tax imposed by 15-65-111 must be deposited
 13 in an account in the state special revenue fund to the
 14 credit of the department of revenue. The department may
 15 spend from that account in accordance with an expenditure
 16 appropriation by the legislature based on an estimate of the
 17 costs of collecting and disbursing the proceeds of the tax.
 18 The balance of the tax proceeds received each reporting
 19 period and not deducted pursuant to the expenditure
 20 appropriation ~~is--statutorily--appropriated,--as--provided--in~~
 21 ~~17-7-502,--and~~ must be transferred to an account in the state
 22 special revenue fund to the credit of the department of
 23 commerce for tourism promotion and promotion of the state as
 24 a location for the production of motion pictures and
 25 television commercials, to the Montana historical society,

1 and to the university system, as follows:

2 (a) 1% to the Montana historical society to be used for
 3 the installation or maintenance of roadside historical signs
 4 and historic sites;

5 (b) 2.5% to the university system for the establishment
 6 and maintenance of a Montana travel research program; and

7 (c) the balance of the proceeds as follows:

8 (i) 75% to be used directly by the department of
 9 commerce;

10 (ii) except as provided in subsection (1)(c)(iii), 25%
 11 to be distributed by the department to regional nonprofit
 12 tourism corporations in the ratio of the proceeds collected
 13 in each tourism region to the total proceeds collected
 14 statewide, which amount is statutorily appropriated as
 15 provided in 17-7-502;

16 (iii) if 25% of the proceeds collected annually within
 17 the limits of a city or consolidated city-county exceeds
 18 \$35,000, 50% of the amount available for distribution to the
 19 regional nonprofit tourism corporation in the region where
 20 the city or consolidated city-county is located is to be
 21 distributed to the nonprofit convention and visitors bureau
 22 in that city or consolidated city-county.

23 (2) If a city or consolidated city-county qualifies
 24 under this section for funds but fails to either recognize a
 25 nonprofit convention and visitors bureau or submit and gain

approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the tourism region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(4) The department of commerce may use general fund loans for efficient implementation of this section."

Section 4. Section 17-7-502, MCA, is amended to read:

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

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

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

(b) The law or portion of the law making a statutory

appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; ~~10-4-301~~; 13-37-304; 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 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; 19-12-301; 19-13-604; ~~20-4-109~~; 20-6-406; 20-8-111; 23-5-610; 23-5-1027; ~~33-31-212~~; ~~33-31-401~~; 37-51-501; 39-71-2504; 53-6-150; 53-24-206; 67-3-205; 75-1-1101; 75-7-305; 76-12-123; 80-2-103; ~~80-2-228~~; 82-11-136; 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306; ~~90-15-103~~; section 13, House Bill No. 861, Laws of 1985; and section 1, Chapter 454, Laws of 1987.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the

1 bonds or notes have statutory appropriation authority for
 2 such payments. (In subsection (3): pursuant to sec. 15, Ch.
 3 607, L. 1987, the inclusion of 15-65-121 terminates June 30,
 4 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion
 5 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.
 6 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.
 7 1987, terminates July 1, 1988.)"

8 **Section 5.** Section 20-4-109, MCA, is amended to read:

9 "20-4-109. Fees for teacher and specialist
 10 certificates. (1) Each person applying for the issuance or
 11 renewal of a teacher or specialist certificate shall pay a
 12 fee not to exceed \$4 for each school fiscal year that the
 13 certificate will be valid. In addition to this fee, each
 14 person who has never held any class of Montana teacher or
 15 specialist certificate or for whom an emergency
 16 authorization of employment has never been issued shall pay
 17 a filing fee of \$4. ~~Such~~ The fees ~~shall~~ must be paid to the
 18 superintendent of public instruction, who shall deposit the
 19 fees with the state treasurer in the following manner:

20 (a) \$2 to the credit of the state special revenue fund
 21 created in subsection (2);

22 (b) \$2 to the general fund.

23 (2) There is an account in the state special revenue
 24 fund. Money from fees for teacher or specialist certificates
 25 required in subsection (1) must be deposited in the account.

1 The money in the account ~~is--statutorily--appropriated,--as~~
 2 ~~provided--in-17-7-502,--to-the-board-of-public-education~~ must
 3 be used for expenses for of the certification standards and
 4 practices advisory council created in 2-15-1522."

5 **Section 6.** Section 23-5-1027, MCA, is amended to read:

6 "23-5-1027. Disposition of revenue. (1) (a) As near as
 7 possible to 45% of the money paid for tickets or chances
 8 must be paid out as prize money, except as provided in
 9 subsection (b).

10 (b) In the case of a regional lottery game, a maximum
 11 of 50% of the money paid for tickets or chances may be paid
 12 out as prize money.

13 (2) Up to 15% of the gross revenue from the state
 14 lottery may be used by the director to pay the operating
 15 expenses of the state lottery. Commissions paid to lottery
 16 ticket or chance sales agents are not a state lottery
 17 operating expense.

18 ~~†3)--Funds--to-pay-the-operating-expenses-of-the-lottery~~
 19 ~~are-statutorily-appropriated-as-provided-in-17-7-502--~~

20 ~~†4)†3)~~ That part of all gross revenue not used for the
 21 payment of prizes, commissions, and operating expenses is
 22 net revenue and must be paid quarterly from the enterprise
 23 fund established by 23-5-1026 to the superintendent of
 24 public instruction for distribution as equalization aid to
 25 the retirement fund obligations of elementary and high

1 school districts in the manner provided in 20-9-532.

2 (4) Lottery revenue allocated under subsections (1) and
3 (3) is statutorily appropriated, as provided in 17-7-502,
4 for the purposes specified in those subsections."

5 **Section 7.** Section 33-31-212, MCA, is amended to read:

6 "33-31-212. Fees. (1) Each health maintenance
7 organization shall pay to the commissioner the following
8 fees:

9 (a) for filing an application for a certificate of
10 authority or amendment thereto, \$300;

11 (b) for filing an amendment to the organization
12 documents that requires approval, \$25;

13 (c) for filing each annual statement, \$25;

14 (d) for annual continuation of certificate of
15 authority, \$300.

16 (2) All fees and miscellaneous charges, except fines or
17 penalties or those amounts received pursuant to 33-31-211(3)
18 and 33-31-405, collected by the commissioner pursuant to
19 this chapter and the rules adopted thereunder must be
20 deposited in the insurance regulatory trust account pursuant
21 to 17-2-121 through 17-2-123.

22 (3) The director may assess fees necessary and adequate
23 to cover the expenses of the director's functions under this
24 chapter. ~~Such fees are statutorily appropriated to the~~
25 ~~department of health as provided in 17-7-502."~~

1 **Section 8.** Section 33-31-401, MCA, is amended to read:

2 "33-31-401. Examination. (1) The commissioner may
3 examine the affairs of a health maintenance organization as
4 often as is reasonably necessary to protect the interests of
5 the people of this state. The commissioner shall make such
6 an examination at least once every 3 years.

7 (2) The department of health may examine the
8 availability, accessibility, and continuity of the health
9 care services provided by any health maintenance
10 organization and the providers with whom the health
11 maintenance organization has contracts, agreements, or other
12 arrangements as often as is reasonably necessary to protect
13 the interests of the people of this state. The department of
14 health shall make such an examination at least once every 3
15 years.

16 (3) Each authorized health maintenance organization and
17 provider shall submit its relevant books and records for the
18 examinations and in every way facilitate the examinations.
19 For the purpose of examination, the commissioner and the
20 department of health may administer oaths to and examine the
21 officers and agents of the health maintenance organization
22 and the principals of the providers concerning their
23 business.

24 (4) (a) (i) Upon presentation of a detailed account of
25 the charges and expenses of examinations by the

1 commissioner, the health maintenance organization being
 2 examined shall pay to the examiner as necessarily incurred
 3 on account of the examination the actual travel expenses, a
 4 reasonable living-expense allowance, and a per diem, all at
 5 reasonable rates customary therefor and as established or
 6 adopted by the commissioner. The commissioner may present
 7 such an account periodically during the course of the
 8 examination or at the termination of the examination as the
 9 commissioner considers proper. A person may not pay and an
 10 examiner may not accept any additional emolument on account
 11 of any such examination.

12 (ii) If a health maintenance organization fails to pay
 13 the charges and expenses as referred to in subsection
 14 (4)(a)(i), the commissioner shall pay them out of the funds
 15 of the commissioner in the same manner as other
 16 disbursements of such funds. The amount so paid must be a
 17 lien upon all of the person's assets and property in this
 18 state and may be recovered by suit by the attorney general
 19 on behalf of the state of Montana and restored to the
 20 appropriate fund.

21 (b) The expenses of examination conducted by the
 22 director under this section must be assessed against the
 23 health maintenance organization and remitted to the
 24 director. ~~Such----remitted---expenses---are---statutorily~~
 25 ~~appropriated-to-the-department--of--health--as--provided--in~~

1 ~~17-7-502-~~

2 (5) In lieu of an examination, the commissioner or the
 3 director may accept the report of an examination made by the
 4 commissioner or the director of another state."

5 **Section 9.** Section 67-3-205, MCA, is amended to read:

6 **"67-3-205. Aircraft registration account -- source of**
 7 **funds -- allocation.** (1) There is an account in the state
 8 special revenue fund to which must be credited all money
 9 received from fees paid in lieu of tax on aircraft as
 10 required in this part and 15-24-304 and all penalties
 11 collected for registration violations as provided in
 12 67-3-202.

13 (2) Money in the account is allocated as follows:

14 (a) 90% to the counties in the proportion that each
 15 county's collections bear to the total collections
 16 statewide; and

17 (b) 10% to the department for the purpose of
 18 administering and enforcing aircraft registration.

19 (3) The allocations required in subsection (2)(a) must
 20 be made twice annually by the department. The first
 21 allocation must be made between March 15 and March 30 and
 22 the second allocation must be made between July 1 and July
 23 15.

24 (4) The allocation required in subsection (2)(b) must
 25 be made on July 1 of each year.

(5) On receipt of the money allocated as provided in subsection (2)(a), the county treasurer shall distribute the money in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

(6) The allocations required in subsection (2)(a) are considered statutory appropriations as described in 17-7-502."

Section 10. Section 75-7-305, MCA, is amended to read:

"75-7-305. Commission authority. (1) The commission may make recommendations to the legislature and the governor and to federal, tribal, provincial, and local agencies for maintenance and enhancement of the quality of natural resources of the Flathead basin.

(2) The commission may receive and expend donations, gifts, grants, and other money necessary to fulfill its duties. ~~Such--money,--gifts,--grants,--and--donations--are~~ ~~statutorily appropriated, as provided in 17-7-502."~~

Section 11. Section 76-12-123, MCA, is amended to read:

"76-12-123. Natural areas account. (1) There is a natural areas special revenue account within the state special revenue fund established in 17-2-102.

(2) The natural areas account may receive funds from any source as gifts.

(3) The department may spend funds accepted as gifts in

accordance with the purposes of this part, including administration of a natural areas program. These funds, except funds used for administration of a program, are statutorily appropriated, as provided in 17-7-502."

Section 12. Section 80-2-103, MCA, is amended to read:

"80-2-103. Administration of trust assets. Funds and the proceeds of the trust assets which are not authorized to be administered by the secretary of agriculture under 80-2-102 ~~shall~~ must be received by the department and paid by it to the state treasurer for deposit in the expendable trust fund and ~~shall--be~~ are statutorily appropriated, as provided in 17-7-502, to be used for expenditure or obligation by the department for the purposes of 80-2-102 or for the rural rehabilitation purposes permissible under the charter of the now dissolved Montana rural rehabilitation corporation as may be agreed upon between the department and the secretary of agriculture, subject to Public Law 499. Expenditures for actual and necessary expenses required for the efficient administration of this part must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose."

Section 13. Section 80-2-228, MCA, is amended to read:

"80-2-228. Reserve fund. (1) Each year when the hail board makes its annual levy for the payment of current losses, expenses of administration, and for an addition to

1 the reserve if conditions permit, it may not increase the
2 levy enough in any year so that such addition to the reserve
3 will exceed 5% of the maximum risk written for that year.

4 (2) The board may engage the services of a qualified
5 actuary to conduct an actuarial valuation of the reserve.
6 This valuation shall include the actuary's determination of
7 the amount of reserve necessary to absorb all reasonably
8 anticipated catastrophic losses. This amount shall be the
9 maximum permissible reserve fund for the next year.

10 (3) The reserve hereby-created shall be deposited in an
11 expendable trust fund~~---and-is-statutorily-appropriated-as~~
12 ~~provided-in-17-7-502-to-the-board-for-the-purpose-of--paying~~
13 ~~costs---of--administration,--interest,--and--losses--of--the~~
14 ~~program.~~

15 (4) The board may not draw on the reserve for any
16 purpose unless the amount required for the payment of losses
17 for the current year, including interest on warrants and
18 costs of administration, exceeds the amount of the estimate
19 made by the board for the current year pursuant to
20 80-2-221."

21 **Section 14.** Section 90-9-306, MCA, is amended to read:

22 "90-9-306. Appropriation authority and funding --
23 prohibited investments. (1) The council has authority to
24 accept and expend all funds received by it as grants,
25 donations, or other private or public income, including

1 amounts repaid as principal and interest on investments made
2 by the council. These funds are statutorily appropriated to
3 the council, as provided in 17-7-502, for the purposes of
4 this chapter, except that expenditures for actual and
5 necessary expenses required for the efficient administration
6 of this chapter must be made from temporary appropriations,
7 as described in 17-7-501(1) or (2), made for that purpose.

8 (2) ~~No-investment~~ An investment may not be made in
9 projects for which matching funds or participation of
10 financial intermediaries is required until such the funds
11 have been committed.

12 (3) Council members may not personally apply for or
13 receive council investment funds. If an organization with
14 which a member is affiliated applies for council funds, the
15 member must disclose the nature of the affiliation and may
16 not participate in the decision of the council regarding the
17 application."

18 **Section 15.** Section 90-15-103, MCA, is amended to read:

19 "90-15-103. Funding~~---appropriation.~~ The library and
20 each principal data source agency may apply for and may
21 receive funding from private and public sources for the
22 purposes of this chapter,~~and-any-such-funds-are-statutorily~~
23 ~~appropriated-to-the-library-or-to-the-appropriate--principal~~
24 ~~data---source--agency--for--such--purposes--as--provided--in~~
25 ~~17-7-502."~~

LC 1545/01

1 NEW SECTION. **Section 16.** Effective date. [This act] is
2 effective July 1, 1989.

-End-

APPROVED BY COMMITTEE
ON APPROPRIATIONS

1 HOUSE BILL NO. 583
2 INTRODUCED BY Bardone
3 BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE STATUTORY
6 APPROPRIATIONS FOR EXPENSES OF ADMINISTERING OR OPERATING A
7 PROGRAM; AMENDING SECTIONS 2-18-812, 10-4-301, 15-65-121,
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15 providing state employee group benefits authorized --
16 requirements. The department may establish alternatives to
17 conventional insurance for providing state employee group
18 benefits. The requirements for providing alternatives to
19 conventional insurance are as follows:

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

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

25 (3) The department must deposit all reserve funds and

1 premiums paid to a state employee group benefit plan, and
2 such the deposits are statutorily appropriated, as provided
3 in 17-7-502, to the department to be expended for claims
4 under the plan.

5 (4) The department must deposit income earned from the
6 investment of a state employee group benefit plan's reserve
7 fund into the account established under subsection (3) of
8 this section in order to offset the costs of administering
9 the plan. Expenditures for actual and necessary expenses
10 required for the efficient administration of the plan must
11 be made from temporary appropriations, as described in
12 17-7-501(1) or (2), made for that purpose.

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 2.** Section 10-4-301, MCA, is amended to read:

24 "10-4-301. Establishment of emergency
25 telecommunications account. A 9-1-1 emergency

telecommunications account is established in the state special revenue fund in the state treasury. All money received by the department of revenue pursuant to 10-4-201 must be paid to the state treasurer for deposit in the account. After payment of refunds pursuant to 10-4-205, the balance of the account ~~is--statutorily--appropriated--as provided--in--17-7-502--to--the--department--to~~ must be used for the purposes described in part 1 of this chapter."

Section 3. Section 15-65-121, MCA, is amended to read:

"15-65-121. (Effective July 1, 1989) Distribution of tax proceeds -- general fund loan authority. (1) The proceeds of the tax imposed by 15-65-111 must be deposited in an account in the state special revenue fund to the credit of the department of revenue. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation ~~is--statutorily--appropriated,--as--provided--in 17-7-502,--and~~ must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society,

and to the university system, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program; and

(c) the balance of the proceeds as follows:

(i) 75% to be used directly by the department of commerce;

(ii) except as provided in subsection (1)(c)(iii), 25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide, which amount is statutorily appropriated as provided in 17-7-502;

(iii) if 25% of the proceeds collected annually within the limits of a city or consolidated city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city or consolidated city-county is located is to be distributed to the nonprofit convention and visitors bureau in that city or consolidated city-county.

(2) If a city or consolidated city-county qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain

1 approval for an annual marketing plan as required in
2 15-65-122, then those funds must be allocated to the tourism
3 region in which the city or consolidated city-county is
4 located.

5 (3) If a regional nonprofit tourism corporation fails
6 to submit and gain approval for an annual marketing plan as
7 required in 15-65-122, then those funds otherwise allocated
8 to the regional nonprofit tourism corporation may be used by
9 the department of commerce for tourism promotion and
10 promotion of the state as a location for the production of
11 motion pictures and television commercials.

12 (4) The department of commerce may use general fund
13 loans for efficient implementation of this section."

14 **Section 4.** Section 17-7-502, MCA, is amended to read:

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

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

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

25 (b) The law or portion of the law making a statutory

1 appropriation must specifically state that a statutory
2 appropriation is made as provided in this section.

3 (3) The following laws are the only laws containing
4 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
5 10-3-203; 10-3-312; 10-3-314; ~~10-4-301~~; 13-37-304;
6 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101;
7 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424;
8 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205;
9 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606;
10 19-12-301; 19-13-604; ~~20-4-109~~; 20-6-406; 20-8-111;
11 23-5-610; 23-5-1027; ~~33-31-212~~---~~33-31-401~~; 37-51-501;
12 39-71-2504; 53-6-150; 53-24-206; 67-3-205; 75-1-1101;
13 75-7-305; 76-12-123; 80-2-103; ~~80-2-228~~; 82-11-136;
14 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306; ~~90-15-103~~;
15 section 13, House Bill No. 861, Laws of 1985; and section 1,
16 Chapter 454, Laws of 1987.

17 (4) There is a statutory appropriation to pay the
18 principal, interest, premiums, and costs of issuing, paying,
19 and securing all bonds, notes, or other obligations, as due,
20 that have been authorized and issued pursuant to the laws of
21 Montana. Agencies that have entered into agreements
22 authorized by the laws of Montana to pay the state
23 treasurer, for deposit in accordance with 17-2-101 through
24 17-2-107, as determined by the state treasurer, an amount
25 sufficient to pay the principal and interest as due on the

bonds or notes have statutory appropriation authority for such payments. (In subsection (3): pursuant to sec. 15, Ch. 607, L. 1987, the inclusion of 15-65-121 terminates June 30, 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion of 39-71-2504 terminates June 30, 1991; and pursuant to sec. 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L. 1987, terminates July 1, 1988.)"

Section 5. Section 20-4-109, MCA, is amended to read:

"20-4-109. Fees for teacher and specialist certificates. (1) Each person applying for the issuance or renewal of a teacher or specialist certificate shall pay a fee not to exceed \$4 for each school fiscal year that the certificate will be valid. In addition to this fee, each person who has never held any class of Montana teacher or specialist certificate or for whom an emergency authorization of employment has never been issued shall pay a filing fee of \$4. Such The fees shall must be paid to the superintendent of public instruction, who shall deposit the fees with the state treasurer in the following manner:

(a) \$2 to the credit of the state special revenue fund created in subsection (2);

(b) \$2 to the general fund.

(2) There is an account in the state special revenue fund. Money from fees for teacher or specialist certificates required in subsection (1) must be deposited in the account.

The money in the account ~~is--statutorily--appropriated,--as provided--in--17-7-502,--to--the--board--of--public--education~~ must be used for expenses for of the certification standards and practices advisory council created in 2-15-1522."

Section 6. Section 23-5-1027, MCA, is amended to read:

"23-5-1027. Disposition of revenue. (1) (a) As near as possible to 45% of the money paid for tickets or chances must be paid out as prize money, except as provided in subsection (b).

(b) In the case of a regional lottery game, a maximum of 50% of the money paid for tickets or chances may be paid out as prize money.

(2) Up to 15% of the gross revenue from the state lottery may be used by the director to pay the operating expenses of the state lottery. Commissions paid to lottery ticket or chance sales agents are not a state lottery operating expense.

~~(3)--Funds--to--pay--the--operating--expenses--of--the--lottery are--statutorily--appropriated--as--provided--in--17-7-502--~~

~~(4)~~(3) That part of all gross revenue not used for the payment of prizes, commissions, and operating expenses is net revenue and must be paid quarterly from the enterprise fund established by 23-5-1026 to the superintendent of public instruction for distribution as equalization aid to the retirement fund obligations of elementary and high

1 school districts in the manner provided in 20-9-532.

2 (4) Lottery revenue allocated under subsections (1) and
 3 (3) is statutorily appropriated, as provided in 17-7-502,
 4 for the purposes specified in those subsections."

5 **Section 7.** Section 33-31-212, MCA, is amended to read:

6 "33-31-212. Fees. (1) Each health maintenance
 7 organization shall pay to the commissioner the following
 8 fees:

9 (a) for filing an application for a certificate of
 10 authority or amendment thereto, \$300;

11 (b) for filing an amendment to the organization
 12 documents that requires approval, \$25;

13 (c) for filing each annual statement, \$25;

14 (d) for annual continuation of certificate of
 15 authority, \$300.

16 (2) All fees and miscellaneous charges, except fines or
 17 penalties or those amounts received pursuant to 33-31-211(3)
 18 and 33-31-405, collected by the commissioner pursuant to
 19 this chapter and the rules adopted thereunder must be
 20 deposited in the insurance regulatory trust account pursuant
 21 to 17-2-121 through 17-2-123.

22 (3) The director may assess fees necessary and adequate
 23 to cover the expenses of the director's functions under this
 24 chapter. ~~Such--fees--are--statutorily--appropriated--to--the~~
 25 ~~department--of--health--as--provided--in--17-7-502--"~~

1 **Section 8.** Section 33-31-401, MCA, is amended to read:

2 "33-31-401. Examination. (1) The commissioner may
 3 examine the affairs of a health maintenance organization as
 4 often as is reasonably necessary to protect the interests of
 5 the people of this state. The commissioner shall make such
 6 an examination at least once every 3 years.

7 (2) The department of health may examine the
 8 availability, accessibility, and continuity of the health
 9 care services provided by any health maintenance
 10 organization and the providers with whom the health
 11 maintenance organization has contracts, agreements, or other
 12 arrangements as often as is reasonably necessary to protect
 13 the interests of the people of this state. The department of
 14 health shall make such an examination at least once every 3
 15 years.

16 (3) Each authorized health maintenance organization and
 17 provider shall submit its relevant books and records for the
 18 examinations and in every way facilitate the examinations.
 19 For the purpose of examination, the commissioner and the
 20 department of health may administer oaths to and examine the
 21 officers and agents of the health maintenance organization
 22 and the principals of the providers concerning their
 23 business.

24 (4) (a) (i) Upon presentation of a detailed account of
 25 the charges and expenses of examinations by the

1 commissioner, the health maintenance organization being
 2 examined shall pay to the examiner as necessarily incurred
 3 on account of the examination the actual travel expenses, a
 4 reasonable living-expense allowance, and a per diem, all at
 5 reasonable rates customary therefor and as established or
 6 adopted by the commissioner. The commissioner may present
 7 such an account periodically during the course of the
 8 examination or at the termination of the examination as the
 9 commissioner considers proper. A person may not pay and an
 10 examiner may not accept any additional emolument on account
 11 of any such examination.

12 (ii) If a health maintenance organization fails to pay
 13 the charges and expenses as referred to in subsection
 14 (4)(a)(i), the commissioner shall pay them out of the funds
 15 of the commissioner in the same manner as other
 16 disbursements of such funds. The amount so paid must be a
 17 lien upon all of the person's assets and property in this
 18 state and may be recovered by suit by the attorney general
 19 on behalf of the state of Montana and restored to the
 20 appropriate fund.

21 (b) The expenses of examination conducted by the
 22 director under this section must be assessed against the
 23 health maintenance organization and remitted to the
 24 director. ~~Such---remitted---expenses---are---statutorily~~
 25 ~~appropriated-to-the-department-of-health-as-provided-in~~

1 ~~17-7-502-~~

2 (5) In lieu of an examination, the commissioner or the
 3 director may accept the report of an examination made by the
 4 commissioner or the director of another state."

5 **Section 9.** Section 67-3-205, MCA, is amended to read:

6 "67-3-205. Aircraft registration account -- source of
 7 funds -- allocation. (1) There is an account in the state
 8 special revenue fund to which must be credited all money
 9 received from fees paid in lieu of tax on aircraft as
 10 required in this part and 15-24-304 and all penalties
 11 collected for registration violations as provided in
 12 67-3-202.

13 (2) Money in the account is allocated as follows:

14 (a) 90% to the counties in the proportion that each
 15 county's collections bear to the total collections
 16 statewide; and

17 (b) 10% to the department for the purpose of
 18 administering and enforcing aircraft registration.

19 (3) The allocations required in subsection (2)(a) must
 20 be made twice annually by the department. The first
 21 allocation must be made between March 15 and March 30 and
 22 the second allocation must be made between July 1 and July
 23 15.

24 (4) The allocation required in subsection (2)(b) must
 25 be made on July 1 of each year.

(5) On receipt of the money allocated as provided in subsection (2)(a), the county treasurer shall distribute the money in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

(6) The allocations required in subsection (2)(a) are considered statutory appropriations as described in 17-7-502."

Section 10. Section 75-7-305, MCA, is amended to read:

"75-7-305. Commission authority. (1) The commission may make recommendations to the legislature and the governor and to federal, tribal, provincial, and local agencies for maintenance and enhancement of the quality of natural resources of the Flathead basin.

(2) The commission may receive and expend donations, gifts, grants, and other money necessary to fulfill its duties. ~~Such--money,--gifts,--grants,--and--donations--are~~ ~~statutorily appropriated, as provided in 17-7-502."~~

Section 11. Section 76-12-123, MCA, is amended to read:

"76-12-123. Natural areas account. (1) There is a natural areas special revenue account within the state special revenue fund established in 17-2-102.

(2) The natural areas account may receive funds from any source as gifts.

(3) The department may spend funds accepted as gifts in

accordance with the purposes of this part, including administration of a natural areas program. These funds, except funds used for administration of a program, are statutorily appropriated, as provided in 17-7-502."

Section 12. Section 80-2-103, MCA, is amended to read:

"80-2-103. Administration of trust assets. Funds and the proceeds of the trust assets which are not authorized to be administered by the secretary of agriculture under 80-2-102 ~~shall~~ must be received by the department and paid by it to the state treasurer for deposit in the expendable trust fund and ~~shall--be~~ are statutorily appropriated, as provided in 17-7-502, to be used for expenditure or obligation by the department for the purposes of 80-2-102 or for the rural rehabilitation purposes permissible under the charter of the now dissolved Montana rural rehabilitation corporation as may be agreed upon between the department and the secretary of agriculture, subject to Public Law 499. Expenditures for actual and necessary expenses required for the efficient administration of this part must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose."

Section 13. Section 80-2-228, MCA, is amended to read:

"80-2-228. Reserve fund. (1) Each year when the hail board makes its annual levy for the payment of current losses, expenses of administration, and for an addition to

1 the reserve if conditions permit, it may not increase the
2 levy enough in any year so that such addition to the reserve
3 will exceed 5% of the maximum risk written for that year.

4 (2) The board may engage the services of a qualified
5 actuary to conduct an actuarial valuation of the reserve.
6 This valuation shall include the actuary's determination of
7 the amount of reserve necessary to absorb all reasonably
8 anticipated catastrophic losses. This amount shall be the
9 maximum permissible reserve fund for the next year.

10 (3) The reserve ~~hereby-created~~ shall be deposited in an
11 expendable trust fund~~---and-is-statutorily-appropriated-as~~
12 ~~provided-in-17-7-502-to-the-board-for-the-purpose-of--paying~~
13 ~~costs---of--administration,--interest,--and--losses--of--the~~
14 ~~program.~~

15 (4) The board may not draw on the reserve for any
16 purpose unless the amount required for the payment of losses
17 for the current year, including interest on warrants and
18 costs of administration, exceeds the amount of the estimate
19 made by the board for the current year pursuant to
20 80-2-221."

21 **Section 14.** Section 90-9-306, MCA, is amended to read:

22 **"90-9-306. Appropriation authority and funding --**
23 **prohibited investments.** (1) The council has authority to
24 accept and expend all funds received by it as grants,
25 donations, or other private or public income, including

1 amounts repaid as principal and interest on investments made
2 by the council. These funds are statutorily appropriated to
3 the council, as provided in 17-7-502, for the purposes of
4 this chapter, except that expenditures for actual and
5 necessary expenses required for the efficient administration
6 of this chapter must be made from temporary appropriations,
7 as described in 17-7-501(1) or (2), made for that purpose.

8 (2) ~~No-investment~~ An investment may not be made in
9 projects for which matching funds or participation of
10 financial intermediaries is required until such the funds
11 have been committed.

12 (3) Council members may not personally apply for or
13 receive council investment funds. If an organization with
14 which a member is affiliated applies for council funds, the
15 member must disclose the nature of the affiliation and may
16 not participate in the decision of the council regarding the
17 application."

18 **Section 15.** Section 90-15-103, MCA, is amended to read:

19 **"90-15-103. Funding---appropriation.** The library and
20 each principal data source agency may apply for and may
21 receive funding from private and public sources for the
22 purposes of this chapter~~---and-any-such-funds-are-statutorily~~
23 ~~appropriated-to-the-library-or-to-the-appropriate--principal~~
24 ~~data---source--agency--for--such--purposes--as--provided--in~~
25 ~~17-7-502."~~

LC 1545/01

1 NEW SECTION. **Section 16.** **Effective date.** [This act] is
2 effective July 1, 1989.

-End-

HOUSE BILL NO. 583

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE STATUTORY APPROPRIATIONS FOR EXPENSES OF ADMINISTERING OR OPERATING A PROGRAM; AMENDING SECTIONS 2-18-812, 10-4-301, 15-65-121, 17-7-502, 20-4-109, 23-5-1027, 33-31-212, 33-31-401, 67-3-205, 75-7-305, 76-12-123, 80-2-103, 80-2-228, 90-9-306, AND 90-15-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 2-18-812, MCA, is amended to read:

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

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

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

(3) The department must deposit all reserve funds and

premiums paid to a state employee group benefit plan, and such the deposits are statutorily appropriated, as provided in 17-7-502, to the department to be expended for claims under the plan.

(4) The department must deposit income earned from the investment of a state employee group benefit plan's reserve fund into the account established under subsection (3) of this section in order to offset the costs of administering the plan. Expenditures for actual and necessary expenses required for the efficient administration of the plan must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.

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

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

Section 2. Section 10-4-301, MCA, is amended to read:

"10-4-301. Establishment of emergency telecommunications account. A 9-1-1 emergency

1 telecommunications account is established in the state
 2 special revenue fund in the state treasury. All money
 3 received by the department of revenue pursuant to 10-4-201
 4 must be paid to the state treasurer for deposit in the
 5 account. After payment of refunds pursuant to 10-4-205, the
 6 balance of the account ~~is--statutorily--appropriated--as~~
 7 ~~provided--in--17-7-502--to--the--department--to~~ must be used for
 8 the purposes described in part 1 of this chapter. THE
 9 DISTRIBUTION OF THE 9-1-1 EMERGENCY TELECOMMUNICATIONS
 10 ACCOUNT, ACCORDING TO THE REQUIREMENTS OF 10-4-302, IS
 11 STATUTORILY APPROPRIATED. EXPENDITURES FOR ACTUAL AND
 12 NECESSARY EXPENSES REQUIRED FOR THE EFFICIENT ADMINISTRATION
 13 OF THE PLAN MUST BE MADE FROM TEMPORARY APPROPRIATIONS, AS
 14 DESCRIBED IN 17-7-501(1) OR (2), MADE FOR THAT PURPOSE."

15 **Section 3.** Section 15-65-121, MCA, is amended to read:

16 "15-65-121. (Effective July 1, 1989) Distribution of
 17 tax proceeds -- general fund loan authority. (1) The
 18 proceeds of the tax imposed by 15-65-111 must be deposited
 19 in an account in the state special revenue fund to the
 20 credit of the department of revenue. The department may
 21 spend from that account in accordance with an expenditure
 22 appropriation by the legislature based on an estimate of the
 23 costs of collecting and disbursing the proceeds of the tax.
 24 The balance of the tax proceeds received each reporting
 25 period and not deducted pursuant to the expenditure

1 appropriation ~~is--statutorily--appropriated,--as--provided--in~~
 2 ~~17-7-502,--and~~ must be transferred to an account in the state
 3 special revenue fund to the credit of the department of
 4 commerce for tourism promotion and promotion of the state as
 5 a location for the production of motion pictures and
 6 television commercials, to the Montana historical society,
 7 and to the university system, as follows:

8 (a) 1% to the Montana historical society to be used
 9 for the installation or maintenance of roadside historical
 10 signs and historic sites;

11 (b) 2.5% to the university system for the
 12 establishment and maintenance of a Montana travel research
 13 program; and

14 (c) the balance of the proceeds as follows:

15 (i) 75% to be used directly by the department of
 16 commerce;

17 (ii) except as provided in subsection (1)(c)(iii), 25%
 18 to be distributed by the department to regional nonprofit
 19 tourism corporations in the ratio of the proceeds collected
 20 in each tourism region to the total proceeds collected
 21 statewide, which amount is statutorily appropriated as
 22 provided in 17-7-502;

23 (iii) if 25% of the proceeds collected annually within
 24 the limits of a city or consolidated city-county exceeds
 25 \$35,000, 50% of the amount available for distribution to the

1 regional nonprofit tourism corporation in the region where
2 the city or consolidated city-county is located is to be
3 distributed to the nonprofit convention and visitors bureau
4 in that city or consolidated city-county.

5 (2) If a city or consolidated city-county qualifies
6 under this section for funds but fails to either recognize a
7 nonprofit convention and visitors bureau or submit and gain
8 approval for an annual marketing plan as required in
9 15-65-122, then those funds must be allocated to the tourism
10 region in which the city or consolidated city-county is
11 located.

12 (3) If a regional nonprofit tourism corporation fails
13 to submit and gain approval for an annual marketing plan as
14 required in 15-65-122, then those funds otherwise allocated
15 to the regional nonprofit tourism corporation may be used by
16 the department of commerce for tourism promotion and
17 promotion of the state as a location for the production of
18 motion pictures and television commercials.

19 (4) The department of commerce may use general fund
20 loans for efficient implementation of this section."

21 **Section 4.** Section 17-7-502, MCA, is amended to read:

22 "17-7-502. Statutory appropriations -- definition --
23 requisites for validity. (1) A statutory appropriation is an
24 appropriation made by permanent law that authorizes spending
25 by a state agency without the need for a biennial

1 legislative appropriation or budget amendment.

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

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

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

10 (3) The following laws are the only laws containing
11 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
12 10-3-203; 10-3-312; 10-3-314; ~~10-4-301~~; 10-4-301; 13-37-304;
13 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101;
14 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424;
15 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205;
16 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606;
17 19-12-301; 19-13-604; ~~20-4-109~~; 20-6-406; 20-8-111;
18 23-5-610; 23-5-1027; ~~33-31-212~~; ~~---33-31-401~~; 37-51-501;
19 39-71-2504; 53-6-150; 53-24-206; 67-3-205; 75-1-1101;
20 ~~75-7-305~~; 76-12-123; 80-2-103; ~~80-2-228~~; 82-11-136;
21 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306; ~~90-15-103~~;
22 section 13, House Bill No. 861, Laws of 1985; and section 1,
23 Chapter 454, Laws of 1987.

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. (In subsection (3): pursuant to sec. 15, Ch.
 10 607, L. 1987, the inclusion of 15-65-121 terminates June 30,
 11 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion
 12 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.
 13 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.
 14 1987, terminates July 1, 1988.)"

15 **Section 5.** Section 20-4-109, MCA, is amended to read:
 16 "20-4-109. Fees for teacher and specialist
 17 certificates. (1) Each person applying for the issuance or
 18 renewal of a teacher or specialist certificate shall pay a
 19 fee not to exceed \$4 for each school fiscal year that the
 20 certificate will be valid. In addition to this fee, each
 21 person who has never held any class of Montana teacher or
 22 specialist certificate or for whom an emergency
 23 authorization of employment has never been issued shall pay
 24 a filing fee of \$4. ~~Such~~ The fees shall must be paid to the
 25 superintendent of public instruction, who shall deposit the

1 fees with the state treasurer in the following manner:

2 (a) \$2 to the credit of the state special revenue fund
 3 created in subsection (2);

4 (b) \$2 to the general fund.

5 (2) There is an account in the state special revenue
 6 fund. Money from fees for teacher or specialist certificates
 7 required in subsection (1) must be deposited in the account.
 8 The money in the account ~~is statutorily appropriated, as~~
 9 ~~provided in 17-7-502, to the board of public education~~ must
 10 be used for expenses ~~for~~ of the certification standards and
 11 practices advisory council created in 2-15-1522."

12 **Section 6.** Section 23-5-1027, MCA, is amended to read:

13 "23-5-1027. Disposition of revenue. (1) (a) As near as
 14 possible to 45% of the money paid for tickets or chances
 15 must be paid out as prize money, except as provided in
 16 subsection (b).

17 (b) In the case of a regional lottery game, a maximum
 18 of 50% of the money paid for tickets or chances may be paid
 19 out as prize money.

20 (2) Up to 15% of the gross revenue from the state
 21 lottery may be used by the director to pay the operating
 22 expenses of the state lottery. Commissions paid to lottery
 23 ticket or chance sales agents are not a state lottery
 24 operating expense.

25 ~~{3}--Funds-to-pay-the-operating-expenses-of-the-lottery~~

~~are-statutorily-appropriated-as-provided-in-17-7-502-~~

~~(4)(3)~~ That part of all gross revenue not used for the payment of prizes, commissions, and operating expenses is net revenue and must be paid quarterly from the enterprise fund established by 23-5-1026 to the superintendent of public instruction for distribution as equalization aid to the retirement fund obligations of elementary and high school districts in the manner provided in 20-9-532.

(4) Lottery revenue allocated under subsections (1) and (3) is statutorily appropriated, as provided in 17-7-502, for the purposes specified in those subsections."

Section 7. Section 33-31-212, MCA, is amended to read:

"33-31-212. Fees. (1) Each health maintenance organization shall pay to the commissioner the following fees:

(a) for filing an application for a certificate of authority or amendment thereto, \$300;

(b) for filing an amendment to the organization documents that requires approval, \$25;

(c) for filing each annual statement, \$25;

(d) for annual continuation of certificate of authority, \$300.

(2) All fees and miscellaneous charges, except fines or penalties or those amounts received pursuant to 33-31-211(3) and 33-31-405, collected by the commissioner

pursuant to this chapter and the rules adopted thereunder must be deposited in the insurance regulatory trust account pursuant to 17-2-121 through 17-2-123.

(3) The director may assess fees necessary and adequate to cover the expenses of the director's functions under this chapter. ~~Such fees are--statutorily--appropriated to the department of health as provided in 17-7-502."~~

Section 8. Section 33-31-401, MCA, is amended to read:

"33-31-401. Examination. (1) The commissioner may examine the affairs of a health maintenance organization as often as is reasonably necessary to protect the interests of the people of this state. The commissioner shall make ~~such~~ an examination at least once every 3 years.

(2) The department of health may examine the availability, accessibility, and continuity of the health care services provided by any health maintenance organization and the providers with whom the health maintenance organization has contracts, agreements, or other arrangements as often as is reasonably necessary to protect the interests of the people of this state. The department of health shall make such an examination at least once every 3 years.

(3) Each authorized health maintenance organization and provider shall submit its relevant books and records for the examinations and in every way facilitate the

1 examinations. For the purpose of examination, the
2 commissioner and the department of health may administer
3 oaths to and examine the officers and agents of the health
4 maintenance organization and the principals of the providers
5 concerning their business.

6 (4) (a) (i) Upon presentation of a detailed account of
7 the charges and expenses of examinations by the
8 commissioner, the health maintenance organization being
9 examined shall pay to the examiner as necessarily incurred
10 on account of the examination the actual travel expenses, a
11 reasonable living-expense allowance, and a per diem, all at
12 reasonable rates customary therefor and as established or
13 adopted by the commissioner. The commissioner may present
14 such an account periodically during the course of the
15 examination or at the termination of the examination as the
16 commissioner considers proper. A person may not pay and an
17 examiner may not accept any additional emolument on account
18 of any such examination.

19 (ii) If a health maintenance organization fails to pay
20 the charges and expenses as referred to in subsection
21 (4)(a)(i), the commissioner shall pay them out of the funds
22 of the commissioner in the same manner as other
23 disbursements of such funds. The amount so paid must be a
24 lien upon all of the person's assets and property in this
25 state and may be recovered by suit by the attorney general

1 on behalf of the state of Montana and restored to the
2 appropriate fund.

3 (b) The expenses of examination conducted by the
4 director under this section must be assessed against the
5 health maintenance organization and remitted to the
6 director. ~~Such---remitted---expenses---are---statutorily~~
7 ~~appropriated-to-the-department--of--health--as--provided--in~~
8 ~~17-7-502.~~

9 (5) In lieu of an examination, the commissioner or the
10 director may accept the report of an examination made by the
11 commissioner or the director of another state."

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13 "67-3-205. Aircraft registration account -- source of
14 funds -- allocation. (1) There is an account in the state
15 special revenue fund to which must be credited all money
16 received from fees paid in lieu of tax on aircraft as
17 required in this part and 15-24-304 and all penalties
18 collected for registration violations as provided in
19 67-3-202.

20 (2) Money in the account is allocated as follows:

21 (a) 90% to the counties in the proportion that each
22 county's collections bear to the total collections
23 statewide; and

24 (b) 10% to the department for the purpose of
25 administering and enforcing aircraft registration.

(3) The allocations required in subsection (2)(a) must be made twice annually by the department. The first allocation must be made between March 15 and March 30 and the second allocation must be made between July 1 and July 15.

(4) The allocation required in subsection (2)(b) must be made on July 1 of each year.

(5) On receipt of the money allocated as provided in subsection (2)(a), the county treasurer shall distribute the money in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

(6) The allocations required in subsection (2)(a) are considered statutory appropriations as described in 17-7-502."

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"75-7-305. Commission authority. (1) The commission may make recommendations to the legislature and the governor and to federal, tribal, provincial, and local agencies for maintenance and enhancement of the quality of natural resources of the Flathead basin.

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"76-12-123. Natural areas account. (1) There is a natural areas special revenue account within the state special revenue fund established in 17-2-102.

(2) The natural areas account may receive funds from any source as gifts.

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"80-2-103. Administration of trust assets. Funds and the proceeds of the trust assets which are not authorized to be administered by the secretary of agriculture under 80-2-102 ~~shall must~~ be received by the department and paid by it to the state treasurer for deposit in the expendable trust fund and ~~shall-be~~ are statutorily appropriated, as provided in 17-7-502, to be used for expenditure or obligation by the department for the purposes of 80-2-102 or for the rural rehabilitation purposes permissible under the charter of the now dissolved Montana rural rehabilitation corporation as may be agreed upon between the department and the secretary of agriculture, subject to Public Law 499.

Expenditures for actual and necessary expenses required for the efficient administration of this part must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose."

Section 13. Section 80-2-228, MCA, is amended to read:

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

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

(3) The reserve hereby-created shall be deposited in an expendable trust fund, ~~and is statutorily appropriated as provided in 17-7-502 to the board for the purpose of paying costs of administration, interest, and losses of the program.~~

(4) The board may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and

costs of administration, exceeds the amount of the estimate made by the board for the current year pursuant to 80-2-221."

Section 14. Section 90-9-306, MCA, is amended to read:

"90-9-306. Appropriation authority and funding -- prohibited investments. (1) The council has authority to accept and expend all funds received by it as grants, donations, or other private or public income, including amounts repaid as principal and interest on investments made by the council. These funds are statutorily appropriated to the council, as provided in 17-7-502, for the purposes of this chapter, except that expenditures for actual and necessary expenses required for the efficient administration of this chapter must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.

(2) ~~No--investment~~ An investment may ~~not~~ be made in projects for which matching funds or participation of financial intermediaries is required until such the funds have been committed.

(3) Council members may not personally apply for or receive council investment funds. If an organization with which a member is affiliated applies for council funds, the member must disclose the nature of the affiliation and may not participate in the decision of the council regarding the application."

1 **Section 15.** Section 90-15-103, MCA, is amended to
2 read:

3 "90-15-103. ~~Funding---appropriation.~~ The library and
4 each principal data source agency may apply for and may
5 receive funding from private and public sources for the
6 purposes of this chapter, ~~and any such funds are statutorily~~
7 ~~appropriated to the library or to the appropriate principal~~
8 ~~data source agency for such purposes as provided in~~
9 ~~17-7-502.~~"

10 NEW SECTION. **Section 16.** Effective date. [This act]
11 is effective July 1, 1989.

-End-

SENATE STANDING COMMITTEE REPORT

April 6, 1989

MR. PRESIDENT:

We, your committee on Finance and Claims, having had under consideration HB 583 (third reading copy -- blue), respectfully report that HB 583 be amended and as so amended be concurred in.

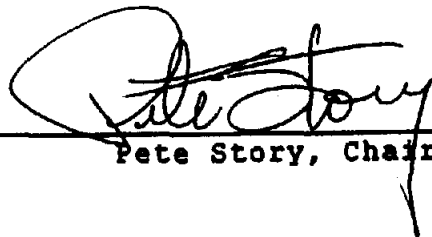
Sponsor: Bardanouve (Regan)

1. Title, line 7.
Strike: "15-65-121,"

2. Page 3, line 15 through page 5, line 20.
Strike: section 3 in its entirety
Renumber: subsequent sections

AND AS AMENDED BE CONCURRED IN

Signed: _____



Pete Story, Chairman

**SENATE
HB 583**

1 HOUSE BILL NO. 583

2 INTRODUCED BY BARDANOUVE

3 BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE STATUTORY
6 APPROPRIATIONS FOR EXPENSES OF ADMINISTERING OR OPERATING A
7 PROGRAM; AMENDING SECTIONS 2-18-812, 10-4-301, ~~15-65-121~~,
8 17-7-502, 20-4-109, 23-5-1027, 33-31-212, 33-31-401,
9 67-3-205, 75-7-305, 76-12-123, 80-2-103, 80-2-228, 90-9-306,
10 AND 90-15-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 2-18-812, MCA, is amended to read:

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

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

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

25 (3) The department must deposit all reserve funds and

1 premiums paid to a state employee group benefit plan, and
2 such the deposits are statutorily appropriated, as provided
3 in 17-7-502, to the department to be expended for claims
4 under the plan.

5 (4) The department must deposit income earned from the
6 investment of a state employee group benefit plan's reserve
7 fund into the account established under subsection (3) of
8 this section in order to offset the costs of administering
9 the plan. Expenditures for actual and necessary expenses
10 required for the efficient administration of the plan must
11 be made from temporary appropriations, as described in
12 17-7-501(1) or (2), made for that purpose.

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 2. Section 10-4-301, MCA, is amended to read:

24 "10-4-301. Establishment of emergency
25 telecommunications account. A 9-1-1 emergency

1 telecommunications account is established in the state
 2 special revenue fund in the state treasury. All money
 3 received by the department of revenue pursuant to 10-4-201
 4 must be paid to the state treasurer for deposit in the
 5 account. After payment of refunds pursuant to 10-4-205, the
 6 balance of the account is--statutorily--appropriated--as
 7 provided--in--17-7-502--to--the--department--to must be used for
 8 the purposes described in part 1 of this chapter. THE
 9 DISTRIBUTION OF THE 9-1-1 EMERGENCY TELECOMMUNICATIONS
 10 ACCOUNT, ACCORDING TO THE REQUIREMENTS OF 10-4-302, IS
 11 STATUTORILY APPROPRIATED. EXPENDITURES FOR ACTUAL AND
 12 NECESSARY EXPENSES REQUIRED FOR THE EFFICIENT ADMINISTRATION
 13 OF THE PLAN MUST BE MADE FROM TEMPORARY APPROPRIATIONS, AS
 14 DESCRIBED IN 17-7-501(1) OR (2), MADE FOR THAT PURPOSE."

15 **Section 3.** ~~Section 15-65-121, MCA, is amended to read:~~
 16 ~~"15-65-121.-(Effective--July--1,--1989)--Distribution--of~~
 17 ~~tax-proceeds-----general--fund--loan--authority.---(1)--The~~
 18 ~~proceeds--of--the--tax--imposed--by--15-65-111--must--be--deposited~~
 19 ~~in--an--account--in--the--state--special--revenue--fund--to--the~~
 20 ~~credit--of--the--department--of--revenue.---The--department--may~~
 21 ~~spend--from--that--account--in--accordance--with--an--expenditure~~
 22 ~~appropriation--by--the--legislature--based--on--an--estimate--of--the~~
 23 ~~costs--of--collecting--and--disbursing--the--proceeds--of--the--tax.~~
 24 ~~The--balance--of--the--tax--proceeds--received--each--reporting~~
 25 ~~period---and---not--deducted--pursuant--to--the--expenditure~~

1 appropriation-is-statutorily-appropriated,--as--provided--in
 2 17-7-502,--and--must--be--transferred--to--an--account--in--the--state
 3 special--revenue--fund--to--the--credit--of--the--department--of
 4 commerce--for--tourism--promotion--and--promotion--of--the--state--as
 5 a--location--for--the--production--of--motion--pictures--and
 6 television--commercials,--to--the--Montana--historical--society,
 7 and--to--the--university--system,--as--follows:

8 (a)--1%--to--the--Montana--historical--society--to--be--used
 9 for--the--installation--or--maintenance--of--roadside--historical
 10 signs--and--historic--sites;

11 (b)--2.5%--to--the--university--system--for--the
 12 establishment--and--maintenance--of--a--Montana--travel--research
 13 program;--and

14 (c)--the--balance--of--the--proceeds--as--follows:

15 (i)--75%--to--be--used--directly--by--the--department--of
 16 commerce;

17 (ii)--except--as--provided--in--subsection--(1)(c)(iii),--25%
 18 to--be--distributed--by--the--department--to--regional--nonprofit
 19 tourism--corporations--in--the--ratio--of--the--proceeds--collected
 20 in--each--tourism--region--to--the--total--proceeds--collected
 21 statewide,--which--amount--is--statutorily--appropriated--as
 22 provided--in--17-7-502;

23 (iii)--if--25%--of--the--proceeds--collected--annually--within
 24 the--limits--of--a--city--or--consolidated--city--county--exceeds
 25 \$35,000,--50%--of--the--amount--available--for--distribution--to--the

1 regional nonprofit tourism corporation in the region where
2 the city or consolidated city-county is located is to be
3 distributed to the nonprofit convention and visitors bureau
4 in that city or consolidated city-county.

5 (2) If a city or consolidated city-county qualifies
6 under this section for funds but fails to either recognize a
7 nonprofit convention and visitors bureau or submit and gain
8 approval for an annual marketing plan as required in
9 15-65-122, then those funds must be allocated to the tourism
10 region in which the city or consolidated city-county is
11 located.

12 (3) If a regional nonprofit tourism corporation fails
13 to submit and gain approval for an annual marketing plan as
14 required in 15-65-122, then those funds otherwise allocated
15 to the regional nonprofit tourism corporation may be used by
16 the department of commerce for tourism promotion and
17 promotion of the state as a location for the production of
18 motion pictures and television commercials.

19 (4) The department of commerce may use general fund
20 loans for efficient implementation of this section."

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

22 "17-7-502. Statutory appropriations -- definition --
23 requisites for validity. (1) A statutory appropriation is an
24 appropriation made by permanent law that authorizes spending
25 by a state agency without the need for a biennial

1 legislative appropriation or budget amendment.

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

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

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

10 (3) The following laws are the only laws containing
11 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
12 10-3-203; 10-3-312; 10-3-314; ~~10-4-301~~; 10-4-301; 13-37-304;
13 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101;
14 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424;
15 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205;
16 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606;
17 19-12-301; 19-13-604; ~~20-4-109~~; 20-6-406; 20-8-111;
18 23-5-610; 23-5-1027; ~~33-31-212~~; ~~33-31-401~~; 37-51-501;
19 39-71-2504; 53-6-150; 53-24-206; 67-3-205; 75-1-1101;
20 75-7-305; 76-12-123; 80-2-103; ~~80-2-228~~; 82-11-136;
21 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306; ~~90-15-103~~;
22 section 13, House Bill No. 861, Laws of 1985; and section 1,
23 Chapter 454, Laws of 1987.

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. (In subsection (3): pursuant to sec. 15, Ch.
 10 607, L. 1987, the inclusion of 15-65-121 terminates June 30,
 11 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion
 12 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.
 13 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.
 14 1987, terminates July 1, 1988.)"

15 **Section 4.** Section 20-4-109, MCA, is amended to read:

16 "20-4-109. Fees for teacher and specialist
 17 certificates. (1) Each person applying for the issuance or
 18 renewal of a teacher or specialist certificate shall pay a
 19 fee not to exceed \$4 for each school fiscal year that the
 20 certificate will be valid. In addition to this fee, each
 21 person who has never held any class of Montana teacher or
 22 specialist certificate or for whom an emergency
 23 authorization of employment has never been issued shall pay
 24 a filing fee of \$4. Such The fees shall must be paid to the
 25 superintendent of public instruction, who shall deposit the

1 fees with the state treasurer in the following manner:

2 (a) \$2 to the credit of the state special revenue fund
 3 created in subsection (2);

4 (b) \$2 to the general fund.

5 (2) There is an account in the state special revenue
 6 fund. Money from fees for teacher or specialist certificates
 7 required in subsection (1) must be deposited in the account.
 8 The money in the account ~~is statutorily appropriated, as~~
 9 ~~provided in 17-7-502, to the board of public education~~ must
 10 be used for expenses for of the certification standards and
 11 practices advisory council created in 2-15-1522."

12 **Section 5.** Section 23-5-1027, MCA, is amended to read:

13 "23-5-1027. Disposition of revenue. (1) (a) As near as
 14 possible to 45% of the money paid for tickets or chances
 15 must be paid out as prize money, except as provided in
 16 subsection (b).

17 (b) In the case of a regional lottery game, a maximum
 18 of 50% of the money paid for tickets or chances may be paid
 19 out as prize money.

20 (2) Up to 15% of the gross revenue from the state
 21 lottery may be used by the director to pay the operating
 22 expenses of the state lottery. Commissions paid to lottery
 23 ticket or chance sales agents are not a state lottery
 24 operating expense.

25 ~~{3}--Funds-to-pay-the-operating-expenses-of-the-lottery~~

~~are-statutorily-appropriated-as-provided-in-17-7-502-~~

~~(4)(3)~~ That part of all gross revenue not used for the payment of prizes, commissions, and operating expenses is net revenue and must be paid quarterly from the enterprise fund established by 23-5-1026 to the superintendent of public instruction for distribution as equalization aid to the retirement fund obligations of elementary and high school districts in the manner provided in 20-9-532.

(4) Lottery revenue allocated under subsections (1) and (3) is statutorily appropriated, as provided in 17-7-502, for the purposes specified in those subsections."

Section 6. Section 33-31-212, MCA, is amended to read:

"33-31-212. Fees. (1) Each health maintenance organization shall pay to the commissioner the following fees:

(a) for filing an application for a certificate of authority or amendment thereto, \$300;

(b) for filing an amendment to the organization documents that requires approval, \$25;

(c) for filing each annual statement, \$25;

(d) for annual continuation of certificate of authority, \$300.

(2) All fees and miscellaneous charges, except fines or penalties or those amounts received pursuant to 33-31-211(3) and 33-31-405, collected by the commissioner

pursuant to this chapter and the rules adopted thereunder must be deposited in the insurance regulatory trust account pursuant to 17-2-121 through 17-2-123.

(3) The director may assess fees necessary and adequate to cover the expenses of the director's functions under this chapter. ~~Such-fees-are--statutorily--appropriated to-the-department-of-health-as-provided-in-17-7-502-"~~

Section 7. Section 33-31-401, MCA, is amended to read:

"33-31-401. Examination. (1) The commissioner may examine the affairs of a health maintenance organization as often as is reasonably necessary to protect the interests of the people of this state. The commissioner shall make such an examination at least once every 3 years.

(2) The department of health may examine the availability, accessibility, and continuity of the health care services provided by any health maintenance organization and the providers with whom the health maintenance organization has contracts, agreements, or other arrangements as often as is reasonably necessary to protect the interests of the people of this state. The department of health shall make such an examination at least once every 3 years.

(3) Each authorized health maintenance organization and provider shall submit its relevant books and records for the examinations and in every way facilitate the

1 examinations. For the purpose of examination, the
2 commissioner and the department of health may administer
3 oaths to and examine the officers and agents of the health
4 maintenance organization and the principals of the providers
5 concerning their business.

6 (4) (a) (i) Upon presentation of a detailed account of
7 the charges and expenses of examinations by the
8 commissioner, the health maintenance organization being
9 examined shall pay to the examiner as necessarily incurred
10 on account of the examination the actual travel expenses, a
11 reasonable living-expense allowance, and a per diem, all at
12 reasonable rates customary therefor and as established or
13 adopted by the commissioner. The commissioner may present
14 such an account periodically during the course of the
15 examination or at the termination of the examination as the
16 commissioner considers proper. A person may not pay and an
17 examiner may not accept any additional emolument on account
18 of any such examination.

19 (ii) If a health maintenance organization fails to pay
20 the charges and expenses as referred to in subsection
21 (4)(a)(i), the commissioner shall pay them out of the funds
22 of the commissioner in the same manner as other
23 disbursements of such funds. The amount so paid must be a
24 lien upon all of the person's assets and property in this
25 state and may be recovered by suit by the attorney general

1 on behalf of the state of Montana and restored to the
2 appropriate fund.

3 (b) The expenses of examination conducted by the
4 director under this section must be assessed against the
5 health maintenance organization and remitted to the
6 director. ~~Such---remitted---expenses---are---statutorily~~
7 ~~appropriated-to-the-department--of--health--as--provided--in~~
8 ~~17-7-502.~~

9 (5) In lieu of an examination, the commissioner or the
10 director may accept the report of an examination made by the
11 commissioner or the director of another state."

12 **Section 8.** Section 67-3-205, MCA, is amended to read:

13 "67-3-205. Aircraft registration account -- source of
14 funds -- allocation. (1) There is an account in the state
15 special revenue fund to which must be credited all money
16 received from fees paid in lieu of tax on aircraft as
17 required in this part and 15-24-304 and all penalties
18 collected for registration violations as provided in
19 67-3-202.

20 (2) Money in the account is allocated as follows:

21 (a) 90% to the counties in the proportion that each
22 county's collections bear to the total collections
23 statewide; and

24 (b) 10% to the department for the purpose of
25 administering and enforcing aircraft registration.

(3) The allocations required in subsection (2)(a) must be made twice annually by the department. The first allocation must be made between March 15 and March 30 and the second allocation must be made between July 1 and July 15.

(4) The allocation required in subsection (2)(b) must be made on July 1 of each year.

(5) On receipt of the money allocated as provided in subsection (2)(a), the county treasurer shall distribute the money in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

(6) The allocations required in subsection (2)(a) are considered statutory appropriations as described in 17-7-502."

Section 9. Section 75-7-305, MCA, is amended to read:

"75-7-305. Commission authority. (1) The commission may make recommendations to the legislature and the governor and to federal, tribal, provincial, and local agencies for maintenance and enhancement of the quality of natural resources of the Flathead basin.

(2) The commission may receive and expend donations, gifts, grants, and other money necessary to fulfill its duties. ~~Such--money,--gifts,--grants,--and--donations--are~~ ~~statutorily appropriated, as provided in 17-7-502.~~"

Section 10. Section 76-12-123, MCA, is amended to read:

"76-12-123. Natural areas account. (1) There is a natural areas special revenue account within the state special revenue fund established in 17-2-102.

(2) The natural areas account may receive funds from any source as gifts.

(3) The department may spend funds accepted as gifts in accordance with the purposes of this part, including administration of a natural areas program. These funds, except funds used for administration of a program, are statutorily appropriated, as provided in 17-7-502."

Section 11. Section 80-2-103, MCA, is amended to read:

"80-2-103. Administration of trust assets. Funds and the proceeds of the trust assets which are not authorized to be administered by the secretary of agriculture under 80-2-102 ~~shall~~ must be received by the department and paid by it to the state treasurer for deposit in the expendable trust fund and ~~shall--be~~ are statutorily appropriated, as provided in 17-7-502, to be used for expenditure or obligation by the department for the purposes of 80-2-102 or for the rural rehabilitation purposes permissible under the charter of the now dissolved Montana rural rehabilitation corporation as may be agreed upon between the department and the secretary of agriculture, subject to Public Law 499.

Expenditures for actual and necessary expenses required for the efficient administration of this part must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose."

Section 12. Section 80-2-228, MCA, is amended to read:

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

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

(3) The reserve hereby-created shall be deposited in an expendable trust fund~~7-and-is-statutorily-appropriated-as provided--in-17-7-502-to-the-board-for-the-purpose-of-paying costs--of--administration7--interest7--and--losses--of--the~~ program.

(4) The board may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and

costs of administration, exceeds the amount of the estimate made by the board for the current year pursuant to 80-2-221."

Section 13. Section 90-9-306, MCA, is amended to read:

"90-9-306. Appropriation authority and funding -- prohibited investments. (1) The council has authority to accept and expend all funds received by it as grants, donations, or other private or public income, including amounts repaid as principal and interest on investments made by the council. These funds are statutorily appropriated to the council, as provided in 17-7-502, for the purposes of this chapter, except that expenditures for actual and necessary expenses required for the efficient administration of this chapter must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.

(2) ~~No-investment~~ An investment may ~~not~~ be made in projects for which matching funds or participation of financial intermediaries is required until ~~such~~ the funds have been committed.

(3) Council members may not personally apply for or receive council investment funds. If an organization with which a member is affiliated applies for council funds, the member must disclose the nature of the affiliation and may not participate in the decision of the council regarding the application."

1 **Section 14.** Section 90-15-103, MCA, is amended to
2 read:

3 "90-15-103. Funding---appropriation. The library and
4 each principal data source agency may apply for and may
5 receive funding from private and public sources for the
6 purposes of this chapter~~and any such funds are statutorily~~
7 ~~appropriated to the library or to the appropriate principal~~
8 ~~data source agency for such purposes as provided in~~
9 17-7-502."

10 NEW SECTION. **Section 15.** Effective date. [This act]
11 is effective July 1, 1989.

-End-