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SENATE BILL NO. 83

INTRODUCED BY *Corfield Cook Jacobson Lunsford*  
BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE  
*Travis Harding Tom Nelson Van Valkenburg Park Keadles*

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS CONCERNING DEDICATED REVENUE AND STATUTORY APPROPRIATIONS; AMENDING SECTIONS 2-7-514, 3-5-901, 3-10-601, 15-24-925, 15-25-111, 15-25-122, 15-35-108, 15-65-121, 15-70-101, 15-70-102, 15-71-104, 17-1-501, 17-1-502, 17-1-503, 17-1-504, 17-1-505, 17-2-111, 17-5-704, 17-6-409, 17-7-502, 19-8-504, 20-4-109, 20-5-324, 20-7-420, 20-7-504, 20-7-605, 20-9-166, 20-9-331, 20-9-333, 20-9-342, 20-9-343, 20-9-346, 20-9-360, 20-9-361, 23-2-507, 23-2-644, 23-2-807, 23-2-823, 23-4-202, 23-7-202, 23-7-402, 27-12-206, 39-71-2501, 39-71-2503, 39-71-2504, 44-12-206, 46-18-235, 52-6-105, 61-2-107, 61-3-502, 61-4-112, 61-8-204, 61-10-126, 61-10-148, 61-10-225, 61-10-226, 75-5-634, 75-5-635, 75-6-109, 75-6-114, 75-6-115, 76-15-530, 77-1-808, 77-1-809, 77-1-810, 80-11-310, 82-4-426, 82-11-149, 87-1-114, 90-1-108, 90-6-201, 90-6-202, 90-6-205, 90-6-207, AND 90-6-212, MCA; REPEALING SECTIONS 15-25-123, 15-65-122, 15-65-131, 17-1-503, 23-1-131, 60-2-224, AND 75-5-507, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 2-7-514, MCA, is amended to read:

**"2-7-514. Filing of audit report and financial report.** (1) Completed audit reports must be filed with the department. Completed financial reports must be filed with the department as provided in 2-7-503(1). The state superintendent of public instruction shall file with the department a list of school districts subject to audit under 2-7-503(3). The list must be filed with the department within 6 months after the close of the fiscal year.

(2) At the time that the financial report is filed or, in the case of a school district, when the audit report is filed with the department, the local government entity shall pay to the department a filing fee. The department shall charge a filing fee to any local government entity required to have an audit under 2-7-503, which fee must be based upon the costs incurred by the department in the administration of this part. Notwithstanding the provisions of 20-9-343, the filing fees for school districts required by this section

1 must be paid by the superintendent of public instruction ~~from the state equalization aid account~~. The  
 2 department shall adopt the fee schedule by rule based upon the local government entities' revenue  
 3 amounts.

4 (3) Copies of the completed audit and financial reports must be made available by the department  
 5 and the local government entity for public inspection during regular office hours.

6 (4) The department is authorized under this part to charge a surcharge on the filing fee to generate  
 7 the necessary revenue to repay the general fund loan over a 5-year period. (Subsection (4) terminates June  
 8 30, 1997--sec. 31, Ch. 489, L. 1991.)"

9

10 **Section 2.** Section 3-5-901, MCA, is amended to read:

11 **"3-5-901. State assumption of certain district court expenses.** (1) The state shall, to the extent  
 12 that revenue is available under 61-3-509, fund the following district court expenses in criminal cases only:

- 13 (a) salaries of court reporters;
- 14 (b) transcripts of proceedings;
- 15 (c) witness fees and necessary expenses;
- 16 (d) juror fees;
- 17 (e) indigent defense;
- 18 (f) ~~expenses of~~ the appellate defender commission and the office of appellate defender; and
- 19 (g) psychiatric examinations.

20 (2) The revenue received under 61-3-509 is statutorily appropriated, as provided in 17-7-502, to  
 21 the supreme court for funding the expenses listed in ~~subsection (1)~~ subsections (1)(a) through (1)(e) and  
 22 (1)(g) and the costs of administering this section.

23 (3) If money appropriated for the expenses listed in subsection (1):

24 (a) exceeds the amount necessary to fully fund those expenses, the excess amount must be used  
 25 to fund the appellate defender commission and the office of appellate defender and for district court grants  
 26 as provided in 7-6-2352; or

27 (b) is insufficient to fully fund those expenses, the appellate defender commission and the office  
 28 of appellate defender must be funded first and the county is responsible for payment of the balance.

29 (4) Money deposited in the state general fund in fiscal year 1992, as provided in 61-3-509, that  
 30 is in excess of the legislative appropriation is statutorily appropriated, as provided in 17-7-502, to the

1 supreme court for district court and courts of limited jurisdiction automation purposes during the 1995  
2 biennium. (Subsection (4) terminates July 1, 1995--sec. 7, Ch. 330, L. 1993.)"

3

4 **Section 3.** Section 3-10-601, MCA, is amended to read:

5 **"3-10-601. Collection and disposition of fines, penalties, forfeitures, and fees.** (1) Each justice  
6 of the peace shall collect the fees prescribed by law for justices' courts and shall pay them into the county  
7 treasury of the county in which the justice of the peace holds office, on or before the 10th day of each  
8 month, to be credited to the general fund of the county.

9 (2) All fines, penalties, and forfeitures that this code requires to be imposed, collected, or paid in  
10 a justice's court must, for each calendar month, be paid by the justice's court on or before the 5th day of  
11 the following month to the treasurer of the county in which the justice's court is situated, except that they  
12 may be distributed as provided in 44-12-206 if imposed, collected, or paid for a violation of Title 45,  
13 chapter 9 or 10.

14 (3) The county treasurer shall, in the manner provided in 15-1-504, distribute money received under  
15 subsection (2) as follows:

16 (a) 50% to the state treasurer for deposit in the state general fund; and

17 (b) 50% to the county general fund.

18 ~~(4) The state treasurer shall distribute money received under subsection (3) as follows:~~

19 ~~(a) 44.81% to the state general fund;~~

20 ~~(b) 0.00% to the fish and game account in the state special revenue fund;~~

21 ~~(c) 11.76% to the state highway account in the state special revenue fund;~~

22 ~~(d) 16.93% to the traffic education account in the state special revenue fund;~~

23 ~~(e) 0.57% to the department of livestock account in the state special revenue fund;~~

24 ~~(f) 15.0% to the crime victims compensation account in the state special revenue fund; and~~

25 ~~(g) 0.94% to the department of family services special revenue account for the battered spouses  
26 and domestic violence grant program."~~

27

28 **Section 4.** Section 15-24-925, MCA, is amended to read:

29 **"15-24-925. Reimbursement to county -- transmission of taxes from county to state treasurer.**

30 (1) The county treasurer may withhold 2% of the money received under 15-24-921 as reimbursement to

1 the county for the collection of the levy on livestock.

2 (2) Except for the amount withheld under subsection (1), the taxes levied and the money collected  
 3 pursuant to the provisions of 15-24-922 ~~shall~~ must be transmitted to the state treasury by the county  
 4 treasurer of each county, as provided in 15-1-504, but not later than July 1 following assessment. The  
 5 county treasurer shall designate the amount received from the tax levied on sheep and the amount received  
 6 from the tax levied on all other livestock and shall specify the separate amounts in ~~his~~ the report to the  
 7 state treasurer. The money, when received by the state treasurer, ~~shall~~ must be deposited in an account  
 8 in the special revenue fund to the credit of the department of livestock. The money in the account must  
 9 be kept separate from other funds received by the department of livestock."

10

11 **Section 5.** Section 15-25-111, MCA, is amended to read:

12 **"15-25-111. Tax on dangerous drugs.** (1) There is a tax on the possession and storage of  
 13 dangerous drugs. Except as provided in 15-25-112, each person possessing or storing dangerous drugs  
 14 is liable for the tax. The tax imposed is determined pursuant to subsection (2). The tax is due and payable  
 15 on the date of assessment. The department shall add an ~~administration~~ administrative fee of 5% of the tax  
 16 imposed pursuant to subsection (2) to offset costs incurred in assessing value, in collecting the tax, and  
 17 in any review and appeal process. The administrative fee must be deposited in the state general fund.

18 (2) With the exception that the tax on possession and storage of less than 1 ounce, 1 gram, or 100  
 19 micrograms of dangerous drugs must be that set forth below for 1 ounce, 1 gram, or 100 micrograms, the  
 20 tax on possession and storage of dangerous drugs is the greater of:

21 (a) 10% of the assessed market value of the drugs, as determined by the department; or

22 (b) (i) \$100 per ounce of marijuana, as defined in 50-32-101, or its derivatives, as determined by  
 23 the aggregate weight of the substance seized;

24 (ii) \$250 per ounce of hashish, as defined in 50-32-101, as determined by the aggregate weight  
 25 of the substance seized;

26 (iii) \$200 per gram of any substance containing or purported to contain any amount of a dangerous  
 27 drug included in Schedule I<sub>2</sub> pursuant to 50-32-222(1), (2), (4), and (5), or Schedule II<sub>2</sub> pursuant to  
 28 50-32-224(1) through (4), as determined by the aggregate weight of the substance seized;

29 (iv) \$10 per 100 micrograms of any substance containing or purported to contain any amount of  
 30 lysergic acid diethylamide (LSD) included in Schedule I<sub>2</sub> pursuant to 50-32-222(3), as determined by the



1 aggregate weight of the substance seized;

2 (v) \$100 per ounce of any substance containing or purported to contain any amount of an  
3 immediate precursor as defined under Schedule II, pursuant to 50-32-224(5), as determined by the  
4 aggregate weight of the substance seized; and

5 (vi) \$100 per gram of any substance containing or purported to contain any amount of dangerous  
6 drug not otherwise provided for in this subsection (2).

7 (3) The tax imposed under this section may be collected before any state or federal fines or  
8 forfeitures have been satisfied."

9

10 **Section 6.** Section 15-25-122, MCA, is amended to read:

11 "**15-25-122. Disposition of proceeds.** The department shall, in accordance with the provisions of  
12 15-1-501(6), transfer all taxes collected pursuant to this chapter, less the administrative fee authorized in  
13 15-25-111(1), as follows:

14 (1) one-third of the tax to the credit of the department of family services to be used for the youth  
15 evaluation program and chemical abuse aftercare programs; and

16 (2) the remaining two-thirds of the tax proceeds as follows:

17 (a) one-half to the department of justice to be used:

18 (i) for grants to youth courts to fund chemical abuse assessments; and

19 (ii) for grants to counties to fund services for the detention of juvenile offenders in facilities separate  
20 from adult jails, as authorized in 41-5-1002; and

21 (b) one-half to the ~~account created by 44-12-206(3)~~ state general fund if a state government law  
22 enforcement agency seized the drugs. If a local government law enforcement agency seized the drugs,  
23 then that amount must be credited to the treasurer or finance officer of the local government, be deposited  
24 in its general fund, and be used to enforce drug laws."

25

26 **Section 7.** Section 15-35-108, MCA, is amended to read:

27 "**15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this  
28 chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

29 (1) ~~To~~ Fifty percent of total coal severance tax collections must be allocated to the trust fund  
30 ~~created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~

1 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
2 board of investments as provided by law.

3 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
4 allocated to the highway reconstruction trust fund account in the state special revenue fund.

5 (3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
6 are allocated in the following percentages of the remaining balance:

7 (a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local  
8 impact account at the end of each biennium are allocated to the state special revenue fund for state  
9 equalization aid to public schools of the state.

10 (b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

11 (c) 1% to the state special revenue fund to the credit of the county land planning account;

12 (d) 1¼% to the credit of the renewable resource development bond fund;

13 (e) 0% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income  
14 from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of  
15 any sites and areas described in 23-1-102.

16 (f) 1% to the state special revenue fund to the credit of the state library commission for the  
17 purposes of providing basic library services for the residents of all counties through library federations and  
18 for payment of the costs of participating in regional and national networking;

19 (g) 1/2 of 1% to the state special revenue fund for conservation districts;

20 (h) 1¼% to the debt service fund type to the credit of the renewable resource loan debt service  
21 fund;

22 (i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

23 (j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state  
24 capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be appropriated  
25 for protection of works of art in the state capitol and other cultural and aesthetic projects.

26 (k) beginning July 1, 1993, and ending June 30, 1995, 3 1/3% to a special revenue account to  
27 be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and  
28 cultural sites within the state park system;

29 (l) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
30 to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L. 1993.)

1           **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
2 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

3           (1) ~~To Fifty percent of total coal severance tax collections must be allocated to~~ the trust fund  
4 created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
5 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
6 board of investments as provided by law.

7           (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
8 allocated to the highway reconstruction trust fund account in the state special revenue fund.

9           (3) Coal severance tax collections remaining after ~~allocation to the trust fund~~ the allocations under  
10 ~~subsection~~ subsections (1) and (2) are allocated in the following percentages of the remaining balance:

11           (a) ~~17 1/2%~~ 22% to the credit of ~~the local impact an~~ account. ~~Unencumbered funds remaining in~~  
12 ~~the state special revenue fund to be allocated by the legislature for local impact account at the end of each~~  
13 ~~biennium are allocated to the state special revenue fund for state equalization aid to public schools of the~~  
14 ~~state.~~

15           ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~

16           ~~(c) 1% to the state special revenue fund to the credit of the impacts, county land planning, account~~  
17 provisions of basic library services for the residents of all counties through library federations and for  
18 payment of the costs of participating in regional and national networking, conservation districts, and the  
19 Montana Growth Through Agriculture Act;

20           ~~(d)~~(b) 1 1/4 % to the credit of the renewable resource development bond fund;

21           ~~(e)~~(c) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.  
22 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
23 maintenance of any sites and areas described in 23-1-102.

24           ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~  
25 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
26 ~~for payment of the costs of participating in regional and national networking;~~

27           ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

28           ~~(h)~~(d) 1 1/4 % to the debt service fund type to the credit of the renewable resource loan debt service  
29 fund;

30           ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~

1           ~~(e)~~ 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
2 state capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be  
3 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

4           ~~(f)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
5 to the credit of the general fund of the state. (Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

6           **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
7 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

8           (1) ~~To~~ Fifty percent of total coal severance tax collections must be allocated to the trust fund  
9 created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
10 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
11 board of investments as provided by law.

12           (2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
13 are allocated in the following percentages of the remaining balance:

14           (a) ~~17 1/2%~~ 22% to the credit of ~~the local impact an~~ account. ~~Unencumbered funds remaining in~~  
15 the state special revenue fund to be allocated by the legislature for local impact account at the end of each  
16 biennium are allocated to the state special revenue fund for state equalization aid to public schools of the  
17 state.

18           ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~

19           ~~(c) 1% to the state special revenue fund to the credit of the impacts,~~ county land planning, ~~account~~  
20 provision of basic library services for the residents of all counties through library federations and for  
21 payment of the costs of participating in regional and national networking, conservation districts, and the  
22 Montana Growth Through Agriculture Act;

23           ~~(d)(b)~~ 1 1/4% to the credit of the renewable resource development bond fund;

24           ~~(e)(c)~~ 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.  
25 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
26 maintenance of any sites and areas described in 23-1-102.

27           ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~  
28 purposes of providing basic library services for the residents of all counties through library federations and  
29 for payment of the costs of participating in regional and national networking;

30           ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

1           ~~(h)(d)~~ 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service  
2 fund;

3           ~~(i)~~ 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

4           ~~(j)(e)~~ 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
5 state capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be  
6 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

7           ~~(k)(f)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
8 to the credit of the general fund of the state."

9

10           **Section 8.** Section 15-65-121, MCA, is amended to read:

11           "**15-65-121. Distribution Deposit of tax proceeds —general fund loan authority.** ~~(1)~~ The proceeds  
12 of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited  
13 in an account in the state ~~special revenue~~ general fund ~~to the credit of the department of revenue.~~ The  
14 department of revenue may ~~spend from that account~~ pay the expenses of collecting the tax in accordance  
15 with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and  
16 ~~disbursing~~ the proceeds of the tax. ~~Before allocating the balance of the tax proceeds in accordance with~~  
17 ~~the provisions of 15-1-501(6) and as provided in subsections (1)(a) through (1)(d), the department shall~~  
18 ~~determine the expenditures by state agencies for in state lodging for each reporting period and deduct 4%~~  
19 ~~of that amount from the tax proceeds received each reporting period. The amount deducted must be~~  
20 ~~deposited in the general fund. The balance of the tax proceeds received each reporting period and not~~  
21 ~~deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily~~  
22 ~~appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue~~  
23 ~~fund to the credit of the department of commerce for tourism promotion and promotion of the state as a~~  
24 ~~location for the production of motion pictures and television commercials, to the Montana historical society,~~  
25 ~~to the university system, and to the department of fish, wildlife, and parks, as follows:~~

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

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

30           ~~(c)~~ 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state

1 ~~parks that have both resident and nonresident use, subject to 23-1-131; and~~

2 ~~(d) the balance of the proceeds as follows:~~

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

4 ~~(ii) except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional~~  
5 ~~nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total~~  
6 ~~proceeds collected statewide; and~~

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

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

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

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

21  
22 **Section 9.** Section 15-70-101, MCA, is amended to read:

23 **"15-70-101. Disposition of funds.** All taxes, interest, and penalties collected under this chapter,  
24 ~~except those collected by a justice's court,~~ must, in accordance with the provisions of 15-1-501(6), be  
25 placed in a highway revenue account in the state special revenue fund to the credit of the department of  
26 transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance  
27 with the provisions of 15-1-501(6), be paid by the department of transportation from the state special  
28 revenue fund to the cities, towns, and counties.

29 (1) The amount of \$16,766,000 of the funds taxes collected under this chapter, ~~except those~~  
30 ~~collected by a justice's court,~~ is statutorily appropriated, as provided in 17-7-502, to the department of

1 transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated  
2 cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and  
3 city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

4 (a) The amount of \$54,000 must be designated for the purposes and functions of the Montana  
5 rural technical assistance transportation program in Bozeman;

6 (b) The amount of \$6,323,000 must be divided among the various counties in the following  
7 manner:

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

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

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

14 (c) The amount of \$10,389,000 must be divided among the incorporated cities and towns in the  
15 following manner:

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

18 (ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the federal-aid  
19 interstate system and the federal-aid primary system, within corporate limits bears to the total street and  
20 alley mileage, exclusive of the federal-aid interstate system and federal-aid primary system, within the  
21 corporate limits of all cities and towns in Montana.

22 (2) All funds allocated by this section to counties, cities, and towns must be used for the  
23 construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or  
24 for the share that the city, town, or county might otherwise expend for proportionate matching of federal  
25 funds allocated for the construction of roads or streets that are part of the federal-aid primary or secondary  
26 highway system or urban extensions to those systems, except that the governing body of a town or  
27 third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated  
28 to that town or third-class city for the purchase of capital equipment and supplies to be used for the  
29 maintenance and repair of town or third-class city streets and alleys.

30 (3) All funds allocated by this section to counties, cities, and towns must be disbursed to the

1 lowest responsible bidder according to applicable bidding procedures followed in all cases in which the  
2 contract for construction, reconstruction, maintenance, or repair is in excess of \$4,000.

3 (4) For the purposes of this section in which distribution of funds is made on a basis related to  
4 population, the population must be determined by the last preceding official federal census.

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

10 (6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this  
11 section may not be used for the purchase of capital equipment.

12 (7) Funds authorized by this section must be used for construction and maintenance programs  
13 only."

14  
15 **Section 10.** Section 15-70-102, MCA, is amended to read:

16 **"15-70-102. Allocation of funds -- participation in railroad grade crossing protection.** (1) The ~~sum~~  
17 ~~of \$100,000 amount determined necessary~~ may be allocated from the state special revenue fund, ~~state~~  
18 ~~highway revenue~~ account, ~~for the fiscal year ending June 30, 1973, and so much for each succeeding~~  
19 ~~fiscal year as may be necessary to reimburse the fund~~ for expenditures and commitments made ~~and to~~  
20 ~~maintain the fund at \$100,000 at the beginning of each fiscal year thereafter,~~ for participation by the  
21 department of transportation with railroads in construction of railroad grade crossing protection on any  
22 public highway or road, except those designated on the interstate, primary, or urban systems within the  
23 state. The department of transportation shall select those grade crossings in the state ~~which~~ that, in the  
24 opinion of the department, are most in need of additional crossing protection and shall finance the cost  
25 ~~thereof~~ of the improvements solely from this fund.

26 (2) Signal protection provided under ~~the fund shall be~~ this section is limited to electric or automatic  
27 flashing lights or gates, depending on the amount and nature of the hazards present at the crossing, and  
28 participation in construction of ~~such~~ the signals ~~shall~~ must be on the same basis and under the same  
29 standards as are applicable and used in connection with protection of grade crossings on federal-aid roads  
30 within the state, ~~provided, however, the fund shall~~ The account may not be used for protection of grade



1 crossings on the secondary system where the protection is considered necessary and when the cost ~~thereof~~  
 2 is financed in part with federal-aid highway funds.

3 (3) In addition to the funds allocated, counties and cities may authorize the use of funds available  
 4 to ~~said~~ counties and cities under the provisions of 15-70-101 for participation ~~of~~ in the installation in grade  
 5 crossing protection within the county or city."

6  
 7 **NEW SECTION. Section 11. Highway nonrestricted account.** There is a highway nonrestricted  
 8 account in the state special revenue fund. All interest and penalties collected under this chapter, except  
 9 those collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be placed in  
 10 the highway nonrestricted account.

11  
 12 **Section 12.** Section 15-71-104, MCA, is amended to read:  
 13 **"15-71-104. Disposition of funds.** All taxes collected under this chapter must, in accordance with  
 14 the provisions of 15-1-501(6), be placed in the highway revenue account, state special revenue fund, to  
 15 the credit of the department of transportation."

16  
 17 **Section 13.** Section 17-1-501, MCA, is amended to read:  
 18 **"17-1-501. Legislative findings.** (1) The legislature finds that provisions for dedicating state  
 19 revenue and statutorily appropriating funds have increased in number, reduce legislative control over state  
 20 spending, complicate the state funding structure, and increase the effort required to budget, appropriate,  
 21 and monitor public funds. The dedication and statutory appropriation of funds ~~results~~ result in the inability  
 22 of the legislature to practically and systematically conduct reasoned prioritization of programs or funds.

23 (2) It is the intent of the legislature, by establishing ~~a system~~ criteria for the review and evaluation  
 24 of revenue dedication provisions, to ensure that provisions for revenue dedication:

25 (a) are based on sound principles of revenue dedication as described in [section 18];  
 26 (b) reflect present circumstances and legislative priorities for state spending; ~~and~~  
 27 (c) are terminated when they are no longer ~~are~~ necessary or appropriate; and  
 28 (d) are subject to the same legislative scrutiny as programs or activities funded from the general  
 29 fund.

30 (3) It is the intent of the legislature, by establishing criteria for the review and evaluation of

1 statutory appropriation provisions, to ensure that provisions with statutory appropriations:

2 (a) reflect present circumstances and legislative priorities for state spending;

3 (b) are terminated when they are no longer necessary or appropriate; and

4 (c) are subject to the same legislative scrutiny as other appropriations."

5  
6 **Section 14.** Section 17-1-502, MCA, is amended to read:

7 **"17-1-502. Definitions.** As used in this part, unless the context requires otherwise, the following  
8 definitions apply:

9 (1) "Administrative costs" includes:

10 (a) personal services;

11 (b) operating expenses, such as travel, supplies, and communication costs; and

12 (c) capital expenses, such as equipment, building costs, and real property costs.

13 (2) (a) "Continuing and reliable source of revenue" means a revenue source for which an agency  
14 forecasts an annual level of collections based upon historical data and prepares a budget for expenditures  
15 commensurate with the level of collections. Collections may not change significantly on an annual basis.

16 (b) The term does not include revenue:

17 (i) that an agency will receive only as a result of an occurrence that is not a routine part of agency  
18 operations;

19 (ii) that will vary significantly on an annual basis; or

20 (iii) that is unable to be included in the agency budget because of the erratic nature of receipt.

21 ~~{4}~~(3) "Dedicated revenue provision" means an administrative or legislative action that allocates  
22 the revenue from a tax, fee, assessment, or other source to an account in the state special revenue fund  
23 as described in 17-2-102.

24 (4) "General revenue source" means a source of revenue not governed by established or implied  
25 restrictions based on the source or limited use of the revenue. The term includes taxes, interest earnings,  
26 investment earnings, fines, and forfeitures.

27 ~~{2}~~(5) "State special revenue fund" means a fund in the state treasury consisting of money from  
28 state sources that is earmarked for the purposes of defraying particular costs of an agency, program, or  
29 function of state government, as provided in 17-2-102."

30

1           **Section 15.** Section 17-1-503, MCA, is amended to read:

2           "**17-1-503. Transfer of fund balances to general fund.** ~~(1) On April 29, 1993, the~~ The balance  
3 remaining in each special revenue account terminated pursuant to legislative review must be deposited in  
4 the general fund.

5           (2) If the legislative finance committee concurs, the department may transfer the unobligated  
6 balance in a special revenue account to the general fund based upon the survey conducted pursuant to  
7 17-2-111."

8

9           **Section 16.** Section 17-1-504, MCA, is amended to read:

10           "**17-1-504. Effect of termination.** (1) If the legislature has appropriated the revenue from an  
11 account ~~provided for in 15-1-501, 20-9-343, and 31-1-602~~ terminated pursuant to legislative review, the  
12 appropriation is considered to have been made from the general fund.

13           (2) All assets, liabilities, and fund balances of accounts terminated ~~by 15-1-501, 20-9-343, and~~  
14 ~~31-1-602~~ pursuant to legislative review accrue to the general fund."

15

16           **Section 17.** Section 17-1-505, MCA, is amended to read:

17           "**17-1-505. ~~Legislative review and report~~ Review of dedicated revenue provisions.** (1) Each  
18 interim, the legislative finance committee shall review each dedicated revenue provision not exempted under  
19 subsection ~~(3)(4)~~ and ~~review statutory appropriations assigned by the legislature~~ the principles of revenue  
20 dedication set forth in [section 18] to ensure that legislative policy is clearly stated. The committee shall  
21 also carry out the review prescribed by subsection (4).

22           (2) The ~~review conducted by the committee must include an evaluation of the~~ legislature recognizes  
23 that dedicated revenue provision, based on whether its provisions are subject to review by:

24           (a) the office of budget and program planning in the development and implementation of the  
25 executive budget and analysis of legislation;

26           (b) the office of the legislative fiscal analyst in analyzing the executive budget;

27           (c) the legislative council in drafting legislation;

28           (d) the legislative auditor in auditing agencies; and

29           (e) the department of administration in performing the functions provided for in 17-2-106 and  
30 17-2-111.

1           (3) To avoid unnecessary use of dedicated revenue provisions, the entities listed in subsection (2)  
 2 shall, in the course of current duties, consider the principles in [section 18] and the criteria listed in this  
 3 subsection for each new or existing dedicated revenue provision. A dedicated revenue provision should  
 4 not give a program or activity an unfair advantage for funding. The expenditures from a dedicated revenue  
 5 provision must be based on requirements for meeting a legislatively established outcome. Statutorily  
 6 mandated programs or activities funded through dedicated revenue provisions from general revenue sources  
 7 must be reviewed to the same extent as programs or activities funded from the general fund. The use of  
 8 a dedicated revenue provision may be justified if it satisfies one or more of the following:

9           (a) The program or activity funded provides direct benefits for those who pay the dedicated tax,  
 10 fee, or assessment, and the tax, fee, or assessment is commensurate with the costs of the program or  
 11 activity.

12           (b) The use of the dedicated revenue provision provides special information or other advantages  
 13 that could not be obtained if the revenue were allocated to the general fund.

14           (c) ~~provides~~ The dedicated revenue provision provides program funding at a level equivalent to the  
 15 expenditures established by the legislature.

16           (d) The dedicated revenue provision involves collection and allocation formulas that are appropriate  
 17 to the present circumstances and current priorities in state government.

18           (e) ~~impairs~~ The dedicated revenue provision does not impair the legislature's ability to scrutinize  
 19 budgets, control expenditures, and establish priorities for state spending.

20           (f) The dedicated revenue provision results in an inappropriate an appropriate projected ending fund  
 21 balance.

22           (g) The dedicated revenue provision fulfills a continuing, legislatively recognized need; and

23           (h) ~~results~~ The dedicated revenue provision does not result in accounting or auditing inefficiency.

24           ~~(3)(4)~~ (4) The committee shall establish procedures to facilitate the a biennial review and evaluation  
 25 required by this section of dedicated revenue provisions. Each interim, the committee shall attempt to  
 26 propose measures that will reduce dedicated revenue to an amount that is less than one-third of all state  
 27 revenue. If the review determines that the revenue dedication is constitutionally mandated, is for debt  
 28 service, funds emergency services, or is a user fee that is designed to provide direct benefits for those who  
 29 pay the dedicated tax, fee, or assessment in an amount commensurate with the benefits provided, the  
 30 revenue dedication ~~does not need a~~ may be exempt from future review.

1           ~~4~~5 Upon completion of the review, the committee shall report a summary of its findings to the  
 2 legislature, including its recommendation of termination or extension, with or without modification, of the  
 3 dedicated revenue provision. The summary must include the purpose of the revenue dedication, the source  
 4 of funding, the activity funded, the number of personnel associated with the activity, and any balance in  
 5 the dedicated revenue fund. The summary must state the reason why the revenue dedication is exempt  
 6 from future review.

7           ~~(5) The committee shall review statutory appropriations to determine if the appropriation should~~  
 8 ~~be made by a legislative appropriation. During the 1995 biennium, the committee shall review the statutory~~  
 9 ~~appropriation of administrative costs in 75-11-313."~~

10  
 11           **NEW SECTION. Section 18. Principles of revenue dedication.** (1) It is the policy of the legislature  
 12 that a revenue source not be dedicated for a specific purpose unless one or more of the following  
 13 conditions are met:

14           (a) The person or entity paying the tax, fee, or assessment is the direct beneficiary of the specific  
 15 activity that is funded by the tax, fee, or assessment; the entire cost of the activity is paid by the  
 16 beneficiary; and the tax, fee, or assessment paid is commensurate with the cost of the activity, including  
 17 reasonable administrative costs.

18           (b) There is an expectation that funds donated by a person or entity will be used for a specified  
 19 purpose. Grants from private or public entities are considered donations under this subsection.

20           (c) There is a legal basis for the revenue dedication. A legal basis is a constitutional mandate,  
 21 federal mandate, or statutory requirement in which a source of funds is designated for a specific purpose.

22           (d) There is a recognized need for accountability through a separation of funding from the general  
 23 fund consistent with generally accepted accounting principles.

24           (2) The total funding for a program is a legislative budget and policy issue for which a dedicated  
 25 revenue provision may not be justified if:

26           (a) a general fund appropriation is needed to supplement the dedicated revenue support for the  
 27 program or activity; or

28           (b) dedicating a revenue source or portion of a revenue source diverts funds that could be  
 29 considered a general revenue source.

30           (3) In the consideration of the general appropriations act for each biennium, the legislature shall

1 determine the appropriateness of dedicating revenue to a program or activity under conditions described  
 2 in subsection (2). The office of budget and program planning shall describe the occurrence in its  
 3 presentation of the executive budget, and the legislative fiscal analyst shall highlight the issue in the budget  
 4 analysis and for the appropriations subcommittee considering the revenue dedication.

5

6 **NEW SECTION. Section 19. Review of statutory appropriations.** (1) Each interim, the legislative  
 7 finance committee shall review the criteria set forth in subsection (4) to ensure that legislative policy is  
 8 clearly stated concerning the use of statutory appropriations.

9 (2) Each biennium, the office of budget and program planning and the legislative fiscal analyst shall,  
 10 in development and analysis of the executive budget, identify instances in which statutory appropriations  
 11 in current law do not appear consistent with the criteria set forth in subsection (4).

12 (3) As part of each agency audit, the legislative auditor shall review statutory appropriations to the  
 13 agency and report instances in which they do not appear consistent with the criteria set forth in subsection  
 14 (4).

15 (4) The review of statutory appropriations must determine whether a statutory appropriation meets  
 16 the requirements of 17-1-505. A statutory appropriation from a continuing and reliable source of revenue  
 17 may not be used to fund administrative costs.

18 (5) The office of budget and program planning shall, consistent with the review provisions in this  
 19 section, review each piece of legislation that proposes to create or amend a statutory appropriation. Its  
 20 findings concerning the statutory appropriation must be contained in the fiscal note accompanying that  
 21 legislation.

22

23 **Section 20.** Section 17-2-111, MCA, is amended to read:

24 **"17-2-111. Review Survey of state special revenue accounts and proprietary accounts -- report**  
 25 **transfer of funds.** (1) Each biennium, the department of administration shall ~~examine~~ conduct a survey  
 26 of all state special revenue accounts and proprietary accounts as required by this section and report the  
 27 findings and recommendations not exempt under 17-1-505 and coordinate with the legislative finance  
 28 committee to provide information necessary to complete the review required by 17-1-505. The department  
 29 shall provide the survey information to the legislative finance committee not later than ~~June~~ February 1 of  
 30 the year preceding a regular session of the legislature.

1           ~~(2) The department shall examine restrictions against the transfer of unobligated balances in state~~  
 2 ~~special revenue accounts to the general fund. If such restrictions are considered unnecessary by the~~  
 3 ~~department and if they may be eliminated by administrative action, the department shall to the fullest extent~~  
 4 ~~possible eliminate such restrictions and require the transfer of unobligated balances in the accounts to be~~  
 5 ~~made to the general fund, either on an annual or biennial basis. If administrative action is unavailable, the~~  
 6 ~~department shall make recommendations for legislative action.~~

7           ~~(3) The department shall examine all state special revenue accounts and proprietary accounts to~~  
 8 ~~determine if they should continue to exist or be eliminated or modified to provide better program operation~~  
 9 ~~or fiscal control. In conducting the examination, the department shall consider whether an account:~~

- 10           ~~(a) is accurately classified as a state special revenue account or proprietary account;~~  
 11           ~~(b) is required by the Montana constitution or by statute;~~  
 12           ~~(c) operates in compliance with the statutes that established the program;~~  
 13           ~~(d) receives an amount of revenue that is equal to or close to the expenditure required for the~~  
 14 ~~activity funded by the account;~~  
 15           ~~(e) allows the funded program to operate without supplemental general funds; and~~  
 16           ~~(f) has any restrictions against the transfer of unobligated balances in the account to the general~~  
 17 ~~fund."~~

18  
 19           **Section 21.** Section 17-5-704, MCA, is amended to read:

20           **"17-5-704. Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
 21 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
 22 contingency loan fund must be invested in accordance with the investment standards for coal severance  
 23 tax funds. Income and earnings from all funds ~~are statutorily appropriated, as provided in 17-7-502, as~~  
 24 ~~follows:~~

- 25           ~~(1) 15% to the state equalization aid account; and~~  
 26           ~~(2) 85% to must be deposited in the state general fund."~~

27  
 28           **Section 22.** Section 17-6-409, MCA, is amended to read:

29           **"17-6-409. Authority to accept funds —~~statutory appropriation~~ -- funding authorization.** (1) The  
 30 department may accept grants, donations, and other private and public income, including payments of

1 interest on loans made by the department under the provisions of this part and fees charged by the  
 2 department. The department shall deposit all money received under this section in the microbusiness  
 3 finance program administrative account established in 17-6-407.

4 (2) The money in the microbusiness finance program administrative account ~~is statutorily~~  
 5 ~~appropriated to the department, as provided in 17-7-502,~~ may be appropriated for the purposes stated in  
 6 this part."

7

8 **Section 23.** Section 17-7-502, MCA, is amended to read:

9 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
 10 appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
 11 without the need for a biennial legislative appropriation or budget amendment.

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

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

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

17 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
 18 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;  
 19 ~~15-25-123~~; 15-31-702; 15-36-112; 15-37-117; 15-38-202; ~~15-65-124~~; 15-70-101; 16-1-404; 16-1-410;  
 20 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~; 17-5-804; 17-6-101; 17-6-201; ~~17-6-409~~;  
 21 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;  
 22 19-18-606; 19-19-205; 19-19-305; 19-19-506; ~~20-4-109~~; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;  
 23 ~~23-2-823~~; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;  
 24 ~~27-12-206~~; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;  
 25 ~~44-12-206~~; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; ~~61-2-107~~; 67-3-205;  
 26 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; ~~77-1-808~~; 80-2-103; 80-2-222; 80-4-416;  
 27 ~~80-11-310~~; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;  
 28 90-7-220; 90-9-306; and 90-14-107.

29 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
 30 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued



1 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
 2 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
 3 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
 4 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
 5 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
 6 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
 7 July 1, 1995.)"

8

9 **Section 24.** Section 19-8-504, MCA, is amended to read:

10 **"19-8-504. State's contribution.** ~~(1)~~ To fund the employer's portion of the normal cost of benefits  
 11 under this chapter, each month the state treasurer shall pay to the pension trust fund:

12 ~~(a)(1)~~ out of the department of fish, wildlife, and parks funds, a sum equal to 7.15% of all  
 13 members' salaries; and

14 ~~(b)(2)~~ out of the funds collected as fines and forfeited bonds under the provisions of 87-1-601(1)  
 15 through (5) ~~or funds distributed under 3-10-601(4)~~, an amount equal to 1% of all members' salaries.

16 ~~(2) In addition to the contributions provided in subsection (1), the state treasurer shall pay to the~~  
 17 ~~pension trust fund the balance of the funds distributed to the fish and game account pursuant to 3-10-601~~  
 18 ~~until the unfunded liability in the pension trust fund is fully paid and a verification statement to that effect~~  
 19 ~~is given to the state treasurer by the board."~~

20

21 **Section 25.** Section 20-4-109, MCA, is amended to read:

22 **"20-4-109. Fees for teacher and specialist certificates.** (1) A person applying for the issuance or  
 23 renewal of a teacher or specialist certificate shall pay a fee not to exceed \$6 for each school fiscal year that  
 24 the certificate is valid. In addition to this fee, a person who has never held any class of Montana teacher  
 25 or specialist certificate or for whom an emergency authorization of employment has never been issued shall  
 26 pay a filing fee of \$6. The fees must be paid to the superintendent of public instruction, who shall deposit  
 27 the fees with the state treasurer to the credit of the state special revenue fund account, created in  
 28 subsection (2), to be used in the following manner:

29 (a) \$3 for expenses of the certification standards and practices advisory council created in  
 30 2-15-1522;

1 (b) \$3 to the board of public education to be used by the certification standards and practices  
2 advisory council for research in accordance with the duties of the council provided for in 20-4-133.

3 (2) There is an account in the state special revenue fund. Money from fees for teacher or specialist  
4 certificates required in subsection (1) must be deposited in the account. ~~The money in the account to be  
5 used for the purposes of subsection (1)(b) is statutorily appropriated, as provided in 17-7-502, to the board  
6 of public education for use by the certification standards and practices advisory council."~~

7  
8 **Section 26.** Section 20-5-324, MCA, is amended to read:

9 **"20-5-324. Tuition report and payment provisions.** (1) At the close of the school term of each  
10 school fiscal year and before July 15, the trustees of a district shall report to the county superintendent:

11 (a) the name and district of residence of each child who is attending a school of the district under  
12 an approved mandatory out-of-district attendance agreement;

13 (b) the number of days of enrollment for each child reported under the provisions of subsection  
14 (1)(a);

15 (c) the annual tuition rate for each child's tuition payment, as determined under the provisions of  
16 20-5-323, and the tuition cost for each reported child; and

17 (d) the names, districts of attendance, and amount of tuition to be paid by the district for resident  
18 students attending public schools out of state.

19 (2) The county superintendent shall send, as soon as practicable, the reported information to the  
20 county superintendent of the county in which a reported child resides.

21 (3) Before July 30, the county superintendent shall report the information in subsection (1)(d) to  
22 the superintendent of public instruction, who shall determine the total ~~foundation~~ BASE aid amount for  
23 which the district would be eligible if the student were enrolled in the resident district. The reimbursement  
24 amount is the difference between the actual amount paid and the amount calculated in this subsection.

25 (4) Notwithstanding the requirements of subsection (5), tuition payment provisions for  
26 out-of-district placement of students with disabilities must be determined pursuant to Title 20, chapter 7,  
27 part 4.

28 (5) Except as provided in subsection (6), when a child has approval to attend a school outside the  
29 child's district of residence under the provisions of 20-5-320 or 20-5-321, the district of residence shall  
30 finance the tuition amount from the district tuition fund and any transportation amount from the

1 transportation fund.

2 (6) When a child has mandatory approval under the provisions of 20-5-321, the tuition and  
3 transportation obligation for an elementary school child attending a school outside of the child's county of  
4 residence must be financed by the county basic tax for elementary districts, as provided in 20-9-331, for  
5 the child's county of residence or for a high school child attending a school outside the county of residence  
6 by the county basic tax for high school districts, as provided in 20-9-333, for the child's county of  
7 residence.

8 (7) By December 31 of the school fiscal year, the county superintendent or the trustees shall pay  
9 at least one-half of any tuition and transportation obligation established under this section out of the money  
10 realized to date from the appropriate basic county tax account provided for in 20-9-334 or from the district  
11 tuition or transportation fund. The remaining tuition and transportation obligation must be paid by June  
12 15 of the school fiscal year. The payments must be made to the county treasurer in each county with a  
13 school district that is entitled to tuition and transportation. Except as provided in subsection (9), the county  
14 treasurer shall credit tuition receipts to the general fund of a school district entitled to a tuition payment.  
15 The tuition receipts must be used in accordance with the provisions of 20-9-141. The county treasurer  
16 shall credit transportation receipts to the transportation fund of a school district entitled to a transportation  
17 payment.

18 (8) The superintendent of public instruction shall reimburse the district of residence ~~from the state~~  
19 ~~equalization account~~ for the ~~foundation~~ BASE aid amount determined in subsection (3).

20 (9) (a) Any tuition receipts received under the provisions of Title 20, chapter 7, part 4, or  
21 20-5-323(3) for the current school fiscal year that exceed the tuition receipts of the prior year may be  
22 deposited in the district miscellaneous programs fund and must be used for that year in the manner  
23 provided for in 20-9-507 to support the costs of the program for which the tuition was received.

24 (b) Any other tuition receipts received for the current school fiscal year that exceed the tuition  
25 receipts of the prior year may be deposited in the district miscellaneous programs fund and may be used  
26 for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must  
27 be credited to the district general fund budget."

28

29 **Section 27.** Section 20-7-420, MCA, is amended to read:

30 **"20-7-420. Residency requirements -- financial responsibility for special education.** (1) In

1 accordance with the provisions of 1-1-215, a child's district of residence for special education purposes  
2 is the residence of the child's parents or of the child's guardian if the parents are deceased, unless  
3 otherwise determined by the court. This applies to a child living at home, in an institution, or under foster  
4 care. If the parent has left the state, the parent's ~~last known~~ last-known district of residence is the child's  
5 district of residence.

6 (2) The county of residence is financially responsible for tuition and transportation as established  
7 under 20-5-323 for a child with disabilities, as defined in 20-7-401, including a child who has been placed  
8 by a state agency in a foster care or group home licensed by the state. The county of residence is not  
9 financially responsible for tuition and transportation for a child with disabilities who is placed by a state  
10 agency in an out-of-state public school or an out-of-state private residential facility.

11 (3) If an eligible child, as defined in 20-7-436, is receiving inpatient treatment in an in-state  
12 residential treatment facility or children's psychiatric hospital, as defined in 20-7-436, and the educational  
13 services are provided by a public school district under the provisions of 20-7-411 or 20-7-435, the  
14 superintendent of public instruction shall reimburse the district providing the services for the negotiated  
15 amount, as established pursuant to 20-7-435(5), that represents the district's costs of providing education  
16 and related services. Payments must be made from funds appropriated for this purpose. If the negotiated  
17 amount exceeds the daily membership rate under 20-7-435(3) and any per-ANB amount of direct state aid,  
18 the superintendent of public instruction shall pay the remaining balance from ~~the state equalization aid~~  
19 ~~account~~ available funds. However, the amount spent from ~~the state equalization aid account~~ available  
20 funds for this purpose may not exceed \$500,000 during any biennium.

21 (4) Under the provisions of 20-7-422(3), the superintendent of public instruction shall provide funds  
22 for the education fees required to provide a free appropriate public education for a child with disabilities  
23 who is in need of special education and related services and is placed by a state agency in an out-of-state  
24 private residential facility or out-of-state public school, provided that, in determining the special education  
25 services needed for the child with disabilities, the district of residence has complied with the rules  
26 promulgated under 20-7-402.

27 (5) A state agency that makes a placement of a child with disabilities is responsible for the financial  
28 costs of room and board and the treatment of the child."

29

30 **Section 28.** Section 20-7-504, MCA, is amended to read:

1           **"20-7-504. State traffic education account -- proceeds earmarked for the account.** (1) There is  
2 a traffic education account in the treasury of the state of Montana.

3           (2) ~~Money paid into the account pursuant to 3-10-601 must be distributed to approved traffic~~  
4 ~~education courses as provided in 20-7-506.~~

5           (3) Money collected and accrued from motorcycle safety training courses, designated grants, and  
6 motorcycle registration fees or an amount equal to that amount must be deposited in the state traffic  
7 education account as provided in 20-7-513 and 20-7-514 and must be available to support only approved  
8 motorcycle safety training courses, appropriate motorcycle safety instructor training, and other related  
9 motorcycle safety training activities."

10  
11           **Section 29.** Section 20-7-605, MCA, is amended to read:

12           **"20-7-605. Notification and processing of complaint against a licensed textbook dealer.** (1) A  
13 district or county superintendent shall notify the superintendent of public instruction whenever it is  
14 ascertained that a licensed textbook dealer is:

15           (a) offering to sell textbooks at a higher price than the listed uniform sales price filed with the  
16 superintendent of public instruction;

17           (b) offering to sell textbooks at a higher shipping point price than the shipping point price of the  
18 same textbooks distributed elsewhere in the United States; or

19           (c) in any other way performing contrary to the laws regulating the offering of textbooks for sale  
20 or adoption to districts.

21           (2) Upon receipt of such notification from the district or county superintendent, the superintendent  
22 of public instruction shall notify the appropriate licensed textbook dealer of the complaint. If the  
23 superintendent of public instruction finds that the licensed textbook dealer has violated any provision of  
24 this section and the dealer fails to rectify ~~his~~ the error within 30 days of the notification of the finding of  
25 a violation, ~~he~~ the dealer shall forfeit ~~his~~ the dealer's surety bond. The attorney general, upon written  
26 request of the superintendent of public instruction, shall proceed to collect by legal action the full amount  
27 of the surety bond. Any amount ~~so~~ recovered ~~shall~~ must be paid into the state ~~public school equalization~~  
28 ~~aid account~~ general fund."

29  
30           **Section 30.** Section 20-9-166, MCA, is amended to read:

1           **"20-9-166. State financial aid for budget amendments.** Whenever a final budget amendment has  
 2 been adopted for the general fund or the transportation fund to finance the cost of an amendment resulting  
 3 from increased enrollment, the trustees may apply to the superintendent of public instruction for an  
 4 increased payment from the state ~~public school equalization aid account~~ for the BASE funding program or  
 5 for state transportation reimbursement, or both. The superintendent of public instruction shall adopt rules  
 6 for the application. The superintendent of public instruction shall approve or disapprove each application  
 7 for increased state aid made in accordance with 20-9-314 and this section. When the superintendent of  
 8 public instruction approves an application, the superintendent of public instruction shall determine the  
 9 additional amount of state aid from the state ~~public school equalization aid account~~ or the state  
 10 transportation reimbursement that will be made available to the applicant district because of the increase  
 11 in enrollment. The superintendent of public instruction shall notify the applicant district of the  
 12 superintendent's approval or disapproval and, in the event of approval, the amount of additional state aid  
 13 that will be made available for the general fund or the transportation fund. The superintendent of public  
 14 instruction shall disburse the state aid to the eligible district at the time the next regular state aid payment  
 15 is made."

16

17           **Section 31.** Section 20-9-331, MCA, is amended to read:

18           **"20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**  
 19 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
 20 tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for  
 21 property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and  
 22 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
 23 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
 24 districts in the county and to the state ~~special revenue general fund, state equalization aid account,~~ in the  
 25 following manner:

26           (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
 27 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE  
 28 funding programs of all elementary districts of the county.

29           (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
 30 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds

1 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account,~~  
 2 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
 3 remittance due no later than June 20 of the fiscal year for which the levy has been set.

4 (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
 5 revenue from the following sources must be used for the equalization of the elementary BASE funding  
 6 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
 7 by the county treasurer in accordance with 20-9-212(1):

8 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
 9 the common school fund under the provisions of 17-3-222;

10 (b) the portion of the federal flood control act funds distributed to a county and designated for  
 11 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

12 (c) all money paid into the county treasury as a result of fines for violations of law, except money  
 13 paid to a justice's court, and the use of which is not otherwise specified by law;

14 (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
 15 treasurer's accounts for the various sources of revenue established or referred to in this section;

16 (e) any federal or state money distributed to the county as payment in lieu of property taxation,  
 17 including federal forest reserve funds allocated under the provisions of 17-3-213;

18 (f) gross proceeds taxes from coal under 15-23-703;

19 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
 20 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
 21 production occurring after December 31, 1988; and

22 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
 23 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

24  
 25 **Section 32.** Section 20-9-333, MCA, is amended to read:

26 **"20-9-333. Basic special levy and other ~~revenues~~ revenue for county equalization of high school**  
 27 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
 28 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
 29 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
 30 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue

1 collected from this levy must be apportioned to the support of the BASE funding programs of high school  
 2 districts in the county and to the state ~~special revenue~~ general fund, ~~state equalization aid account~~, in the  
 3 following manner:

4 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
 5 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
 6 county's high school tuition obligation and the total of the BASE funding programs of all high school  
 7 districts of the county.

8 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
 9 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
 10 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account~~,  
 11 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
 12 remittance due no later than June 20 of the fiscal year for which the levy has been set.

13 (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
 14 revenue from the following sources must be used for the equalization of the high school BASE funding  
 15 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
 16 by the county treasurer in accordance with 20-9-212(1):

17 (a) any money remaining at the end of the immediately preceding school fiscal year in the county  
 18 treasurer's accounts for the various sources of revenue established in this section;

19 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
 20 including federal forest reserve funds allocated under the provisions of 17-3-213;

21 (c) gross proceeds taxes from coal under 15-23-703;

22 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
 23 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
 24 production occurring after December 31, 1988; and

25 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
 26 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

27

28 **Section 33.** Section 20-9-342, MCA, is amended to read:

29 **"20-9-342. Deposit of interest and income ~~moneys~~ money by state board of land commissioners.**

30 The state board of land commissioners shall annually deposit the interest and income ~~moneys~~ money for



1 each calendar year into the state ~~special revenue~~ general fund for state equalization aid, ~~provided for by~~  
 2 ~~20-9-343~~, by the last business day of February following the calendar year in which the ~~moneys were~~  
 3 money was received."

4  
 5 **Section 34.** Section 20-9-343, MCA, is amended to read:

6 **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term  
 7 "state equalization aid" means the account in the state special revenue fund that receives revenue as  
 8 required in this section plus any legislative appropriation of money from other sources for:

9 (a) distribution to the public schools for the purposes of payment of systems development and  
 10 other related costs resulting from the enactment of legislation that requires changes to the automated  
 11 system used to administer the BASE funding program, guaranteed tax base aid, BASE aid, state  
 12 reimbursement for school facilities, and matching funds for the systemic initiative for Montana mathematics  
 13 and science grant;

14 (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 per biennium; and

15 (c) the Montana educational telecommunications network as provided in 20-32-101.

16 (2) The superintendent of public instruction may spend throughout the biennium funds appropriated  
 17 ~~from the state equalization aid account as required~~ for the purposes of systems development and other  
 18 related costs resulting from the enactment of legislation that requires changes to the automated system  
 19 used to administer the BASE funding program, guaranteed tax base aid, BASE aid for the BASE funding  
 20 program, state reimbursement for school facilities, negotiated payments authorized under 20-7-420(3), and  
 21 the Montana educational telecommunications network, ~~throughout the biennium, and for the biennium~~  
 22 ~~beginning July 1, 1993, equipment purchases that qualify as the state match for the systemic initiative for~~  
 23 ~~Montana mathematics and science grant.~~

24 (3) The following must be paid into the state ~~equalization aid account~~ general fund for the public  
 25 schools of the state:

26 (a) ~~money allocated to state equalization from the collection of the severance tax on coal;~~

27 (b) ~~money received from the treasurer of the United States as the state's shares of oil, gas, and~~  
 28 ~~other mineral royalties under the federal Mineral Lands Leasing Act, as amended;~~

29 (c) interest and income money described in 20-9-341 and 20-9-342;

30 (d) ~~money received from the state equalization aid levy under 20-9-360;~~

1 ~~(e) income from the lottery, as provided in 23-7-402;~~

2 ~~(f) the surplus revenues collected by the counties for BASE funding program support according to~~  
3 ~~20-9-331 and 20-9-333; and~~

4 ~~(g)(b) investment income earned by investing money in the state equalization aid account in the~~  
5 ~~state special revenue fund interest and income money described in 20-9-341 and 20-9-342.~~

6 ~~(4) The superintendent of public instruction shall request the board of investments to invest the~~  
7 ~~money in the state equalization aid account to maximize investment earnings to the account.~~

8 ~~(5) Any surplus revenue in the state equalization aid account at the end of a fiscal year must be~~  
9 ~~transferred to the general fund."~~

10

11 **Section 35.** Section 20-9-346, MCA, is amended to read:

12 **"20-9-346. Duties of superintendent of public instruction for state and county equalization aid**  
13 **distribution.** The superintendent of public instruction shall administer the distribution of the state and  
14 county equalization aid by:

15 (1) establishing the annual entitlement of each district and county to state and county equalization  
16 aid, based on the data reported in the retirement and general fund budgets for each district that have been  
17 duly adopted for the current school fiscal year and verified by the superintendent of public instruction;

18 (2) for the purposes of state reimbursements for school facilities, limiting the distribution ~~from the~~  
19 ~~state equalization aid account to no more than \$1 million for the school fiscal year ending June 30, 1994,~~  
20 ~~and~~ to no more than \$2 million for the biennium ending June 30, 1995, to the districts that are eligible  
21 under the provisions of 20-9-366 through 20-9-371 by:

22 (a) determining by May 1 of each school fiscal year the number of mills levied in each district for  
23 debt service on bonds that were issued as provided in 20-9-370(2)(b)(i) or (2)(b)(ii) and that qualify for  
24 guaranteed tax base aid under the provisions of 20-9-366 through 20-9-369 and 20-9-370;

25 (b) based on the limitation of state equalization aid available for debt service purposes in this  
26 subsection (2), determining the percentage of state equalization aid that each eligible district must receive  
27 for the school fiscal year;

28 (c) distributing that amount to each eligible district for reducing the property tax for the debt  
29 service fund for the ensuing school fiscal year; and

30 (d) at the end of the school fiscal year ending June 30, 1994, determining whether there is an

1 unused portion of the amount of state equalization aid appropriated in this subsection (2) to be carried into  
2 the next school fiscal year for the purposes of this subsection (2).

3 (3) distributing by electronic transfer the BASE aid and state advances for county equalization, for  
4 each district or county entitled to the aid, to the county treasurer of the respective county for county  
5 equalization or to the county treasurer of the county where the district is located for BASE aid, in  
6 accordance with the distribution ordered by the board of public education;

7 (4) keeping a record of the full and complete data concerning money available for state equalization  
8 aid, state advances for county equalization, and the entitlements for BASE aid of the districts of the state;

9 (5) reporting to the board of public education the estimated amount that will be available for state  
10 equalization aid; and

11 (6) reporting to the office of budget and program planning as provided in 17-7-111:

12 (a) the figures and data available concerning distributions of state and county equalization aid  
13 during the preceding 2 school fiscal years;

14 (b) the amount of state equalization aid then available;

15 (c) the apportionment made of the available money but not yet distributed;

16 (d) the latest estimate of accruals of money available for state equalization aid; and

17 (e) the amount of state advances and repayment for county equalization."  
18

19 **Section 36.** Section 20-9-360, MCA, is amended to read:

20 **"20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
21 commissioners of each county on all taxable property within the state, except property for which a tax or  
22 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as  
23 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be  
24 deposited to the credit of the state ~~special revenue~~ general fund for state equalization aid to the public  
25 schools of Montana.

26 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
27 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall  
28 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
29 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
30 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference

1 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
 2 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
 3 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
 4 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
 5 installments on December 31 and June 30 of the fiscal year."

6  
 7 **Section 37.** Section 20-9-361, MCA, is amended to read:

8 **"20-9-361. State and county equalization revenue -- statutory appropriation.** (1) Revenue received  
 9 in support of ~~state and~~ county equalization under the provisions of 20-9-331, and 20-9-333, ~~and 20-9-343~~  
 10 is statutorily appropriated, as provided in 17-7-502, to:

11 ~~(1)~~ the superintendent of public instruction to be used for county equalization ~~and state equalization~~  
 12 aid for the public schools, as provided by law, and must be accounted for in accordance with generally  
 13 accepted accounting principles; ~~and~~

14 (2) Revenue received from the state equalization aid levy for a municipality that created an urban  
 15 renewal area and adopted a tax increment financing provision for the urban renewal area prior to July 1,  
 16 1990, is statutorily appropriated, as provided in 17-7-502, to ~~counties~~ be distributed as provided in  
 17 20-9-360(2)."

18  
 19 **Section 38.** Section 23-2-507, MCA, is amended to read:

20 **"23-2-507. Penalty.** (1) Violations of any section of this part, except 23-2-526(3), unless  
 21 otherwise specified ~~shall be~~ are a misdemeanor and shall be punishable by a fine of not less than \$15 or  
 22 more than \$500 or ~~by~~ imprisonment up to 6 months, ~~or by both such fine and imprisonment.~~ All fine and  
 23 bond forfeitures, except those paid to a justice's court, ~~shall~~ must be transmitted to the state treasurer,  
 24 who shall deposit ~~such the~~ fines and forfeitures in the ~~motorboat account of a special revenue~~ general fund.  
 25 ~~The moneys shall be used only by the department~~ may use appropriations for enforcement of this part, ~~as~~  
 26 amended.

27 (2) If 23-2-525(4) is violated, 46-18-241 through 46-18-249 apply, except that the sentencing  
 28 court shall order restitution and shall do so regardless of the court's disposition of the violator."

29  
 30 **Section 39.** Section 23-2-644, MCA, is amended to read:

1           **"23-2-644. Use of funds from fines and forfeitures.** All fines and forfeitures collected under  
 2 23-2-601 through 23-2-644 relating to snowmobiles, except those collected by a justice's court, ~~shall~~ must  
 3 be transmitted to the state treasurer, who shall deposit ~~each~~ the fines and forfeitures in the state ~~special~~  
 4 ~~revenue~~ general fund. ~~to the credit of the~~ The department to be used only may use appropriations for  
 5 snowmobile safety and education."

6  
 7           **Section 40.** Section 23-2-807, MCA, is amended to read:

8           **"23-2-807. Penalty -- disposition.** (1) The failure to display a current decal indicating that the fee  
 9 in lieu of tax, registration fees, decal fees, and, when applicable, taxes on licensed vehicles have been paid  
 10 on the off-highway vehicle for the current year as provided in 23-2-804 is a misdemeanor punishable by  
 11 a fine of \$50.

12           (2) All fines collected under this section must be transmitted to the state treasurer, who shall  
 13 deposit the money in the ~~account created under 23-2-804(3)~~ state general fund. ~~Fifty percent of this~~  
 14 ~~money and the interest earned on it must be used for off-highway vehicle safety and education. The~~  
 15 ~~remaining 50% of the money and the interest earned on it must be used for enforcement."~~

16  
 17           **Section 41.** Section 23-2-823, MCA, is amended to read:

18           **"23-2-823. Off-highway vehicle safety education training program -- appropriation.** (1) There is  
 19 an off-highway vehicle safety education training program. ~~Beginning October 1, 1994, the~~ The department  
 20 of fish, wildlife, and parks shall coordinate the program as funds are available.

21           (2) ~~Beginning October 1, 1994, the~~ The department of justice shall transfer to the department of  
 22 fish, wildlife, and parks all money available for the program under 23 U.S.C. 402.

23           (3) There is an account in the federal special revenue fund in which all money received for the  
 24 administration of the off-highway vehicle safety education training program must be deposited. ~~The money~~  
 25 ~~in the account is statutorily appropriated, as provided in 17-7-502, to the department of fish, wildlife, and~~  
 26 ~~parks for the administration of the program."~~

27  
 28           **Section 42.** Section 23-4-202, MCA, is amended to read:

29           **"23-4-202. Penalty for violations of law -- authority of board -- judicial review.** (1) A person  
 30 holding a race meet or an owner, trainer, or jockey participating in a race meet, without first being licensed

1 under this chapter, ~~and~~ or a person violating this chapter is guilty of a misdemeanor.

2 (2) The board or, upon the board's authorization, the board of stewards of a race meet at which  
3 they officiate may exclude from racecourses in this state a person whom the board considers detrimental  
4 to the best interest of racing as defined by rules of the board.

5 (3) As its own formal act or through an act of a board of stewards of a race meet, the board may  
6 suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed  
7 \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the  
8 board. In addition to the suspension or revocation and fine, the board may forbid application for relicensure  
9 for a 2-year period. Fines collected under this subsection must be deposited in the general fund.

10 (4) The board shall promulgate rules implementing this chapter, including the right to a hearing for  
11 individuals against whom action is taken or proposed ~~herein~~ under this chapter. The rules may include  
12 provisions for the following:

13 (a) summary imposition of penalty by the stewards of a race meet, including a fine and license  
14 suspension, subject to review under the contested case provisions of the Montana Administrative Procedure  
15 Act;

16 (b) stay of a summary imposition of penalty by either the board or board of stewards;

17 (c) retention of purses pending final disposition of complaints, protests, or appeals of stewards'  
18 rulings;

19 (d) setting aside of up to 2% of exotic wagering on races, including simulcast races, to be used  
20 as a bonus for owners pursuant to 23-4-304(2), ~~and up to 30% of the amount set aside may be used~~  
21 to defray administrative costs ~~which shall be~~ in addition to the 20% already withheld under 23-4-302; ~~and~~

22 (e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all  
23 purses except stakes races;

24 (f) assessment of penalty and interest on the late payment of fines, which must be paid before  
25 licenses are reinstated;

26 (g) definition of exotic forms of wagering on races to be allowed;

27 (h) standards for simulcast facilities; and

28 (i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast  
29 races.

30 (5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial

1 review of cases arising under this chapter."

2

3 **Section 43.** Section 23-7-202, MCA, is amended to read:

4 **"23-7-202. Powers and duties of commission.** The commission shall:

5 (1) establish and operate a state lottery and may not become involved in any other gambling or  
6 gaming;

7 (2) determine policies for the operation of the state lottery, supervise the director and ~~his~~ the staff,  
8 and meet with the director at least once every 3 months to make and consider recommendations, set  
9 policies, determine types and forms of lottery games to be operated by the state lottery, and transact other  
10 necessary business;

11 (3) maximize the net revenue paid to the ~~superintendent of public instruction~~ state and to the board  
12 of crime control under 23-7-402 and ensure that all policies and rules adopted further revenue  
13 maximization;

14 (4) subject to 23-7-402(1), determine the percentage of the money paid for tickets or chances to  
15 be paid out as prizes;

16 (5) determine the price of each ticket or chance and the number and size of prizes;

17 (6) provide for the conduct of drawings of winners of lottery games;

18 (7) carry out, with the director, a continuing study of the state lotteries of Montana and other  
19 states to make the state lottery more efficient, profitable, and secure from violations of the law;

20 (8) study and may enter into agreements with other lottery states to offer lottery games;

21 (9) prepare quarterly and annual reports on all aspects of the operation of the state lottery,  
22 including but not limited to types of games, gross revenue, prize money paid, operating expenses, net  
23 revenue to the state, contracts with gaming suppliers, and recommendations for changes to this part, and  
24 deliver a copy of each report to the governor, the department of administration, the legislative auditor, the  
25 president of the senate, the speaker of the house of representatives, and each member of the appropriate  
26 committee of each house of the legislature as determined by the president of the senate and the speaker  
27 of the house; and

28 (10) adopt rules relating to lottery staff sales incentives or bonuses and sales agents' commissions  
29 and any other rules necessary to carry out this part."

30

1           **Section 44.** Section 23-7-402, MCA, is amended to read:

2           **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or  
3 chances must be paid out as prize money. The prize money is statutorily appropriated, as provided in  
4 17-7-502, to the lottery.

5           (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating  
6 expense.

7           (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
8 expenses, together with the interest earned on the gross revenue while the gross revenue is in the  
9 enterprise fund, is net revenue. Except for the amount required to be paid under subsection (5), net  
10 revenue must be ~~paid~~ transferred quarterly from the enterprise fund established by 23-7-401 to the  
11 ~~superintendent of public instruction~~ state general fund for distribution as state equalization aid to the public  
12 schools of Montana ~~as provided in 20-9-343. The net revenue is statutorily appropriated, as provided in~~  
13 ~~17-7-502, to the superintendent of public instruction.~~

14           (4) The spending authority of the lottery may be increased in accordance with this section upon  
15 review and approval of a revised operation plan by the ~~budget office~~ of budget and program planning.

16           (5) (a) An amount equal to 9.1% of the net revenue derived under subsection (3), but not to  
17 exceed \$1 million in any fiscal year, must be paid to the board of crime control.

18           (b) All money paid to the board of crime control under this subsection (5) must be used to fund  
19 state grants to counties for youth detention services and to cover the costs of administering the grant  
20 program as authorized in 41-5-1002. The grants are statutorily appropriated, as provided in 17-7-502, to  
21 the board of crime control. The costs of administering the grant program must be paid pursuant to a  
22 legislative appropriation."

23

24           **Section 45.** Section 27-12-206, MCA, is amended to read:

25           **"27-12-206. Funding.** (1) There is an account in the state special revenue fund. Money from the  
26 assessments levied under this section must be deposited in the account. ~~The money in the account is~~  
27 ~~statutorily appropriated, as provided in 17-7-502, to the director to be used to administer this chapter.~~

28           (2) For each fiscal year, beginning July 1, an annual assessment is levied on all chiropractic  
29 physicians. The amount of the assessment must be annually set by the director and equally assessed  
30 against all chiropractic physicians. A fund surplus at the end of a fiscal year, not required for the



1 administration of this chapter, must be retained ~~by the director~~ in the account and used to finance the  
 2 administration of this chapter during the next fiscal year, in which event the director shall reduce the next  
 3 annual assessment to an amount estimated to be necessary for the proper administration of this chapter  
 4 during that fiscal year.

5 (3) The annual assessment must be paid on or before the date the chiropractic physician's annual  
 6 renewal fee under 37-12-307 is due. An unpaid assessment bears a late charge fee of \$25. The late  
 7 charge fee is part of the annual assessment. The director has the same powers and duties in connection  
 8 with the collection of and failure to pay the annual assessment as the department of commerce has under  
 9 37-12-307 with regard to a chiropractic physician's annual license fee."

10

11 **Section 46.** Section 39-71-2501, MCA, is amended to read:

12 **"39-71-2501. Definitions.** As used in this part, the following definitions apply:

13 (1) "Account" means the workers' compensation bond repayment account established in  
 14 39-71-2504.

15 ~~(1)(2)~~ "Department" means the department of revenue provided for in 2-15-1301.

16 ~~(2)(3)~~ "Employee" includes an officer, employee, or elected public official of the United States, the  
 17 state of Montana, or any political subdivision of the United States or the state of Montana or any agency  
 18 or instrumentality of the United States, the state of Montana, or a political subdivision of the United States  
 19 or the state of Montana. The term "employee" also includes an officer of a corporation.

20 ~~(3)(4)~~ (a) "Employer" means, except as provided in subsection ~~(3)(b)~~ (4)(b), the person for whom  
 21 an individual performs or performed any service, of whatever nature, as an employee of the person.

22 (b) If the person for whom the individual performs or performed the service does not have control  
 23 of the payment of the wages for the service, the term employer means the person who has control of the  
 24 payment of wages.

25 ~~(4)(5)~~ "Employer's payroll" means wages paid for each of the calendar quarters ending March 31,  
 26 June 30, September 30, and December 31.

27 ~~(5)(6)~~ "State fund" means the state compensation insurance fund.

28 ~~(6)(7)~~ "Tax" means the workers' compensation old fund liability tax provided for in 39-71-2503,  
 29 created to address the unfunded liability for claims for injuries resulting from accidents that occurred before  
 30 July 1, 1990.

1 ~~(7) "Tax account" means the workers' compensation tax account created by 39-71-2504.~~

2 (8) "Wages" means all remuneration for services performed by an employee for an employer,  
3 including the cash value of all remuneration paid in any medium other than cash. The term does not include  
4 remuneration paid:

5 (a) for casual labor not in the course of the employer's trade or business performed in any calendar  
6 quarter by an employee unless the cash remuneration paid for the service is \$50 or more and the service  
7 is performed by an individual who is regularly employed by the employer to perform the service. For  
8 purposes of this subsection (8)(a), an individual is considered to be regularly employed by an employer  
9 during a calendar quarter only if:

10 (i) on each of 24 days during the calendar quarter, the individual performs service not in the course  
11 of the employer's trade or business for the employer for some portion of the day; and

12 (ii) the individual was regularly employed, as determined under subsection (8)(a)(i), by the employer  
13 in the performance of service during the preceding calendar quarter;

14 (b) for services not in the course of the employer's trade or business, to the extent that  
15 remuneration is paid in any medium other than cash, when the payments are in the form of lodging or meals  
16 and the payments are received by the employee at the request of and for the convenience of the employer;

17 (c) to or for an employee as a payment for or a contribution toward the cost of any group plan or  
18 program that benefits the employee, including but not limited to life insurance, hospitalization insurance for  
19 the employee or the employee's dependents, and employees' club activities;

20 (d) as wages or compensation, the taxation of which is prohibited by federal law."  
21

22 **Section 47.** Section 39-71-2503, MCA, is amended to read:

23 **"39-71-2503. Workers' compensation old fund liability tax.** (1) (a) There is imposed on each  
24 employer a workers' compensation old fund liability tax in an amount equal to 0.28%, plus the additional  
25 amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the preceding calendar  
26 quarter, except that if an employer is subject to 15-30-204(2), the tax is an amount equal to 0.28%, plus  
27 the additional amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the  
28 preceding week.

29 (b) There is imposed on each employee, except workers engaged in the rail industry who are under  
30 the jurisdiction of the federal railroad administration, United States department of transportation, an old

1 fund liability tax, as provided in 39-71-2505, on the employee's wages in the preceding calendar quarter.

2 (c) There is imposed on each business of a sole proprietor, on each subchapter S. corporation  
3 shareholder, on each partner of a partnership, and on each member or manager of a limited liability  
4 company a workers' compensation old fund liability tax, as provided in 39-71-2505, on the profit of each  
5 separate business of a sole proprietor and on the distributive share of ordinary income of each shareholder,  
6 partner, or member or manager.

7 (d) A corporate officer of a subchapter S. corporation who receives wages as an employee of the  
8 corporation shall pay the old fund liability tax on both the wages and any distributive share of ordinary  
9 income at the employee rate. The subchapter S. corporation is not liable for the tax on the corporate  
10 officer's wages.

11 (e) A corporate officer of a closely held corporation who meets the stock ownership test under  
12 section 542(a)(2) of the Internal Revenue Code and receives wages as an employee of the corporation is  
13 required to pay the old fund liability tax only on the wages received. The corporation is not liable for the  
14 tax on the corporate officer's wages.

15 (f) This old fund liability tax must be used to reduce the unfunded liability in the state fund incurred  
16 for claims for injuries resulting from accidents that occurred before July 1, 1990. If one or more loans or  
17 bonds are outstanding, the legislature may not reduce the security for repayment of the outstanding loans  
18 or bonds, except that the legislature may forgive payment of a tax or reduce a tax rate for any 12-month  
19 period if the workers' compensation bond repayment account contains on the first day of that period an  
20 amount, regardless of the source, that is in excess of the reserve maintained in the account and that is  
21 equal to the amount needed to pay and is dedicated to the payment of the principal, premium, and interest  
22 that must be paid during that period on the outstanding loans or bonds.

23 (g) Each employer shall maintain the records the department requires concerning the old fund  
24 liability tax. The records are subject to inspection by the department and its employees and agents during  
25 regular business hours.

26 (h) An employee does not have any right of action against an employer for any money deducted  
27 and withheld from the employee's wages and paid to the state in compliance or intended compliance with  
28 this section.

29 (i) The employer is liable to the state for any amount of old fund liability taxes, plus interest and  
30 penalty, when the employer fails to withhold from an employee's wages or fails to remit to the state the

1 old fund liability tax required by this section.

2 (j) A sole proprietor, subchapter S. corporation shareholder, partner of a partnership, or member  
3 or manager of a limited liability company is liable to the state for the old fund liability tax, plus interest and  
4 penalty, when the sole proprietor, shareholder, partner, or member or manager fails to remit to the state  
5 the old fund liability tax required by this section.

6 (2) All collections of the tax must be deposited as received in the ~~tax~~ account. The tax is in  
7 addition to any other tax or fee assessed against persons subject to the tax.

8 (3) (a) On or before the last day of April, July, October, and January, each employer subject to the  
9 tax shall file a return in the form and containing the information required by the department and, except  
10 as provided in subsection (3)(b), pay the amount of tax required by this section to be paid on the  
11 employer's payroll for the preceding calendar quarter ~~and in addition.~~ The employer shall also remit  
12 withholdings for employees' old fund liability taxes at the same time.

13 (b) An employer subject to 15-30-204(2) shall remit to the department a weekly payment with its  
14 weekly withholding tax payment in the amount required by subsection (1)(a) and shall remit withholdings  
15 for employees' old fund liability taxes at the same time.

16 (c) Tax payments required by subsections (1)(a) and (1)(b) must be made with the return filed  
17 pursuant to 15-30-204. The department shall first credit a payment to the liability under 15-30-202 and  
18 credit any remainder to the workers' compensation tax account provided in 39-71-2504.

19 (d) Tax payments due from sole proprietors, subchapter S. corporation shareholders, partners of  
20 partnerships, and members or managers of limited liability companies must be made with and at the same  
21 time as the returns filed pursuant to 15-30-144 and 15-30-241. The department shall first credit a payment  
22 to the liability under 15-30-103 or 15-30-202 and shall then credit any remainder to the ~~workers'~~  
23 ~~compensation tax~~ account provided for in 39-71-2504.

24 (4) An employer's officer or employee with the duty to collect, account for, and pay to the  
25 department the amounts due under this section who fails to pay an amount is liable to the state for the  
26 unpaid amount and any penalty and interest relating to that amount.

27 (5) Returns and remittances under subsection (3) and any information obtained by the department  
28 during an audit are subject to the provisions of 15-30-303, but the department may disclose the information  
29 to the department of labor and industry under circumstances and conditions that ensure the continued  
30 confidentiality of the information.

1 (6) The department of labor and industry and the state fund shall, ~~on July 1, 1991, or as soon after~~  
2 ~~that date as possible,~~ give the department a list of all employers having coverage under any plan  
3 administered or regulated by the department of labor and industry and the state fund. After the lists have  
4 been given to the department, the department of labor and industry and the state fund shall update the lists  
5 weekly. The department of labor and industry and the state fund shall provide the department with access  
6 to their computer data bases and paper files and records for the purpose of the department's administration  
7 of the tax imposed by this section.

8 (7) The provisions of Title 15, chapter 30, that are not in conflict with the provisions of this part  
9 regarding administration, remedies, enforcement, collections, hearings, interest, deficiency assessments,  
10 credits for overpayment, statute of limitations, penalties, estimated taxes, and department rulemaking  
11 authority apply to the tax, to employers, to employees, to sole proprietors, to subchapter S. corporation  
12 shareholders, to partners of partnerships, to members or managers of limited liability companies, and to the  
13 department."

14  
15 **Section 48.** Section 39-71-2504, MCA, is amended to read:

16 **"39-71-2504. Workers' compensation tax bond repayment account.** (1) There is a workers'  
17 compensation tax bond repayment account in the state special revenue fund. ~~The workers' compensation~~  
18 ~~tax account consists of a tax account and a workers' compensation bond repayment account.~~

19 (2) All collections of the tax imposed under 39-71-2503, and the interest and penalties on the tax,  
20 ~~and revenue appropriated to the workers' compensation tax account under section 11, Chapter 9, Special~~  
21 ~~Laws of June 1989,~~ must, in accordance with the provisions of 15-1-501(6), be deposited in the workers'  
22 compensation tax bond repayment account. All money deposited in the ~~workers' compensation tax~~  
23 ~~account must be credited to the workers' compensation bond repayment account~~ must be retained in the  
24 account to the extent necessary to pay the principal of and the redemption premium and interest due on  
25 workers' compensation bonds issued under 39-71-2354 and 39-71-2355 and to establish and maintain a  
26 reserve for the bonds equal to the maximum annual principal of and interest on the bonds in any future  
27 year. The balance in the workers' compensation bond repayment account ~~must be credited to the tax~~  
28 ~~account within the workers' compensation tax account and~~ is statutorily appropriated, as provided in  
29 17-7-502, to the state fund to be used to reduce the unfunded liability in the state fund incurred for claims  
30 for injuries resulting from accidents that occurred before July 1, 1990."

1           **Section 49.** Section 44-12-206, MCA, is amended to read:

2           **"44-12-206. Disposition of proceeds of sale -- report.** (1) Whenever property is seized, forfeited,  
3 and sold under the provisions of this chapter, the net proceeds of the sale must be distributed as follows:

4           (a) to the holders of security interests who have presented proper proof of their claims, if any, up  
5 to the amount of their interests in the property;

6           (b) the remainder, if any, to the county treasurer of the county in which the property was seized,  
7 ~~who.~~ The county treasurer shall establish and maintain a drug forfeiture account and deposit the remainder  
8 into the account, except as provided in subsections (1)(c) through (1)(e);

9           (c) if the property was seized within the corporate limits of a city or town by a law enforcement  
10 agency of that city or town, the remainder, if any, to the city or town treasurer, ~~who.~~ The city or town  
11 treasurer shall establish and maintain a drug forfeiture account and deposit the remainder into the account,  
12 except as provided in subsections (1)(d) and (1)(e);

13           (d) if the property was seized by an employee of the state, the remainder, if any, to the ~~account~~  
14 ~~established in subsection (3)~~ state general fund, except as provided in subsection (1)(e); and

15           (e) if the property was seized as a result of the efforts of more than one law enforcement agency,  
16 the remainder, if any, to the accounts required by this subsection (1), pro rata in the proportions  
17 represented by the agencies' expenses of investigation, as determined by the attorney general.

18           (2) All proceeds from any source that are deposited into a county, city, or town drug forfeiture  
19 account must in each fiscal year be appropriated to and remain available until expended by the confiscating  
20 agency for drug laws enforcement and education concerning drugs.

21           ~~(3) Net proceeds received by the state under subsections (1)(d) and (1)(e) must be deposited in~~  
22 ~~an account in the state special revenue fund to the credit of the department of justice. The department~~  
23 ~~may expend the money in the account only for purposes of enforcement of drug laws. An amount up to~~  
24 ~~\$125,000 each year is statutorily appropriated, as provided in 17-7-502, to the attorney general for~~  
25 ~~enforcement of drug laws. Any expenditure in excess of \$125,000 each fiscal year requires approval~~  
26 ~~through budget amendment, as provided in Title 17, chapter 7, part 4.~~

27           ~~(4)~~(3) The attorney general shall provide the legislative finance committee and the legislative auditor  
28 with a detailed, written report of the amounts and property credited to the ~~account~~ general fund no later  
29 than 4 months after the end of each fiscal year. The attorney general may not disclose any information  
30 that would compromise any investigation or prosecution."

1           **Section 50.** Section 46-18-235, MCA, is amended to read:

2           "**46-18-235. Disposition of money collected as fines and costs.** The money collected by a court  
3 as a result of the imposition of fines or assessment of costs under the provisions of 46-18-231 and  
4 46-18-232 ~~shall~~ must be paid:

5           (1) by a district court to the county general fund of the county in which the court is held, except  
6 that:

7           (a) if the costs assessed include any district court expense listed in 3-5-901, the money collected  
8 from assessment of these costs must be paid to the state for deposit into the state general fund to the  
9 extent that the expenses were paid by the state; and

10           (b) if the fine was imposed for a violation of Title 45, chapter 9 or 10, the court may order the  
11 money paid into the drug forfeiture account maintained under 44-12-206 for the law enforcement agency  
12 ~~which~~ that made the arrest from which the conviction and fine arose; and

13           ~~(c) if the fine was imposed for a violation of 45-5-206, 50% of the amount collected must be  
14 deposited in the state special revenue fund for use of the department of family services in the battered  
15 spouses and domestic violence grant program created by 52-6-101; and~~

16           (2) by a justice's court pursuant to 3-10-601."

17

18           **Section 51.** Section 52-6-105, MCA, is amended to read:

19           "**52-6-105. Funding.** (1) Revenue from the marriage license fee, and the fee collected for filing  
20 a declaration of marriage without solemnization, ~~and the portion of fines allocated to this program by~~  
21 ~~46-18-235~~ is the primary source of funding for the battered spouses and domestic violence program. The  
22 disposition of the marriage license fee is as established in 25-1-201.

23           (2) Twenty percent of the operational costs of a battered spouses and domestic violence program  
24 must come from the local community served by the program. The local contribution may include in-kind  
25 contributions."

26

27           **Section 52.** Section 61-2-107, MCA, is amended to read:

28           "**61-2-107. License reinstatement fee to fund county drinking and driving prevention programs.**

29           (1) Notwithstanding the provisions of any other law of the state, a driver's license that has been  
30 suspended or revoked under 61-5-205 or 61-8-402 must remain suspended or revoked until the driver has

1 paid to the department a fee of \$100 in addition to any other fines, forfeitures, and penalties assessed as  
2 a result of conviction for a violation of the traffic laws of the state.

3 (2) ~~(a)~~ The department shall deposit the fees collected under subsection (1) in the general fund.  
4 One-half of the fees must be appropriated and used for funding county drinking and driving prevention  
5 programs as provided in 61-2-108. ~~For each fiscal year, an amount up to \$50,000 of the money from the~~  
6 ~~fees remaining in the general fund after appropriation for those programs is statutorily appropriated, as~~  
7 ~~provided in 17-7-502, to the department to purchase and maintain equipment used to analyze breath for~~  
8 ~~the presence of alcohol.~~

9 ~~(b) On or before June 30, 1994, the department shall transfer to the general fund the balance of~~  
10 ~~the driver's license reinstatement fee state special revenue account."~~

11

12 **Section 53.** Section 61-3-502, MCA, is amended to read:

13 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to  
14 use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding  
15 trailers, semitrailers, and housetrailers, for which a license is sought and an original application for title is  
16 made. The tax must be paid by the purchaser when the purchaser applies for an original Montana license  
17 through the county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle  
18 for which original registration is sought or a motor vehicle previously furnished without charge by a dealer  
19 to a school district for use in a state-approved traffic education program, whether or not titled by the  
20 dealer or the school district, and for which original registration is sought.

21 (2) Except as provided in subsections (4) and (5), the sales tax is:

22 (a) 1½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
23 the year or for a registration period other than a calendar year or calendar quarter;

24 (b) 1 1/8 % of the list price during the second quarter of the year;

25 (c) 3/4 of 1 % during the third quarter of the year;

26 (d) 3/8 of 1 % during the fourth quarter of the year.

27 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
28 list price, the department may use published price lists.

29 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
30 1½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the



1 new vehicle is purchased.

2 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%  
3 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

4 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
5 the ~~state~~ highway nonrestricted account of the state special revenue fund. The county treasurer shall retain  
6 5% of the taxes collected to pay for the cost of administration.

7 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
8 calendar year in which the original application for title is made.

9 (8) ~~(a) The applicant for original registration of any new and unused motor vehicle, or a new motor  
10 vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle  
11 by a school district operating a state approved traffic education program within the state, whether or not  
12 previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),  
13 acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been  
14 otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the  
15 vehicle was in the state of Montana on January 1 of the year.~~

16 ~~(b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless  
17 the application for registration is accompanied by a statement of origin to be that is furnished by the dealer  
18 selling the vehicle, showing and that shows that the vehicle has not previously been registered or owned,  
19 except as otherwise provided in this section, by any person, firm, corporation, or association ~~that is not~~  
20 other than a new motor vehicle dealer holding a franchise or distribution agreement from a new car  
21 manufacturer, distributor, or importer.~~

22 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
23 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of  
24 subsection (1).

25 (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
26 agricultural worker temporarily employed in agricultural work in this state ~~where~~ when those motor vehicles  
27 are used exclusively for transportation of agricultural workers are also exempt from the provisions of  
28 subsection (1).

29 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
30 the provisions of subsection (1);

1           (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
2 property only; and

3           (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
4 demonstrated in the course of the dealer's business."

5

6           **Section 54.** Section 61-4-112, MCA, is amended to read:

7           **"61-4-112. New motor vehicles -- transfers by dealers.** (1) When a motor vehicle dealer transfers  
8 a new motor vehicle to a purchaser or other recipient, the dealer shall:

9           (a) issue and affix a sticker as prescribed in 61-4-111(1)(a) for transfers of used motor vehicles  
10 and retain a copy of the sticker;

11           (b) within 4 working days following the date of delivery of the new motor vehicle, forward to the  
12 county treasurer of the county where the purchaser or recipient resides:

13           (i) one copy of the sticker issued under subsection (1)(a);

14           (ii) an application for certificate of title with a notice of security interest, if any, executed by the  
15 purchaser or recipient; and

16           (iii) a statement of origin as prescribed in 61-3-502(8)(b).

17           (2) Upon receipt from the county treasurer of the documents required under subsection (1), the  
18 department shall issue a certificate of ownership and certificate of registration together with a statement  
19 of lien as provided in 61-3-202."

20

21           **Section 55.** Section 61-8-204, MCA, is amended to read:

22           **"61-8-204. Reward for information on injury to or removal of sign or marker.** Upon conviction  
23 under the provisions of 61-8-713, ~~any~~ a person who furnishes information to law enforcement officers  
24 leading to the arrest and conviction of the accused person ~~shall~~ must be paid a reward from the ~~state~~  
25 highway nonrestricted account in the state special revenue fund in the sum of \$100."

26

27           **Section 56.** Section 61-10-126, MCA, is amended to read:

28           **"61-10-126. Deposit of fees.** All fees collected under 61-10-101 through 61-10-125 ~~shall~~ must  
29 be forwarded to the state treasurer for deposit in the ~~state~~ highway nonrestricted account in the state  
30 special revenue fund."

1           **Section 57.** Section 61-10-148, MCA, is amended to read:

2           **"61-10-148. Disposition of fines and forfeited bonds.** (1) Except as provided in 61-12-701 and  
3 subsection (2) of this section, one-half of all the money collected as fines and forfeited bonds for violations  
4 of Title 61, chapter 10, must be remitted monthly by the county treasurer to the state treasurer for deposit  
5 in the ~~state~~ highway nonrestricted account in the state special revenue fund. The remaining half, less the  
6 deductions required by law, must be deposited in the county road fund. This subsection does not apply  
7 to fines and forfeited bonds paid to justices' courts.

8           (2) If the apprehension or arrest was for a violation of Title 61, chapter 10, and if the offense  
9 occurred on a road or highway not included under the provisions of 60-2-128 and 60-2-203, all money  
10 collected as fines and forfeited bonds must be distributed to the county treasurer for deposit in the county  
11 road fund."

12

13           **Section 58.** Section 61-10-225, MCA, is amended to read:

14           **"61-10-225. Disposition of fees collected by county treasurer.** At the time of collecting the fees  
15 provided for in 61-10-222, each county treasurer shall retain 5% of the fees ~~collected by him~~ for the cost  
16 of administration and for deposit in the general fund of the county. The remaining 95% ~~shall~~ must be  
17 remitted monthly to the state treasurer for deposit to the credit of the department of transportation in the  
18 highway revenue account. The remittance ~~shall~~ must be made on forms furnished to the county treasurer  
19 by the department."

20

21           **Section 59.** Section 61-10-226, MCA, is amended to read:

22           **"61-10-226. Deposit of state highway money.** (1) ~~Any reference to the state highway fund means~~  
23 ~~the state highway account in the state special revenue fund.~~

24           ~~(2)~~ Money received for the use of the department from the receipt or transfer of GVW license fees,  
25 as provided by law, or from other state sources ~~shall~~ must be deposited in the highway revenue account  
26 in the state special revenue fund to the credit of the department.

27           ~~(3)~~(2) Money received from the federal government or other agencies ~~shall~~ must be deposited in  
28 a federal or state special revenue fund to the credit of the department.

29           ~~(4)~~(3) Money collected for the department as authorized by law ~~shall~~ must be credited to ~~such~~ the  
30 appropriate fund ~~or funds~~ by the state treasurer.

1           ~~(5)~~(4) Money received from the counties ~~shall~~ must be deposited in the appropriate account in the  
2 state special revenue fund to the credit of the department."

3  
4           **Section 60.** Section 75-5-634, MCA, is amended to read:

5           "**75-5-634. Disposition of fines and civil penalties.** ~~(1) Except as provided in subsections (2) and~~  
6 ~~(3), fines~~ Fines and civil penalties collected under this chapter, except those collected in a justice's court,  
7 must be deposited into the ~~water quality rehabilitation account provided in 75-5-507~~ state general fund.

8           ~~(2) A maximum of \$20,000 in fines and civil penalties may be deposited in the water quality~~  
9 ~~rehabilitation account in any fiscal year. Fines and penalties in excess of \$20,000 must be deposited in~~  
10 ~~the general fund.~~

11           ~~(3) Whenever the amount of money in the water quality rehabilitation account exceeds \$100,000,~~  
12 ~~all subsequent fines and civil penalties must be deposited in the general fund."~~

13  
14           **Section 61.** Section 75-5-635, MCA, is amended to read:

15           "**75-5-635. Costs and expenses -- recovery by department** ~~— deposit in water quality rehabilitation~~  
16 ~~account.~~ (1) In a civil action initiated by the department under this chapter, the department may ask for  
17 and the court is authorized to assess a violator for the cost of the investigation or monitoring survey ~~which~~  
18 that led to the establishment of the violation and any expense incurred by the state in removing, correcting,  
19 or terminating any of the adverse effects upon water quality resulting from the unauthorized discharge of  
20 pollutants.

21           (2) Any costs and expenses recovered by the department under the provisions of subsection (1)  
22 ~~for actions that the department financed with money from the water quality rehabilitation account~~  
23 ~~authorized in 75-5-507~~ must be deposited in the ~~water quality rehabilitation account~~ state general fund."

24  
25           **Section 62.** Section 75-6-109, MCA, is amended to read:

26           "**75-6-109. Administrative enforcement.** (1) If the department believes that a violation of this part,  
27 a rule adopted under this part, or a condition of approval issued under this part has occurred, it may serve  
28 written notice of the violation, by certified mail, on the alleged violator or ~~his~~ the violator's agent. The  
29 notice must specify the provision of this part, the rule, or the condition of approval alleged to have been  
30 violated and the facts alleged to constitute a violation. The notice must include an order to take necessary

1 corrective action within a reasonable period of time, ~~which~~. The time period must be stated in the order.  
 2 Service by mail is complete on the date of filing.

3 (2) If the alleged violator does not request a hearing before the board within 30 days of the date  
 4 of service, the order becomes final. Failure to comply with a final order may subject the violator to an  
 5 action commenced pursuant to 75-6-104, 75-6-113, or 75-6-114.

6 (3) If the alleged violator requests a hearing before the board within 30 days of the date of service,  
 7 the board shall schedule a hearing. After the hearing is held, the board may:

8 (a) affirm or modify the department's order issued under subsection (1) if the board finds that a  
 9 violation has occurred; or

10 (b) rescind the department's order if the board finds that a violation has not occurred.

11 (4) An order issued by the department or the board may set a date by which the violation must  
 12 cease and set a time limit for action to correct a violation.

13 (5) As an alternative to issuing an order pursuant to subsection (1), the department may:

14 (a) require the alleged violator to appear before the board for a hearing, at a time and place  
 15 specified in the notice, to answer the charges complained of; or

16 (b) initiate an action under 75-6-111(2), 75-6-113, or 75-6-114.

17 (6) An action initiated under this part may include an administrative penalty not to exceed \$500  
 18 for each day of violation. Administrative penalties collected under this section must be deposited in the  
 19 ~~public drinking water special revenue~~ state general fund ~~established in 75-6-115~~.

20 (7) The contested case provisions of the Montana Administrative Procedure Act, provided for in  
 21 Title 2, chapter 4, part 6, apply to a hearing under 75-6-108 or this section."

22

23 **Section 63.** Section 75-6-114, MCA, is amended to read:

24 **"75-6-114. Civil penalty.** (1) A person who violates this part or a rule, order, or condition of  
 25 approval issued under this part is subject to a civil penalty not to exceed \$10,000.

26 (2) Each day of violation constitutes a separate violation.

27 (3) Action under this section does not bar enforcement of this part or a rule, order, or condition  
 28 of approval issued under this part by injunction or other appropriate remedy.

29 (4) Civil penalties collected pursuant to this section must be deposited in the ~~public drinking water~~  
 30 ~~special revenue~~ state general fund ~~established in 75-6-115~~."

1           **Section 64.** Section 75-6-115, MCA, is amended to read:

2           **"75-6-115. Public drinking water special revenue fund.** (1) There is a public drinking water special  
3 revenue fund within the state special revenue fund established in 17-2-102. ~~There are established in the~~  
4 ~~public drinking water special revenue fund an operator training account and a public drinking water program~~  
5 ~~account.~~

6           (2) There must be credited to:

7           ~~(a) the operator training account all administrative and civil penalties collected under 75-6-109 and~~  
8 ~~75-6-114; and~~

9           (b) the public drinking water ~~program account revenues~~ special revenue fund the revenue from fees  
10 assessed, collected, and allocated pursuant to 75-6-108.

11           ~~(3) Funds from the operator training account may be used only to finance public water supply~~  
12 ~~system and public sewage system operator training programs.~~

13           ~~(4) Funds from the public drinking water program account~~ special revenue fund may be used only  
14 to pay department costs in implementing the public drinking water supply program, as described in this  
15 part."

16

17           **Section 65.** Section 76-15-530, MCA, is amended to read:

18           **"76-15-530. Conservation district ~~account~~ appropriations -- administration.** (1) ~~There is a~~  
19 ~~conservation district account in the state special revenue fund of the state treasury. Money is paid into~~  
20 ~~this account under 15-35-108.~~ The state treasurer shall draw warrants payable from ~~this account~~  
21 appropriations of allocations authorized as provided under 15-35-108 on order from the department of  
22 natural resources and conservation.

23           (2) The department of natural resources and conservation shall administer the conservation district  
24 ~~account~~ appropriations referred to in subsection (1). The money shall must be distributed ~~from the account~~  
25 to the conservation districts on the basis of need. A conservation district may submit an application to the  
26 department of natural resources and conservation for a grant of funds for purposes that conservation  
27 districts are authorized to perform.

28           (3) A conservation district is not eligible to receive a grant unless it has exhausted its authorized  
29 mill levies.

30           (4) The department of natural resources and conservation may adopt rules implementing this

1 section that provide for the form and content of applications and the criteria, terms, and conditions for  
 2 making grants."

3

4 **Section 66.** Section 77-1-808, MCA, is amended to read:

5 **"77-1-808. State lands recreational use account.** (1) There is a state lands recreational use  
 6 account in the state special revenue fund provided for in 17-2-102.

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

8 (a) all revenue received from the recreational use license established by 77-1-802;

9 (b) all revenue received from the imposition of fines under 77-1-801 and 77-1-806 and from civil  
 10 penalties imposed pursuant to 77-1-804; and

11 (c) money received by the department in the form of legislative appropriations, reimbursements,  
 12 gifts, federal funds, or appropriations from any source intended to be used for the purposes of this account.

13 (3) Money deposited in the state lands recreational use account is ~~statutorily appropriated, as~~  
 14 ~~provided in 17-7-502, and~~ must be used by the department for the following purposes:

15 (a) compensation pursuant to 77-1-809 for damage to the improvements of leases that has been  
 16 proved to be caused by recreational users;

17 (b) assistance in weed control management necessary as a result of recreational use of state lands;

18 (c) protection of the resource value of the trust assets; and

19 (d) administration and management for the implementation of recreational use of state lands."

20

21 **Section 67.** Section 77-1-809, MCA, is amended to read:

22 **"77-1-809. Compensation for damage to improvements, growing crops, or livestock.** A lessee may  
 23 apply to the department for reimbursement of documented costs of repair to or replacement of  
 24 improvements, growing crops, or livestock damaged by recreational users of state lands. The application  
 25 must include an affidavit by the applicant setting forth the nature of the loss, allegations and reasonable  
 26 proof supporting the involvement of recreational users, and documentation of repair or replacement costs.  
 27 Upon review of the application and supporting proof and upon additional investigation as required, the  
 28 department shall ~~either~~ grant, modify, or deny the claim. The department, by reason of payment to the  
 29 lessee for damage to improvements, is entitled to be subrogated to the rights of the lessee to recover the  
 30 amount paid from the party causing the damage. Payments under this section must be made from

1 appropriations from the state lands recreational use account established by 77-1-808, and the liability of  
 2 the department for damage payments is limited to the ~~existing balance of the account~~ available  
 3 appropriation. Claim applications are to be considered in the order they are received."

4

5 **Section 68.** Section 77-1-810, MCA, is amended to read:

6 **"77-1-810. Weed control management.** (1) The department shall establish a weed control  
 7 management program for the control of noxious weeds reasonably proved to be caused by the recreational  
 8 use of state lands. The department may by rule establish a noxious weed management program that may  
 9 include direct compensation for noxious weed control activities or participation in district and county weed  
 10 control projects or department-initiated weed control activities.

11 (2) Funding for this program must come from appropriations from the state lands recreational use  
 12 account pursuant to 77-1-808."

13

14 **Section 69.** Section 80-11-310, MCA, is amended to read:

15 **"80-11-310. Deposit and disbursement of funds -- records -- investment.** (1) As soon as possible  
 16 after receipt, all money received by the department from the assessment levied under 80-11-307 and all  
 17 other money received ~~shall~~ must be deposited in the state special revenue fund.

18 (2) All money referred to in subsection (1) ~~is statutorily appropriated, as provided in 17-7-502,~~ may  
 19 be appropriated to the committee and may be used only for the payment of expenses incurred in carrying  
 20 out the provisions of this part. The committee may be assessed costs by the department for the services  
 21 it provides upon request or pursuant to 2-15-121; however, the costs charged must have a substantial  
 22 relationship to the cost of services supplied.

23 (3) Money received under ~~this section, 80-11-312, and 80-11-313,~~ and this section that is not  
 24 immediately required for the purposes of this part must be invested under provisions of the unified  
 25 investment program established in Title 17, chapter 6, part 2.

26 (4) Money received under ~~this section, 80-11-312, and 80-11-313,~~ and this section is may be  
 27 appropriated to the committee for the purposes of this part."

28

29 **Section 70.** Section 82-4-426, MCA, is amended to read:

30 **"82-4-426. Reclamation of land on which bond forfeited.** In keeping with the provisions of this



1 part, the board may reclaim any affected lands with respect to which a bond has been forfeited. If the  
2 amount of the forfeited bond exceeds the cost of reclamation, the excess must be deposited in the state  
3 general fund."

4  
5 **Section 71.** Section 82-11-149, MCA, is amended to read:

6 **"82-11-149. Civil penalties.** (1) A person is guilty of a misdemeanor and is subject to a civil  
7 penalty of at least \$75 and not more than \$10,000 a day for each violation if that person violates any rule  
8 or order of the board or a provision of this chapter. Each day of violation constitutes a separate violation.

9 (2) Action under this section does not bar enforcement of this chapter or of rules or orders issued  
10 under it by injunction or other appropriate remedy.

11 (3) The board, or the attorney general upon request of the board, shall institute and maintain any  
12 enforcement proceedings in the name of the state.

13 (4) Civil penalties collected pursuant to this section must be deposited in the state general fund."

14  
15 **Section 72.** Section 87-1-114, MCA, is amended to read:

16 **"87-1-114. Disposition of proceeds.** All money collected by a court pursuant to 87-1-111 through  
17 87-1-113 must be remitted to the state treasurer for deposit in the state ~~special revenue~~ general fund as  
18 ~~provided in 87-1-601(1). If restitution is ordered out of a forfeited bond or bail, any balance of bond or bail~~  
19 ~~money must be disposed of as provided in 87-1-601(4)."~~

20  
21 **Section 73.** Section 90-1-108, MCA, is amended to read:

22 **"90-1-108. County land planning assistance.** (1) The department of commerce shall annually  
23 distribute the funds appropriated to it ~~from the~~ for county land planning ~~account~~. Each county ~~shall~~ must  
24 be allotted ~~\$3,000. After this disbursement has been made, 40% of the balance in the account shall be~~  
25 ~~apportioned to the counties~~ funds according to the ratio of ~~each~~ the county's land area to the total land  
26 area of the state and 60% of the ~~balance~~ funds ~~shall be apportioned to the counties~~ according to ~~each~~ the  
27 county's portion of the total population of the state. If a multijurisdictional planning board has been  
28 established in the county, it may receive and expend part or all of the funds allocated to that county.

29 (2) Counties, cities, or joint planning boards receiving funds under this section shall use ~~such~~ the  
30 funds for land planning purposes, which include but are not limited to comprehensive planning, economic

1 development planning, and capital improvements planning.

2 (3) At the end of each fiscal year, ~~every~~ each local governing body and planning agency receiving  
3 funds under this section shall provide an accounting of how the money was spent, in a form acceptable  
4 to the department of commerce. ~~Surplus funds may be accumulated and rebudgeted for the purposes~~  
5 ~~stated in subsection (2), except that funds rebudgeted by a local governing body or planning agency may~~  
6 ~~not exceed the total revenue received under subsection (1) in the year immediately prior to the budget year.~~  
7 ~~Any excess funds shall revert to the state special revenue fund for state equalization aid to public schools~~  
8 ~~of the state at the end of each odd-numbered fiscal year, beginning in June 1991."~~

9

10 **Section 74.** Section 90-6-201, MCA, is amended to read:

11 **"90-6-201. Purpose.** The purposes of this part are to assist local governmental units ~~which that~~  
12 have been required to expand the provision of public services as a consequence of large-scale development  
13 of coal mines and coal-using energy complexes, to assist in the construction and reconstruction of  
14 designated portions of highways ~~which that~~ serve the area affected by ~~such the~~ large-scale development,  
15 to support county land planning, and to ~~invest a portion of the tax revenue from coal mines in a permanent~~  
16 ~~fund, the income from which shall be used for the support of public schools throughout the state."~~

17

18 **Section 75.** Section 90-6-202, MCA, is amended to read:

19 **"90-6-202. ~~Account~~ Account established.** ~~(1) There is within the state special revenue fund a~~  
20 ~~local impact account. Moneys are payable into this account under 15-35-108. The state treasurer shall~~  
21 ~~draw warrants from this account upon order of the coal board.~~

22 ~~(2) There is within the state special revenue fund a coal area highway improvement account."~~

23

24 **Section 76.** Section 90-6-205, MCA, is amended to read:

25 **"90-6-205. Coal board -- general powers.** The board may:

26 (1) retain professional consultants and advisors;

27 (2) adopt rules governing its proceedings;

28 (3) consider applications for grants from ~~the local impact account~~ available funds;

29 (4) consider applications for loans from ~~the local impact account~~ available funds for periods and  
30 interest rates to be determined by the board; and

1 (5) award grants and loans, subject to 90-6-207, from ~~the local impact account~~ available funds:

2 (a) to local governmental units, state agencies, and governing bodies of federally recognized Indian  
3 tribes to assist local governmental units and federally recognized Indian tribes in meeting the local impact  
4 of coal development by enabling them to adequately provide governmental services and facilities ~~which that~~  
5 are needed as a direct consequence of coal development; and

6 (b) notwithstanding the provisions of 90-6-207, to the department of transportation established  
7 in 2-15-2501 to expedite the construction, repair, and maintenance of deficient sections of highway within  
8 the area designated in 90-6-210 if the deficiency is the direct result of increased traffic accompanying the  
9 development of coal resources; and

10 (6) award a grant to a local government unit for the purpose of paying for part or all of the credit  
11 that the local government unit is obligated to give to a major new industrial facility that has prepaid property  
12 taxes under 15-16-201. The board must award the grant in accordance with 90-6-206."

13  
14 **Section 77.** Section 90-6-207, MCA, is amended to read:

15 **"90-6-207. Priorities for impact grants.** (1) The department of commerce shall annually designate:

16 (a) each county, incorporated city and town, school district, and other governmental unit that has  
17 had or expects to have as a result of the impact of coal development a net increase in estimated population  
18 of at least 10% over one of the 3-year periods specified in subsection (4);

19 (b) each county and all local governmental units within each county in which:

20 (i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act  
21 has been granted by the department of state lands for a project within the county that will establish a new  
22 coal mine to produce at least 300,000 tons a year and that the department of commerce determines will  
23 commence production within 2 years;

24 (ii) the department of commerce has determined that the production of an existing mine will increase  
25 by at least 1 million tons a year and that the new or expanded production will commence within 2 years  
26 of the designation;

27 (iii) a newly constructed railroad serves a new, existing, or expanding coal mine; or

28 (iv) a certificate of environmental compatibility and public need in accordance with the Montana  
29 Major Facility Siting Act has been granted by the board of natural resources and conservation for a new  
30 steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of

- 1 Montana-mined coal and for which the department of commerce determines the construction or operation  
2 will commence within 2 years of the designation;
- 3 (c) each local governmental unit located within 100 miles, measured over the shortest all-weather  
4 public road, of a mine or facility qualifying under subsection (1)(b)(i), (1)(b)(ii), or (1)(b)(iv); and
- 5 (d) each local governmental unit in which:
- 6 (i) a mine that has produced 300,000 tons or more of coal a year ~~and~~ has ceased all significant  
7 mining or is scheduled to cease within 1 year; or
- 8 (ii) a steam-generating or other coal-burning facility that has operated under a certificate of  
9 environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and  
10 that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close  
11 within 1 year.
- 12 (2) Designation under subsection (1) of:
- 13 (a) any local governmental unit extends to and includes as a designated unit the county in which  
14 it is located; and
- 15 (b) a county extends to and includes as a designated unit any local governmental unit in the county  
16 that contains at least 10% of the total population of the county.
- 17 (3) (a) Except as provided in 90-6-205(5)(b), beginning July 1, 1993, and ending June 30, 1995,  
18 the coal board may not award more than 20% of the funds appropriated to it each year for grants and loans  
19 to governmental units and state agencies for meeting the needs caused by coal development to local  
20 governmental units other than those governmental units designated under subsection (1).
- 21 (b) Except as provided in 90-6-205(5)(b), beginning July 1, 1995, and thereafter, the coal board  
22 may not award more than 10% of the funds appropriated to it each year for grants and loans to  
23 governmental units and state agencies for meeting the needs caused by coal development to local  
24 governmental units other than those governmental units designated under subsection (1).
- 25 (4) For the purposes of subsection (1), the department of commerce shall use five 3-year periods  
26 as follows:
- 27 (a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;
- 28 (b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;
- 29 (c) one consecutive 3-year period ending with the current calendar year;
- 30 (d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and

1 (e) one consecutive 3-year period ending 2 calendar years after the current calendar year.

2 (5) Attention should be given by the coal board to the need for community planning before the full  
3 impact is realized. Applicants should be able to show how their request reasonably fits into an overall plan  
4 for the orderly management of the existing or contemplated growth problems.

5 (6) All funds ~~placed in the local impact account established~~ appropriated under this part are ~~subject~~  
6 ~~to appropriations by the legislature~~ for use related to local impact.

7 (7) All designations made under this section must be for 1 year. A designation may not continue  
8 after the department of commerce determines that the mine, railroad, or facility that provided the basis for  
9 a designation is contributing sufficient tax revenue to the designated government unit to meet the increased  
10 costs of providing the services necessitated by the development of the mine, railroad, or facility. However,  
11 nondesignated local governmental units continue to be eligible for coal impact grants and loans of not more  
12 than 20% and beginning July 1, 1995, not more than 10% of the funds appropriated to the coal board for  
13 grants and loans in circumstances in which:

14 (a) an impact exists in a community or area directly affected by the operation of a coal mine or  
15 mines; or

16 (b) tax revenue is not available to mitigate the impact due to the closure of a mine or facility."  
17

18 **Section 78.** Section 90-6-212, MCA, is amended to read:

19 "**90-6-212. ~~Local impact account—disposition~~ Disposition of loan repayments, interest, and**  
20 **~~unexpended balances.~~** (1) The money derived from loans made pursuant to this part, including interest  
21 ~~thereon on loans~~, must be deposited to the credit of the ~~local impact account created in 90-6-202~~ state  
22 general fund.

23 ~~(2) The unexpended money in the local impact account must be invested by the board of~~  
24 ~~investments as provided by statute. Interest and earnings must be deposited to the credit of the state~~  
25 ~~special revenue fund for state equalization aid to public schools of the state.~~

26 ~~(3) The unexpended balance in the local impact account at the end of each fiscal year must be~~  
27 ~~deposited to the credit of the state special revenue fund for state equalization aid to public schools of the~~  
28 ~~state."~~

29  
30 **NEW SECTION. Section 79. Repealer.** Sections 15-25-123, 15-65-122, 15-65-131, 17-1-503,

1 23-1-131, 60-2-224, and 75-5-507, MCA, are repealed.

2

3 **NEW SECTION. Section 80. Codification instructions.** (1) [Section 11] is intended to be codified  
4 as an integral part of Title 15, chapter 70, and the provisions of Title 15, chapter 70, apply to [section 11].

5 (2) [Sections 18 and 19] are intended to be codified as an integral part of Title 17, chapter 1, part  
6 5, and the provisions of Title 17, chapter 1, part 5, apply to [sections 18 and 19].

7

8 **NEW SECTION. Section 81. Effective date.** [This act] is effective July 1, 1995.

9

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for Senate Bill 83, Introduced Copy

DESCRIPTION OF PROPOSED LEGISLATION: "An act generally revising laws concerning dedicated revenue and statutory appropriations; amending sections...MCA; and providing an effective date."

ASSUMPTIONS:

Legislative Fiscal Analyst

1. During the 1997 biennium, additional revenue in the general fund due to the de-earmarking of dedicated state special revenues will equal any additional appropriations from the general fund authorized to provide funding for the same services/state obligations formerly funded by dedicated state special revenue, whether requested in the Executive Budget or appropriated by the legislature.
2. Section 16 allows all appropriations made from dedicated revenue sources being de-earmarked by this legislation to the general fund to be made from the general fund. It is assumed that any present law statutory appropriations will be replaced by temporary appropriations enacted by the legislature as part of designated appropriation bills or sections designated as appropriations in other bills. It is further assumed that these temporary appropriations will be equal to the amount of the revenue available under present law.

Department of Transportation

3. A separate account will be created in the special revenue fund to account for nonrestricted revenues identified upon passage of this bill.
4. The following revenues will be deposited into the separate Highway nonrestricted account:
  - fleet vehicle reg permit fees
  - custom combine 37.5%
  - gvw special permits
  - gvw restricted route permits
  - gvw custom combine
  - gvw triples
  - cranes
  - temp PSC registration
  - western regional
  - doubles permits
  - transit dealers quarterly permits
  - restricted route permits
  - gasoline and vehicle fuels taxes interest and penalties
- 5) The amounts of penalty and interest for gasoline and vehicle fuels taxes cannot be reasonably estimated. The Department's current revenue collection systems do not separate penalties and interest amounts from the taxes. The systems would require major programming changes to comply with the passage of this bill. MDT does not have sufficient staff to preform this rewrite in-house. We estimate that it will take 200 hours @ \$44 per hour to perform the accounts receivable rewrite for a total cost of \$8,800.00

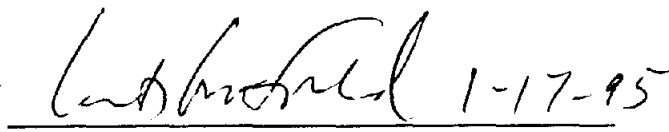
(Continued)



DAVE LEWIS, BUDGET DIRECTOR  
Office of Budget and Program Planning

1-16-95

DATE



LORENTS GROSFIELD, PRIMARY SPONSOR DATE

Fiscal Note for SB0083, as introduced

SB 83

(continued)

- 6) Amounts transferred from various state special revenue accounts to the general fund are illustrated below based on Revenue Oversight Committee estimates, except that fine and forfeiture revenues are assumed constant at FY 94 levels.

FISCAL IMPACT:

Expenditures:

It is assumed general fund appropriations will be added to HB 2 to replace the statutory appropriations and de-earmarked funds proposed to be eliminated, including amounts for the state's share of K-12 education expenditures.

Revenues:

The following illustrates the major changes in revenue flows due to the proposal.

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
School Equalization Acc. (02)	(295,741,000)	(302,361,000)
Accommodation Tax SSR Accounts	(8,529,000)	(8,830,000)
Coal Tax Accounts Eliminated (02)	(3,750,000)	(3,541,000)
Various Fines and Forfeitures (02)	(2,333,000)	(2,333,000)
New Coal Tax Account (02)	3,750,000	3,541,000
<u>General Fund (01)</u>	<u>306,603,000</u>	<u>313,524,000</u>
Total	0	0

Net Impact:

The net impact of the proposal will depend on appropriation committee deliberations. If temporary appropriations are passed that are less than the general fund revenue deposits or statutory appropriation amounts, then the proposal will result in an improvement in the FY 97 general fund balance and visa versa. The net impact cannot be determined until these decisions are made.

TECHNICAL NOTES:

**Legislative Fiscal Analyst**

1. If the legislature intends to continue funding the activities funded under present law by statutory appropriations being eliminated by this legislation, temporary appropriations must be enacted.
2. The legislature may wish to eliminate the statutory appropriation authority that would become statutory general fund appropriation authority with the enactment of this legislation. Any statutory general fund appropriations would become open-ended general fund appropriations.
3. Certain statutory appropriations authorized by present law and eliminated by this legislation have been requested in the Executive Budget. If this legislation is not enacted, there may be duplicate appropriation authority available, specifically a) travel promotion (Commerce); b) state parks maintenance (Fish, Wildlife and Parks); c) microbusiness finance program administration (Commerce).
4. Present law, in specific instances, both defines the revenue from fees, fines and/or forfeitures and states that this revenue "can be used for" or "must be appropriated for" specific purposes. This legislation states that appropriations "may be used" for specific purposes. Do these clauses contradict the intent to eliminate revenue dedication?

(Continued)



5. Section 16 reference to 17-1-504(1) should be amended to replace "from an account terminated pursuant to legislative review" with "from sources de-earmarked by the legislature". The reference to 17-1-504(2) should be amended to replace "pursuant to legislative review" with "by the legislature".
6. Section 34 reference to 20-9-343(1) should be amended to strike "the account in the state special revenue fund that receives" and "plus any legislative appropriation of money from other sources".

Office of Budget and Program Planning

7. Funding for the appellate defender commission and the office of the appellate defender is uncertain under the proposal. Section 2 appears to provide state funding only if vehicle revenues exceed district court expenses, with counties responsible for its funding in the event of a shortfall in revenue. No appropriation authority is provided, however. Given this uncertain nature, a minimum level of funding would need to be provided in HB 2, with the possibility that funds would be provided via section 2 for which no additional appropriation authority is provided. The requested funding is \$205,229 each year of the biennium.

SENATE BILL NO. 83

INTRODUCED BY GROSFIELD, ZOOK, JACOBSON, SWYSGOOD, TVEIT, HARDING, T. NELSON,

VAN VALKENBURG, PECK, KADAS

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS CONCERNING DEDICATED REVENUE AND STATUTORY APPROPRIATIONS; AMENDING SECTIONS 2-7-514, 3-5-901, 3-10-601, 15-24-925, 15-25-111, 15-25-122, 15-35-108, 15-65-121, 15-70-101, 15-70-102, 15-71-104, 17-1-501, 17-1-502, 17-1-503, 17-1-504, 17-1-505, 17-2-111, 17-5-704, 17-6-409, 17-7-502, 19-8-504, 20-4-109, 20-5-324, 20-7-420, 20-7-504, 20-7-605, 20-9-166, 20-9-331, 20-9-333, 20-9-342, 20-9-343, 20-9-346, 20-9-360, 20-9-361, 23-2-507, 23-2-644, 23-2-807, 23-2-823, 23-4-202, 23-7-202, 23-7-402, 27-12-206, 39-71-2501, 39-71-2503, 39-71-2504, ~~44-12-206~~, 46-18-235, 52-6-105, 61-2-107, 61-3-502, 61-4-112, 61-5-121, 61-8-204, 61-10-126, 61-10-148, 61-10-225, 61-10-226, 75-5-634, 75-5-635, 75-6-109, 75-6-114, 75-6-115, 76-15-530, 77-1-808, 77-1-809, 77-1-810, 80-11-310, 82-4-426, 82-11-149, 87-1-114, 90-1-108, 90-6-201, 90-6-202, 90-6-205, 90-6-207, AND 90-6-212, MCA; REPEALING SECTIONS 15-25-123, 15-65-122, 15-65-131, 17-1-503, 23-1-131, 60-2-224, AND 75-5-507, MCA; AND PROVIDING AN EFFECTIVE ~~DATE~~ DATES."

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

**Section 1.** Section 2-7-514, MCA, is amended to read:

**"2-7-514. Filing of audit report and financial report.** (1) Completed audit reports must be filed with the department. Completed financial reports must be filed with the department as provided in 2-7-503(1). The state superintendent of public instruction shall file with the department a list of school districts subject to audit under 2-7-503(3). The list must be filed with the department within 6 months after the close of the fiscal year.

(2) At the time that the financial report is filed or, in the case of a school district, when the audit report is filed with the department, the local government entity shall pay to the department a filing fee. The department shall charge a filing fee to any local government entity required to have an audit under 2-7-503, which fee must be based upon the costs incurred by the department in the administration of this

1 part. Notwithstanding the provisions of 20-9-343, the filing fees for school districts required by this section  
 2 must be ~~paid by the superintendent of public instruction from the state equalization aid account~~  
 3 APPROPRIATED TO THE DEPARTMENT FROM THE STATE GENERAL FUND. The department shall adopt  
 4 the fee schedule by rule based upon the local government entities' revenue amounts.

5 (3) Copies of the completed audit and financial reports must be made available by the department  
 6 and the local government entity for public inspection during regular office hours.

7 (4) The department is authorized under this part to charge a surcharge on the filing fee to generate  
 8 the necessary revenue to repay the general fund loan over a 5-year period. (Subsection (4) terminates June  
 9 30, 1997--sec. 31, Ch. 489, L. 1991.)"

10  
 11 **Section 2.** Section 3-5-901, MCA, is amended to read:

12 **"3-5-901. State assumption of certain district court expenses.** (1) The state shall, to the extent  
 13 that revenue is available under 61-3-509, fund the following district court expenses in criminal cases only:

- 14 (a) salaries of court reporters;
- 15 (b) transcripts of proceedings;
- 16 (c) witness fees and necessary expenses;
- 17 (d) juror fees;
- 18 (e) indigent defense;
- 19 (f) ~~expenses of the appellate defender commission and the office of appellate defender;~~ and
- 20 (g) psychiatric examinations.

21 (2) The revenue received under 61-3-509 is statutorily appropriated, as provided in 17-7-502, to  
 22 the supreme court for funding the EXPENSES LISTED IN SUBSECTION (1)(F) AND, TO THE EXTENT THAT  
 23 FUNDS REMAIN, THE expenses listed in ~~subsection (1)~~ subsections (1)(a) through (1)(e) and (1)(g) and the  
 24 costs of administering this section.

25 (3) If money appropriated for the expenses listed in subsection (1):

26 (a) exceeds the amount necessary to fully fund those expenses, the excess amount must be used  
 27 ~~to fund the appellate defender commission and the office of appellate defender and~~ for district court grants  
 28 as provided in 7-6-2352; or

29 (b) is insufficient to fully fund those expenses, ~~the appellate defender commission and the office~~  
 30 ~~of appellate defender must be funded first and~~ THE APPELLATE DEFENDER COMMISSION AND THE

1 OFFICE OF APPELLATE DEFENDER MUST BE FUNDED FIRST AND the county is responsible for payment  
2 of the balance.

3 (4) Money deposited in the state general fund in fiscal year 1992, as provided in 61-3-509, that  
4 is in excess of the legislative appropriation is statutorily appropriated, as provided in 17-7-502, to the  
5 supreme court for district court and courts of limited jurisdiction automation purposes during the 1995  
6 biennium. (Subsection (4) terminates July 1, 1995--sec. 7, Ch. 330, L. 1993.)"

7

8 **Section 3.** Section 3-10-601, MCA, is amended to read:

9 **"3-10-601. Collection and disposition of fines, penalties, forfeitures, and fees.** (1) Each justice  
10 of the peace shall collect the fees prescribed by law for justices' courts and shall pay them into the county  
11 treasury of the county in which the justice of the peace holds office, on or before the 10th day of each  
12 month, to be credited to the general fund of the county.

13 (2) All fines, penalties, and forfeitures that this code requires to be imposed, collected, or paid in  
14 a justice's court must, for each calendar month, be paid by the justice's court on or before the 5th day of  
15 the following month to the treasurer of the county in which the justice's court is situated, except that they  
16 may be distributed as provided in 44-12-206 if imposed, collected, or paid for a violation of Title 45,  
17 chapter 9 or 10.

18 (3) The county treasurer shall, in the manner provided in 15-1-504, distribute money received under  
19 subsection (2) as follows:

20 (a) 50% to the state treasurer for deposit in the state general fund; and

21 (b) 50% to the county general fund.

22 ~~(4) The state treasurer shall distribute money received under subsection (3) as follows:~~

23 ~~(a) 44.81% to the state general fund;~~

24 ~~(b) 9.09% to the fish and game account in the state special revenue fund;~~

25 ~~(c) 11.76% to the state highway account in the state special revenue fund;~~

26 ~~(d) 16.93% to the traffic education account in the state special revenue fund;~~

27 ~~(e) 0.57% to the department of livestock account in the state special revenue fund;~~

28 ~~(f) 15.9% to the crime victims compensation account in the state special revenue fund; and~~

29 ~~(g) 0.94% to the department of family services special revenue account for the battered spouses  
30 and domestic violence grant program."~~

1           **Section 4.** Section 15-24-925, MCA, is amended to read:

2           **"15-24-925. Reimbursement to county -- transmission of taxes from county to state treasurer.**

3           (1) The county treasurer may withhold 2% of the money received under 15-24-921 as reimbursement to  
4 the county for the collection of the levy on livestock.

5           (2) Except for the amount withheld under subsection (1), the taxes levied and the money collected  
6 pursuant to the provisions of 15-24-922 ~~shall~~ must be transmitted to the state treasury by the county  
7 treasurer of each county, as provided in 15-1-504, but not later than July 1 following assessment. The  
8 county treasurer shall designate the amount received from the tax levied on sheep and the amount received  
9 from the tax levied on all other livestock and shall specify the separate amounts in ~~his~~ the report to the  
10 state treasurer. The money, when received by the state treasurer, ~~shall~~ must be deposited in an account  
11 in the special revenue fund to the credit of the department of livestock. The money in the account must  
12 be kept separate from other funds received by the department of livestock."

13

14           **Section 5.** Section 15-25-111, MCA, is amended to read:

15           **"15-25-111. Tax on dangerous drugs.** (1) There is a tax on the possession and storage of  
16 dangerous drugs. Except as provided in 15-25-112, each person possessing or storing dangerous drugs  
17 is liable for the tax. The tax imposed is determined pursuant to subsection (2). The tax is due and payable  
18 on the date of assessment. The department shall add an ~~administration~~ administrative fee of 5% of the tax  
19 imposed pursuant to subsection (2) to offset costs incurred in assessing value, in collecting the tax, and  
20 in any review and appeal process. The administrative fee must be deposited in the state general fund.

21           (2) With the exception that the tax on possession and storage of less than 1 ounce, 1 gram, or 100  
22 micrograms of dangerous drugs must be that set forth below for 1 ounce, 1 gram, or 100 micrograms, the  
23 tax on possession and storage of dangerous drugs is the greater of:

24           (a) 10% of the assessed market value of the drugs, as determined by the department; or

25           (b) (i) \$100 per ounce of marijuana, as defined in 50-32-101, or its derivatives, as determined by  
26 the aggregate weight of the substance seized;

27           (ii) \$250 per ounce of hashish, as defined in 50-32-101, as determined by the aggregate weight  
28 of the substance seized;

29           (iii) \$200 per gram of any substance containing or purported to contain any amount of a dangerous  
30 drug included in Schedule I<sub>x</sub> pursuant to 50-32-222(1), (2), (4), and (5), or Schedule II<sub>x</sub> pursuant to

1 50-32-224(1) through (4), as determined by the aggregate weight of the substance seized;

2 (iv) \$10 per 100 micrograms of any substance containing or purported to contain any amount of  
3 lysergic acid diethylamide (LSD) included in Schedule I<sub>2</sub> pursuant to 50-32-222(3), as determined by the  
4 aggregate weight of the substance seized;

5 (v) \$100 per ounce of any substance containing or purported to contain any amount of an  
6 immediate precursor as defined under Schedule II<sub>2</sub> pursuant to 50-32-224(5), as determined by the  
7 aggregate weight of the substance seized; and

8 (vi) \$100 per gram of any substance containing or purported to contain any amount of dangerous  
9 drug not otherwise provided for in this subsection (2).

10 (3) The tax imposed under this section may be collected before any state or federal fines or  
11 forfeitures have been satisfied."

12

13 **Section 6.** Section 15-25-122, MCA, is amended to read:

14 "**15-25-122. Disposition of proceeds.** The department shall, in accordance with the provisions of  
15 15-1-501(6), transfer all taxes collected pursuant to this chapter, less the administrative fee authorized in  
16 15-25-111(1), as follows:

17 (1) one-third of the tax to the credit of the department of family services to be used for the youth  
18 evaluation program and chemical abuse aftercare programs; and

19 (2) the remaining two-thirds of the tax proceeds as follows:

20 (a) one-half to the department of justice to be used:

21 (i) for grants to youth courts to fund chemical abuse assessments; and

22 (ii) for grants to counties to fund services for the detention of juvenile offenders in facilities separate  
23 from adult jails, as authorized in 41-5-1002; and

24 (b) one-half to the ~~account created by 44-12-206(3)~~ state general fund if a state government law  
25 enforcement agency seized the drugs. If a local government law enforcement agency seized the drugs,  
26 then that amount must be credited to the treasurer or finance officer of the local government, be deposited  
27 in its general fund, and be used to enforce drug laws."

28

29 **Section 7.** Section 15-35-108, MCA, is amended to read:

30 "**15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this

1 chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

2 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to~~ the trust fund  
 3 created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
 4 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
 5 board of investments as provided by law.

6 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
 7 allocated to the highway reconstruction trust fund account in the state special revenue fund.

8 (3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
 9 are allocated in the following percentages of the remaining balance:

10 (a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local  
 11 impact account at the end of each biennium are allocated to the state special revenue fund for state  
 12 equalization aid to public schools of the state.

13 (b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

14 (c) 1% to the state special revenue fund to the credit of the county land planning account;

15 (d) 1¼% to the credit of the renewable resource development bond fund;

16 (e) 0% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income  
 17 from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of  
 18 any sites and areas described in 23-1-102.

19 (f) 1% to the state special revenue fund to the credit of the state library commission for the  
 20 purposes of providing basic library services for the residents of all counties through library federations and  
 21 for payment of the costs of participating in regional and national networking;

22 (g) 1/2 of 1% to the state special revenue fund for conservation districts;

23 (h) 1¼% to the debt service fund type to the credit of the renewable resource loan debt service  
 24 fund;

25 (i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

26 (j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state  
 27 capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be appropriated  
 28 for protection of works of art in the state capitol and other cultural and aesthetic projects.

29 (k) beginning July 1, 1993, and ending June 30, 1995, 3 1/3% to a special revenue account to  
 30 be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and

1 cultural sites within the state park system;

2 (l) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
3 to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L. 1993.)

4 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
5 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

6 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to the trust fund~~  
7 ~~created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~  
8 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
9 board of investments as provided by law.

10 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
11 allocated to the highway reconstruction trust fund account in the state special revenue fund.

12 (3) Coal severance tax collections remaining after ~~allocation to the trust fund~~ the allocations under  
13 ~~subsection~~ subsections (1) and (2) are allocated in the following percentages of the remaining balance:

14 (a) ~~17 1/2%~~ 22% ~~20%~~ to the credit of ~~the local impact an~~ account. Unencumbered funds remaining  
15 in the state special revenue fund to be allocated by the legislature for local impact account at the end of  
16 ~~each biennium are allocated to the state special revenue fund for state equalization aid to public schools~~  
17 ~~of the state.~~

18 (b) ~~30% to the state special revenue fund for state equalization aid to public schools of the state;~~

19 (c) ~~1% to the state special revenue fund to the credit of the impacts, county land planning, account~~  
20 provisions of basic library services for the residents of all counties through library federations and for  
21 payment of the costs of participating in regional and national networking, AND conservation districts, and  
22 the Montana Growth Through Agriculture Act;

23 (d) ~~(b)~~ 1 1/4% to the credit of the renewable resource development bond fund;

24 (e) ~~(c)~~ 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.

25 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
26 maintenance of any sites and areas described in 23-1-102.

27 (f) ~~1% to the state special revenue fund to the credit of the state library commission for the~~  
28 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
29 ~~for payment of the costs of participating in regional and national networking;~~

30 (g) ~~1/2 of 1% to the state special revenue fund for conservation districts;~~



1 ~~(h)(d)~~ 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service  
2 fund;

3 ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~

4 ~~(j)(e)~~ 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
5 state capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be  
6 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

7 ~~(k)(f)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
8 to the credit of the general fund of the state. (Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

9 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
10 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

11 (1) ~~To~~ Fifty percent of total coal severance tax collections must be allocated to the trust fund  
12 created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
13 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
14 board of investments as provided by law.

15 (2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
16 are allocated in the following percentages of the remaining balance:

17 (a) ~~17 ½ %~~ 22% 20% to the credit of the ~~local impact an~~ account. Unencumbered funds remaining  
18 in the state special revenue fund to be allocated by the legislature for local impact account at the end of  
19 each biennium are allocated to the state special revenue fund for state equalization aid to public schools  
20 of the state.

21 ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~

22 ~~(c) 1% to the state special revenue fund to the credit of the impacts, county land planning, account~~  
23 provision of basic library services for the residents of all counties through library federations and for  
24 payment of the costs of participating in regional and national networking, AND conservation districts, and  
25 the Montana Growth Through Agriculture Act;

26 ~~(d)(b)~~ 1 ¼ % to the credit of the renewable resource development bond fund;

27 ~~(e)(c)~~ 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.  
28 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
29 maintenance of any sites and areas described in 23-1-102.

30 ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~

1 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
 2 ~~for payment of the costs of participating in regional and national networking;~~

3 ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

4 ~~(h)(d) 1 1/4 % to the debt service fund type to the credit of the renewable resource loan debt service~~  
 5 ~~fund;~~

6 ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~

7 ~~(j)(e) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the~~  
 8 ~~state capitol and for other cultural and aesthetic projects. Income from this trust fund shall must be~~  
 9 ~~appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.~~

10 ~~(k)(f) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter~~  
 11 ~~to the credit of the general fund of the state."~~

12  
 13 **Section 8.** Section 15-65-121, MCA, is amended to read:

14 **"15-65-121. Distribution Deposit AND USE of tax proceeds —general fund loan authority.** ~~(1)~~ The  
 15 proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be  
 16 deposited in an account in the state ~~special revenue~~ general SPECIAL REVENUE fund ~~to the credit of the~~  
 17 ~~department of revenue. The department of revenue may spend from that account pay the expenses of~~  
 18 ~~collecting the tax in accordance with an expenditure appropriation by the legislature based on an estimate~~  
 19 ~~of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax~~  
 20 ~~proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a) through~~  
 21 ~~(1)(d), the department shall determine the expenditures by state agencies for in state lodging for each~~  
 22 ~~reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The~~  
 23 ~~amount deducted must be deposited in the general fund. The balance of the tax proceeds received each~~  
 24 ~~reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general~~  
 25 ~~fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state~~  
 26 ~~special revenue fund to the credit of the department of commerce for tourism promotion and promotion of~~  
 27 ~~the state as a location for the production of motion pictures and television commercials, to the Montana~~  
 28 ~~historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:~~

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

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

3 ~~(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state~~  
 4 ~~parks that have both resident and nonresident use, subject to 23-1-131; and~~

5 ~~(d) the balance of the proceeds as follows:~~

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

7 ~~(ii) except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional~~  
 8 ~~nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total~~  
 9 ~~proceeds collected statewide; and~~

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

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

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

22 ~~(4) The department of commerce may use general fund loans for efficient implementation of this~~  
 23 ~~section. BEFORE ALLOCATING THE TAX PROCEEDS IN ACCORDANCE WITH THE PROVISIONS OF~~  
 24 ~~15-1-501(6), THE DEPARTMENT OF REVENUE SHALL DETERMINE THE EXPENDITURES BY STATE~~  
 25 ~~AGENCIES FOR IN-STATE LODGING FOR EACH REPORTING PERIOD AND DEDUCT 4% OF THAT AMOUNT~~  
 26 ~~FROM THE TAX PROCEEDS RECEIVED EACH REPORTING PERIOD. THE AMOUNT DEDUCTED MUST BE~~  
 27 ~~DEPOSITED IN THE GENERAL FUND. THE BALANCE OF THE TAX PROCEEDS RECEIVED EACH REPORTING~~  
 28 ~~PERIOD AND NOT DEPOSITED IN THE GENERAL FUND MUST BE DEPOSITED IN THE STATE SPECIAL~~  
 29 ~~REVENUE ACCOUNT TO BE ALLOCATED BY THE LEGISLATURE FOR THE FOLLOWING:~~

30 ~~(1) TOURISM PROMOTION AND PROMOTION OF THE STATE AS A LOCATION FOR THE~~

1 PRODUCTION OF MOTION PICTURES AND TELEVISION COMMERCIALS;

2 (2) DISTRIBUTION TO REGIONAL NONPROFIT TOURISM CORPORATIONS;

3 (3) ESTABLISHMENT AND MAINTENANCE OF A MONTANA TRAVEL RESEARCH PROGRAM;

4 (4) MAINTENANCE OF FACILITIES IN STATE PARKS;

5 (5) INSTALLATION OR MAINTENANCE OF ROADSIDE HISTORICAL SIGNS AND HISTORIC SITES;

6 AND

7 (6) COLLECTION OF THE TAX."

8  
9 **Section 9.** Section 15-70-101, MCA, is amended to read:

10 **"15-70-101. Disposition of funds.** All taxes, ~~interest, and penalties~~ collected under this chapter,  
11 ~~except those collected by a justice's court,~~ must, in accordance with the provisions of 15-1-501(6), be  
12 placed in a highway revenue account in the state special revenue fund to the credit of the department of  
13 transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance  
14 with the provisions of 15-1-501(6), be paid by the department of transportation from the state special  
15 revenue fund to the cities, towns, and counties.

16 (1) The amount of \$16,766,000 of the funds taxes collected under this chapter, ~~except those~~  
17 ~~collected by a justice's court,~~ is statutorily appropriated, as provided in 17-7-502, to the department of  
18 transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated  
19 cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and  
20 city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

21 (a) The amount of \$54,000 must be designated for the purposes and functions of the Montana  
22 rural technical assistance transportation program in Bozeman<sub>2</sub>.

23 (b) The amount of \$6,323,000 must be divided among the various counties in the following  
24 manner:

25 (i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate  
26 system and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of  
27 the federal-aid interstate system and the federal-aid primary system;

28 (ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns  
29 bears to the total rural population in the state outside incorporated cities and towns;

30 (iii) 20% in the ratio that the land area of each county bears to the total land area of the state<sub>2</sub>.

1 (c) The amount of \$10,389,000 must be divided among the incorporated cities and towns in the  
2 following manner:

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

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

9 (2) All funds allocated by this section to counties, cities, and towns must be used for the  
10 construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or  
11 for the share that the city, town, or county might otherwise expend for proportionate matching of federal  
12 funds allocated for the construction of roads or streets that are part of the federal-aid primary or secondary  
13 highway system or urban extensions to those systems, except that the governing body of a town or  
14 third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated  
15 to that town or third-class city for the purchase of capital equipment and supplies to be used for the  
16 maintenance and repair of town or third-class city streets and alleys.

17 (3) All funds allocated by this section to counties, cities, and towns must be disbursed to the  
18 lowest responsible bidder according to applicable bidding procedures followed in all cases in which the  
19 contract for construction, reconstruction, maintenance, or repair is in excess of \$4,000.

20 (4) For the purposes of this section in which distribution of funds is made on a basis related to  
21 population, the population must be determined by the last preceding official federal census.

22 (5) For the purposes of this section in which determination of mileage is necessary for distribution  
23 of funds, it is the responsibility of the cities, towns, and counties to furnish to the department of  
24 transportation a yearly certified statement indicating the total mileage within their respective areas  
25 applicable to this chapter. All mileage submitted is subject to review and approval by the department of  
26 transportation.

27 (6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this  
28 section may not be used for the purchase of capital equipment.

29 (7) Funds authorized by this section must be used for construction and maintenance programs  
30 only."

1           **Section 10.** Section 15-70-102, MCA, is amended to read:

2           "**15-70-102. Allocation of funds -- participation in railroad grade crossing protection.** (1) The ~~sum~~  
3 ~~of \$100,000 amount determined necessary~~ may be allocated from the state special revenue fund, ~~state~~  
4 ~~highway revenue~~ account, ~~for the fiscal year ending June 30, 1973, and so much~~ for each succeeding  
5 fiscal year ~~as may be necessary to reimburse the fund~~ for expenditures and commitments made ~~and to~~  
6 ~~maintain the fund at \$100,000 at the beginning of each fiscal year thereafter,~~ for participation by the  
7 department of transportation with railroads in construction of railroad grade crossing protection on any  
8 public highway or road, except those designated on the interstate, primary, or urban systems within the  
9 state. The department of transportation shall select those grade crossings in the state ~~which that,~~ in the  
10 opinion of the department, are most in need of additional crossing protection and shall finance the cost  
11 ~~thereof of the improvements~~ solely from this fund.

12           (2) Signal protection provided under ~~the fund shall be~~ this section is limited to electric or automatic  
13 flashing lights or gates, depending on the amount and nature of the hazards present at the crossing, and  
14 participation in construction of ~~such~~ the signals shall must be on the same basis and under the same  
15 standards as are applicable and used in connection with protection of grade crossings on federal-aid roads  
16 within the state, ~~provided, however, the fund shall~~ The account may not be used for protection of grade  
17 crossings on the secondary system where the protection is considered necessary and when the cost ~~thereof~~  
18 is financed in part with federal-aid highway funds.

19           (3) In addition to the funds allocated, counties and cities may authorize the use of funds available  
20 to ~~said~~ counties and cities under the provisions of 15-70-101 for participation ~~of~~ in the installation in grade  
21 crossing protection within the county or city."

22  
23           NEW SECTION. **Section 11. Highway nonrestricted account.** There is a highway nonrestricted  
24 account in the state special revenue fund. All interest and penalties collected under this chapter, except  
25 those collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be placed in  
26 the highway nonrestricted account.

27  
28           **Section 12.** Section 15-71-104, MCA, is amended to read:  
29           "**15-71-104. Disposition of funds.** All taxes collected under this chapter must, in accordance with  
30 the provisions of 15-1-501(6), be placed in the highway revenue account, state special revenue fund, to

1 the credit of the department of transportation."

2

3 **Section 13.** Section 17-1-501, MCA, is amended to read:

4 **"17-1-501. Legislative findings.** (1) The legislature finds that provisions for dedicating state  
5 revenue and statutorily appropriating funds have increased in number, reduce legislative control over state  
6 spending, complicate the state funding structure, and increase the effort required to budget, appropriate,  
7 and monitor public funds. The dedication and statutory appropriation of funds ~~results~~ result in the inability  
8 of the legislature to practically and systematically conduct reasoned prioritization of programs or funds.

9 (2) It is the intent of the legislature, by establishing ~~a system~~ criteria for the review and evaluation  
10 of revenue dedication provisions, to ensure that provisions for revenue dedication:

11 (a) are based on sound principles of revenue dedication as described in [section 18];

12 (b) reflect present circumstances and legislative priorities for state spending; ~~and~~

13 (c) are terminated when they are no longer ~~are~~ necessary or appropriate; and

14 (d) are subject to the same legislative scrutiny as programs or activities funded from the general  
15 fund.

16 (3) It is the intent of the legislature, by establishing criteria for the review and evaluation of  
17 statutory appropriation provisions, to ensure that provisions with statutory appropriations:

18 (a) reflect present circumstances and legislative priorities for state spending;

19 (b) are terminated when they are no longer necessary or appropriate; and

20 (c) are subject to the same legislative scrutiny as other appropriations."

21

22 **Section 14.** Section 17-1-502, MCA, is amended to read:

23 **"17-1-502. Definitions.** As used in this part, unless the context requires otherwise, the following  
24 definitions apply:

25 (1) "Administrative costs" includes:

26 (a) personal services;

27 (b) operating expenses, such as travel, supplies, and communication costs; and

28 (c) capital expenses, such as equipment, building costs, and real property costs.

29 (2) (a) "Continuing and reliable source of revenue" means a revenue source for which an agency  
30 forecasts an annual level of collections based upon historical data and prepares a budget for expenditures

1 commensurate with the level of collections. Collections may not change significantly on an annual basis.

2 (b) The term does not include revenue:

3 (i) that an agency will receive only as a result of an occurrence that is not a routine part of agency  
4 operations;

5 (ii) that will vary significantly on an annual basis; or

6 (iii) that is unable to be included in the agency budget because of the erratic nature of receipt.

7 ~~(1)(3)~~ "Dedicated revenue provision" means an administrative or legislative action that allocates  
8 the revenue from a tax, fee, assessment, or other source to an account in the state special revenue fund  
9 as described in 17-2-102.

10 (4) "General revenue source" means a source of revenue not governed by established or implied  
11 restrictions based on the source or limited use of the revenue. The term includes taxes, interest earnings,  
12 investment earnings, fines, and forfeitures.

13 ~~(2)(5)~~ "State special revenue fund" means a fund in the state treasury consisting of money from  
14 state sources that is earmarked for the purposes of defraying particular costs of an agency, program, or  
15 function of state government, as provided in 17-2-102."

16  
17 **Section 15.** Section 17-1-503, MCA, is amended to read:

18 **"17-1-503. Transfer of fund balances to general fund.** ~~(1) On April 29, 1993, the~~ The balance  
19 remaining in each special revenue account terminated pursuant to legislative review must be deposited in  
20 the general fund.

21 (2) If the legislative finance committee concurs, the department may transfer the unobligated  
22 balance in a special revenue account to the general fund based upon the survey conducted pursuant to  
23 17-2-111."

24  
25 **Section 16.** Section 17-1-504, MCA, is amended to read:

26 **"17-1-504. Effect of termination.** (1) If the legislature has appropriated ~~the revenue from an~~  
27 ~~account provided for in 15-1-501, 20-9-343, and 31-1-602 terminated pursuant to legislative review~~  
28 REVENUE FROM SOURCES DE-EARMARKED BY THE LEGISLATURE, the appropriation is considered to  
29 have been made from the general fund.

30 (2) All assets, liabilities, and fund balances of accounts terminated ~~by 15-1-501, 20-9-343, and~~



1 ~~31-1-602 pursuant to legislative review~~ BY THE LEGISLATURE accrue to the general fund."

2

3 **Section 17.** Section 17-1-505, MCA, is amended to read:

4 **"17-1-505. ~~Legislative review and report~~ Review of dedicated revenue provisions.** (1) Each  
5 interim, the legislative finance committee shall review each dedicated revenue provision not exempted under  
6 subsection ~~(3)(4)~~ and ~~review statutory appropriations assigned by the legislature~~ the principles of revenue  
7 dedication set forth in [section 18] to ensure that legislative policy is clearly stated. The committee shall  
8 also carry out the review prescribed by subsection (4).

9 (2) ~~The review conducted by the committee must include an evaluation of the~~ legislature recognizes  
10 that dedicated revenue provision, based on whether its provisions are subject to review by:

11 (a) the office of budget and program planning in the development and implementation of the  
12 executive budget and analysis of legislation;

13 (b) the office of the legislative fiscal analyst in analyzing the executive budget;

14 (c) the legislative council in drafting legislation;

15 (d) the legislative auditor in auditing agencies; and

16 (e) the department of administration in performing the functions provided for in 17-2-106 and  
17 17-2-111.

18 (3) To avoid unnecessary use of dedicated revenue provisions, the entities listed in subsection (2)  
19 shall, in the course of current duties, consider the principles in [section 18] and the criteria listed in this  
20 subsection for each new or existing dedicated revenue provision. A dedicated revenue provision should  
21 not give a program or activity an unfair advantage for funding. The expenditures from a dedicated revenue  
22 provision must be based on requirements for meeting a legislatively established outcome. Statutorily  
23 mandated programs or activities funded through dedicated revenue provisions from general revenue sources  
24 must be reviewed to the same extent as programs or activities funded from the general fund. The use of  
25 a dedicated revenue provision may be justified if it satisfies one or more of the following:

26 (a) The program or activity funded provides direct benefits for those who pay the dedicated tax,  
27 fee, or assessment, and the tax, fee, or assessment is commensurate with the costs of the program or  
28 activity;

29 (b) The use of the dedicated revenue provision provides special information or other advantages  
30 that could not be obtained if the revenue were allocated to the general fund;

1 (c) ~~provides~~ The dedicated revenue provision provides program funding at a level equivalent to the  
2 expenditures established by the legislature;\_

3 (d) The dedicated revenue provision involves collection and allocation formulas that are appropriate  
4 to the present circumstances and current priorities in state government;\_

5 (e) ~~impairs~~ The dedicated revenue provision does not impair the legislature's ability to scrutinize  
6 budgets, control expenditures, and establish priorities for state spending;\_

7 (f) The dedicated revenue provision results in an ~~inappropriate~~ an appropriate projected ending fund  
8 balance;\_

9 (g) The dedicated revenue provision fulfills a continuing, legislatively recognized need;\_ ~~and~~ \_

10 (h) ~~results~~ The dedicated revenue provision does not result in accounting or auditing inefficiency.

11 ~~(3)(4)~~ (4) The committee shall establish procedures to facilitate ~~the~~ a biennial review and evaluation  
12 ~~required by this section of dedicated revenue provisions. Each interim, the committee shall attempt to~~  
13 ~~propose measures that will reduce dedicated revenue to an amount that is less than one third of all state~~  
14 ~~revenue.~~ If the review determines that the revenue dedication is constitutionally mandated, is for debt  
15 service, funds emergency services, or is a user fee that is designed to provide direct benefits for those who  
16 pay the dedicated tax, fee, or assessment in an amount commensurate with the benefits provided, the  
17 revenue dedication ~~does not need a~~ may be exempt from future review.

18 ~~(4)(5)~~ (5) Upon completion of the review, the committee shall report a summary of its findings to the  
19 legislature, including its recommendation of termination or extension, with or without modification, of the  
20 dedicated revenue provision. The summary must include the purpose of the revenue dedication, the source  
21 of funding, the activity funded, the number of personnel associated with the activity, and any balance in  
22 the dedicated revenue fund. The summary must state the reason why the revenue dedication is exempt  
23 from future review.

24 ~~(5) The committee shall review statutory appropriations to determine if the appropriation should~~  
25 ~~be made by a legislative appropriation. During the 1995 biennium, the committee shall review the statutory~~  
26 ~~appropriation of administrative costs in 75-11-313."~~

27  
28 **NEW SECTION. Section 18. Principles of revenue dedication.** (1) It is the policy of the legislature  
29 that a revenue source not be dedicated for a specific purpose unless one or more of the following  
30 conditions are met:

1 (a) The person or entity paying the tax, fee, or assessment is the direct beneficiary of the specific  
2 activity that is funded by the tax, fee, or assessment; the entire cost of the activity is paid by the  
3 beneficiary; and the tax, fee, or assessment paid is commensurate with the cost of the activity, including  
4 reasonable administrative costs.

5 (b) There is an expectation that funds donated by a person or entity will be used for a specified  
6 purpose. Grants from private or public entities are considered donations under this subsection.

7 (c) There is a legal basis for the revenue dedication. A legal basis is a constitutional mandate,  
8 federal mandate, or statutory requirement in which a source of funds is designated for a specific purpose.

9 (d) There is a recognized need for accountability through a separation of funding from the general  
10 fund consistent with generally accepted accounting principles.

11 (2) The total funding for a program is a legislative budget and policy issue for which a dedicated  
12 revenue provision may not be justified if:

13 (a) a general fund appropriation is needed to supplement the dedicated revenue support for the  
14 program or activity; or

15 (b) dedicating a revenue source or portion of a revenue source diverts funds that could be  
16 considered a general revenue source.

17 (3) In the consideration of the general appropriations act for each biennium, the legislature shall  
18 determine the appropriateness of dedicating revenue to a program or activity under conditions described  
19 in subsection (2). The office of budget and program planning shall describe the occurrence in its  
20 presentation of the executive budget, and the legislative fiscal analyst shall highlight the issue in the budget  
21 analysis and for the appropriations subcommittee considering the revenue dedication.

22

23 NEW SECTION. **Section 19. Review of statutory appropriations.** (1) Each interim, the legislative  
24 finance committee shall review the criteria set forth in subsection (4) to ensure that legislative policy is  
25 clearly stated concerning the use of statutory appropriations.

26 (2) Each biennium, the office of budget and program planning and the legislative fiscal analyst shall,  
27 in development and analysis of the executive budget, identify instances in which statutory appropriations  
28 in current law do not appear consistent with the criteria set forth in subsection (4).

29 (3) As part of each agency audit, the legislative auditor shall review statutory appropriations to the  
30 agency and report instances in which they do not appear consistent with the criteria set forth in subsection

1 (4).

2 (4) The review of statutory appropriations must determine whether a statutory appropriation meets  
3 the requirements of 17-1-505. A statutory appropriation from a continuing and reliable source of revenue  
4 may not be used to fund administrative costs.

5 (5) The office of budget and program planning shall, consistent with the review provisions in this  
6 section, review each piece of legislation that proposes to create or amend a statutory appropriation. Its  
7 findings concerning the statutory appropriation must be contained in the fiscal note accompanying that  
8 legislation.

9

10 **Section 20.** Section 17-2-111, MCA, is amended to read:

11 **"17-2-111. Review Survey of state special revenue accounts and proprietary accounts -- report**  
12 **-- transfer of funds.** (1) Each biennium, the department of administration shall ~~examine~~ conduct a survey  
13 of all state special revenue accounts and proprietary accounts as required by this section and report the  
14 findings and recommendations not exempt under 17-1-505 and coordinate with the legislative finance  
15 committee to provide information necessary to complete the review required by 17-1-505. The department  
16 shall provide the survey information to the legislative finance committee not later than June February 1 of  
17 the year preceding a regular session of the legislature.

18 ~~(2) The department shall examine restrictions against the transfer of unobligated balances in state~~  
19 ~~special revenue accounts to the general fund. If such restrictions are considered unnecessary by the~~  
20 ~~department and if they may be eliminated by administrative action, the department shall to the fullest extent~~  
21 ~~possible eliminate such restrictions and require the transfer of unobligated balances in the accounts to be~~  
22 ~~made to the general fund, either on an annual or biennial basis. If administrative action is unavailable, the~~  
23 ~~department shall make recommendations for legislative action.~~

24 ~~(3) The department shall examine all state special revenue accounts and proprietary accounts to~~  
25 ~~determine if they should continue to exist or be eliminated or modified to provide better program operation~~  
26 ~~or fiscal control. In conducting the examination, the department shall consider whether an account:~~

27 ~~(a) is accurately classified as a state special revenue account or proprietary account;~~

28 ~~(b) is required by the Montana constitution or by statute;~~

29 ~~(c) operates in compliance with the statutes that established the program;~~

30 ~~(d) receives an amount of revenue that is equal to or close to the expenditure required for the~~

1 activity funded by the account;  
 2 (e) ~~allows the funded program to operate without supplemental general funds; and~~  
 3 (f) ~~has any restrictions against the transfer of unobligated balances in the account to the general~~  
 4 ~~fund."~~

5  
 6 **Section 21.** Section 17-5-704, MCA, is amended to read:

7 "17-5-704. **Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
 8 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
 9 contingency loan fund must be invested in accordance with the investment standards for coal severance  
 10 tax funds. Income and earnings from all funds ~~are statutorily appropriated, as provided in 17-7-502, as~~  
 11 ~~follows:~~

12 (1) ~~15% to the state equalization aid account; and~~  
 13 (2) ~~85% to~~ must be deposited in the state general fund."

14  
 15 **Section 22.** Section 17-6-409, MCA, is amended to read:

16 "17-6-409. **Authority to accept funds** ~~-- statutory appropriation --~~ **funding authorization.** (1) The  
 17 department may accept grants, donations, and other private and public income, including payments of  
 18 interest on loans made by the department under the provisions of this part and fees charged by the  
 19 department. The department shall deposit all money received under this section in the microbusiness  
 20 finance program administrative account established in 17-6-407.

21 (2) The money in the microbusiness finance program administrative account ~~is statutorily~~  
 22 ~~appropriated to the department, as provided in 17-7-502,~~ may be appropriated for the purposes stated in  
 23 this part."

24  
 25 **Section 23.** Section 17-7-502, MCA, is amended to read:

26 "17-7-502. **Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
 27 appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
 28 without the need for a biennial legislative appropriation or budget amendment.

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

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

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

4 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
5 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;  
6 ~~15-25-123~~; 15-31-702; 15-36-112; 15-37-117; 15-38-202; ~~15-65-121~~; 15-70-101; 16-1-404; 16-1-410;  
7 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~; 17-5-804; 17-6-101; 17-6-201; ~~17-6-409~~;  
8 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;  
9 19-18-606; 19-19-205; 19-19-305; 19-19-506; ~~20-4-109~~; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;  
10 ~~23-2-823~~; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;  
11 ~~27-12-206~~; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;  
12 ~~44-12-206~~; 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; ~~61-2-107~~;  
13 67-3-205; 75-1-1101; ~~75-5-507~~; 75-5-1108; 75-11-313; 76-12-123; ~~77-1-808~~; 80-2-103; 80-2-222;  
14 80-4-416; ~~80-11-310~~; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215;  
15 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

16 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
17 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
18 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
19 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
20 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
21 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
22 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
23 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
24 July 1, 1995.)"

25

26 **Section 24.** Section 19-8-504, MCA, is amended to read:

27 "**19-8-504. State's contribution.** ~~(1)~~ To fund the employer's portion of the normal cost of benefits  
28 under this chapter, each month the state treasurer shall pay to the pension trust fund:

29 ~~(1)~~ out of the department of fish, wildlife, and parks funds, a sum equal to 7.15% of all  
30 members' salaries; and

1           ~~(b)(2)~~ out of the funds collected as fines and forfeited bonds under the provisions of 87-1-601(1)  
2 through (5) ~~or funds distributed under 3-10-601(4)~~, an amount equal to 1% of all members' salaries.

3           ~~(2) In addition to the contributions provided in subsection (1), the state treasurer shall pay to the~~  
4 ~~pension trust fund the balance of the funds distributed to the fish and game account pursuant to 3-10-601~~  
5 ~~until the unfunded liability in the pension trust fund is fully paid and a verification statement to that effect~~  
6 ~~is given to the state treasurer by the board."~~

7  
8           **Section 25.** Section 20-4-109, MCA, is amended to read:

9           **"20-4-109. Fees for teacher and specialist certificates.** (1) A person applying for the issuance or  
10 renewal of a teacher or specialist certificate shall pay a fee not to exceed \$6 for each school fiscal year that  
11 the certificate is valid. In addition to this fee, a person who has never held any class of Montana teacher  
12 or specialist certificate or for whom an emergency authorization of employment has never been issued shall  
13 pay a filing fee of \$6. The fees must be paid to the superintendent of public instruction, who shall deposit  
14 the fees with the state treasurer to the credit of the state special revenue fund account, created in  
15 subsection (2), to be used in the following manner:

16           (a) \$3 for expenses of the certification standards and practices advisory council created in  
17 2-15-1522;

18           (b) \$3 to the board of public education to be used by the certification standards and practices  
19 advisory council for research in accordance with the duties of the council provided for in 20-4-133.

20           (2) There is an account in the state special revenue fund. Money from fees for teacher or specialist  
21 certificates required in subsection (1) must be deposited in the account. ~~The money in the account to be~~  
22 ~~used for the purposes of subsection (1)(b) is statutorily appropriated, as provided in 17-7-502, to the board~~  
23 ~~of public education for use by the certification standards and practices advisory council."~~

24  
25           **Section 26.** Section 20-5-324, MCA, is amended to read:

26           **"20-5-324. Tuition report and payment provisions.** (1) At the close of the school term of each  
27 school fiscal year and before July 15, the trustees of a district shall report to the county superintendent:

28           (a) the name and district of residence of each child who is attending a school of the district under  
29 an approved mandatory out-of-district attendance agreement;

30           (b) the number of days of enrollment for each child reported under the provisions of subsection

1 (1)(a);

2 (c) the annual tuition rate for each child's tuition payment, as determined under the provisions of  
3 20-5-323, and the tuition cost for each reported child; and

4 (d) the names, districts of attendance, and amount of tuition to be paid by the district for resident  
5 students attending public schools out of state.

6 (2) The county superintendent shall send, as soon as practicable, the reported information to the  
7 county superintendent of the county in which a reported child resides.

8 (3) Before July 30, the county superintendent shall report the information in subsection (1)(d) to  
9 the superintendent of public instruction, who shall determine the total ~~foundation~~ BASE aid amount  
10 PER-ANB ENTITLEMENT for which the district would be eligible if the student were enrolled in the resident  
11 district. The reimbursement amount is the difference between the actual amount paid and the amount  
12 calculated in this subsection.

13 (4) Notwithstanding the requirements of subsection (5), tuition payment provisions for  
14 out-of-district placement of students with disabilities must be determined pursuant to Title 20, chapter 7,  
15 part 4.

16 (5) Except as provided in subsection (6), when a child has approval to attend a school outside the  
17 child's district of residence under the provisions of 20-5-320 or 20-5-321, the district of residence shall  
18 finance the tuition amount from the district tuition fund and any transportation amount from the  
19 transportation fund.

20 (6) When a child has mandatory approval under the provisions of 20-5-321, the tuition and  
21 transportation obligation for an elementary school child attending a school outside of the child's county of  
22 residence must be financed by the county basic tax for elementary districts, as provided in 20-9-331, for  
23 the child's county of residence or for a high school child attending a school outside the county of residence  
24 by the county basic tax for high school districts, as provided in 20-9-333, for the child's county of  
25 residence.

26 (7) By December 31 of the school fiscal year, the county superintendent or the trustees shall pay  
27 at least one-half of any tuition and transportation obligation established under this section out of the money  
28 realized to date from the appropriate basic county tax account provided for in 20-9-334 or from the district  
29 tuition or transportation fund. The remaining tuition and transportation obligation must be paid by June  
30 15 of the school fiscal year. The payments must be made to the county treasurer in each county with a



1 school district that is entitled to tuition and transportation. Except as provided in subsection (9), the county  
 2 treasurer shall credit tuition receipts to the general fund of a school district entitled to a tuition payment.  
 3 The tuition receipts must be used in accordance with the provisions of 20-9-141. The county treasurer  
 4 shall credit transportation receipts to the transportation fund of a school district entitled to a transportation  
 5 payment.

6 (8) The superintendent of public instruction shall reimburse the district of residence ~~from the state~~  
 7 ~~equalization account~~ for the foundation BASE aid amount PER-ANB ENTITLEMENT determined in subsection  
 8 (3).

9 (9) (a) Any tuition receipts received under the provisions of Title 20, chapter 7, part 4, or  
 10 20-5-323(3) for the current school fiscal year that exceed the tuition receipts of the prior year may be  
 11 deposited in the district miscellaneous programs fund and must be used for that year in the manner  
 12 provided for in 20-9-507 to support the costs of the program for which the tuition was received.

13 (b) Any other tuition receipts received for the current school fiscal year that exceed the tuition  
 14 receipts of the prior year may be deposited in the district miscellaneous programs fund and may be used  
 15 for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must  
 16 be credited to the district general fund budget."  
 17

18 **Section 27.** Section 20-7-420, MCA, is amended to read:

19 **"20-7-420. Residency requirements -- financial responsibility for special education.** (1) In  
 20 accordance with the provisions of 1-1-215, a child's district of residence for special education purposes  
 21 is the residence of the child's parents or of the child's guardian if the parents are deceased, unless  
 22 otherwise determined by the court. This applies to a child living at home, in an institution, or under foster  
 23 care. If the parent has left the state, the parent's ~~last-known~~ last-known district of residence is the child's  
 24 district of residence.

25 (2) The county of residence is financially responsible for tuition and transportation as established  
 26 under 20-5-323 for a child with disabilities, as defined in 20-7-401, including a child who has been placed  
 27 by a state agency in a foster care or group home licensed by the state. The county of residence is not  
 28 financially responsible for tuition and transportation for a child with disabilities who is placed by a state  
 29 agency in an out-of-state public school or an out-of-state private residential facility.

30 (3) If an eligible child, as defined in 20-7-436, is receiving inpatient treatment in an in-state

1 residential treatment facility or children's psychiatric hospital, as defined in 20-7-436, and the educational  
 2 services are provided by a public school district under the provisions of 20-7-411 or 20-7-435, the  
 3 superintendent of public instruction shall reimburse the district providing the services for the negotiated  
 4 amount, as established pursuant to 20-7-435(5), that represents the district's costs of providing education  
 5 and related services. Payments must be made from funds appropriated for this purpose. If the negotiated  
 6 amount exceeds the daily membership rate under 20-7-435(3) and any per-ANB amount of direct state aid,  
 7 the superintendent of public instruction shall pay the remaining balance from ~~the state equalization aid~~  
 8 ~~account~~ available funds. However, the amount spent from ~~the state equalization aid account~~ available  
 9 funds for this purpose may not exceed \$500,000 during any biennium.

10 (4) Under the provisions of 20-7-422(3), the superintendent of public instruction shall provide funds  
 11 for the education fees required to provide a free appropriate public education for a child with disabilities  
 12 who is in need of special education and related services and is placed by a state agency in an out-of-state  
 13 private residential facility or out-of-state public school, provided that, in determining the special education  
 14 services needed for the child with disabilities, the district of residence has complied with the rules  
 15 promulgated under 20-7-402.

16 (5) A state agency that makes a placement of a child with disabilities is responsible for the financial  
 17 costs of room and board and the treatment of the child."

18  
 19 **Section 28.** Section 20-7-504, MCA, is amended to read:

20 **"20-7-504. State traffic education account -- proceeds earmarked for the account.** (1) There is  
 21 a traffic education account in the treasury of the state of Montana.

22 (2) ~~Money paid into the account pursuant to 3-10-601 must be distributed to approved traffic~~  
 23 ~~education courses as provided in 20-7-506.~~

24 ~~(3)~~ Money collected and accrued from motorcycle safety training courses, designated grants, and  
 25 motorcycle registration fees or an amount equal to that amount must be deposited in the state traffic  
 26 education account as provided in 20-7-513 and 20-7-514 and must be available to support only approved  
 27 motorcycle safety training courses, appropriate motorcycle safety instructor training, and other related  
 28 motorcycle safety training activities."

29  
 30 **Section 29.** Section 20-7-605, MCA, is amended to read:

1           **"20-7-605. Notification and processing of complaint against a licensed textbook dealer.** (1) A  
 2 district or county superintendent shall notify the superintendent of public instruction whenever it is  
 3 ascertained that a licensed textbook dealer is:

4           (a) offering to sell textbooks at a higher price than the listed uniform sales price filed with the  
 5 superintendent of public instruction;

6           (b) offering to sell textbooks at a higher shipping point price than the shipping point price of the  
 7 same textbooks distributed elsewhere in the United States; or

8           (c) in any other way performing contrary to the laws regulating the offering of textbooks for sale  
 9 or adoption to districts.

10           (2) Upon receipt of such notification from the district or county superintendent, the superintendent  
 11 of public instruction shall notify the appropriate licensed textbook dealer of the complaint. If the  
 12 superintendent of public instruction finds that the licensed textbook dealer has violated any provision of  
 13 this section and the dealer fails to rectify ~~his~~ the error within 30 days of the notification of the finding of  
 14 a violation, ~~he~~ the dealer shall forfeit ~~his~~ the dealer's surety bond. The attorney general, upon written  
 15 request of the superintendent of public instruction, shall proceed to collect by legal action the full amount  
 16 of the surety bond. Any amount ~~so~~ recovered ~~shall~~ must be paid into the state ~~public school equalization~~  
 17 ~~aid account~~ general fund."

18  
 19           **Section 30.** Section 20-9-166, MCA, is amended to read:

20           **"20-9-166. State financial aid for budget amendments.** Whenever a final budget amendment has  
 21 been adopted for the general fund or the transportation fund to finance the cost of an amendment resulting  
 22 from increased enrollment, the trustees may apply to the superintendent of public instruction for an  
 23 increased payment from the state ~~public school equalization aid account~~ for the BASE funding program or  
 24 for state transportation reimbursement, or both. The superintendent of public instruction shall adopt rules  
 25 for the application. The superintendent of public instruction shall approve or disapprove each application  
 26 for increased state aid made in accordance with 20-9-314 and this section. When the superintendent of  
 27 public instruction approves an application, the superintendent of public instruction shall determine the  
 28 additional amount of state aid from the state ~~public school equalization aid account~~ or the state  
 29 transportation reimbursement that will be made available to the applicant district because of the increase  
 30 in enrollment. The superintendent of public instruction shall notify the applicant district of the

1 superintendent's approval or disapproval and, in the event of approval, the amount of additional state aid  
 2 that will be made available for the general fund or the transportation fund. The superintendent of public  
 3 instruction shall disburse the state aid to the eligible district at the time the next regular state aid payment  
 4 is made."

5  
 6 **Section 31.** Section 20-9-331, MCA, is amended to read:

7 **"20-9-331. Basic county tax and other ~~revenues~~ revenue for county equalization of the elementary**  
 8 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
 9 tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for  
 10 property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and  
 11 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
 12 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
 13 districts in the county and to the state ~~special revenue~~ general fund, ~~state equalization aid account~~, in the  
 14 following manner:

15 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
 16 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE  
 17 funding programs of all elementary districts of the county.

18 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
 19 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
 20 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account~~,  
 21 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
 22 remittance due no later than June 20 of the fiscal year for which the levy has been set.

23 (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
 24 revenue from the following sources must be used for the equalization of the elementary BASE funding  
 25 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
 26 by the county treasurer in accordance with 20-9-212(1):

27 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
 28 the common school fund under the provisions of 17-3-222;

29 (b) the portion of the federal flood control act funds distributed to a county and designated for  
 30 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

1 (c) all money paid into the county treasury as a result of fines for violations of law, except money  
2 paid to a justice's court, and the use of which is not otherwise specified by law;

3 (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
4 treasurer's accounts for the various sources of revenue established or referred to in this section;

5 (e) any federal or state money distributed to the county as payment in lieu of property taxation,  
6 including federal forest reserve funds allocated under the provisions of 17-3-213;

7 (f) gross proceeds taxes from coal under 15-23-703;

8 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
9 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
10 production occurring after December 31, 1988; and

11 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
12 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

13  
14 **Section 32.** Section 20-9-333, MCA, is amended to read:

15 **"20-9-333. Basic special levy and other revenues revenue for county equalization of high school**  
16 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
17 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
18 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
19 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue  
20 collected from this levy must be apportioned to the support of the BASE funding programs of high school  
21 districts in the county and to the state ~~special revenue general~~ fund, ~~state equalization aid account~~, in the  
22 following manner:

23 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
24 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
25 county's high school tuition obligation and the total of the BASE funding programs of all high school  
26 districts of the county.

27 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
28 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
29 to the state treasurer for deposit to the state ~~special revenue general~~ fund, ~~state equalization aid account~~,  
30 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final

1 remittance due no later than June 20 of the fiscal year for which the levy has been set.

2 (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
3 revenue from the following sources must be used for the equalization of the high school BASE funding  
4 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
5 by the county treasurer in accordance with 20-9-212(1):

6 (a) any money remaining at the end of the immediately preceding school fiscal year in the county  
7 treasurer's accounts for the various sources of revenue established in this section;

8 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
9 including federal forest reserve funds allocated under the provisions of 17-3-213;

10 (c) gross proceeds taxes from coal under 15-23-703;

11 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
12 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
13 production occurring after December 31, 1988; and

14 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
15 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

16

17 **Section 33.** Section 20-9-342, MCA, is amended to read:

18 "**20-9-342. Deposit of interest and income ~~moneys~~ money by state board of land commissioners.**

19 The state board of land commissioners shall annually deposit the interest and income ~~moneys~~ money for  
20 each calendar year into the state ~~special revenue~~ general fund for state equalization aid, ~~provided for by~~  
21 ~~20-9-343~~, by the last business day of February following the calendar year in which the ~~moneys were~~  
22 money was received."

23

24 **Section 34.** Section 20-9-343, MCA, is amended to read:

25 "**20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term  
26 "state equalization aid" means ~~the account in the state special revenue fund that receives~~ revenue as  
27 required in this section ~~plus any legislative appropriation of money from other sources~~ for:

28 (a) distribution to the public schools for the purposes of payment of systems development and  
29 other related costs resulting from the enactment of legislation that requires changes to the automated  
30 system used to administer the BASE funding program, guaranteed tax base aid, BASE aid, state

1 reimbursement for school facilities, and matching funds for the systemic initiative for Montana mathematics  
2 and science grant;

3 (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 per biennium; and

4 (c) the Montana educational telecommunications network as provided in 20-32-101.

5 (2) The superintendent of public instruction may spend throughout the biennium funds appropriated  
6 ~~from the state equalization aid account as required~~ for the purposes of systems development and other  
7 related costs resulting from the enactment of legislation that requires changes to the automated system  
8 used to administer the BASE funding program, guaranteed tax base aid, BASE aid for the BASE funding  
9 program, state reimbursement for school facilities, negotiated payments authorized under 20-7-420(3), and  
10 the Montana educational telecommunications network, ~~throughout the biennium, and for the biennium~~  
11 ~~beginning July 1, 1993, equipment purchases that qualify as the state match for the systemic initiative for~~  
12 ~~Montana mathematics and science grant.~~

13 (3) The following must be paid into the state ~~equalization aid account~~ general fund for the public  
14 schools of the state:

15 (a) ~~money allocated to state equalization from the collection of the severance tax on coal;~~

16 (b) ~~money received from the treasurer of the United States as the state's shares of oil, gas, and~~  
17 ~~other mineral royalties under the federal Mineral Lands Leasing Act, as amended;~~

18 (c) ~~interest and income money described in 20-9-341 and 20-9-342;~~

19 (d) ~~money received from the state equalization aid levy under 20-9-360;~~

20 (e) ~~income from the lottery, as provided in 23-7-402;~~

21 (f) ~~the surplus revenues collected by the counties for BASE funding program support according to~~  
22 ~~20-9-331 and 20-9-333; and~~

23 (g)(b) ~~investment income earned by investing money in the state equalization aid account in the~~  
24 ~~state special revenue fund~~ interest and income money described in 20-9-341 and 20-9-342.

25 (4) ~~The superintendent of public instruction shall request the board of investments to invest the~~  
26 ~~money in the state equalization aid account to maximize investment earnings to the account.~~

27 (5) ~~Any surplus revenue in the state equalization aid account at the end of a fiscal year must be~~  
28 ~~transferred to the general fund."~~

29

30 **Section 35.** Section 20-9-346, MCA, is amended to read:

1           **"20-9-346. Duties of superintendent of public instruction for state and county equalization aid**  
2 **distribution.** The superintendent of public instruction shall administer the distribution of the state and  
3 county equalization aid by:

4           (1) establishing the annual entitlement of each district and county to state and county equalization  
5 aid, based on the data reported in the retirement and general fund budgets for each district that have been  
6 duly adopted for the current school fiscal year and verified by the superintendent of public instruction;

7           (2) for the purposes of state reimbursements for school facilities, limiting the distribution ~~from the~~  
8 ~~state equalization aid account to no more than \$1 million for the school fiscal year ending June 30, 1994,~~  
9 ~~and~~ to no more than \$2 million for the biennium ending June 30, 1995, to the districts that are eligible  
10 under the provisions of 20-9-366 through 20-9-371 by:

11           (a) determining by May 1 of each school fiscal year the number of mills levied in each district for  
12 debt service on bonds that were issued as provided in 20-9-370(2)(b)(i) or (2)(b)(ii) and that qualify for  
13 guaranteed tax base aid under the provisions of 20-9-366 through 20-9-369 and 20-9-370;

14           (b) based on the limitation of state equalization aid available for debt service purposes in this  
15 subsection (2), determining the percentage of state equalization aid that each eligible district must receive  
16 for the school fiscal year;

17           (c) distributing that amount to each eligible district for reducing the property tax for the debt  
18 service fund for the ensuing school fiscal year; and

19           (d) at the end of the school fiscal year ending June 30, 1994, determining whether there is an  
20 unused portion of the amount of state equalization aid appropriated in this subsection (2) to be carried into  
21 the next school fiscal year for the purposes of this subsection (2).

22           (3) distributing by electronic transfer the BASE aid and state advances for county equalization, for  
23 each district or county entitled to the aid, to the county treasurer of the respective county for county  
24 equalization or to the county treasurer of the county where the district is located for BASE aid, in  
25 accordance with the distribution ordered by the board of public education;

26           (4) keeping a record of the full and complete data concerning money available for state equalization  
27 aid, state advances for county equalization, and the entitlements for BASE aid of the districts of the state;

28           (5) reporting to the board of public education the estimated amount that will be available for state  
29 equalization aid; and

30           (6) reporting to the office of budget and program planning as provided in 17-7-111:



- 1 (a) the figures and data available concerning distributions of state and county equalization aid  
 2 during the preceding 2 school fiscal years;  
 3 (b) the amount of state equalization aid then available;  
 4 (c) the apportionment made of the available money but not yet distributed;  
 5 (d) the latest estimate of accruals of money available for state equalization aid; and  
 6 (e) the amount of state advances and repayment for county equalization."

7

8 **Section 36.** Section 20-9-360, MCA, is amended to read:

9 "20-9-360. **State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
 10 commissioners of each county on all taxable property within the state, except property for which a tax or  
 11 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as  
 12 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be  
 13 deposited to the credit of the state ~~special revenue~~ general fund for state equalization aid to the public  
 14 schools of Montana.

15 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
 16 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall  
 17 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
 18 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
 19 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference  
 20 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
 21 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
 22 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
 23 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
 24 installments on December 31 and June 30 of the fiscal year."

25

26 **Section 37.** Section 20-9-361, MCA, is amended to read:

27 "20-9-361. **State and county equalization revenue -- statutory appropriation.** (1) Revenue received  
 28 in support of ~~state and county equalization~~ under the provisions of 20-9-331, and 20-9-333, ~~and 20-9-343~~  
 29 ~~is statutorily appropriated, as provided in 17-7-502, to:~~

30 (1) ~~the superintendent of public instruction~~ to be used for county equalization ~~and state equalization~~

1 aid for the public schools, as provided by law, and must be accounted for in accordance with generally  
2 accepted accounting principles; ~~and,~~

3 (2) Revenue received from the state equalization aid levy for a municipality that created an urban  
4 renewal area and adopted a tax increment financing provision for the urban renewal area prior to July 1,  
5 1990, is statutorily appropriated, as provided in 17-7-502, to counties be distributed as provided in  
6 20-9-360(2)."

7

8 **Section 38.** Section 23-2-507, MCA, is amended to read:

9 **"23-2-507. Penalty.** (1) Violations of any section of this part, except 23-2-526(3), unless  
10 otherwise specified ~~shall be~~ are a misdemeanor and shall be punishable by a fine of not less than \$15 or  
11 more than \$500 or ~~by~~ imprisonment up to 6 months, ~~or by both such fine and imprisonment.~~ All fine and  
12 bond forfeitures, except those paid to a justice's court, ~~shall~~ must be transmitted to the state treasurer,  
13 who shall deposit ~~such~~ the fines and forfeitures in the ~~motorboat account of a special revenue~~ general fund.  
14 ~~The moneys shall be used only by the department may use appropriations for enforcement of this part, as~~  
15 ~~amended.~~

16 (2) If 23-2-525(4) is violated, 46-18-241 through 46-18-249 apply, except that the sentencing  
17 court shall order restitution and shall do so regardless of the court's disposition of the violator."

18

19 **Section 39.** Section 23-2-644, MCA, is amended to read:

20 **"23-2-644. Use DEPOSIT of funds from fines and forfeitures.** All fines and forfeitures collected  
21 under 23-2-601 through 23-2-644 relating to snowmobiles, except those collected by a justice's court, ~~shall~~  
22 must be transmitted to the state treasurer, who shall deposit ~~such~~ the fines and forfeitures in the state  
23 ~~special revenue~~ general fund, ~~to the credit of the~~ The department to be used only may use appropriations  
24 ~~for snowmobile safety and education."~~

25

26 **Section 40.** Section 23-2-807, MCA, is amended to read:

27 **"23-2-807. Penalty -- disposition.** (1) The failure to display a current decal indicating that the fee  
28 in lieu of tax, registration fees, decal fees, and, when applicable, taxes on licensed vehicles have been paid  
29 on the off-highway vehicle for the current year as provided in 23-2-804 is a misdemeanor punishable by  
30 a fine of \$50.

1           (2) All fines collected under this section must be transmitted to the state treasurer, who shall  
2 deposit the money in the ~~account created under 23-2-804(3)~~ state general fund. ~~Fifty percent of this~~  
3 ~~money and the interest earned on it must be used for off-highway vehicle safety and education. The~~  
4 ~~remaining 50% of the money and the interest earned on it must be used for enforcement."~~

5

6           **Section 41.** Section 23-2-823, MCA, is amended to read:

7           "**23-2-823. Off-highway vehicle safety education training program —appropriation.** (1) There is  
8 an off-highway vehicle safety education training program. ~~Beginning October 1, 1994, the~~ The department  
9 of fish, wildlife, and parks shall coordinate the program as funds are available.

10           (2) ~~Beginning October 1, 1994, the~~ The department of justice shall transfer to the department of  
11 fish, wildlife, and parks all money available for the program under 23 U.S.C. 402.

12           (3) There is an account in the federal special revenue fund in which all money received for the  
13 administration of the off-highway vehicle safety education training program must be deposited. ~~The money~~  
14 ~~in the account is statutorily appropriated, as provided in 17-7-502, to the department of fish, wildlife, and~~  
15 ~~parks for the administration of the program."~~

16

17           **Section 42.** Section 23-4-202, MCA, is amended to read:

18           "**23-4-202. Penalty for violations of law -- authority of board -- judicial review.** (1) A person  
19 holding a race meet or an owner, trainer, or jockey participating in a race meet, without first being licensed  
20 under this chapter, ~~and~~ or a person violating this chapter is guilty of a misdemeanor.

21           (2) The board or, upon the board's authorization, the board of stewards of a race meet at which  
22 they officiate may exclude from racecourses in this state a person whom the board considers detrimental  
23 to the best interest of racing as defined by rules of the board.

24           (3) As its own formal act or through an act of a board of stewards of a race meet, the board may  
25 suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed  
26 \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the  
27 board. In addition to the suspension or revocation and fine, the board may forbid application for relicensure  
28 for a 2-year period. Fines collected under this subsection must be deposited in the general fund.

29           (4) The board shall promulgate rules implementing this chapter, including the right to a hearing for  
30 individuals against whom action is taken or proposed ~~herein~~ under this chapter. The rules may include

1 provisions for the following:

2 (a) summary imposition of penalty by the stewards of a race meet, including a fine and license  
3 suspension, subject to review under the contested case provisions of the Montana Administrative Procedure  
4 Act;

5 (b) stay of a summary imposition of penalty by either the board or board of stewards;

6 (c) retention of purses pending final disposition of complaints, protests, or appeals of stewards'  
7 rulings;

8 (d) setting aside of up to 2% of exotic wagering on races, including simulcast races, to be used  
9 as a bonus for owners pursuant to 23-4-304(2), ~~and up to~~ Up to 30% of the amount set aside may be used  
10 to defray administrative costs ~~which shall be~~ in addition to the 20% already withheld under 23-4-302;

11 (e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all  
12 purses except stakes races;

13 (f) assessment of penalty and interest on the late payment of fines, which must be paid before  
14 licenses are reinstated;

15 (g) definition of exotic forms of wagering on races to be allowed;

16 (h) standards for simulcast facilities; and

17 (i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast  
18 races.

19 (5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial  
20 review of cases arising under this chapter."

21

22 **Section 43.** Section 23-7-202, MCA, is amended to read:

23 **"23-7-202. Powers and duties of commission.** The commission shall:

24 (1) establish and operate a state lottery and may not become involved in any other gambling or  
25 gaming;

26 (2) determine policies for the operation of the state lottery, supervise the director and ~~his~~ the staff,  
27 and meet with the director at least once every 3 months to make and consider recommendations, set  
28 policies, determine types and forms of lottery games to be operated by the state lottery, and transact other  
29 necessary business;

30 (3) maximize the net revenue paid to the ~~superintendent of public instruction~~ state and to the board

1 of crime control under 23-7-402 and ensure that all policies and rules adopted further revenue  
2 maximization;

3 (4) subject to 23-7-402(1), determine the percentage of the money paid for tickets or chances to  
4 be paid out as prizes;

5 (5) determine the price of each ticket or chance and the number and size of prizes;

6 (6) provide for the conduct of drawings of winners of lottery games;

7 (7) carry out, with the director, a continuing study of the state lotteries of Montana and other  
8 states to make the state lottery more efficient, profitable, and secure from violations of the law;

9 (8) study and may enter into agreements with other lottery states to offer lottery games;

10 (9) prepare quarterly and annual reports on all aspects of the operation of the state lottery,  
11 including but not limited to types of games, gross revenue, prize money paid, operating expenses, net  
12 revenue to the state, contracts with gaming suppliers, and recommendations for changes to this part, and  
13 deliver a copy of each report to the governor, the department of administration, the legislative auditor, the  
14 president of the senate, the speaker of the house of representatives, and each member of the appropriate  
15 committee of each house of the legislature as determined by the president of the senate and the speaker  
16 of the house; and

17 (10) adopt rules relating to lottery staff sales incentives or bonuses and sales agents' commissions  
18 and any other rules necessary to carry out this part."

19

20 **Section 44.** Section 23-7-402, MCA, is amended to read:

21 **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or  
22 chances must be paid out as prize money. The prize money is statutorily appropriated, as provided in  
23 17-7-502, to the lottery.

24 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating  
25 expense.

26 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
27 expenses, together with the interest earned on the gross revenue while the gross revenue is in the  
28 enterprise fund, is net revenue. Except for the amount required to be paid under subsection (5), net  
29 revenue must be ~~paid~~ transferred quarterly from the enterprise fund established by 23-7-401 to the  
30 ~~superintendent of public instruction state general fund for distribution as state equalization aid to the public~~

1 ~~schools of Montana as provided in 20-9-343. The net revenue is statutorily appropriated, as provided in~~  
 2 ~~17-7-502, to the superintendent of public instruction.~~

3 (4) The spending authority of the lottery may be increased in accordance with this section upon  
 4 review and approval of a revised operation plan by the ~~budget office~~ of budget and program planning.

5 (5) (a) An amount equal to 9.1% of the net revenue derived under subsection (3), but not to  
 6 exceed \$1 million in any fiscal year, must be paid to the board of crime control.

7 (b) All money paid to the board of crime control under this subsection (5) must be used to fund  
 8 state grants to counties for youth detention services and to cover the costs of administering the grant  
 9 program as authorized in 41-5-1002. The grants are statutorily appropriated, as provided in 17-7-502, to  
 10 the board of crime control. The costs of administering the grant program must be paid pursuant to a  
 11 legislative appropriation."

12

13 **Section 45.** Section 27-12-206, MCA, is amended to read:

14 **"27-12-206. Funding.** (1) There is an account in the state special revenue fund. Money from the  
 15 assessments levied under this section must be deposited in the account. ~~The money in the account is~~  
 16 ~~statutorily appropriated, as provided in 17-7-502, to the director to be used to administer this chapter.~~

17 (2) For each fiscal year, beginning July 1, an annual assessment is levied on all chiropractic  
 18 physicians. The amount of the assessment must be annually set by the director and equally assessed  
 19 against all chiropractic physicians. A fund surplus at the end of a fiscal year, not required for the  
 20 administration of this chapter, must be retained ~~by the director~~ in the account and used to finance the  
 21 administration of this chapter during the next fiscal year, in which event the director shall reduce the next  
 22 annual assessment to an amount estimated to be necessary for the proper administration of this chapter  
 23 during that fiscal year.

24 (3) The annual assessment must be paid on or before the date the chiropractic physician's annual  
 25 renewal fee under 37-12-307 is due. An unpaid assessment bears a late charge fee of \$25. The late  
 26 charge fee is part of the annual assessment. The director has the same powers and duties in connection  
 27 with the collection of and failure to pay the annual assessment as the department of commerce has under  
 28 37-12-307 with regard to a chiropractic physician's annual license fee."

29

30 **Section 46.** Section 39-71-2501, MCA, is amended to read:

1           **"39-71-2501. Definitions.** As used in this part, the following definitions apply:

2           ~~(1)~~ "Account" means the workers' compensation bond repayment account established in  
3 39-71-2504.

4           ~~(4)~~(2) "Department" means the department of revenue provided for in 2-15-1301.

5           ~~(2)~~(3) "Employee" includes an officer, employee, or elected public official of the United States, the  
6 state of Montana, or any political subdivision of the United States or the state of Montana or any agency  
7 or instrumentality of the United States, the state of Montana, or a political subdivision of the United States  
8 or the state of Montana. The term "employee" also includes an officer of a corporation.

9           ~~(3)~~(4) (a) "Employer" means, except as provided in subsection ~~(3)~~(4)~~(b)~~ (b), the person for whom  
10 an individual performs or performed any service, of whatever nature, as an employee of the person.

11           (b) If the person for whom the individual performs or performed the service does not have control  
12 of the payment of the wages for the service, the term employer means the person who has control of the  
13 payment of wages.

14           ~~(4)~~(5) "Employer's payroll" means wages paid for each of the calendar quarters ending March 31,  
15 June 30, September 30, and December 31.

16           ~~(5)~~(6) "State fund" means the state compensation insurance fund.

17           ~~(6)~~(7) "Tax" means the workers' compensation old fund liability tax provided for in 39-71-2503,  
18 created to address the unfunded liability for claims for injuries resulting from accidents that occurred before  
19 July 1, 1990.

20           ~~(7)~~ "Tax account" means the workers' compensation tax account created by 39-71-2504.

21           (8) "Wages" means all remuneration for services performed by an employee for an employer,  
22 including the cash value of all remuneration paid in any medium other than cash. The term does not include  
23 remuneration paid:

24           (a) for casual labor not in the course of the employer's trade or business performed in any calendar  
25 quarter by an employee unless the cash remuneration paid for the service is \$50 or more and the service  
26 is performed by an individual who is regularly employed by the employer to perform the service. For  
27 purposes of this subsection (8)(a), an individual is considered to be regularly employed by an employer  
28 during a calendar quarter only if:

29           (i) on each of 24 days during the calendar quarter, the individual performs service not in the course  
30 of the employer's trade or business for the employer for some portion of the day; and

1 (ii) the individual was regularly employed, as determined under subsection (8)(a)(i), by the employer  
2 in the performance of service during the preceding calendar quarter;

3 (b) for services not in the course of the employer's trade or business, to the extent that  
4 remuneration is paid in any medium other than cash, when the payments are in the form of lodging or meals  
5 and the payments are received by the employee at the request of and for the convenience of the employer;

6 (c) to or for an employee as a payment for or a contribution toward the cost of any group plan or  
7 program that benefits the employee, including but not limited to life insurance, hospitalization insurance for  
8 the employee or the employee's dependents, and employees' club activities;

9 (d) as wages or compensation, the taxation of which is prohibited by federal law."  
10

11 **Section 47.** Section 39-71-2503, MCA, is amended to read:

12 **"39-71-2503. Workers' compensation old fund liability tax.** (1) (a) There is imposed on each  
13 employer a workers' compensation old fund liability tax in an amount equal to 0.28%, plus the additional  
14 amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the preceding calendar  
15 quarter, except that if an employer is subject to 15-30-204(2), the tax is an amount equal to 0.28%, plus  
16 the additional amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the  
17 preceding week.

18 (b) There is imposed on each employee, except workers engaged in the rail industry who are under  
19 the jurisdiction of the federal railroad administration, United States department of transportation, an old  
20 fund liability tax, as provided in 39-71-2505, on the employee's wages in the preceding calendar quarter.

21 (c) There is imposed on each business of a sole proprietor, on each subchapter S. corporation  
22 shareholder, on each partner of a partnership, and on each member or manager of a limited liability  
23 company a workers' compensation old fund liability tax, as provided in 39-71-2505, on the profit of each  
24 separate business of a sole proprietor and on the distributive share of ordinary income of each shareholder,  
25 partner, or member or manager.

26 (d) A corporate officer of a subchapter S. corporation who receives wages as an employee of the  
27 corporation shall pay the old fund liability tax on both the wages and any distributive share of ordinary  
28 income at the employee rate. The subchapter S. corporation is not liable for the tax on the corporate  
29 officer's wages.

30 (e) A corporate officer of a closely held corporation who meets the stock ownership test under



1 section 542(a)(2) of the Internal Revenue Code and receives wages as an employee of the corporation is  
2 required to pay the old fund liability tax only on the wages received. The corporation is not liable for the  
3 tax on the corporate officer's wages.

4 (f) This old fund liability tax must be used to reduce the unfunded liability in the state fund incurred  
5 for claims for injuries resulting from accidents that occurred before July 1, 1990. If one or more loans or  
6 bonds are outstanding, the legislature may not reduce the security for repayment of the outstanding loans  
7 or bonds, except that the legislature may forgive payment of a tax or reduce a tax rate for any 12-month  
8 period if the workers' compensation bond repayment account contains on the first day of that period an  
9 amount, regardless of the source, that is in excess of the reserve maintained in the account and that is  
10 equal to the amount needed to pay and is dedicated to the payment of the principal, premium, and interest  
11 that must be paid during that period on the outstanding loans or bonds.

12 (g) Each employer shall maintain the records the department requires concerning the old fund  
13 liability tax. The records are subject to inspection by the department and its employees and agents during  
14 regular business hours.

15 (h) An employee does not have any right of action against an employer for any money deducted  
16 and withheld from the employee's wages and paid to the state in compliance or intended compliance with  
17 this section.

18 (i) The employer is liable to the state for any amount of old fund liability taxes, plus interest and  
19 penalty, when the employer fails to withhold from an employee's wages or fails to remit to the state the  
20 old fund liability tax required by this section.

21 (j) A sole proprietor, subchapter S. corporation shareholder, partner of a partnership, or member  
22 or manager of a limited liability company is liable to the state for the old fund liability tax, plus interest and  
23 penalty, when the sole proprietor, shareholder, partner, or member or manager fails to remit to the state  
24 the old fund liability tax required by this section.

25 (2) All collections of the tax must be deposited as received in the ~~tax~~ account. The tax is in  
26 addition to any other tax or fee assessed against persons subject to the tax.

27 (3) (a) On or before the last day of April, July, October, and January, each employer subject to the  
28 tax shall file a return in the form and containing the information required by the department and, except  
29 as provided in subsection (3)(b), pay the amount of tax required by this section to be paid on the  
30 employer's payroll for the preceding calendar quarter ~~and in addition.~~ The employer shall also remit

1 withholdings for employees' old fund liability taxes at the same time.

2 (b) An employer subject to 15-30-204(2) shall remit to the department a weekly payment with its  
3 weekly withholding tax payment in the amount required by subsection (1)(a) and shall remit withholdings  
4 for employees' old fund liability taxes at the same time.

5 (c) Tax payments required by subsections (1)(a) and (1)(b) must be made with the return filed  
6 pursuant to 15-30-204. The department shall first credit a payment to the liability under 15-30-202 and  
7 credit any remainder to the workers' compensation tax account provided in 39-71-2504.

8 (d) Tax payments due from sole proprietors, subchapter S. corporation shareholders, partners of  
9 partnerships, and members or managers of limited liability companies must be made with and at the same  
10 time as the returns filed pursuant to 15-30-144 and 15-30-241. The department shall first credit a payment  
11 to the liability under 15-30-103 or 15-30-202 and shall then credit any remainder to the ~~workers'~~  
12 ~~compensation tax~~ account provided for in 39-71-2504.

13 (4) An employer's officer or employee with the duty to collect, account for, and pay to the  
14 department the amounts due under this section who fails to pay an amount is liable to the state for the  
15 unpaid amount and any penalty and interest relating to that amount.

16 (5) Returns and remittances under subsection (3) and any information obtained by the department  
17 during an audit are subject to the provisions of 15-30-303, but the department may disclose the information  
18 to the department of labor and industry under circumstances and conditions that ensure the continued  
19 confidentiality of the information.

20 (6) The department of labor and industry and the state fund shall, ~~on July 1, 1991, or as soon after~~  
21 ~~that date as possible,~~ give the department a list of all employers having coverage under any plan  
22 administered or regulated by the department of labor and industry and the state fund. After the lists have  
23 been given to the department, the department of labor and industry and the state fund shall update the lists  
24 weekly. The department of labor and industry and the state fund shall provide the department with access  
25 to their computer data bases and paper files and records for the purpose of the department's administration  
26 of the tax imposed by this section.

27 (7) The provisions of Title 15, chapter 30, that are not in conflict with the provisions of this part  
28 regarding administration, remedies, enforcement, collections, hearings, interest, deficiency assessments,  
29 credits for overpayment, statute of limitations, penalties, estimated taxes, and department rulemaking  
30 authority apply to the tax, to employers, to employees, to sole proprietors, to subchapter S. corporation

1 shareholders, to partners of partnerships, to members or managers of limited liability companies, and to the  
2 department."

3

4 **Section 48.** Section 39-71-2504, MCA, is amended to read:

5 **"39-71-2504. Workers' compensation tax bond repayment account.** (1) There is a workers'  
6 compensation tax bond repayment account in the state special revenue fund. ~~The workers' compensation~~  
7 ~~tax account consists of a tax account and a workers' compensation bond repayment account.~~

8 (2) All collections of the tax imposed under 39-71-2503, and the interest and penalties on the tax,  
9 ~~and revenue appropriated to the workers' compensation tax account under section 11, Chapter 9, Special~~  
10 ~~Laws of June 1989,~~ must, in accordance with the provisions of 15-1-501(6), be deposited in the workers'  
11 compensation tax bond repayment account. All money deposited in the ~~workers' compensation tax~~  
12 ~~account must be credited to the~~ workers' compensation bond repayment account must be retained in the  
13 account to the extent necessary to pay the principal of and the redemption premium and interest due on  
14 workers' compensation bonds issued under 39-71-2354 and 39-71-2355 and to establish and maintain a  
15 reserve for the bonds equal to the maximum annual principal of and interest on the bonds in any future  
16 year. The balance in the workers' compensation bond repayment account ~~must be credited to the tax~~  
17 ~~account within the workers' compensation tax account and~~ is statutorily appropriated, as provided in  
18 17-7-502, to the state fund to be used to reduce the unfunded liability in the state fund incurred for claims  
19 for injuries resulting from accidents that occurred before July 1, 1990."

20

21 ~~**Section 49.** Section 44-12-206, MCA, is amended to read:~~

22 ~~**"44-12-206. Disposition of proceeds of sale report.** (1) Whenever property is seized, forfeited,~~  
23 ~~and sold under the provisions of this chapter, the net proceeds of the sale must be distributed as follows:~~

24 ~~(a) to the holders of security interests who have presented proper proof of their claims, if any, up~~  
25 ~~to the amount of their interests in the property;~~

26 ~~(b) the remainder, if any, to the county treasurer of the county in which the property was seized,~~  
27 ~~who. The county treasurer shall establish and maintain a drug forfeiture account and deposit the remainder~~  
28 ~~into the account, except as provided in subsections (1)(c) through (1)(e);~~

29 ~~(c) if the property was seized within the corporate limits of a city or town by a law enforcement~~  
30 ~~agency of that city or town, the remainder, if any, to the city or town treasurer, who. The city or town~~

1 ~~treasurer shall establish and maintain a drug forfeiture account and deposit the remainder into the account,~~  
 2 ~~except as provided in subsections (1)(d) and (1)(e);~~

3 ~~(d) if the property was seized by an employee of the state, the remainder, if any, to the account~~  
 4 ~~established in subsection (3) state general fund, except as provided in subsection (1)(e); and~~

5 ~~(e) if the property was seized as a result of the efforts of more than one law enforcement agency,~~  
 6 ~~the remainder, if any, to the accounts required by this subsection (1), pro rata in the proportions~~  
 7 ~~represented by the agencies' expenses of investigation, as determined by the attorney general.~~

8 ~~(2) All proceeds from any source that are deposited into a county, city, or town drug forfeiture~~  
 9 ~~account must in each fiscal year be appropriated to and remain available until expended by the confiscating~~  
 10 ~~agency for drug laws enforcement and education concerning drugs.~~

11 ~~(3) Net proceeds received by the state under subsections (1)(d) and (1)(e) must be deposited in~~  
 12 ~~an account in the state special revenue fund to the credit of the department of justice. The department~~  
 13 ~~may expend the money in the account only for purposes of enforcement of drug laws. An amount up to~~  
 14 ~~\$125,000 each year is statutorily appropriated, as provided in 17-7-502, to the attorney general for~~  
 15 ~~enforcement of drug laws. Any expenditure in excess of \$125,000 each fiscal year requires approval~~  
 16 ~~through budget amendment, as provided in Title 17, chapter 7, part 4.~~

17 ~~(4)(3) The attorney general shall provide the legislative finance committee and the legislative auditor~~  
 18 ~~with a detailed, written report of the amounts and property credited to the account general fund no later~~  
 19 ~~than 4 months after the end of each fiscal year. The attorney general may not disclose any information~~  
 20 ~~that would compromise any investigation or prosecution."~~

21  
 22 **Section 49.** Section 46-18-235, MCA, is amended to read:

23 **"46-18-235. Disposition of money collected as fines and costs.** The money collected by a court  
 24 as a result of the imposition of fines or assessment of costs under the provisions of 46-18-231 and  
 25 46-18-232 shall must be paid:

26 (1) by a district court to the county general fund of the county in which the court is held, except  
 27 that:

28 (a) if the costs assessed include any district court expense listed in 3-5-901, the money collected  
 29 from assessment of these costs must be paid to the state for deposit into the state general fund to the  
 30 extent that the expenses were paid by the state; and

1 (b) if the fine was imposed for a violation of Title 45, chapter 9 or 10, the court may order the  
 2 money paid into the drug forfeiture account maintained under 44-12-206 for the law enforcement agency  
 3 which ~~that~~ made the arrest from which the conviction and fine arose; and

4 ~~(c) if the fine was imposed for a violation of 45-5-206, 50% of the amount collected must be~~  
 5 ~~deposited in the state special revenue fund for use of the department of family services in the battered~~  
 6 ~~spouses and domestic violence grant program created by 52-6-101; and~~

7 (2) by a justice's court pursuant to 3-10-601."

8

9 **Section 50.** Section 52-6-105, MCA, is amended to read:

10 "**52-6-105. Funding.** (1) Revenue from the marriage license fee, and the fee collected for filing  
 11 a declaration of marriage without solemnization, ~~and the portion of fines allocated to this program by~~  
 12 ~~46-18-235~~ is the primary source of funding for the battered spouses and domestic violence program. The  
 13 disposition of the marriage license fee is as established in 25-1-201.

14 (2) Twenty percent of the operational costs of a battered spouses and domestic violence program  
 15 must come from the local community served by the program. The local contribution may include in-kind  
 16 contributions."

17

18 **Section 51.** Section 61-2-107, MCA, is amended to read:

19 "**61-2-107. License reinstatement fee to fund county drinking and driving prevention programs.**

20 (1) Notwithstanding the provisions of any other law of the state, a driver's license that has been  
 21 suspended or revoked under 61-5-205 or 61-8-402 must remain suspended or revoked until the driver has  
 22 paid to the department a fee of \$100 in addition to any other fines, forfeitures, and penalties assessed as  
 23 a result of conviction for a violation of the traffic laws of the state.

24 (2) ~~(a)~~ The department shall deposit the fees collected under subsection (1) in the general fund.  
 25 One-half of the fees must be appropriated and used for funding county drinking and driving prevention  
 26 programs as provided in 61-2-108. ~~For each fiscal year, an amount up to \$50,000 of the money from the~~  
 27 ~~fees remaining in the general fund after appropriation for these programs is statutorily appropriated, as~~  
 28 ~~provided in 17-7-502, to the department to purchase and maintain equipment used to analyze breath for~~  
 29 ~~the presence of alcohol.~~

30

~~(b) On or before June 30, 1994, the department shall transfer to the general fund the balance of~~

1 ~~the driver's license reinstatement fee state special revenue account."~~

2

3 **Section 52.** Section 61-3-502, MCA, is amended to read:

4 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to  
5 use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding  
6 trailers, semitrailers, and housetrailers, for which a license is sought and an original application for title is  
7 made. The tax must be paid by the purchaser when the purchaser applies for an original Montana license  
8 through the county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle  
9 for which original registration is sought or a motor vehicle previously furnished without charge by a dealer  
10 to a school district for use in a state-approved traffic education program, whether or not titled by the  
11 dealer or the school district, and for which original registration is sought.

12 (2) Except as provided in subsections (4) and (5), the sales tax is:

13 (a) 1 ½% of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
14 the year or for a registration period other than a calendar year or calendar quarter;

15 (b) 1 1/8% of the list price during the second quarter of the year;

16 (c) 3/4 of 1% during the third quarter of the year;

17 (d) 3/8 of 1% during the fourth quarter of the year.

18 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
19 list price, the department may use published price lists.

20 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
21 1 ½% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
22 new vehicle is purchased.

23 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%  
24 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

25 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
26 the ~~state~~ highway nonrestricted account of the state special revenue fund. The county treasurer shall retain  
27 5% of the taxes collected to pay for the cost of administration.

28 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
29 calendar year in which the original application for title is made.

30 (8) ~~(a) The applicant for original registration of any new and unused motor vehicle, or a new motor~~

1 ~~vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle~~  
 2 ~~by a school district operating a state approved traffic education program within the state, whether or not~~  
 3 ~~previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),~~  
 4 ~~acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been~~  
 5 ~~otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the~~  
 6 ~~vehicle was in the state of Montana on January 1 of the year.~~

7 (b) A motor vehicle may not be registered or licensed ~~under the provisions of this subsection~~ unless  
 8 the application for registration is accompanied by a statement of origin ~~to be~~ that is furnished by the dealer  
 9 selling the vehicle, ~~showing and that shows~~ that the vehicle has not previously been registered or owned,  
 10 except as otherwise provided in this section, by any person, firm, corporation, or association ~~that is not~~  
 11 other than a new motor vehicle dealer holding a franchise or distribution agreement from a new car  
 12 manufacturer, distributor, or importer.

13 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
 14 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of  
 15 subsection (1).

16 (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
 17 agricultural worker temporarily employed in agricultural work in this state ~~where~~ when those motor vehicles  
 18 are used exclusively for transportation of agricultural workers are also exempt from the provisions of  
 19 subsection (1).

20 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
 21 the provisions of subsection (1);

22 (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
 23 property only; and

24 (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
 25 demonstrated in the course of the dealer's business."

26  
 27 **Section 53.** Section 61-4-112, MCA, is amended to read:

28 **"61-4-112. New motor vehicles -- transfers by dealers.** (1) When a motor vehicle dealer transfers  
 29 a new motor vehicle to a purchaser or other recipient, the dealer shall:

30 (a) issue and affix a sticker as prescribed in 61-4-111(1)(a) for transfers of used motor vehicles

1 and retain a copy of the sticker;

2 (b) within 4 working days following the date of delivery of the new motor vehicle, forward to the  
3 county treasurer of the county where the purchaser or recipient resides:

4 (i) one copy of the sticker issued under subsection (1)(a);

5 (ii) an application for certificate of title with a notice of security interest, if any, executed by the  
6 purchaser or recipient; and

7 (iii) a statement of origin as prescribed in 61-3-502(8)(b).

8 (2) Upon receipt from the county treasurer of the documents required under subsection (1), the  
9 department shall issue a certificate of ownership and certificate of registration together with a statement  
10 of lien as provided in 61-3-202."

11

12 **SECTION 54. SECTION 61-5-121, MCA, IS AMENDED TO READ:**

13 **"61-5-121. Disposition of fees.** (1) The disposition of the fees from driver's licenses provided for  
14 in 61-5-111(7)(a), motorcycle endorsements provided for in 61-5-111(7)(b), commercial driver's licenses  
15 provided for in 61-5-111(7)(c), and duplicate driver's licenses provided for in 61-5-114 is as follows:

16 (a) The amount of 25% of each driver's license fee and of each duplicate driver's license fee must  
17 be deposited into an account in the state special revenue fund. The department shall transfer the funds  
18 from this account to the Montana highway patrol officers' retirement pension trust fund as provided in  
19 19-6-404.

20 (b) (i) If the fees are collected by a county treasurer or other agent of the department, the amount  
21 of 3.75% of each driver's license fee and of each duplicate driver's license fee must be deposited into the  
22 county general fund.

23 (ii) If the fees are collected by the department, the amount provided for in subsection (1)(b)(i) must  
24 be deposited into the general fund.

25 (c) (i) If the fee is collected by a county treasurer or other agent of the department, the amount  
26 of 5% of each motorcycle endorsement must be deposited into the county general fund.

27 (ii) If the fee is collected by the department, the amount provided for in subsection (1)(c)(i) must  
28 be deposited into the general fund.

29 (d) The amount of ~~8.75%~~ 35% of each driver's license fee and of each duplicate driver's license  
30 fee must be deposited into the state traffic education account.



1 (e) In addition to the amounts deposited pursuant to subsections (1)(b)(ii) and (1)(c)(ii), the amount  
 2 of ~~62.5%~~ 36.25% of each driver's license fee and of each duplicate driver's license fee must be deposited  
 3 into the state general fund.

4 (f) If the fee is collected by the county treasurer or other agent of the department, the amount of  
 5 3.75% of each commercial driver's license fee must be deposited into the county general fund, otherwise  
 6 all of the fee must be deposited in the state general fund.

7 (g) The amount of 95% of each motorcycle endorsement fee must be deposited into the state  
 8 traffic education account in the state special revenue fund.

9 (2) (a) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
 10 duplicate driver's licenses are collected by a county treasurer or other agent of the department, the county  
 11 treasurer or agent shall deposit the amounts provided for in subsections (1)(b)(i) and (1)(c)(i) into the county  
 12 general fund. The county treasurer or agent shall then remit to the state treasurer all remaining fees,  
 13 together with a statement indicating what portion of each fee is to be deposited into the account in the  
 14 state special revenue fund as provided in subsection (1)(a) and the state general fund. The state treasurer,  
 15 upon receipt of the fees and statement, shall deposit the fees as provided in subsections (1)(a) and (1)(d)  
 16 through (1)(g).

17 (b) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
 18 duplicate driver's licenses are collected by the department, it shall remit all fees to the state treasurer,  
 19 together with a statement indicating what portion of each fee is to be deposited into the account in the  
 20 state special revenue fund as provided in subsection (1)(a), the state special revenue fund, and the state  
 21 general fund. The state treasurer, upon receipt of the fees and statement, shall deposit the fees as provided  
 22 in subsections (1)(a), (1)(b)(ii), (1)(c)(ii), and (1)(d) through (1)(g)."  
 23

24 **Section 55.** Section 61-8-204, MCA, is amended to read:

25 "**61-8-204. Reward for information on injury to or removal of sign or marker.** Upon conviction  
 26 under the provisions of 61-8-713, ~~any a~~ person who furnishes information to law enforcement officers  
 27 leading to the arrest and conviction of the accused person ~~shall~~ must be paid a reward from the state  
 28 highway nonrestricted account in the state special revenue fund in the sum of \$100."  
 29

30 **Section 56.** Section 61-10-126, MCA, is amended to read:

1           **"61-10-126. Deposit of fees.** All fees collected under 61-10-101 through 61-10-125 ~~shall~~ must  
 2 be forwarded to the state treasurer for deposit in the ~~state~~ highway nonrestricted account in the state  
 3 special revenue fund."

4  
 5           **Section 57.** Section 61-10-148, MCA, is amended to read:

6           **"61-10-148. Disposition of fines and forfeited bonds.** (1) Except as provided in 61-12-701 and  
 7 subsection (2) of this section, one-half of all the money collected as fines and forfeited bonds for violations  
 8 of Title 61, chapter 10, must be remitted monthly by the county treasurer to the state treasurer for deposit  
 9 in the ~~state~~ highway nonrestricted account in the state special revenue fund. The remaining half, less the  
 10 deductions required by law, must be deposited in the county road fund. This subsection does not apply  
 11 to fines and forfeited bonds paid to justices' courts.

12           (2) If the apprehension or arrest was for a violation of Title 61, chapter 10, and if the offense  
 13 occurred on a road or highway not included under the provisions of 60-2-128 and 60-2-203, all money  
 14 collected as fines and forfeited bonds must be distributed to the county treasurer for deposit in the county  
 15 road fund."

16  
 17           **Section 58.** Section 61-10-225, MCA, is amended to read:

18           **"61-10-225. Disposition of fees collected by county treasurer.** At the time of collecting the fees  
 19 provided for in 61-10-222, each county treasurer shall retain 5% of the fees ~~collected by him~~ for the cost  
 20 of administration and for deposit in the general fund of the county. The remaining 95% ~~shall~~ must be  
 21 remitted monthly to the state treasurer for deposit to the credit of the department of transportation in the  
 22 highway revenue account. The remittance ~~shall~~ must be made on forms furnished to the county treasurer  
 23 by the department."

24  
 25           **Section 59.** Section 61-10-226, MCA, is amended to read:

26           **"61-10-226. Deposit of state highway money.** (1) ~~Any reference to the state highway fund means~~  
 27 ~~the state highway account in the state special revenue fund.~~

28           ~~(2)~~ Money received for the use of the department from the receipt or transfer of GVW license fees,  
 29 as provided by law, or from other state sources ~~shall~~ must be deposited in the highway revenue account  
 30 in the state special revenue fund to the credit of the department.

1           ~~(3)~~(2) Money received from the federal government or other agencies ~~shall~~ must be deposited in  
2 a federal or state special revenue fund to the credit of the department.

3           ~~(4)~~(3) Money collected for the department as authorized by law ~~shall~~ must be credited to ~~such~~ the  
4 appropriate fund ~~or funds~~ by the state treasurer.

5           ~~(5)~~(4) Money received from the counties ~~shall~~ must be deposited in the appropriate account in the  
6 state special revenue fund to the credit of the department."  
7

8           **Section 60.** Section 75-5-634, MCA, is amended to read:

9           "**75-5-634. Disposition of fines and civil penalties.** ~~(1) Except as provided in subsections (2) and~~  
10 ~~(3), fines~~ Fines and civil penalties collected under this chapter, except those collected in a justice's court,  
11 must be deposited into the ~~water quality rehabilitation account provided in 75-5-507~~ state general fund.

12           ~~(2) A maximum of \$20,000 in fines and civil penalties may be deposited in the water quality~~  
13 ~~rehabilitation account in any fiscal year. Fines and penalties in excess of \$20,000 must be deposited in~~  
14 ~~the general fund.~~

15           ~~(3) Whenever the amount of money in the water quality rehabilitation account exceeds \$100,000,~~  
16 ~~all subsequent fines and civil penalties must be deposited in the general fund."~~

17  
18           **Section 61.** Section 75-5-635, MCA, is amended to read:

19           "**75-5-635. Costs and expenses -- recovery by department** ~~— deposit in water quality rehabilitation~~  
20 ~~account.~~ (1) In a civil action initiated by the department under this chapter, the department may ask for  
21 and the court is authorized to assess a violator for the cost of the investigation or monitoring survey ~~which~~  
22 that led to the establishment of the violation and any expense incurred by the state in removing, correcting,  
23 or terminating any of the adverse effects upon water quality resulting from the unauthorized discharge of  
24 pollutants.

25           (2) Any costs and expenses recovered by the department under the provisions of subsection (1)  
26 ~~for actions that the department financed with money from the water quality rehabilitation account~~  
27 ~~authorized in 75-5-507~~ must be deposited in the ~~water quality rehabilitation account~~ state general fund."

28  
29           **Section 62.** Section 75-6-109, MCA, is amended to read:

30           "**75-6-109. Administrative enforcement.** (1) If the department believes that a violation of this part,

1 a rule adopted under this part, or a condition of approval issued under this part has occurred, it may serve  
 2 written notice of the violation, by certified mail, on the alleged violator or ~~his~~ the violator's agent. The  
 3 notice must specify the provision of this part, the rule, or the condition of approval alleged to have been  
 4 violated and the facts alleged to constitute a violation. The notice must include an order to take necessary  
 5 corrective action within a reasonable period of time, ~~which~~. The time period must be stated in the order.  
 6 Service by mail is complete on the date of filing.

7 (2) If the alleged violator does not request a hearing before the board within 30 days of the date  
 8 of service, the order becomes final. Failure to comply with a final order may subject the violator to an  
 9 action commenced pursuant to 75-6-104, 75-6-113, or 75-6-114.

10 (3) If the alleged violator requests a hearing before the board within 30 days of the date of service,  
 11 the board shall schedule a hearing. After the hearing is held, the board may:

12 (a) affirm or modify the department's order issued under subsection (1) if the board finds that a  
 13 violation has occurred; or

14 (b) rescind the department's order if the board finds that a violation has not occurred.

15 (4) An order issued by the department or the board may set a date by which the violation must  
 16 cease and set a time limit for action to correct a violation.

17 (5) As an alternative to issuing an order pursuant to subsection (1), the department may:

18 (a) require the alleged violator to appear before the board for a hearing, at a time and place  
 19 specified in the notice, to answer the charges complained of; or

20 (b) initiate an action under 75-6-111(2), 75-6-113, or 75-6-114.

21 (6) An action initiated under this part may include an administrative penalty not to exceed \$500  
 22 for each day of violation. Administrative penalties collected under this section must be deposited in the  
 23 ~~public drinking water special revenue~~ state general fund ~~established in 75-6-115.~~

24 (7) The contested case provisions of the Montana Administrative Procedure Act, provided for in  
 25 Title 2, chapter 4, part 6, apply to a hearing under 75-6-108 or this section."

26

27 **Section 63.** Section 75-6-114, MCA, is amended to read:

28 **"75-6-114. Civil penalty.** (1) A person who violates this part or a rule, order, or condition of  
 29 approval issued under this part is subject to a civil penalty not to exceed \$10,000.

30 (2) Each day of violation constitutes a separate violation.

1 (3) Action under this section does not bar enforcement of this part or a rule, order, or condition  
2 of approval issued under this part by injunction or other appropriate remedy.

3 (4) Civil penalties collected pursuant to this section must be deposited in the ~~public drinking water~~  
4 ~~special revenue state general~~ fund established in ~~75-6-115~~."

5  
6 **Section 64.** Section 75-6-115, MCA, is amended to read:

7 **"75-6-115. Public drinking water special revenue fund.** (1) There is a public drinking water special  
8 revenue fund within the state special revenue fund established in 17-2-102. ~~There are established in the~~  
9 ~~public drinking water special revenue fund an operator training account and a public drinking water program~~  
10 ~~account.~~

11 (2) There must be credited to:

12 ~~(a) the operator training account all administrative and civil penalties collected under 75-6-109 and~~  
13 ~~75-6-114; and~~

14 ~~(b) the public drinking water program account revenues~~ special revenue fund the revenue from fees  
15 assessed, collected, and allocated pursuant to 75-6-108.

16 ~~(3) Funds from the operator training account may be used only to finance public water supply~~  
17 ~~system and public sewage system operator training programs.~~

18 ~~(4) Funds from the public drinking water program account~~ special revenue fund may be used only  
19 to pay department costs in implementing the public drinking water supply program, as described in this  
20 part."

21  
22 **Section 65.** Section 76-15-530, MCA, is amended to read:

23 **"76-15-530. Conservation district ~~account~~ appropriations -- administration.** (1) ~~There is a~~  
24 ~~conservation district account in the state special revenue fund of the state treasury. Money is paid into~~  
25 ~~this account under 15-35-108. The state treasurer shall draw warrants payable from this account~~  
26 appropriations of allocations authorized as provided under 15-35-108 on order from the department of  
27 natural resources and conservation.

28 (2) The department of natural resources and conservation shall administer the conservation district  
29 ~~account~~ appropriations referred to in subsection (1). The money ~~shall~~ must be distributed ~~from the account~~  
30 to the conservation districts on the basis of need. A conservation district may submit an application to the

1 department of natural resources and conservation for a grant of funds for purposes that conservation  
2 districts are authorized to perform.

3 (3) A conservation district is not eligible to receive a grant unless it has exhausted its authorized  
4 mill levies.

5 (4) The department of natural resources and conservation may adopt rules implementing this  
6 section that provide for the form and content of applications and the criteria, terms, and conditions for  
7 making grants."

8

9 **Section 66.** Section 77-1-808, MCA, is amended to read:

10 **"77-1-808. State lands recreational use account.** (1) There is a state lands recreational use  
11 account in the state special revenue fund provided for in 17-2-102.

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

13 (a) all revenue received from the recreational use license established by 77-1-802;

14 (b) all revenue received from the imposition of fines under 77-1-801 and 77-1-806 and from civil  
15 penalties imposed pursuant to 77-1-804; and

16 (c) money received by the department in the form of legislative appropriations, reimbursements,  
17 gifts, federal funds, or appropriations from any source intended to be used for the purposes of this account.

18 (3) Money deposited in the state lands recreational use account ~~is statutorily appropriated, as~~  
19 ~~provided in 17-7-502, and~~ must be used by the department for the following purposes:

20 (a) compensation pursuant to 77-1-809 for damage to the improvements of leases that has been  
21 proved to be caused by recreational users;

22 (b) assistance in weed control management necessary as a result of recreational use of state lands;

23 (c) protection of the resource value of the trust assets; and

24 (d) administration and management for the implementation of recreational use of state lands."

25

26 **Section 67.** Section 77-1-809, MCA, is amended to read:

27 **"77-1-809. Compensation for damage to improvements, growing crops, or livestock.** A lessee may  
28 apply to the department for reimbursement of documented costs of repair to or replacement of  
29 improvements, growing crops, or livestock damaged by recreational users of state lands. The application  
30 must include an affidavit by the applicant setting forth the nature of the loss, allegations and reasonable

1 proof supporting the involvement of recreational users, and documentation of repair or replacement costs.  
 2 Upon review of the application and supporting proof and upon additional investigation as required, the  
 3 department shall ~~either~~ grant, modify, or deny the claim. The department, by reason of payment to the  
 4 lessee for damage to improvements, is entitled to be subrogated to the rights of the lessee to recover the  
 5 amount paid from the party causing the damage. Payments under this section must be made from  
 6 appropriations from the state lands recreational use account established by 77-1-808, and the liability of  
 7 the department for damage payments is limited to the ~~existing balance of the account available~~  
 8 appropriation. Claim applications are to be considered in the order they are received."

9

10 **Section 68.** Section 77-1-810, MCA, is amended to read:

11 "77-1-810. **Weed control management.** (1) The department shall establish a weed control  
 12 management program for the control of noxious weeds reasonably proved to be caused by the recreational  
 13 use of state lands. The department may by rule establish a noxious weed management program that may  
 14 include direct compensation for noxious weed control activities or participation in district and county weed  
 15 control projects or department-initiated weed control activities.

16 (2) Funding for this program must come from appropriations from the state lands recreational use  
 17 account pursuant to 77-1-808."

18

19 **Section 69.** Section 80-11-310, MCA, is amended to read:

20 "80-11-310. **Deposit and disbursement of funds -- records -- investment.** (1) As soon as possible  
 21 after receipt, all money received by the department from the assessment levied under 80-11-307 and all  
 22 other money received ~~shall~~ must be deposited in the state special revenue fund.

23 (2) All money referred to in subsection (1) ~~is statutorily appropriated, as provided in 17-7-502,~~ may  
 24 be appropriated to the committee and may be used only for the payment of expenses incurred in carrying  
 25 out the provisions of this part. The committee may be assessed costs by the department for the services  
 26 it provides upon request or pursuant to 2-15-121; however, the costs charged must have a substantial  
 27 relationship to the cost of services supplied.

28 (3) Money received under ~~this section,~~ 80-11-312, ~~and~~ 80-11-313, and this section that is not  
 29 immediately required for the purposes of this part must be invested under provisions of the unified  
 30 investment program established in Title 17, chapter 6, part 2.

1 (4) Money received under ~~this section, 80-11-312, and 80-11-313,~~ and this section is may be  
 2 appropriated to the committee for the purposes of this part."

3  
 4 **Section 70.** Section 82-4-426, MCA, is amended to read:

5 "**82-4-426. Reclamation of land on which bond forfeited.** In keeping with the provisions of this  
 6 part, the board may reclaim any affected lands with respect to which a bond has been forfeited. If the  
 7 amount of the forfeited bond exceeds the cost of reclamation, the excess must be deposited in the state  
 8 general fund."

9  
 10 **Section 71.** Section 82-11-149, MCA, is amended to read:

11 "**82-11-149. Civil penalties.** (1) A person is guilty of a misdemeanor and is subject to a civil  
 12 penalty of at least \$75 and not more than \$10,000 a day for each violation if that person violates any rule  
 13 or order of the board or a provision of this chapter. Each day of violation constitutes a separate violation.

14 (2) Action under this section does not bar enforcement of this chapter or of rules or orders issued  
 15 under it by injunction or other appropriate remedy.

16 (3) The board, or the attorney general upon request of the board, shall institute and maintain any  
 17 enforcement proceedings in the name of the state.

18 (4) Civil penalties collected pursuant to this section must be deposited in the state general fund."

19  
 20 **Section 72.** Section 87-1-114, MCA, is amended to read:

21 "**87-1-114. Disposition of proceeds.** All money collected by a court pursuant to 87-1-111 through  
 22 87-1-113 must be remitted to the state treasurer for deposit in the state ~~special revenue~~ general fund as  
 23 ~~provided in 87-1-601(1). If restitution is ordered out of a forfeited bond or bail, any balance of bond or bail~~  
 24 ~~money must be disposed of as provided in 87-1-601(4)."~~

25  
 26 **Section 73.** Section 90-1-108, MCA, is amended to read:

27 "**90-1-108. County land planning assistance.** (1) The department of commerce shall annually  
 28 distribute the funds appropriated to it ~~from the~~ for county land planning ~~account~~. Each county ~~shall~~ must  
 29 be allotted ~~\$3,000. After this disbursement has been made, 40% of the balance in the account shall be~~  
 30 ~~apportioned to the counties~~ funds according to the ratio of each the county's land area to the total land



1 area of the state and 60% of the ~~balance funds shall be apportioned to the counties~~ according to each the  
 2 county's portion of the total population of the state. If a multijurisdictional planning board has been  
 3 established in the county, it may receive and expend part or all of the funds allocated to that county.

4 (2) Counties, cities, or joint planning boards receiving funds under this section shall use ~~such~~ the  
 5 funds for land planning purposes, which include but are not limited to comprehensive planning, economic  
 6 development planning, and capital improvements planning.

7 (3) At the end of each fiscal year, ~~every~~ each local governing body and planning agency receiving  
 8 funds under this section shall provide an accounting of how the money was spent, in a form acceptable  
 9 to the department of commerce. ~~Surplus funds may be accumulated and rebudgeted for the purposes~~  
 10 ~~stated in subsection (2), except that funds rebudgeted by a local governing body or planning agency may~~  
 11 ~~not exceed the total revenue received under subsection (1) in the year immediately prior to the budget year.~~  
 12 ~~Any excess funds shall revert to the state special revenue fund for state equalization aid to public schools~~  
 13 ~~of the state at the end of each odd-numbered fiscal year, beginning in June 1991."~~

14  
 15 **Section 74.** Section 90-6-201, MCA, is amended to read:

16 **"90-6-201. Purpose.** The purposes of this part are to assist local governmental units ~~which that~~ that  
 17 have been required to expand the provision of public services as a consequence of large-scale development  
 18 of coal mines and coal-using energy complexes, to assist in the construction and reconstruction of  
 19 designated portions of highways ~~which that~~ that serve the area affected by ~~such~~ the large-scale development,  
 20 to support county land planning, and to ~~invest a portion of the tax revenue from coal mines in a permanent~~  
 21 ~~fund, the income from which shall be used for the support of public schools throughout the state."~~

22  
 23 **Section 75.** Section 90-6-202, MCA, is amended to read:

24 **"90-6-202. ~~Accounts~~ Account established.** ~~(1) There is within the state special revenue fund a~~  
 25 ~~local impact account. Moneys are payable into this account under 15-35-108. The state treasurer shall~~  
 26 ~~draw warrants from this account upon order of the coal board.~~

27 ~~(2) There is within the state special revenue fund a coal area highway improvement account."~~  
 28

29 **Section 76.** Section 90-6-205, MCA, is amended to read:

30 **"90-6-205. Coal board -- general powers.** The board may:

1 (1) retain professional consultants and advisors;

2 (2) adopt rules governing its proceedings;

3 (3) consider applications for grants from ~~the local impact account~~ available funds;

4 (4) consider applications for loans from ~~the local impact account~~ available funds for periods and  
5 interest rates to be determined by the board; and

6 (5) award grants and loans, subject to 90-6-207, from ~~the local impact account~~ available funds:

7 (a) to local governmental units, state agencies, and governing bodies of federally recognized Indian  
8 tribes to assist local governmental units and federally recognized Indian tribes in meeting the local impact  
9 of coal development by enabling them to adequately provide governmental services and facilities ~~which~~ that  
10 are needed as a direct consequence of coal development; and

11 (b) notwithstanding the provisions of 90-6-207, to the department of transportation established  
12 in 2-15-2501 to expedite the construction, repair, and maintenance of deficient sections of highway within  
13 the area designated in 90-6-210 if the deficiency is the direct result of increased traffic accompanying the  
14 development of coal resources; and

15 (6) award a grant to a local government unit for the purpose of paying for part or all of the credit  
16 that the local government unit is obligated to give to a major new industrial facility that has prepaid property  
17 taxes under 15-16-201. The board must award the grant in accordance with 90-6-206."

18  
19 **Section 77.** Section 90-6-207, MCA, is amended to read:

20 **"90-6-207. Priorities for impact grants.** (1) The department of commerce shall annually designate:

21 (a) each county, incorporated city and town, school district, and other governmental unit that has  
22 had or expects to have as a result of the impact of coal development a net increase in estimated population  
23 of at least 10% over one of the 3-year periods specified in subsection (4);

24 (b) each county and all local governmental units within each county in which:

25 (i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act  
26 has been granted by the department of state lands for a project within the county that will establish a new  
27 coal mine to produce at least 300,000 tons a year and that the department of commerce determines will  
28 commence production within 2 years;

29 (ii) the department of commerce has determined that the production of an existing mine will increase  
30 by at least 1 million tons a year and that the new or expanded production will commence within 2 years

1 of the designation;

2 (iii) a newly constructed railroad serves a new, existing, or expanding coal mine; or

3 (iv) a certificate of environmental compatibility and public need in accordance with the Montana  
4 Major Facility Siting Act has been granted by the board of natural resources and conservation for a new  
5 steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of  
6 Montana-mined coal and for which the department of commerce determines the construction or operation  
7 will commence within 2 years of the designation;

8 (c) each local governmental unit located within 100 miles, measured over the shortest all-weather  
9 public road, of a mine or facility qualifying under subsection (1)(b)(i), (1)(b)(ii), or (1)(b)(iv); and

10 (d) each local governmental unit in which:

11 (i) a mine that has produced 300,000 tons or more of coal a year ~~and~~ has ceased all significant  
12 mining or is scheduled to cease within 1 year; or

13 (ii) a steam-generating or other coal-burning facility that has operated under a certificate of  
14 environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and  
15 that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close  
16 within 1 year.

17 (2) Designation under subsection (1) of:

18 (a) any local governmental unit extends to and includes as a designated unit the county in which  
19 it is located; and

20 (b) a county extends to and includes as a designated unit any local governmental unit in the county  
21 that contains at least 10% of the total population of the county.

22 (3) (a) Except as provided in 90-6-205(5)(b), beginning July 1, 1993, and ending June 30, 1995,  
23 the coal board may not award more than 20% of the funds appropriated to it each year for grants and loans  
24 to governmental units and state agencies for meeting the needs caused by coal development to local  
25 governmental units other than those governmental units designated under subsection (1).

26 (b) Except as provided in 90-6-205(5)(b), beginning July 1, 1995, and thereafter, the coal board  
27 may not award more than 10% of the funds appropriated to it each year for grants and loans to  
28 governmental units and state agencies for meeting the needs caused by coal development to local  
29 governmental units other than those governmental units designated under subsection (1).

30 (4) For the purposes of subsection (1), the department of commerce shall use five 3-year periods

1 as follows:

2 (a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;

3 (b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;

4 (c) one consecutive 3-year period ending with the current calendar year;

5 (d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and

6 (e) one consecutive 3-year period ending 2 calendar years after the current calendar year.

7 (5) Attention should be given by the coal board to the need for community planning before the full  
8 impact is realized. Applicants should be able to show how their request reasonably fits into an overall plan  
9 for the orderly management of the existing or contemplated growth problems.

10 (6) All funds ~~placed in the local impact account established~~ appropriated under this part are ~~subject~~  
11 ~~to appropriations by the legislature~~ for use related to local impact.

12 (7) All designations made under this section must be for 1 year. A designation may not continue  
13 after the department of commerce determines that the mine, railroad, or facility that provided the basis for  
14 a designation is contributing sufficient tax revenue to the designated government unit to meet the increased  
15 costs of providing the services necessitated by the development of the mine, railroad, or facility. However,  
16 nondesignated local governmental units continue to be eligible for coal impact grants and loans of not more  
17 than 20% and beginning July 1, 1995, not more than 10% of the funds appropriated to the coal board for  
18 grants and loans in circumstances in which:

19 (a) an impact exists in a community or area directly affected by the operation of a coal mine or  
20 mines; or

21 (b) tax revenue is not available to mitigate the impact due to the closure of a mine or facility."  
22

23 **Section 78.** Section 90-6-212, MCA, is amended to read:

24 "**90-6-212. ~~Local impact account—disposition~~ Disposition of loan repayments, interest, and**  
25 **~~unexpended balances.~~ (1)** The money derived from loans made pursuant to this part, including interest  
26 ~~thereon on loans,~~ must be deposited to the credit of the ~~local impact account created in 90-6-202~~ state  
27 general fund.

28 ~~(2) The unexpended money in the local impact account must be invested by the board of~~  
29 ~~investments as provided by statute. Interest and earnings must be deposited to the credit of the state~~  
30 ~~special revenue fund for state equalization aid to public schools of the state.~~



## 1 SENATE BILL NO. 83

2 INTRODUCED BY GROSFIELD, ZOOK, JACOBSON, SWYSGOOD, TVEIT, HARDING, T. NELSON,

3 VAN VALKENBURG, PECK, KADAS

4 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS CONCERNING DEDICATED  
7 REVENUE AND STATUTORY APPROPRIATIONS; AMENDING SECTIONS 2-7-514, 3-5-901, 3-10-601,  
8 15-24-925, 15-25-111, 15-25-122, 15-35-108, ~~15-65-121~~, 15-70-101, 15-70-102, 15-71-104, 17-1-501,  
9 17-1-502, 17-1-503, 17-1-504, 17-1-505, 17-2-111, 17-5-704, 17-6-409, 17-7-502, 19-8-504, 20-4-109,  
10 20-5-324, 20-7-420, 20-7-504, 20-7-605, 20-9-166, 20-9-331, 20-9-333, 20-9-342, 20-9-343, 20-9-346,  
11 20-9-360, 20-9-361, 23-2-507, 23-2-644, 23-2-807, 23-2-823, 23-4-202, 23-7-202, 23-7-402,  
12 27-12-206, 39-71-2501, 39-71-2503, 39-71-2504, ~~44-12-206~~, 46-18-235, 52-6-105, 61-2-107,  
13 61-3-502, 61-4-112, 61-5-121, 61-8-204, 61-10-126, 61-10-148, 61-10-225, 61-10-226, 75-5-634,  
14 75-5-635, 75-6-109, 75-6-114, 75-6-115, 76-15-530, 77-1-808, 77-1-809, 77-1-810, 80-11-310,  
15 82-4-426, 82-11-149, 87-1-114, 90-1-108, 90-6-201, 90-6-202, 90-6-205, 90-6-207, AND 90-6-212,  
16 MCA; REPEALING SECTIONS 15-25-123, ~~15-65-122~~, ~~15-65-131~~, ~~17-1-503~~, 23-1-131, 60-2-224, AND  
17 75-5-507, MCA; AND PROVIDING AN EFFECTIVE DATE DATES."

18  
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:20  
21 **Section 1.** Section 2-7-514, MCA, is amended to read:

22 **"2-7-514. Filing of audit report and financial report.** (1) Completed audit reports must be filed with  
23 the department. Completed financial reports must be filed with the department as provided in 2-7-503(1).  
24 The state superintendent of public instruction shall file with the department a list of school districts subject  
25 to audit under 2-7-503(3). The list must be filed with the department within 6 months after the close of  
26 the fiscal year.

27 (2) At the time that the financial report is filed or, in the case of a school district, when the audit  
28 report is filed with the department, the local government entity shall pay to the department a filing fee.  
29 The department shall charge a filing fee to any local government entity required to have an audit under  
30 2-7-503, which fee must be based upon the costs incurred by the department in the administration of this

1 part. Notwithstanding the provisions of 20-9-343, the filing fees for school districts required by this section  
 2 must be ~~paid by the superintendent of public instruction from the state equalization aid account~~  
 3 APPROPRIATED TO THE DEPARTMENT FROM THE STATE GENERAL FUND. The department shall adopt  
 4 the fee schedule by rule based upon the local government entities' revenue amounts.

5 (3) Copies of the completed audit and financial reports must be made available by the department  
 6 and the local government entity for public inspection during regular office hours.

7 (4) The department is authorized under this part to charge a surcharge on the filing fee to generate  
 8 the necessary revenue to repay the general fund loan over a 5-year period. (Subsection (4) terminates June  
 9 30, 1997--sec. 31, Ch. 489, L. 1991.)"

10  
 11 **Section 2.** Section 3-5-901, MCA, is amended to read:

12 **"3-5-901. State assumption of certain district court expenses.** (1) The state shall, to the extent  
 13 that revenue is available under 61-3-509, fund the following district court expenses in criminal cases only:

14 (a) salaries of court reporters;

15 (b) transcripts of proceedings;

16 (c) witness fees and necessary expenses;

17 (d) juror fees;

18 (e) indigent defense;

19 (f) ~~expenses of the appellate defender commission and the office of appellate defender;~~ and

20 (g) psychiatric examinations.

21 (2) The revenue received under 61-3-509 is statutorily appropriated, as provided in 17-7-502, to  
 22 the supreme court for funding the EXPENSES LISTED IN SUBSECTION (1)(F) AND, TO THE EXTENT THAT  
 23 FUNDS REMAIN, THE expenses listed in ~~subsection (1)~~ subsections (1)(a) through (1)(e) and (1)(g) and the  
 24 costs of administering this section.

25 (3) If money appropriated for the expenses listed in subsection (1):

26 (a) exceeds the amount necessary to fully fund those expenses, the excess amount must be used  
 27 ~~to fund the appellate defender commission and the office of appellate defender and~~ for district court grants  
 28 as provided in 7-6-2352; or

29 (b) is insufficient to fully fund those expenses, ~~the appellate defender commission and the office~~  
 30 ~~of appellate defender must be funded first and~~ THE APPELLATE DEFENDER COMMISSION AND THE

1 OFFICE OF APPELLATE DEFENDER MUST BE FUNDED FIRST AND the county is responsible for payment  
2 of the balance.

3 (4) Money deposited in the state general fund in fiscal year 1992, as provided in 61-3-509, that  
4 is in excess of the legislative appropriation is statutorily appropriated, as provided in 17-7-502, to the  
5 supreme court for district court and courts of limited jurisdiction automation purposes during the 1995  
6 biennium. (Subsection (4) terminates July 1, 1995--sec. 7, Ch. 330, L. 1993.)"

7

8 **Section 3.** Section 3-10-601, MCA, is amended to read:

9 **"3-10-601. Collection and disposition of fines, penalties, forfeitures, and fees.** (1) Each justice  
10 of the peace shall collect the fees prescribed by law for justices' courts and shall pay them into the county  
11 treasury of the county in which the justice of the peace holds office, on or before the 10th day of each  
12 month, to be credited to the general fund of the county.

13 (2) All fines, penalties, and forfeitures that this code requires to be imposed, collected, or paid in  
14 a justice's court must, for each calendar month, be paid by the justice's court on or before the 5th day of  
15 the following month to the treasurer of the county in which the justice's court is situated, except that they  
16 may be distributed as provided in 44-12-206 if imposed, collected, or paid for a violation of Title 45,  
17 chapter 9 or 10.

18 (3) The county treasurer shall, in the manner provided in 15-1-504, distribute money received under  
19 subsection (2) as follows:

20 (a) 50% to the state treasurer for deposit in the state general fund; and

21 (b) 50% to the county general fund.

22 ~~(4) The state treasurer shall distribute money received under subsection (3) as follows:~~

23 ~~(a) 44.81% to the state general fund;~~

24 ~~(b) 9.09% to the fish and game account in the state special revenue fund;~~

25 ~~(c) 11.76% to the state highway account in the state special revenue fund;~~

26 ~~(d) 16.93% to the traffic education account in the state special revenue fund;~~

27 ~~(e) 0.57% to the department of livestock account in the state special revenue fund;~~

28 ~~(f) 15.9% to the crime victims compensation account in the state special revenue fund; and~~

29 ~~(g) 0.04% to the department of family services special revenue account for the battered spouses~~

30 ~~and domestic violence grant program."~~



1           **Section 4.** Section 15-24-925, MCA, is amended to read:

2           **"15-24-925. Reimbursement to county -- transmission of taxes from county to state treasurer.**

3           (1) The county treasurer may withhold 2% of the money received under 15-24-921 as reimbursement to  
4 the county for the collection of the levy on livestock.

5           (2) Except for the amount withheld under subsection (1), the taxes levied and the money collected  
6 pursuant to the provisions of 15-24-922 ~~shall~~ must be transmitted to the state treasury by the county  
7 treasurer of each county, as provided in 15-1-504, but not later than July 1 following assessment. The  
8 county treasurer shall designate the amount received from the tax levied on sheep and the amount received  
9 from the tax levied on all other livestock and shall specify the separate amounts in ~~his~~ the report to the  
10 state treasurer. The money, when received by the state treasurer, ~~shall~~ must be deposited in an account  
11 in the special revenue fund to the credit of the department of livestock. The money in the account must  
12 be kept separate from other funds received by the department of livestock."

13  
14           **Section 5.** Section 15-25-111, MCA, is amended to read:

15           **"15-25-111. Tax on dangerous drugs.** (1) There is a tax on the possession and storage of  
16 dangerous drugs. Except as provided in 15-25-112, each person possessing or storing dangerous drugs  
17 is liable for the tax. The tax imposed is determined pursuant to subsection (2). The tax is due and payable  
18 on the date of assessment. The department shall add an ~~administration~~ administrative fee of 5% of the tax  
19 imposed pursuant to subsection (2) to offset costs incurred in assessing value, in collecting the tax, and  
20 in any review and appeal process. The administrative fee must be deposited in the state general fund.

21           (2) With the exception that the tax on possession and storage of less than 1 ounce, 1 gram, or 100  
22 micrograms of dangerous drugs must be that set forth below for 1 ounce, 1 gram, or 100 micrograms, the  
23 tax on possession and storage of dangerous drugs is the greater of:

24           (a) 10% of the assessed market value of the drugs, as determined by the department; or

25           (b) (i) \$100 per ounce of marijuana, as defined in 50-32-101, or its derivatives, as determined by  
26 the aggregate weight of the substance seized;

27           (ii) \$250 per ounce of hashish, as defined in 50-32-101, as determined by the aggregate weight  
28 of the substance seized;

29           (iii) \$200 per gram of any substance containing or purported to contain any amount of a dangerous  
30 drug included in Schedule I<sub>1</sub> pursuant to 50-32-222(1), (2), (4), and (5), or Schedule II<sub>1</sub> pursuant to

1 50-32-224(1) through (4), as determined by the aggregate weight of the substance seized;

2 (iv) \$10 per 100 micrograms of any substance containing or purported to contain any amount of  
3 lysergic acid diethylamide (LSD) included in Schedule I, pursuant to 50-32-222(3), as determined by the  
4 aggregate weight of the substance seized;

5 (v) \$100 per ounce of any substance containing or purported to contain any amount of an  
6 immediate precursor as defined under Schedule II, pursuant to 50-32-224(5), as determined by the  
7 aggregate weight of the substance seized; and

8 (vi) \$100 per gram of any substance containing or purported to contain any amount of dangerous  
9 drug not otherwise provided for in this subsection (2).

10 (3) The tax imposed under this section may be collected before any state or federal fines or  
11 forfeitures have been satisfied."

12

13 **Section 6.** Section 15-25-122, MCA, is amended to read:

14 **"15-25-122. Disposition of proceeds.** The department shall, in accordance with the provisions of  
15 15-1-501(6), transfer all taxes collected pursuant to this chapter, less the administrative fee authorized in  
16 15-25-111(1), as follows:

17 (1) one-third of the tax to the credit of the department of family services to be used for the youth  
18 evaluation program and chemical abuse aftercare programs; and

19 (2) the remaining two-thirds of the tax proceeds as follows:

20 (a) one-half to the department of justice to be used:

21 (i) for grants to youth courts to fund chemical abuse assessments; and

22 (ii) for grants to counties to fund services for the detention of juvenile offenders in facilities separate  
23 from adult jails, as authorized in 41-5-1002; and

24 (b) one-half to the ~~account created by 44-12-206(3)~~ state general fund if a state government law  
25 enforcement agency seized the drugs. If a local government law enforcement agency seized the drugs,  
26 then that amount must be credited to the treasurer or finance officer of the local government, be deposited  
27 in its general fund, and be used to enforce drug laws."

28

29 **Section 7.** Section 15-35-108, MCA, is amended to read:

30 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this

1 chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

2 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to the trust fund~~  
3 ~~created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~  
4 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
5 board of investments as provided by law.

6 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
7 allocated to the highway reconstruction trust fund account in the state special revenue fund.

8 (3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
9 are allocated in the following percentages of the remaining balance:

10 (a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local  
11 impact account at the end of each biennium are allocated to the state special revenue fund for state  
12 equalization aid to public schools of the state.

13 (b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

14 (c) 1% to the state special revenue fund to the credit of the county land planning account;

15 (d) 1¼% to the credit of the renewable resource development bond fund;

16 (e) 0% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income  
17 from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of  
18 any sites and areas described in 23-1-102.

19 (f) 1% to the state special revenue fund to the credit of the state library commission for the  
20 purposes of providing basic library services for the residents of all counties through library federations and  
21 for payment of the costs of participating in regional and national networking;

22 (g) 1/2 of 1% to the state special revenue fund for conservation districts;

23 (h) 1¼% to the debt service fund type to the credit of the renewable resource loan debt service  
24 fund;

25 (i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

26 (j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state  
27 capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be appropriated  
28 for protection of works of art in the state capitol and other cultural and aesthetic projects.

29 (k) beginning July 1, 1993, and ending June 30, 1995, 3 1/3% to a special revenue account to  
30 be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and

1 cultural sites within the state park system;

2 (l) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
3 to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L. 1993.)

4 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
5 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

6 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to~~ the trust fund  
7 created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
8 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
9 board of investments as provided by law.

10 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
11 allocated to the highway reconstruction trust fund account in the state special revenue fund.

12 (3) Coal severance tax collections remaining after ~~allocation to the trust fund~~ the allocations under  
13 ~~subsection~~ subsections (1) and (2) are allocated in the following percentages of the remaining balance:

14 (a) ~~17 1/2%~~ 22% 20% to the credit of ~~the local impact an account. Unencumbered funds remaining~~  
15 in the state special revenue fund to be allocated by the legislature for local impact account at the end of  
16 ~~each biennium are allocated to the state special revenue fund for state equalization aid to public schools~~  
17 ~~of the state.~~

18 ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~

19 ~~(c) 1% to the state special revenue fund to the credit of the impacts, county land planning, account~~  
20 provisions of basic library services for the residents of all counties through library federations and for  
21 payment of the costs of participating in regional and national networking, AND conservation districts, and  
22 the Montana Growth Through Agriculture Act;

23 ~~(d)(b)~~ 1 1/4 % to the credit of the renewable resource development bond fund;

24 ~~(e)(c)~~ 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.

25 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
26 maintenance of any sites and areas described in 23-1-102.

27 ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~  
28 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
29 ~~for payment of the costs of participating in regional and national networking;~~

30 ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

1 ~~(h)(d)~~ 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service  
2 fund;

3 ~~(i)~~ 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

4 ~~(j)(e)~~ 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
5 state capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be  
6 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

7 ~~(k)(f)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
8 to the credit of the general fund of the state. (Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

9 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
10 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

11 (1) ~~To~~ Fifty percent of total coal severance tax collections must be allocated to the trust fund  
12 created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
13 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
14 board of investments as provided by law.

15 (2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
16 are allocated in the following percentages of the remaining balance:

17 (a) ~~47 ½ %~~ 22% 20% to the credit of ~~the local impact an~~ account. Unencumbered funds remaining  
18 in the state special revenue fund to be allocated by the legislature for local impact account at the end of  
19 each biennium are allocated to the state special revenue fund for state equalization aid to public schools  
20 of the state.

21 ~~(b)~~ 30% to the state special revenue fund for state equalization aid to public schools of the state;

22 ~~(c)~~ 1% to the state special revenue fund to the credit of the impacts, county land planning, account  
23 provision of basic library services for the residents of all counties through library federations and for  
24 payment of the costs of participating in regional and national networking, AND conservation districts, and  
25 the Montana Growth Through Agriculture Act;

26 ~~(d)~~(b) 1 ¼ % to the credit of the renewable resource development bond fund;

27 ~~(e)~~(c) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.  
28 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
29 maintenance of any sites and areas described in 23-1-102.

30 ~~(f)~~ 1% to the state special revenue fund to the credit of the state library commission for the

1 purposes of providing basic library services for the residents of all counties through library federations and  
2 for payment of the costs of participating in regional and national networking;

3 ~~(g)~~ 1/2 of 1% to the state special revenue fund for conservation districts;

4 ~~(h)~~(d) 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service  
5 fund;

6 ~~(i)~~ 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

7 ~~(j)~~(e) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
8 state capitol and for other cultural and aesthetic projects. Income from this trust fund shall must be  
9 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

10 ~~(k)~~(f) all other revenues revenue from severance taxes collected under the provisions of this chapter  
11 to the credit of the general fund of the state."

12  
13 ~~Section 8.~~ Section 15-65-121, MCA, is amended to read:

14 ~~"15-65-121. Distribution Deposit AND USE of tax proceeds—general fund loan authority. (1) The~~  
15 ~~proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be~~  
16 ~~deposited in an account in the state special revenue general SPECIAL REVENUE fund to the credit of the~~  
17 ~~department of revenue. The department of revenue may spend from that account pay the expenses of~~  
18 ~~collecting the tax in accordance with an expenditure appropriation by the legislature based on an estimate~~  
19 ~~of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax~~  
20 ~~proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a) through~~  
21 ~~(1)(d), the department shall determine the expenditures by state agencies for in-state lodging for each~~  
22 ~~reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The~~  
23 ~~amount deducted must be deposited in the general fund. The balance of the tax proceeds received each~~  
24 ~~reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general~~  
25 ~~fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state~~  
26 ~~special revenue fund to the credit of the department of commerce for tourism promotion and promotion of~~  
27 ~~the state as a location for the production of motion pictures and television commercials, to the Montana~~  
28 ~~historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:~~

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

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

3 ~~(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state~~  
 4 ~~parks that have both resident and nonresident use, subject to 23-1-131; and~~

5 ~~(d) the balance of the proceeds as follows:~~

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

7 ~~(ii) except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional~~  
 8 ~~nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total~~  
 9 ~~proceeds collected statewide; and~~

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

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

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

22 ~~(4) The department of commerce may use general fund loans for efficient implementation of this~~  
 23 ~~section. BEFORE ALLOCATING THE TAX PROCEEDS IN ACCORDANCE WITH THE PROVISIONS OF~~  
 24 ~~15-1-501(6), THE DEPARTMENT OF REVENUE SHALL DETERMINE THE EXPENDITURES BY STATE~~  
 25 ~~AGENCIES FOR IN STATE LODGING FOR EACH REPORTING PERIOD AND DEDUCT 4% OF THAT AMOUNT~~  
 26 ~~FROM THE TAX PROCEEDS RECEIVED EACH REPORTING PERIOD. THE AMOUNT DEDUCTED MUST BE~~  
 27 ~~DEPOSITED IN THE GENERAL FUND. THE BALANCE OF THE TAX PROCEEDS RECEIVED EACH REPORTING~~  
 28 ~~PERIOD AND NOT DEPOSITED IN THE GENERAL FUND MUST BE DEPOSITED IN THE STATE SPECIAL~~  
 29 ~~REVENUE ACCOUNT TO BE ALLOCATED BY THE LEGISLATURE FOR THE FOLLOWING:~~

30 ~~(1) TOURISM PROMOTION AND PROMOTION OF THE STATE AS A LOCATION FOR THE~~

1 ~~PRODUCTION OF MOTION PICTURES AND TELEVISION COMMERCIALS;~~

2 ~~(2) DISTRIBUTION TO REGIONAL NONPROFIT TOURISM CORPORATIONS;~~

3 ~~(3) ESTABLISHMENT AND MAINTENANCE OF A MONTANA TRAVEL RESEARCH PROGRAM;~~

4 ~~(4) MAINTENANCE OF FACILITIES IN STATE PARKS;~~

5 ~~(5) INSTALLATION OR MAINTENANCE OF ROADSIDE HISTORICAL SIGNS AND HISTORIC SITES;~~

6 AND

7 ~~(6) COLLECTION OF THE TAX."~~

8  
9 **Section 8.** Section 15-70-101, MCA, is amended to read:

10 **"15-70-101. Disposition of funds.** All taxes, ~~interest, and penalties~~ collected under this chapter,  
11 ~~except those collected by a justice's court,~~ must, in accordance with the provisions of 15-1-501(6), be  
12 placed in a highway revenue account in the state special revenue fund to the credit of the department of  
13 transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance  
14 with the provisions of 15-1-501(6), be paid by the department of transportation from the state special  
15 revenue fund to the cities, towns, and counties.

16 (1) The amount of \$16,766,000 of the ~~fund's~~ taxes collected under this chapter, ~~except those~~  
17 ~~collected by a justice's court,~~ is statutorily appropriated, as provided in 17-7-502, to the department of  
18 transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated  
19 cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and  
20 city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

21 (a) The amount of \$54,000 must be designated for the purposes and functions of the Montana  
22 rural technical assistance transportation program in Bozeman;

23 (b) The amount of \$6,323,000 must be divided among the various counties in the following  
24 manner:

25 (i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate  
26 system and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of  
27 the federal-aid interstate system and the federal-aid primary system;

28 (ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns  
29 bears to the total rural population in the state outside incorporated cities and towns;

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



1 (c) The amount of \$10,389,000 must be divided among the incorporated cities and towns in the  
2 following manner:

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

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

9 (2) All funds allocated by this section to counties, cities, and towns must be used for the  
10 construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or  
11 for the share that the city, town, or county might otherwise expend for proportionate matching of federal  
12 funds allocated for the construction of roads or streets that are part of the federal-aid primary or secondary  
13 highway system or urban extensions to those systems, except that the governing body of a town or  
14 third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated  
15 to that town or third-class city for the purchase of capital equipment and supplies to be used for the  
16 maintenance and repair of town or third-class city streets and alleys.

17 (3) All funds allocated by this section to counties, cities, and towns must be disbursed to the  
18 lowest responsible bidder according to applicable bidding procedures followed in all cases in which the  
19 contract for construction, reconstruction, maintenance, or repair is in excess of \$4,000.

20 (4) For the purposes of this section in which distribution of funds is made on a basis related to  
21 population, the population must be determined by the last preceding official federal census.

22 (5) For the purposes of this section in which determination of mileage is necessary for distribution  
23 of funds, it is the responsibility of the cities, towns, and counties to furnish to the department of  
24 transportation a yearly certified statement indicating the total mileage within their respective areas  
25 applicable to this chapter. All mileage submitted is subject to review and approval by the department of  
26 transportation.

27 (6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this  
28 section may not be used for the purchase of capital equipment.

29 (7) Funds authorized by this section must be used for construction and maintenance programs  
30 only."

1           **Section 9.** Section 15-70-102, MCA, is amended to read:

2           "**15-70-102. Allocation of funds -- participation in railroad grade crossing protection.** (1) The ~~sum~~  
3 ~~of \$100,000~~ amount determined necessary may be allocated from the state special revenue fund, ~~state~~  
4 ~~highway~~ revenue account, ~~for the fiscal year ending June 30, 1973, and so much for each succeeding~~  
5 ~~fiscal year as may be necessary to reimburse the fund for expenditures and commitments made and to~~  
6 ~~maintain the fund at \$100,000 at the beginning of each fiscal year thereafter,~~ for participation by the  
7 department of transportation with railroads in construction of railroad grade crossing protection on any  
8 public highway or road, except those designated on the interstate, primary, or urban systems within the  
9 state. The department of transportation shall select those grade crossings in the state ~~which~~ that, in the  
10 opinion of the department, are most in need of additional crossing protection and shall finance the cost  
11 ~~thereof~~ of the improvements solely from this fund.

12           (2) Signal protection provided under ~~the fund shall be~~ this section is limited to electric or automatic  
13 flashing lights or gates, depending on the amount and nature of the hazards present at the crossing, and  
14 participation in construction of ~~such~~ the signals ~~shall~~ must be on the same basis and under the same  
15 standards as are applicable and used in connection with protection of grade crossings on federal-aid roads  
16 within the state, ~~provided, however, the fund shall~~ The account may not be used for protection of grade  
17 crossings on the secondary system where the protection is considered necessary and when the cost ~~thereof~~  
18 is financed in part with federal-aid highway funds.

19           (3) In addition to the funds allocated, counties and cities may authorize the use of funds available  
20 to ~~said~~ counties and cities under the provisions of 15-70-101 for participation ~~of~~ in the installation in grade  
21 crossing protection within the county or city."  
22

23           NEW SECTION. **Section 10. Highway nonrestricted account.** There is a highway nonrestricted  
24 account in the state special revenue fund. All interest and penalties collected under this chapter, except  
25 those collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be placed in  
26 the highway nonrestricted account.

27  
28           **Section 11.** Section 15-71-104, MCA, is amended to read:

29           "**15-71-104. Disposition of funds.** All taxes collected under this chapter must, in accordance with  
30 the provisions of 15-1-501(6), be placed in the highway revenue account, state special revenue fund, to

1 the credit of the department of transportation."

2

3 **Section 12.** Section 17-1-501, MCA, is amended to read:

4 **"17-1-501. Legislative findings.** (1) The legislature finds that provisions for dedicating state  
5 revenue and statutorily appropriating funds have increased in number, reduce legislative control over state  
6 spending, complicate the state funding structure, and increase the effort required to budget, appropriate,  
7 and monitor public funds. The dedication and statutory appropriation of funds ~~results~~ result in the inability  
8 of the legislature to practically and systematically conduct reasoned prioritization of programs or funds.

9 (2) It is the intent of the legislature, by establishing ~~a system~~ criteria for the review and evaluation  
10 of revenue dedication provisions, to ensure that provisions for revenue dedication:

11 (a) are based on sound principles of revenue dedication as described in [section ~~18~~ 17];

12 (b) reflect present circumstances and legislative priorities for state spending; ~~and~~

13 (c) are terminated when they are no longer ~~are~~ necessary or appropriate; and

14 (d) are subject to the same legislative scrutiny as programs or activities funded from the general  
15 fund.

16 (3) It is the intent of the legislature, by establishing criteria for the review and evaluation of  
17 statutory appropriation provisions, to ensure that provisions with statutory appropriations:

18 (a) reflect present circumstances and legislative priorities for state spending;

19 (b) are terminated when they are no longer necessary or appropriate; and

20 (c) are subject to the same legislative scrutiny as other appropriations."

21

22 **Section 13.** Section 17-1-502, MCA, is amended to read:

23 **"17-1-502. Definitions.** As used in this part, unless the context requires otherwise, the following  
24 definitions apply:

25 (1) "Administrative costs" includes:

26 (a) personal services;

27 (b) operating expenses, such as travel, supplies, and communication costs; and

28 (c) capital expenses, such as equipment, building costs, and real property costs.

29 (2) (a) "Continuing and reliable source of revenue" means a revenue source for which an agency  
30 forecasts an annual level of collections based upon historical data and prepares a budget for expenditures

1 commensurate with the level of collections. Collections may not change significantly on an annual basis.

2 (b) The term does not include revenue:

3 (i) that an agency will receive only as a result of an occurrence that is not a routine part of agency  
4 operations;

5 (ii) that will vary significantly on an annual basis; or

6 (iii) that is unable to be included in the agency budget because of the erratic nature of receipt.

7 ~~(4)~~(3) "Dedicated revenue provision" means an administrative or legislative action that allocates  
8 the revenue from a tax, fee, assessment, or other source to an account in the state special revenue fund  
9 as described in 17-2-102.

10 (4) "General revenue source" means a source of revenue not governed by established or implied  
11 restrictions based on the source or limited use of the revenue. The term includes taxes, interest earnings,  
12 investment earnings, fines, and forfeitures.

13 ~~(2)~~(5) "State special revenue fund" means a fund in the state treasury consisting of money from  
14 state sources that is earmarked for the purposes of defraying particular costs of an agency, program, or  
15 function of state government, as provided in 17-2-102."

16  
17 **Section 14.** Section 17-1-503, MCA, is amended to read:

18 "17-1-503. **Transfer of fund balances to general fund.** (1) ~~On April 29, 1993, the~~ The balance  
19 remaining in each special revenue account terminated pursuant to legislative review must be deposited in  
20 the general fund.

21 (2) If the legislative finance committee concurs, the department may transfer the unobligated  
22 balance in a special revenue account to the general fund based upon the survey conducted pursuant to  
23 17-2-111."

24  
25 **Section 15.** Section 17-1-504, MCA, is amended to read:

26 "17-1-504. **Effect of termination.** (1) If the legislature has appropriated ~~the revenue from an~~  
27 ~~account provided for in 15-1-501, 20-9-343, and 31-1-602~~ terminated pursuant to legislative review  
28 REVENUE FROM SOURCES DE-EARMARKED BY THE LEGISLATURE, the appropriation is considered to  
29 have been made from the general fund.

30 (2) All assets, liabilities, and fund balances of accounts terminated ~~by 15-1-501, 20-9-343, and~~

1 ~~31-1-602 pursuant to legislative review~~ BY THE LEGISLATURE accrue to the general fund."

2

3 **Section 16.** Section 17-1-505, MCA, is amended to read:

4 **"17-1-505. ~~Legislative review and report~~ Review of dedicated revenue provisions.** (1) Each  
5 interim, the legislative finance committee shall review each dedicated revenue provision not exempted under  
6 subsection ~~(3)(4)~~ and ~~review statutory appropriations assigned by the legislature~~ the principles of revenue  
7 dedication set forth in [section 18] to ensure that legislative policy is clearly stated. The committee shall  
8 also carry out the review prescribed by subsection (4).

9 (2) ~~The review conducted by the committee must include an evaluation of the~~ legislature recognizes  
10 that dedicated revenue provision, based on whether it: provisions are subject to review by:

11 (a) the office of budget and program planning in the development and implementation of the  
12 executive budget and analysis of legislation;

13 (b) the office of the legislative fiscal analyst in analyzing the executive budget;

14 (c) the legislative council in drafting legislation;

15 (d) the legislative auditor in auditing agencies; and

16 (e) the department of administration in performing the functions provided for in 17-2-106 and  
17 17-2-111.

18 (3) To avoid unnecessary use of dedicated revenue provisions, the entities listed in subsection (2)  
19 shall, in the course of current duties, consider the principles in [section 18] and the criteria listed in this  
20 subsection for each new or existing dedicated revenue provision. A dedicated revenue provision should  
21 not give a program or activity an unfair advantage for funding. The expenditures from a dedicated revenue  
22 provision must be based on requirements for meeting a legislatively established outcome. Statutorily  
23 mandated programs or activities funded through dedicated revenue provisions from general revenue sources  
24 must be reviewed to the same extent as programs or activities funded from the general fund. The use of  
25 a dedicated revenue provision may be justified if it satisfies one or more of the following:

26 (a) The program or activity funded provides direct benefits for those who pay the dedicated tax,  
27 fee, or assessment, and the tax, fee, or assessment is commensurate with the costs of the program or  
28 activity;

29 (b) The use of the dedicated revenue provision provides special information or other advantages  
30 that could not be obtained if the revenue were allocated to the general fund;

1 (c) ~~provides~~ The dedicated revenue provision provides program funding at a level equivalent to the  
2 expenditures established by the legislature;\_

3 (d) The dedicated revenue provision involves collection and allocation formulas that are appropriate  
4 to the present circumstances and current priorities in state government;\_

5 (e) ~~impairs~~ The dedicated revenue provision does not impair the legislature's ability to scrutinize  
6 budgets, control expenditures, and establish priorities for state spending;\_

7 (f) The dedicated revenue provision results in an ~~inappropriate~~ an appropriate projected ending fund  
8 balance;\_

9 (g) The dedicated revenue provision fulfills a continuing, legislatively recognized need; ~~and~~\_

10 (h) ~~results~~ The dedicated revenue provision does not result in accounting or auditing inefficiency.

11 ~~(3)(4)~~ (4) The committee shall establish procedures to facilitate ~~the~~ a biennial review and evaluation  
12 ~~required by this section of dedicated revenue provisions. Each interim, the committee shall attempt to~~  
13 ~~propose measures that will reduce dedicated revenue to an amount that is less than one-third of all state~~  
14 ~~revenue.~~ If the review determines that the revenue dedication is constitutionally mandated, is for debt  
15 service, funds emergency services, or is a user fee that is designed to provide direct benefits for those who  
16 pay the dedicated tax, fee, or assessment in an amount commensurate with the benefits provided, the  
17 revenue dedication ~~does not need a~~ may be exempt from future review.

18 ~~(4)(5)~~ (5) Upon completion of the review, the committee shall report a summary of its findings to the  
19 legislature, including its recommendation of termination or extension, with or without modification, of the  
20 dedicated revenue provision. The summary must include the purpose of the revenue dedication, the source  
21 of funding, the activity funded, the number of personnel associated with the activity, and any balance in  
22 the dedicated revenue fund. The summary must state the reason why the revenue dedication is exempt  
23 from future review.

24 ~~(5) The committee shall review statutory appropriations to determine if the appropriation should~~  
25 ~~be made by a legislative appropriation. During the 1995 biennium, the committee shall review the statutory~~  
26 ~~appropriation of administrative costs in 75-11-313."~~

27  
28 **NEW SECTION. Section 17. Principles of revenue dedication.** (1) It is the policy of the legislature  
29 that a revenue source not be dedicated for a specific purpose unless one or more of the following  
30 conditions are met:

1 (a) The person or entity paying the tax, fee, or assessment is the direct beneficiary of the specific  
2 activity that is funded by the tax, fee, or assessment; the entire cost of the activity is paid by the  
3 beneficiary; and the tax, fee, or assessment paid is commensurate with the cost of the activity, including  
4 reasonable administrative costs.

5 (b) There is an expectation that funds donated by a person or entity will be used for a specified  
6 purpose. Grants from private or public entities are considered donations under this subsection.

7 (c) There is a legal basis for the revenue dedication. A legal basis is a constitutional mandate,  
8 federal mandate, or statutory requirement in which a source of funds is designated for a specific purpose.

9 (d) There is a recognized need for accountability through a separation of funding from the general  
10 fund consistent with generally accepted accounting principles.

11 (2) The total funding for a program is a legislative budget and policy issue for which a dedicated  
12 revenue provision may not be justified if:

13 (a) a general fund appropriation is needed to supplement the dedicated revenue support for the  
14 program or activity; or

15 (b) dedicating a revenue source or portion of a revenue source diverts funds that could be  
16 considered a general revenue source.

17 (3) In the consideration of the general appropriations act for each biennium, the legislature shall  
18 determine the appropriateness of dedicating revenue to a program or activity under conditions described  
19 in subsection (2). The office of budget and program planning shall describe the occurrence in its  
20 presentation of the executive budget, and the legislative fiscal analyst shall highlight the issue in the budget  
21 analysis and for the appropriations subcommittee considering the revenue dedication.

22  
23 **NEW SECTION. Section 18. Review of statutory appropriations.** (1) Each interim, the legislative  
24 finance committee shall review the criteria set forth in subsection (4) to ensure that legislative policy is  
25 clearly stated concerning the use of statutory appropriations.

26 (2) Each biennium, the office of budget and program planning and the legislative fiscal analyst shall,  
27 in development and analysis of the executive budget, identify instances in which statutory appropriations  
28 in current law do not appear consistent with the criteria set forth in subsection (4).

29 (3) As part of each agency audit, the legislative auditor shall review statutory appropriations to the  
30 agency and report instances in which they do not appear consistent with the criteria set forth in subsection

1 (4).

2 (4) The review of statutory appropriations must determine whether a statutory appropriation meets  
3 the requirements of 17-1-505. A statutory appropriation from a continuing and reliable source of revenue  
4 may not be used to fund administrative costs.

5 (5) The office of budget and program planning shall, consistent with the review provisions in this  
6 section, review each piece of legislation that proposes to create or amend a statutory appropriation. Its  
7 findings concerning the statutory appropriation must be contained in the fiscal note accompanying that  
8 legislation.

9

10 **Section 19.** Section 17-2-111, MCA, is amended to read:

11 **"17-2-111. Review Survey of state special revenue accounts and proprietary accounts -- report**  
12 **—transfer of funds.** (1) Each biennium, the department of administration shall examine conduct a survey  
13 of all state special revenue accounts and proprietary accounts as required by this section and report the  
14 findings and recommendations not exempt under 17-1-505 and coordinate with the legislative finance  
15 committee to provide information necessary to complete the review required by 17-1-505. The department  
16 shall provide the survey information to the legislative finance committee not later than ~~June~~ February 1 of  
17 the year preceding a regular session of the legislature.

18 ~~(2) The department shall examine restrictions against the transfer of unobligated balances in state~~  
19 ~~special revenue accounts to the general fund. If such restrictions are considered unnecessary by the~~  
20 ~~department and if they may be eliminated by administrative action, the department shall to the fullest extent~~  
21 ~~possible eliminate such restrictions and require the transfer of unobligated balances in the accounts to be~~  
22 ~~made to the general fund, either on an annual or biennial basis. If administrative action is unavailable, the~~  
23 ~~department shall make recommendations for legislative action.~~

24 ~~(3) The department shall examine all state special revenue accounts and proprietary accounts to~~  
25 ~~determine if they should continue to exist or be eliminated or modified to provide better program operation~~  
26 ~~or fiscal control. In conducting the examination, the department shall consider whether an account:~~

27 ~~(a) is accurately classified as a state special revenue account or proprietary account;~~

28 ~~(b) is required by the Montana constitution or by statute;~~

29 ~~(c) operates in compliance with the statutes that established the program;~~

30 ~~(d) receives an amount of revenue that is equal to or close to the expenditure required for the~~



1 ~~activity funded by the account;~~

2 ~~(e) allows the funded program to operate without supplemental general funds; and~~

3 ~~(f) has any restrictions against the transfer of unobligated balances in the account to the general~~  
4 ~~fund."~~

5  
6 **Section 20.** Section 17-5-704, MCA, is amended to read:

7 **"17-5-704. Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
8 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
9 contingency loan fund must be invested in accordance with the investment standards for coal severance  
10 tax funds. Income and earnings from all funds ~~are statutorily appropriated, as provided in 17-7-502, as~~  
11 ~~follows:~~

12 ~~(1) 15% to the state equalization aid account; and~~

13 ~~(2) 85% to must be deposited in the state general fund."~~

14  
15 **Section 21.** Section 17-6-409, MCA, is amended to read:

16 **"17-6-409. Authority to accept funds -- statutory appropriation -- funding authorization.** (1) The  
17 department may accept grants, donations, and other private and public income, including payments of  
18 interest on loans made by the department under the provisions of this part and fees charged by the  
19 department. The department shall deposit all money received under this section in the microbusiness  
20 finance program administrative account established in 17-6-407.

21 (2) The money in the microbusiness finance program administrative account ~~is statutorily~~  
22 ~~appropriated to the department, as provided in 17-7-502, may be appropriated for the purposes stated in~~  
23 ~~this part."~~

24  
25 **Section 22.** Section 17-7-502, MCA, is amended to read:

26 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
27 appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
28 without the need for a biennial legislative appropriation or budget amendment.

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

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

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

4 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
5 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;  
6 ~~15-25-123~~; 15-31-702; 15-36-112; 15-37-117; 15-38-202; ~~15-65-121~~; 15-65-121; 15-70-101; 16-1-404;  
7 16-1-410; 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~; 17-5-804; 17-6-101; 17-6-201;  
8 ~~17-6-409~~; 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512;  
9 19-18-513; 19-18-606; 19-19-205; 19-19-305; 19-19-506; ~~20-4-109~~; 20-8-111; 20-9-361; 20-26-1403;  
10 20-26-1503; ~~23-2-823~~; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301;  
11 23-7-402; ~~27-12-206~~; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321;  
12 39-71-2504; ~~44-12-206~~; 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220;  
13 ~~61-2-107~~; 67-3-205; 75-1-1101; ~~75-5-507~~; 75-5-1108; 75-11-313; 76-12-123; ~~77-1-808~~; 80-2-103;  
14 80-2-222; 80-4-416; ~~80-11-310~~; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301;  
15 90-4-215; 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

16 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
17 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
18 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
19 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
20 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
21 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
22 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
23 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
24 July 1, 1995.)"

25

26 **Section 23.** Section 19-8-504, MCA, is amended to read:

27 "**19-8-504. State's contribution.** ~~(1)~~ To fund the employer's portion of the normal cost of benefits  
28 under this chapter, each month the state treasurer shall pay to the pension trust fund:

29 ~~(a)~~ (1) out of the department of fish, wildlife, and parks funds, a sum equal to 7.15% of all  
30 members' salaries; and

1           ~~(b)(2)~~ out of the funds collected as fines and forfeited bonds under the provisions of 87-1-601(1)  
2 through (5) ~~or funds distributed under 3-10-601(4)~~, an amount equal to 1% of all members' salaries.

3           ~~(2) In addition to the contributions provided in subsection (1), the state treasurer shall pay to the~~  
4 ~~pension trust fund the balance of the funds distributed to the fish and game account pursuant to 3-10-601~~  
5 ~~until the unfunded liability in the pension trust fund is fully paid and a verification statement to that effect~~  
6 ~~is given to the state treasurer by the board."~~

7

8           **Section 24.** Section 20-4-109, MCA, is amended to read:

9           **"20-4-109. Fees for teacher and specialist certificates.** (1) A person applying for the issuance or  
10 renewal of a teacher or specialist certificate shall pay a fee not to exceed \$6 for each school fiscal year that  
11 the certificate is valid. In addition to this fee, a person who has never held any class of Montana teacher  
12 or specialist certificate or for whom an emergency authorization of employment has never been issued shall  
13 pay a filing fee of \$6. The fees must be paid to the superintendent of public instruction, who shall deposit  
14 the fees with the state treasurer to the credit of the state special revenue fund account, created in  
15 subsection (2), to be used in the following manner:

16           (a) \$3 for expenses of the certification standards and practices advisory council created in  
17 2-15-1522;

18           (b) \$3 to the board of public education to be used by the certification standards and practices  
19 advisory council for research in accordance with the duties of the council provided for in 20-4-133.

20           (2) There is an account in the state special revenue fund. Money from fees for teacher or specialist  
21 certificates required in subsection (1) must be deposited in the account. ~~The money in the account to be~~  
22 ~~used for the purposes of subsection (1)(b) is statutorily appropriated, as provided in 17-7-502, to the board~~  
23 ~~of public education for use by the certification standards and practices advisory council."~~

24

25           **Section 25.** Section 20-5-324, MCA, is amended to read:

26           **"20-5-324. Tuition report and payment provisions.** (1) At the close of the school term of each  
27 school fiscal year and before July 15, the trustees of a district shall report to the county superintendent:

28           (a) the name and district of residence of each child who is attending a school of the district under  
29 an approved mandatory out-of-district attendance agreement;

30           (b) the number of days of enrollment for each child reported under the provisions of subsection

1 (1)(a);

2 (c) the annual tuition rate for each child's tuition payment, as determined under the provisions of  
3 20-5-323, and the tuition cost for each reported child; and

4 (d) the names, districts of attendance, and amount of tuition to be paid by the district for resident  
5 students attending public schools out of state.

6 (2) The county superintendent shall send, as soon as practicable, the reported information to the  
7 county superintendent of the county in which a reported child resides.

8 (3) Before July 30, the county superintendent shall report the information in subsection (1)(d) to  
9 the superintendent of public instruction, who shall determine the total ~~foundation BASE aid amount~~  
10 PER-ANB ENTITLEMENT for which the district would be eligible if the student were enrolled in the resident  
11 district. The reimbursement amount is the difference between the actual amount paid and the amount  
12 calculated in this subsection.

13 (4) Notwithstanding the requirements of subsection (5), tuition payment provisions for  
14 out-of-district placement of students with disabilities must be determined pursuant to Title 20, chapter 7,  
15 part 4.

16 (5) Except as provided in subsection (6), when a child has approval to attend a school outside the  
17 child's district of residence under the provisions of 20-5-320 or 20-5-321, the district of residence shall  
18 finance the tuition amount from the district tuition fund and any transportation amount from the  
19 transportation fund.

20 (6) When a child has mandatory approval under the provisions of 20-5-321, the tuition and  
21 transportation obligation for an elementary school child attending a school outside of the child's county of  
22 residence must be financed by the county basic tax for elementary districts, as provided in 20-9-331, for  
23 the child's county of residence or for a high school child attending a school outside the county of residence  
24 by the county basic tax for high school districts, as provided in 20-9-333, for the child's county of  
25 residence.

26 (7) By December 31 of the school fiscal year, the county superintendent or the trustees shall pay  
27 at least one-half of any tuition and transportation obligation established under this section out of the money  
28 realized to date from the appropriate basic county tax account provided for in 20-9-334 or from the district  
29 tuition or transportation fund. The remaining tuition and transportation obligation must be paid by June  
30 15 of the school fiscal year. The payments must be made to the county treasurer in each county with a

1 school district that is entitled to tuition and transportation. Except as provided in subsection (9), the county  
 2 treasurer shall credit tuition receipts to the general fund of a school district entitled to a tuition payment.  
 3 The tuition receipts must be used in accordance with the provisions of 20-9-141. The county treasurer  
 4 shall credit transportation receipts to the transportation fund of a school district entitled to a transportation  
 5 payment.

6 (8) The superintendent of public instruction shall reimburse the district of residence ~~from the state~~  
 7 ~~equalization account~~ for the foundation ~~BASE aid amount~~ PER-ANB ENTITLEMENT determined in subsection  
 8 (3).

9 (9) (a) Any tuition receipts received under the provisions of Title 20, chapter 7, part 4, or  
 10 20-5-323(3) for the current school fiscal year that exceed the tuition receipts of the prior year may be  
 11 deposited in the district miscellaneous programs fund and must be used for that year in the manner  
 12 provided for in 20-9-507 to support the costs of the program for which the tuition was received.

13 (b) Any other tuition receipts received for the current school fiscal year that exceed the tuition  
 14 receipts of the prior year may be deposited in the district miscellaneous programs fund and may be used  
 15 for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must  
 16 be credited to the district general fund budget."

17

18 **Section 26.** Section 20-7-420, MCA, is amended to read:

19 **"20-7-420. Residency requirements -- financial responsibility for special education.** (1) In  
 20 accordance with the provisions of 1-1-215, a child's district of residence for special education purposes  
 21 is the residence of the child's parents or of the child's guardian if the parents are deceased, unless  
 22 otherwise determined by the court. This applies to a child living at home, in an institution, or under foster  
 23 care. If the parent has left the state, the parent's ~~last known~~ last-known district of residence is the child's  
 24 district of residence.

25 (2) The county of residence is financially responsible for tuition and transportation as established  
 26 under 20-5-323 for a child with disabilities, as defined in 20-7-401, including a child who has been placed  
 27 by a state agency in a foster care or group home licensed by the state. The county of residence is not  
 28 financially responsible for tuition and transportation for a child with disabilities who is placed by a state  
 29 agency in an out-of-state public school or an out-of-state private residential facility.

30 (3) If an eligible child, as defined in 20-7-436, is receiving inpatient treatment in an in-state

1 residential treatment facility or children's psychiatric hospital, as defined in 20-7-436, and the educational  
 2 services are provided by a public school district under the provisions of 20-7-411 or 20-7-435, the  
 3 superintendent of public instruction shall reimburse the district providing the services for the negotiated  
 4 amount, as established pursuant to 20-7-435(5), that represents the district's costs of providing education  
 5 and related services. Payments must be made from funds appropriated for this purpose. If the negotiated  
 6 amount exceeds the daily membership rate under 20-7-435(3) and any per-ANB amount of direct state aid,  
 7 the superintendent of public instruction shall pay the remaining balance from ~~the state equalization aid~~  
 8 ~~account~~ available funds. However, the amount spent from ~~the state equalization aid account~~ available  
 9 funds for this purpose may not exceed \$500,000 during any biennium.

10 (4) Under the provisions of 20-7-422(3), the superintendent of public instruction shall provide funds  
 11 for the education fees required to provide a free appropriate public education for a child with disabilities  
 12 who is in need of special education and related services and is placed by a state agency in an out-of-state  
 13 private residential facility or out-of-state public school, provided that, in determining the special education  
 14 services needed for the child with disabilities, the district of residence has complied with the rules  
 15 promulgated under 20-7-402.

16 (5) A state agency that makes a placement of a child with disabilities is responsible for the financial  
 17 costs of room and board and the treatment of the child."  
 18

19 **Section 27.** Section 20-7-504, MCA, is amended to read:

20 "20-7-504. **State traffic education account -- proceeds earmarked for the account.** (1) There is  
 21 a traffic education account in the treasury of the state of Montana.

22 (2) ~~Money paid into the account pursuant to 3-10-601 must be distributed to approved traffic~~  
 23 ~~education courses as provided in 20-7-506.~~

24 (3) Money collected and accrued from motorcycle safety training courses, designated grants, and  
 25 motorcycle registration fees or an amount equal to that amount must be deposited in the state traffic  
 26 education account as provided in 20-7-513 and 20-7-514 and must be available to support only approved  
 27 motorcycle safety training courses, appropriate motorcycle safety instructor training, and other related  
 28 motorcycle safety training activities."  
 29

30 **Section 28.** Section 20-7-605, MCA, is amended to read:

1           **"20-7-605. Notification and processing of complaint against a licensed textbook dealer.** (1) A  
 2 district or county superintendent shall notify the superintendent of public instruction whenever it is  
 3 ascertained that a licensed textbook dealer is:

4           (a) offering to sell textbooks at a higher price than the listed uniform sales price filed with the  
 5 superintendent of public instruction;

6           (b) offering to sell textbooks at a higher shipping point price than the shipping point price of the  
 7 same textbooks distributed elsewhere in the United States; or

8           (c) in any other way performing contrary to the laws regulating the offering of textbooks for sale  
 9 or adoption to districts.

10           (2) Upon receipt of such notification from the district or county superintendent, the superintendent  
 11 of public instruction shall notify the appropriate licensed textbook dealer of the complaint. If the  
 12 superintendent of public instruction finds that the licensed textbook dealer has violated any provision of  
 13 this section and the dealer fails to rectify ~~his~~ the error within 30 days of the notification of the finding of  
 14 a violation, ~~he~~ the dealer shall forfeit ~~his~~ the dealer's surety bond. The attorney general, upon written  
 15 request of the superintendent of public instruction, shall proceed to collect by legal action the full amount  
 16 of the surety bond. Any amount ~~so~~ recovered ~~shall~~ must be paid into the state ~~public school equalization~~  
 17 ~~aid account~~ general fund."

18  
 19           **Section 29.** Section 20-9-166, MCA, is amended to read:

20           **"20-9-166. State financial aid for budget amendments.** Whenever a final budget amendment has  
 21 been adopted for the general fund or the transportation fund to finance the cost of an amendment resulting  
 22 from increased enrollment, the trustees may apply to the superintendent of public instruction for an  
 23 increased payment from the state ~~public school equalization aid account~~ for the BASE funding program or  
 24 for state transportation reimbursement, or both. The superintendent of public instruction shall adopt rules  
 25 for the application. The superintendent of public instruction shall approve or disapprove each application  
 26 for increased state aid made in accordance with 20-9-314 and this section. When the superintendent of  
 27 public instruction approves an application, the superintendent of public instruction shall determine the  
 28 additional amount of state aid from the state ~~public school equalization aid account~~ or the state  
 29 transportation reimbursement that will be made available to the applicant district because of the increase  
 30 in enrollment. The superintendent of public instruction shall notify the applicant district of the

1 superintendent's approval or disapproval and, in the event of approval, the amount of additional state aid  
2 that will be made available for the general fund or the transportation fund. The superintendent of public  
3 instruction shall disburse the state aid to the eligible district at the time the next regular state aid payment  
4 is made."

5

6 **Section 30.** Section 20-9-331, MCA, is amended to read:

7 **"20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**  
8 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
9 tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for  
10 property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and  
11 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
12 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
13 districts in the county and to the state ~~special revenue~~ general fund, ~~state equalization aid account~~, in the  
14 following manner:

15 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
16 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE  
17 funding programs of all elementary districts of the county.

18 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
19 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
20 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account~~,  
21 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
22 remittance due no later than June 20 of the fiscal year for which the levy has been set.

23 (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
24 revenue from the following sources must be used for the equalization of the elementary BASE funding  
25 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
26 by the county treasurer in accordance with 20-9-212(1):

27 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
28 the common school fund under the provisions of 17-3-222;

29 (b) the portion of the federal flood control act funds distributed to a county and designated for  
30 expenditure for the benefit of the county common schools under the provisions of 17-3-232;



1 (c) all money paid into the county treasury as a result of fines for violations of law, except money  
2 paid to a justice's court, and the use of which is not otherwise specified by law;

3 (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
4 treasurer's accounts for the various sources of revenue established or referred to in this section;

5 (e) any federal or state money distributed to the county as payment in lieu of property taxation,  
6 including federal forest reserve funds allocated under the provisions of 17-3-213;

7 (f) gross proceeds taxes from coal under 15-23-703;

8 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
9 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
10 production occurring after December 31, 1988; and

11 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
12 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

13  
14 **Section 31.** Section 20-9-333, MCA, is amended to read:

15 **"20-9-333. Basic special levy and other revenues revenue for county equalization of high school**  
16 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
17 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
18 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
19 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue  
20 collected from this levy must be apportioned to the support of the BASE funding programs of high school  
21 districts in the county and to the state ~~special revenue~~ general fund, ~~state equalization aid account~~, in the  
22 following manner:

23 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
24 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
25 county's high school tuition obligation and the total of the BASE funding programs of all high school  
26 districts of the county.

27 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
28 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
29 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account~~,  
30 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final

1 remittance due no later than June 20 of the fiscal year for which the levy has been set.

2 (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
3 revenue from the following sources must be used for the equalization of the high school BASE funding  
4 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
5 by the county treasurer in accordance with 20-9-212(1):

6 (a) any money remaining at the end of the immediately preceding school fiscal year in the county  
7 treasurer's accounts for the various sources of revenue established in this section;

8 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
9 including federal forest reserve funds allocated under the provisions of 17-3-213;

10 (c) gross proceeds taxes from coal under 15-23-703;

11 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
12 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
13 production occurring after December 31, 1988; and

14 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
15 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

16

17 **Section 32.** Section 20-9-342, MCA, is amended to read:

18 **"20-9-342. Deposit of interest and income ~~moneys~~ money by state board of land commissioners.**

19 The state board of land commissioners shall annually deposit the interest and income ~~moneys~~ money for  
20 each calendar year into the state ~~special revenue~~ general fund for state equalization aid, ~~provided for by~~  
21 ~~20-9-343~~, by the last business day of February following the calendar year in which the ~~moneys were~~  
22 money was received."

23

24 **Section 33.** Section 20-9-343, MCA, is amended to read:

25 **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term  
26 "state equalization aid" means ~~the account in the state special revenue fund that receives~~ revenue as  
27 required in this section ~~plus any legislative appropriation of money from other sources~~ for:

28 (a) distribution to the public schools for the purposes of payment of systems development and  
29 other related costs resulting from the enactment of legislation that requires changes to the automated  
30 system used to administer the BASE funding program, guaranteed tax base aid, BASE aid, state

1 reimbursement for school facilities, and matching funds for the systemic initiative for Montana mathematics  
2 and science grant;

3 (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 per biennium; and

4 (c) the Montana educational telecommunications network as provided in 20-32-101.

5 (2) The superintendent of public instruction may spend throughout the biennium funds appropriated  
6 ~~from the state equalization aid account as required~~ for the purposes of systems development and other  
7 related costs resulting from the enactment of legislation that requires changes to the automated system  
8 used to administer the BASE funding program, guaranteed tax base aid, BASE aid for the BASE funding  
9 program, state reimbursement for school facilities, negotiated payments authorized under 20-7-420(3), and  
10 the Montana educational telecommunications network, ~~throughout the biennium, and for the biennium~~  
11 ~~beginning July 1, 1993, equipment purchases that qualify as the state match for the systemic initiative for~~  
12 ~~Montana mathematics and science grant.~~

13 (3) The following must be paid into the state ~~equalization aid account~~ general fund for the public  
14 schools of the state:

15 (a) ~~money allocated to state equalization from the collection of the severance tax on coal;~~

16 ~~(b) money received from the treasurer of the United States as the state's shares of oil, gas, and~~  
17 ~~other mineral royalties under the federal Mineral Lands Leasing Act, as amended;~~

18 ~~(c) interest and income money described in 20-9-341 and 20-9-342;~~

19 ~~(d) money received from the state equalization aid levy under 20-9-360;~~

20 ~~(e) income from the lottery, as provided in 23-7-402;~~

21 ~~(f) the surplus revenues collected by the counties for BASE funding program support according to~~  
22 ~~20-9-331 and 20-9-333; and~~

23 ~~(g)~~(b) investment income earned by investing money in the state equalization aid account in the  
24 ~~state special revenue fund~~ interest and income money described in 20-9-341 and 20-9-342.

25 ~~(4) The superintendent of public instruction shall request the board of investments to invest the~~  
26 ~~money in the state equalization aid account to maximize investment earnings to the account.~~

27 ~~(5) Any surplus revenue in the state equalization aid account at the end of a fiscal year must be~~  
28 ~~transferred to the general fund."~~

29  
30 **Section 34.** Section 20-9-346, MCA, is amended to read:

1           **"20-9-346. Duties of superintendent of public instruction for state and county equalization aid**  
2 **distribution.** The superintendent of public instruction shall administer the distribution of the state and  
3 county equalization aid by:

4           (1) establishing the annual entitlement of each district and county to state and county equalization  
5 aid, based on the data reported in the retirement and general fund budgets for each district that have been  
6 duly adopted for the current school fiscal year and verified by the superintendent of public instruction;

7           (2) for the purposes of state reimbursements for school facilities, limiting the distribution ~~from the~~  
8 ~~state equalization aid account to no more than \$1 million for the school fiscal year ending June 30, 1994,~~  
9 ~~and~~ to no more than \$2 million for the biennium ending June 30, 1995, to the districts that are eligible  
10 under the provisions of 20-9-366 through 20-9-371 by:

11           (a) determining by May 1 of each school fiscal year the number of mills levied in each district for  
12 debt service on bonds that were issued as provided in 20-9-370(2)(b)(i) or (2)(b)(ii) and that qualify for  
13 guaranteed tax base aid under the provisions of 20-9-366 through 20-9-369 and 20-9-370;

14           (b) based on the limitation of state equalization aid available for debt service purposes in this  
15 subsection (2), determining the percentage of state equalization aid that each eligible district must receive  
16 for the school fiscal year;

17           (c) distributing that amount to each eligible district for reducing the property tax for the debt  
18 service fund for the ensuing school fiscal year; and

19           (d) at the end of the school fiscal year ending June 30, 1994, determining whether there is an  
20 unused portion of the amount of state equalization aid appropriated in this subsection (2) to be carried into  
21 the next school fiscal year for the purposes of this subsection (2).

22           (3) distributing by electronic transfer the BASE aid and state advances for county equalization, for  
23 each district or county entitled to the aid, to the county treasurer of the respective county for county  
24 equalization or to the county treasurer of the county where the district is located for BASE aid, in  
25 accordance with the distribution ordered by the board of public education;

26           (4) keeping a record of the full and complete data concerning money available for state equalization  
27 aid, state advances for county equalization, and the entitlements for BASE aid of the districts of the state;

28           (5) reporting to the board of public education the estimated amount that will be available for state  
29 equalization aid; and

30           (6) reporting to the office of budget and program planning as provided in 17-7-111:

1 (a) the figures and data available concerning distributions of state and county equalization aid  
2 during the preceding 2 school fiscal years;

3 (b) the amount of state equalization aid then available;

4 (c) the apportionment made of the available money but not yet distributed;

5 (d) the latest estimate of accruals of money available for state equalization aid; and

6 (e) the amount of state advances and repayment for county equalization."  
7

8 **Section 35.** Section 20-9-360, MCA, is amended to read:

9 "**20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
10 commissioners of each county on all taxable property within the state, except property for which a tax or  
11 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as  
12 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be  
13 deposited to the credit of the state ~~special-revenue~~ general fund for state equalization aid to the public  
14 schools of Montana.

15 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
16 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall  
17 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
18 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
19 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference  
20 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
21 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
22 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
23 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
24 installments on December 31 and June 30 of the fiscal year."  
25

26 **Section 36.** Section 20-9-361, MCA, is amended to read:

27 "**20-9-361. State and county equalization revenue -- statutory appropriation.** (1) Revenue received  
28 in support of ~~state and county equalization~~ under the provisions of 20-9-331, and 20-9-333, ~~and 20-9-343~~  
29 ~~is statutorily appropriated, as provided in 17-7-502, to:~~

30 ~~(1) the superintendent of public instruction to be used for county equalization and state equalization~~

1 aid for the public schools, as provided by law, and must be accounted for in accordance with generally  
2 accepted accounting principles; ~~and,~~

3 (2) Revenue received from the state equalization aid levy for a municipality that created an urban  
4 renewal area and adopted a tax increment financing provision for the urban renewal area prior to July 1,  
5 1990, is statutorily appropriated, as provided in 17-7-502, to counties be distributed as provided in  
6 20-9-360(2)."

7

8 **Section 37.** Section 23-2-507, MCA, is amended to read:

9 "**23-2-507. Penalty.** (1) Violations of any section of this part, except 23-2-526(3), unless  
10 otherwise specified ~~shall be~~ are a misdemeanor and shall be punishable by a fine of not less than \$15 or  
11 more than \$500 or by imprisonment up to 6 months, or by both ~~such fine and imprisonment.~~ All fine and  
12 bond forfeitures, except those paid to a justice's court, ~~shall~~ must be transmitted to the state treasurer,  
13 who shall deposit ~~such~~ the fines and forfeitures in the ~~motorboat account of a special revenue~~ general fund.  
14 ~~The moneys shall be used only by the department~~ may use appropriations for enforcement of this part, as  
15 ~~amended.~~

16 (2) If 23-2-525(4) is violated, 46-18-241 through 46-18-249 apply, except that the sentencing  
17 court shall order restitution and shall do so regardless of the court's disposition of the violator."

18

19 **Section 38.** Section 23-2-644, MCA, is amended to read:

20 "**23-2-644. Use DEPOSIT of funds from fines and forfeitures.** All fines and forfeitures collected  
21 under 23-2-601 through 23-2-644 relating to snowmobiles, except those collected by a justice's court, ~~shall~~  
22 must be transmitted to the state treasurer, who shall deposit ~~such~~ the fines and forfeitures in the state  
23 ~~special revenue~~ general fund. ~~to the credit of the~~ The department to be used only ~~may use appropriations~~  
24 ~~for snowmobile safety and education."~~

25

26 **Section 39.** Section 23-2-807, MCA, is amended to read:

27 "**23-2-807. Penalty -- disposition.** (1) The failure to display a current decal indicating that the fee  
28 in lieu of tax, registration fees, decal fees, and, when applicable, taxes on licensed vehicles have been paid  
29 on the off-highway vehicle for the current year as provided in 23-2-804 is a misdemeanor punishable by  
30 a fine of \$50.

1 (2) All fines collected under this section must be transmitted to the state treasurer, who shall  
 2 deposit the money in the ~~account created under 23-2-804(3)~~ state general fund. ~~Fifty percent of this~~  
 3 ~~money and the interest earned on it must be used for off-highway vehicle safety and education. The~~  
 4 ~~remaining 50% of the money and the interest earned on it must be used for enforcement."~~

5  
 6 **Section 40.** Section 23-2-823, MCA, is amended to read:

7 **"23-2-823. Off-highway vehicle safety education training program —appropriation.** (1) There is  
 8 an off-highway vehicle safety education training program. ~~Beginning October 1, 1994, the~~ The department  
 9 of fish, wildlife, and parks shall coordinate the program as funds are available.

10 (2) ~~Beginning October 1, 1994, the~~ The department of justice shall transfer to the department of  
 11 fish, wildlife, and parks all money available for the program under 23 U.S.C. 402.

12 (3) There is an account in the federal special revenue fund in which all money received for the  
 13 administration of the off-highway vehicle safety education training program must be deposited. ~~The money~~  
 14 ~~in the account is statutorily appropriated, as provided in 17-7-502, to the department of fish, wildlife, and~~  
 15 ~~parks for the administration of the program."~~

16  
 17 **Section 41.** Section 23-4-202, MCA, is amended to read:

18 **"23-4-202. Penalty for violations of law -- authority of board -- judicial review.** (1) A person  
 19 holding a race meet or an owner, trainer, or jockey participating in a race meet, without first being licensed  
 20 under this chapter, ~~and~~ or a person violating this chapter is guilty of a misdemeanor.

21 (2) The board or, upon the board's authorization, the board of stewards of a race meet at which  
 22 they officiate may exclude from racecourses in this state a person whom the board considers detrimental  
 23 to the best interest of racing as defined by rules of the board.

24 (3) As its own formal act or through an act of a board of stewards of a race meet, the board may  
 25 suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed  
 26 \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the  
 27 board. In addition to the suspension or revocation and fine, the board may forbid application for relicensure  
 28 for a 2-year period. Fines collected under this subsection must be deposited in the general fund.

29 (4) The board shall promulgate rules implementing this chapter, including the right to a hearing for  
 30 individuals against whom action is taken or proposed ~~herein~~ under this chapter. The rules may include

1 provisions for the following:

2 (a) summary imposition of penalty by the stewards of a race meet, including a fine and license  
3 suspension, subject to review under the contested case provisions of the Montana Administrative Procedure  
4 Act;

5 (b) stay of a summary imposition of penalty by either the board or board of stewards;

6 (c) retention of purses pending final disposition of complaints, protests, or appeals of stewards'  
7 rulings;

8 (d) setting aside of up to 2% of exotic wagering on races, including simulcast races, to be used  
9 as a bonus for owners pursuant to 23-4-304(2), ~~and up to 30%~~. Up to 30% of the amount set aside may be used  
10 to defray administrative costs ~~which shall be~~ in addition to the 20% already withheld under 23-4-302~~;~~<sub>2</sub>.

11 (e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all  
12 purses except stakes races;

13 (f) assessment of penalty and interest on the late payment of fines, which must be paid before  
14 licenses are reinstated;

15 (g) definition of exotic forms of wagering on races to be allowed;

16 (h) standards for simulcast facilities; and

17 (i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast  
18 races.

19 (5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial  
20 review of cases arising under this chapter."

21

22 **Section 42.** Section 23-7-202, MCA, is amended to read:

23 **"23-7-202. Powers and duties of commission.** The commission shall:

24 (1) establish and operate a state lottery and may not become involved in any other gambling or  
25 gaming;

26 (2) determine policies for the operation of the state lottery, supervise the director and ~~his~~ the staff,  
27 and meet with the director at least once every 3 months to make and consider recommendations, set  
28 policies, determine types and forms of lottery games to be operated by the state lottery, and transact other  
29 necessary business;

30 (3) maximize the net revenue paid to the ~~superintendent of public instruction~~ state and to the board



1 of crime control under 23-7-402 and ensure that all policies and rules adopted further revenue  
2 maximization;

3 (4) subject to 23-7-402(1), determine the percentage of the money paid for tickets or chances to  
4 be paid out as prizes;

5 (5) determine the price of each ticket or chance and the number and size of prizes;

6 (6) provide for the conduct of drawings of winners of lottery games;

7 (7) carry out, with the director, a continuing study of the state lotteries of Montana and other  
8 states to make the state lottery more efficient, profitable, and secure from violations of the law;

9 (8) study and may enter into agreements with other lottery states to offer lottery games;

10 (9) prepare quarterly and annual reports on all aspects of the operation of the state lottery,  
11 including but not limited to types of games, gross revenue, prize money paid, operating expenses, net  
12 revenue to the state, contracts with gaming suppliers, and recommendations for changes to this part, and  
13 deliver a copy of each report to the governor, the department of administration, the legislative auditor, the  
14 president of the senate, the speaker of the house of representatives, and each member of the appropriate  
15 committee of each house of the legislature as determined by the president of the senate and the speaker  
16 of the house; and

17 (10) adopt rules relating to lottery staff sales incentives or bonuses and sales agents' commissions  
18 and any other rules necessary to carry out this part."

19

20 **Section 43.** Section 23-7-402, MCA, is amended to read:

21 "**23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or  
22 chances must be paid out as prize money. The prize money is statutorily appropriated, as provided in  
23 17-7-502, to the lottery.

24 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating  
25 expense.

26 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
27 expenses, together with the interest earned on the gross revenue while the gross revenue is in the  
28 enterprise fund, is net revenue. Except for the amount required to be paid under subsection (5), net  
29 revenue must be ~~paid~~ transferred quarterly from the enterprise fund established by 23-7-401 to the  
30 ~~superintendent of public instruction~~ state general fund ~~for distribution as state equalization aid to the public~~

1 schools of Montana as provided in ~~20-9-343~~. The net revenue is ~~statutorily appropriated, as provided in~~  
 2 ~~17-7-502, to the superintendent of public instruction.~~

3 (4) The spending authority of the lottery may be increased in accordance with this section upon  
 4 review and approval of a revised operation plan by the ~~budget office~~ of budget and program planning.

5 (5) (a) An amount equal to 9.1% of the net revenue derived under subsection (3), but not to  
 6 exceed \$1 million in any fiscal year, must be paid to the board of crime control.

7 (b) All money paid to the board of crime control under this subsection (5) must be used to fund  
 8 state grants to counties for youth detention services and to cover the costs of administering the grant  
 9 program as authorized in 41-5-1002. The grants are statutorily appropriated, as provided in 17-7-502, to  
 10 the board of crime control. The costs of administering the grant program must be paid pursuant to a  
 11 legislative appropriation."

12

13 **Section 44.** Section 27-12-206, MCA, is amended to read:

14 **"27-12-206. Funding.** (1) There is an account in the state special revenue fund. Money from the  
 15 assessments levied under this section must be deposited in the account. ~~The money in the account is~~  
 16 ~~statutorily appropriated, as provided in 17-7-502, to the director to be used to administer this chapter.~~

17 (2) For each fiscal year, beginning July 1, an annual assessment is levied on all chiropractic  
 18 physicians. The amount of the assessment must be annually set by the director and equally assessed  
 19 against all chiropractic physicians. A fund surplus at the end of a fiscal year, not required for the  
 20 administration of this chapter, must be retained ~~by the director~~ in the account and used to finance the  
 21 administration of this chapter during the next fiscal year, in which event the director shall reduce the next  
 22 annual assessment to an amount estimated to be necessary for the proper administration of this chapter  
 23 during that fiscal year.

24 (3) The annual assessment must be paid on or before the date the chiropractic physician's annual  
 25 renewal fee under 37-12-307 is due. An unpaid assessment bears a late charge fee of \$25. The late  
 26 charge fee is part of the annual assessment. The director has the same powers and duties in connection  
 27 with the collection of and failure to pay the annual assessment as the department of commerce has under  
 28 37-12-307 with regard to a chiropractic physician's annual license fee."

29

30 **Section 45.** Section 39-71-2501, MCA, is amended to read:

1           **"39-71-2501. Definitions.** As used in this part, the following definitions apply:

2           ~~(1) "Account" means the workers' compensation bond repayment account established in~~  
3           ~~39-71-2504.~~

4           ~~(1)(2)~~ "Department" means the department of revenue provided for in 2-15-1301.

5           ~~(2)(3)~~ "Employee" includes an officer, employee, or elected public official of the United States, the  
6 state of Montana, or any political subdivision of the United States or the state of Montana or any agency  
7 or instrumentality of the United States, the state of Montana, or a political subdivision of the United States  
8 or the state of Montana. The term "employee" also includes an officer of a corporation.

9           ~~(3)(4)~~ (a) "Employer" means, except as provided in subsection ~~(3)(b)~~ ~~(4)(b)~~, the person for whom  
10 an individual performs or performed any service, of whatever nature, as an employee of the person.

11           (b) If the person for whom the individual performs or performed the service does not have control  
12 of the payment of the wages for the service, the term employer means the person who has control of the  
13 payment of wages.

14           ~~(4)(5)~~ "Employer's payroll" means wages paid for each of the calendar quarters ending March 31,  
15 June 30, September 30, and December 31.

16           ~~(5)(6)~~ "State fund" means the state compensation insurance fund.

17           ~~(6)(7)~~ "Tax" means the workers' compensation old fund liability tax provided for in 39-71-2503,  
18 created to address the unfunded liability for claims for injuries resulting from accidents that occurred before  
19 July 1, 1990.

20           ~~(7) "Tax account" means the workers' compensation tax account created by 39-71-2504.~~

21           (8) "Wages" means all remuneration for services performed by an employee for an employer,  
22 including the cash value of all remuneration paid in any medium other than cash. The term does not include  
23 remuneration paid:

24           (a) for casual labor not in the course of the employer's trade or business performed in any calendar  
25 quarter by an employee unless the cash remuneration paid for the service is \$50 or more and the service  
26 is performed by an individual who is regularly employed by the employer to perform the service. For  
27 purposes of this subsection (8)(a), an individual is considered to be regularly employed by an employer  
28 during a calendar quarter only if:

29           (i) on each of 24 days during the calendar quarter, the individual performs service not in the course  
30 of the employer's trade or business for the employer for some portion of the day; and

1 (ii) the individual was regularly employed, as determined under subsection (8)(a)(i), by the employer  
2 in the performance of service during the preceding calendar quarter;

3 (b) for services not in the course of the employer's trade or business, to the extent that  
4 remuneration is paid in any medium other than cash, when the payments are in the form of lodging or meals  
5 and the payments are received by the employee at the request of and for the convenience of the employer;

6 (c) to or for an employee as a payment for or a contribution toward the cost of any group plan or  
7 program that benefits the employee, including but not limited to life insurance, hospitalization insurance for  
8 the employee or the employee's dependents, and employees' club activities;

9 (d) as wages or compensation, the taxation of which is prohibited by federal law."

10

11 **Section 46.** Section 39-71-2503, MCA, is amended to read:

12 **"39-71-2503. Workers' compensation old fund liability tax.** (1) (a) There is imposed on each  
13 employer a workers' compensation old fund liability tax in an amount equal to 0.28%, plus the additional  
14 amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the preceding calendar  
15 quarter, except that if an employer is subject to 15-30-204(2), the tax is an amount equal to 0.28%, plus  
16 the additional amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the  
17 preceding week.

18 (b) There is imposed on each employee, except workers engaged in the rail industry who are under  
19 the jurisdiction of the federal railroad administration, United States department of transportation, an old  
20 fund liability tax, as provided in 39-71-2505, on the employee's wages in the preceding calendar quarter.

21 (c) There is imposed on each business of a sole proprietor, on each subchapter S. corporation  
22 shareholder, on each partner of a partnership, and on each member or manager of a limited liability  
23 company a workers' compensation old fund liability tax, as provided in 39-71-2505, on the profit of each  
24 separate business of a sole proprietor and on the distributive share of ordinary income of each shareholder,  
25 partner, or member or manager.

26 (d) A corporate officer of a subchapter S. corporation who receives wages as an employee of the  
27 corporation shall pay the old fund liability tax on both the wages and any distributive share of ordinary  
28 income at the employee rate. The subchapter S. corporation is not liable for the tax on the corporate  
29 officer's wages.

30 (e) A corporate officer of a closely held corporation who meets the stock ownership test under

1 section 542(a)(2) of the Internal Revenue Code and receives wages as an employee of the corporation is  
2 required to pay the old fund liability tax only on the wages received. The corporation is not liable for the  
3 tax on the corporate officer's wages.

4 (f) This old fund liability tax must be used to reduce the unfunded liability in the state fund incurred  
5 for claims for injuries resulting from accidents that occurred before July 1, 1990. If one or more loans or  
6 bonds are outstanding, the legislature may not reduce the security for repayment of the outstanding loans  
7 or bonds, except that the legislature may forgive payment of a tax or reduce a tax rate for any 12-month  
8 period if the workers' compensation bond repayment account contains on the first day of that period an  
9 amount, regardless of the source, that is in excess of the reserve maintained in the account and that is  
10 equal to the amount needed to pay and is dedicated to the payment of the principal, premium, and interest  
11 that must be paid during that period on the outstanding loans or bonds.

12 (g) Each employer shall maintain the records the department requires concerning the old fund  
13 liability tax. The records are subject to inspection by the department and its employees and agents during  
14 regular business hours.

15 (h) An employee does not have any right of action against an employer for any money deducted  
16 and withheld from the employee's wages and paid to the state in compliance or intended compliance with  
17 this section.

18 (i) The employer is liable to the state for any amount of old fund liability taxes, plus interest and  
19 penalty, when the employer fails to withhold from an employee's wages or fails to remit to the state the  
20 old fund liability tax required by this section.

21 (j) A sole proprietor, subchapter S. corporation shareholder, partner of a partnership, or member  
22 or manager of a limited liability company is liable to the state for the old fund liability tax, plus interest and  
23 penalty, when the sole proprietor, shareholder, partner, or member or manager fails to remit to the state  
24 the old fund liability tax required by this section.

25 (2) All collections of the tax must be deposited as received in the ~~tax~~ account. The tax is in  
26 addition to any other tax or fee assessed against persons subject to the tax.

27 (3) (a) On or before the last day of April, July, October, and January, each employer subject to the  
28 tax shall file a return in the form and containing the information required by the department and, except  
29 as provided in subsection (3)(b), pay the amount of tax required by this section to be paid on the  
30 employer's payroll for the preceding calendar quarter ~~and in addition.~~ The employer shall also remit

1 withholdings for employees' old fund liability taxes at the same time.

2 (b) An employer subject to 15-30-204(2) shall remit to the department a weekly payment with its  
3 weekly withholding tax payment in the amount required by subsection (1)(a) and shall remit withholdings  
4 for employees' old fund liability taxes at the same time.

5 (c) Tax payments required by subsections (1)(a) and (1)(b) must be made with the return filed  
6 pursuant to 15-30-204. The department shall first credit a payment to the liability under 15-30-202 and  
7 credit any remainder to the workers' compensation tax account provided in 39-71-2504.

8 (d) Tax payments due from sole proprietors, subchapter S. corporation shareholders, partners of  
9 partnerships, and members or managers of limited liability companies must be made with and at the same  
10 time as the returns filed pursuant to 15-30-144 and 15-30-241. The department shall first credit a payment  
11 to the liability under 15-30-103 or 15-30-202 and shall then credit any remainder to the ~~workers'~~  
12 ~~compensation tax~~ account provided for in 39-71-2504.

13 (4) An employer's officer or employee with the duty to collect, account for, and pay to the  
14 department the amounts due under this section who fails to pay an amount is liable to the state for the  
15 unpaid amount and any penalty and interest relating to that amount.

16 (5) Returns and remittances under subsection (3) and any information obtained by the department  
17 during an audit are subject to the provisions of 15-30-303, but the department may disclose the information  
18 to the department of labor and industry under circumstances and conditions that ensure the continued  
19 confidentiality of the information.

20 (6) The department of labor and industry and the state fund shall, ~~on July 1, 1991, or as soon after~~  
21 ~~that date as possible~~, give the department a list of all employers having coverage under any plan  
22 administered or regulated by the department of labor and industry and the state fund. After the lists have  
23 been given to the department, the department of labor and industry and the state fund shall update the lists  
24 weekly. The department of labor and industry and the state fund shall provide the department with access  
25 to their computer data bases and paper files and records for the purpose of the department's administration  
26 of the tax imposed by this section.

27 (7) The provisions of Title 15, chapter 30, that are not in conflict with the provisions of this part  
28 regarding administration, remedies, enforcement, collections, hearings, interest, deficiency assessments,  
29 credits for overpayment, statute of limitations, penalties, estimated taxes, and department rulemaking  
30 authority apply to the tax, to employers, to employees, to sole proprietors, to subchapter S. corporation

1 shareholders, to partners of partnerships, to members or managers of limited liability companies, and to the  
2 department."

3  
4 **Section 47.** Section 39-71-2504, MCA, is amended to read:

5 "**39-71-2504. Workers' compensation tax bond repayment account.** (1) There is a workers'  
6 compensation tax bond repayment account in the state special revenue fund. ~~The workers' compensation~~  
7 ~~tax account consists of a tax account and a workers' compensation bond repayment account.~~

8 (2) All collections of the tax imposed under 39-71-2503, and the interest and penalties on the tax,  
9 ~~and revenue appropriated to the workers' compensation tax account under section 11, Chapter 9, Special~~  
10 ~~Laws of June 1989,~~ must, in accordance with the provisions of 15-1-501(6), be deposited in the workers'  
11 compensation tax bond repayment account. All money deposited in the ~~workers' compensation tax~~  
12 ~~account must be credited to the~~ workers' compensation bond repayment account must be retained in the  
13 account to the extent necessary to pay the principal of and the redemption premium and interest due on  
14 workers' compensation bonds issued under 39-71-2354 and 39-71-2355 and to establish and maintain a  
15 reserve for the bonds equal to the maximum annual principal of and interest on the bonds in any future  
16 year. The balance in the workers' compensation bond repayment account ~~must be credited to the tax~~  
17 ~~account within the workers' compensation tax account and~~ is statutorily appropriated, as provided in  
18 17-7-502, to the state fund to be used to reduce the unfunded liability in the state fund incurred for claims  
19 for injuries resulting from accidents that occurred before July 1, 1990."

20  
21 **Section 48.** ~~Section 44-12-206, MCA, is amended to read:~~

22 "~~44-12-206. Disposition of proceeds of sale report.~~ (1) ~~Whenever property is seized, forfeited,~~  
23 ~~and sold under the provisions of this chapter, the net proceeds of the sale must be distributed as follows:~~

24 (a) ~~to the holders of security interests who have presented proper proof of their claims, if any, up~~  
25 ~~to the amount of their interests in the property;~~

26 (b) ~~the remainder, if any, to the county treasurer of the county in which the property was seized,~~  
27 ~~who. The county treasurer shall establish and maintain a drug forfeiture account and deposit the remainder~~  
28 ~~into the account, except as provided in subsections (1)(c) through (1)(e);~~

29 (c) ~~if the property was seized within the corporate limits of a city or town by a law enforcement~~  
30 ~~agency of that city or town, the remainder, if any, to the city or town treasurer, who. The city or town~~

1 ~~treasurer shall establish and maintain a drug forfeiture account and deposit the remainder into the account,~~  
 2 ~~except as provided in subsections (1)(d) and (1)(e);~~

3 ~~(d) if the property was seized by an employee of the state, the remainder, if any, to the account~~  
 4 ~~established in subsection (3) state general fund, except as provided in subsection (1)(e); and~~

5 ~~(e) if the property was seized as a result of the efforts of more than one law enforcement agency,~~  
 6 ~~the remainder, if any, to the accounts required by this subsection (1), pro rata in the proportions~~  
 7 ~~represented by the agencies' expenses of investigation, as determined by the attorney general.~~

8 ~~(2) All proceeds from any source that are deposited into a county, city, or town drug forfeiture~~  
 9 ~~account must in each fiscal year be appropriated to and remain available until expended by the confiscating~~  
 10 ~~agency for drug laws enforcement and education concerning drugs.~~

11 ~~(3) Net proceeds received by the state under subsections (1)(d) and (1)(e) must be deposited in~~  
 12 ~~an account in the state special revenue fund to the credit of the department of justice. The department~~  
 13 ~~may expend the money in the account only for purposes of enforcement of drug laws. An amount up to~~  
 14 ~~\$125,000 each year is statutorily appropriated, as provided in 17-7-502, to the attorney general for~~  
 15 ~~enforcement of drug laws. Any expenditure in excess of \$125,000 each fiscal year requires approval~~  
 16 ~~through budget amendment, as provided in Title 17, chapter 7, part 4.~~

17 ~~(4)(3) The attorney general shall provide the legislative finance committee and the legislative auditor~~  
 18 ~~with a detailed, written report of the amounts and property credited to the account general fund no later~~  
 19 ~~than 4 months after the end of each fiscal year. The attorney general may not disclose any information~~  
 20 ~~that would compromise any investigation or prosecution."~~

21

22 **Section 48.** Section 46-18-235, MCA, is amended to read:

23 **"46-18-235. Disposition of money collected as fines and costs.** The money collected by a court  
 24 as a result of the imposition of fines or assessment of costs under the provisions of 46-18-231 and  
 25 46-18-232 shall must be paid:

26 (1) by a district court to the county general fund of the county in which the court is held, except  
 27 that:

28 (a) if the costs assessed include any district court expense listed in 3-5-901, the money collected  
 29 from assessment of these costs must be paid to the state for deposit into the state general fund to the  
 30 extent that the expenses were paid by the state; and



1 (b) if the fine was imposed for a violation of Title 45, chapter 9 or 10, the court may order the  
 2 money paid into the drug forfeiture account maintained under 44-12-206 for the law enforcement agency  
 3 ~~which that~~ made the arrest from which the conviction and fine arose; and

4 ~~(c) if the fine was imposed for a violation of 45-5-206, 50% of the amount collected must be~~  
 5 ~~deposited in the state special revenue fund for use of the department of family services in the battered~~  
 6 ~~spouses and domestic violence grant program created by 52-6-101; and~~

7 (2) by a justice's court pursuant to 3-10-601."

8  
 9 **Section 49.** Section 52-6-105, MCA, is amended to read:

10 "**52-6-105. Funding.** (1) Revenue from the marriage license fee, and the fee collected for filing  
 11 a declaration of marriage without solemnization, ~~and the portion of fines allocated to this program by~~  
 12 ~~46-18-235~~ is the primary source of funding for the battered spouses and domestic violence program. The  
 13 disposition of the marriage license fee is as established in 25-1-201.

14 (2) Twenty percent of the operational costs of a battered spouses and domestic violence program  
 15 must come from the local community served by the program. The local contribution may include in-kind  
 16 contributions."

17  
 18 **Section 50.** Section 61-2-107, MCA, is amended to read:

19 "**61-2-107. License reinstatement fee to fund county drinking and driving prevention programs.**

20 (1) Notwithstanding the provisions of any other law of the state, a driver's license that has been  
 21 suspended or revoked under 61-5-205 or 61-8-402 must remain suspended or revoked until the driver has  
 22 paid to the department a fee of \$100 in addition to any other fines, forfeitures, and penalties assessed as  
 23 a result of conviction for a violation of the traffic laws of the state.

24 (2) ~~(a)~~ The department shall deposit the fees collected under subsection (1) in the general fund.  
 25 One-half of the fees must be appropriated and used for funding county drinking and driving prevention  
 26 programs as provided in 61-2-108. ~~For each fiscal year, an amount up to \$50,000 of the money from the~~  
 27 ~~fees remaining in the general fund after appropriation for those programs is statutorily appropriated, as~~  
 28 ~~provided in 17-7-502, to the department to purchase and maintain equipment used to analyze breath for~~  
 29 ~~the presence of alcohol.~~

30 ~~(b) On or before June 30, 1994, the department shall transfer to the general fund the balance of~~

1 ~~the driver's license reinstatement fee state special revenue account."~~

2

3 **Section 51.** Section 61-3-502, MCA, is amended to read:

4 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to  
5 use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding  
6 trailers, semitrailers, and housetrailer, for which a license is sought and an original application for title is  
7 made. The tax must be paid by the purchaser when the purchaser applies for an original Montana license  
8 through the county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle  
9 for which original registration is sought or a motor vehicle previously furnished without charge by a dealer  
10 to a school district for use in a state-approved traffic education program, whether or not titled by the  
11 dealer or the school district, and for which original registration is sought.

12 (2) Except as provided in subsections (4) and (5), the sales tax is:

13 (a) 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
14 the year or for a registration period other than a calendar year or calendar quarter;

15 (b) 1 1/8% of the list price during the second quarter of the year;

16 (c) 3/4 of 1% during the third quarter of the year;

17 (d) 3/8 of 1% during the fourth quarter of the year.

18 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
19 list price, the department may use published price lists.

20 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
21 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
22 new vehicle is purchased.

23 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%  
24 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

25 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
26 the ~~state~~ highway nonrestricted account of the state special revenue fund. The county treasurer shall retain  
27 5% of the taxes collected to pay for the cost of administration.

28 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
29 calendar year in which the original application for title is made.

30 (8) ~~(a) The applicant for original registration of any new and unused motor vehicle, or a new motor~~

1 ~~vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle~~  
 2 ~~by a school district operating a state approved traffic education program within the state, whether or not~~  
 3 ~~previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),~~  
 4 ~~acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been~~  
 5 ~~otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the~~  
 6 ~~vehicle was in the state of Montana on January 1 of the year.~~

7 (b) A motor vehicle may not be registered or licensed ~~under the provisions of this subsection~~ unless  
 8 the application for registration is accompanied by a statement of origin ~~to be~~ that is furnished by the dealer  
 9 selling the vehicle, ~~showing and that shows~~ that the vehicle has not previously been registered or owned,  
 10 except as otherwise provided in this section, by any person, firm, corporation, or association ~~that is not~~  
 11 other than a new motor vehicle dealer holding a franchise or distribution agreement from a new car  
 12 manufacturer, distributor, or importer.

13 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
 14 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of  
 15 subsection (1).

16 (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
 17 agricultural worker temporarily employed in agricultural work in this state ~~where~~ when those motor vehicles  
 18 are used exclusively for transportation of agricultural workers are also exempt from the provisions of  
 19 subsection (1).

20 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
 21 the provisions of subsection (1):

22 (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
 23 property only; and

24 (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
 25 demonstrated in the course of the dealer's business."

26  
 27 **Section 52.** Section 61-4-112, MCA, is amended to read:

28 **"61-4-112. New motor vehicles -- transfers by dealers.** (1) When a motor vehicle dealer transfers  
 29 a new motor vehicle to a purchaser or other recipient, the dealer shall:

30 (a) issue and affix a sticker as prescribed in 61-4-111(1)(a) for transfers of used motor vehicles

1 and retain a copy of the sticker;

2 (b) within 4 working days following the date of delivery of the new motor vehicle, forward to the  
3 county treasurer of the county where the purchaser or recipient resides:

4 (i) one copy of the sticker issued under subsection (1)(a);

5 (ii) an application for certificate of title with a notice of security interest, if any, executed by the  
6 purchaser or recipient; and

7 (iii) a statement of origin as prescribed in 61-3-502(8)(b).

8 (2) Upon receipt from the county treasurer of the documents required under subsection (1), the  
9 department shall issue a certificate of ownership and certificate of registration together with a statement  
10 of lien as provided in 61-3-202."

11

12 **SECTION 53. SECTION 61-5-121, MCA, IS AMENDED TO READ:**

13 **"61-5-121. Disposition of fees.** (1) The disposition of the fees from driver's licenses provided for  
14 in 61-5-111(7)(a), motorcycle endorsements provided for in 61-5-111(7)(b), commercial driver's licenses  
15 provided for in 61-5-111(7)(c), and duplicate driver's licenses provided for in 61-5-114 is as follows:

16 (a) The amount of 25% of each driver's license fee and of each duplicate driver's license fee must  
17 be deposited into an account in the state special revenue fund. The department shall transfer the funds  
18 from this account to the Montana highway patrol officers' retirement pension trust fund as provided in  
19 19-6-404.

20 (b) (i) If the fees are collected by a county treasurer or other agent of the department, the amount  
21 of 3.75% of each driver's license fee and of each duplicate driver's license fee must be deposited into the  
22 county general fund.

23 (ii) If the fees are collected by the department, the amount provided for in subsection (1)(b)(i) must  
24 be deposited into the general fund.

25 (c) (i) If the fee is collected by a county treasurer or other agent of the department, the amount  
26 of 5% of each motorcycle endorsement must be deposited into the county general fund.

27 (ii) If the fee is collected by the department, the amount provided for in subsection (1)(c)(i) must  
28 be deposited into the general fund.

29 (d) The amount of ~~8.75%~~ 35% of each driver's license fee and of each duplicate driver's license  
30 fee must be deposited into the state traffic education account.

1 (e) In addition to the amounts deposited pursuant to subsections (1)(b)(ii) and (1)(c)(ii), the amount  
2 of ~~62.5%~~ 36.25% of each driver's license fee and of each duplicate driver's license fee must be deposited  
3 into the state general fund.

4 (f) If the fee is collected by the county treasurer or other agent of the department, the amount of  
5 3.75% of each commercial driver's license fee must be deposited into the county general fund, otherwise  
6 all of the fee must be deposited in the state general fund.

7 (g) The amount of 95% of each motorcycle endorsement fee must be deposited into the state  
8 traffic education account in the state special revenue fund.

9 (2) (a) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
10 duplicate driver's licenses are collected by a county treasurer or other agent of the department, the county  
11 treasurer or agent shall deposit the amounts provided for in subsections (1)(b)(i) and (1)(c)(i) into the county  
12 general fund. The county treasurer or agent shall then remit to the state treasurer all remaining fees,  
13 together with a statement indicating what portion of each fee is to be deposited into the account in the  
14 state special revenue fund as provided in subsection (1)(a) and the state general fund. The state treasurer,  
15 upon receipt of the fees and statement, shall deposit the fees as provided in subsections (1)(a) and (1)(d)  
16 through (1)(g).

17 (b) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
18 duplicate driver's licenses are collected by the department, it shall remit all fees to the state treasurer,  
19 together with a statement indicating what portion of each fee is to be deposited into the account in the  
20 state special revenue fund as provided in subsection (1)(a), the state special revenue fund, and the state  
21 general fund. The state treasurer, upon receipt of the fees and statement, shall deposit the fees as provided  
22 in subsections (1)(a), (1)(b)(ii), (1)(c)(ii), and (1)(d) through (1)(g)."

23  
24 **Section 54.** Section 61-8-204, MCA, is amended to read:

25 "**61-8-204. Reward for information on injury to or removal of sign or marker.** Upon conviction  
26 under the provisions of 61-8-713, ~~any~~ a person who furnishes information to law enforcement officers  
27 leading to the arrest and conviction of the accused person shall ~~shall~~ must be paid a reward from the ~~state~~  
28 highway nonrestricted account in the state special revenue fund in the sum of \$100."

29  
30 **Section 55.** Section 61-10-126, MCA, is amended to read:

1           **"61-10-126. Deposit of fees.** All fees collected under 61-10-101 through 61-10-125 ~~shall~~ must  
 2 be forwarded to the state treasurer for deposit in the ~~state~~ highway nonrestricted account in the state  
 3 special revenue fund."

4

5           **Section 56.** Section 61-10-148, MCA, is amended to read:

6           **"61-10-148. Disposition of fines and forfeited bonds.** (1) Except as provided in 61-12-701 and  
 7 subsection (2) of this section, one-half of all the money collected as fines and forfeited bonds for violations  
 8 of Title 61, chapter 10, must be remitted monthly by the county treasurer to the state treasurer for deposit  
 9 in the ~~state~~ highway nonrestricted account in the state special revenue fund. The remaining half, less the  
 10 deductions required by law, must be deposited in the county road fund. This subsection does not apply  
 11 to fines and forfeited bonds paid to justices' courts.

12           (2) If the apprehension or arrest was for a violation of Title 61, chapter 10, and if the offense  
 13 occurred on a road or highway not included under the provisions of 60-2-128 and 60-2-203, all money  
 14 collected as fines and forfeited bonds must be distributed to the county treasurer for deposit in the county  
 15 road fund."

16

17           **Section 57.** Section 61-10-225, MCA, is amended to read:

18           **"61-10-225. Disposition of fees collected by county treasurer.** At the time of collecting the fees  
 19 provided for in 61-10-222, each county treasurer shall retain 5% of the fees ~~collected by him~~ for the cost  
 20 of administration and for deposit in the general fund of the county. The remaining 95% ~~shall~~ must be  
 21 remitted monthly to the state treasurer for deposit to the credit of the department of transportation in the  
 22 highway revenue account. The remittance ~~shall~~ must be made on forms furnished to the county treasurer  
 23 by the department."

24

25           **Section 58.** Section 61-10-226, MCA, is amended to read:

26           **"61-10-226. Deposit of state highway money.** (1) ~~Any reference to the state highway fund means~~  
 27 ~~the state highway account in the state special revenue fund.~~

28           ~~(2)~~ Money received for the use of the department from the receipt or transfer of GVW license fees,  
 29 as provided by law, or from other state sources ~~shall~~ must be deposited in the highway revenue account  
 30 in the state special revenue fund to the credit of the department.

1           ~~(3)~~(2) Money received from the federal government or other agencies shall must be deposited in  
2 a federal or state special revenue fund to the credit of the department.

3           ~~(4)~~(3) Money collected for the department as authorized by law shall must be credited to ~~such~~ the  
4 appropriate fund ~~or funds~~ by the state treasurer.

5           ~~(5)~~(4) Money received from the counties shall must be deposited in the appropriate account in the  
6 state special revenue fund to the credit of the department."  
7

8           **Section 59.** Section 75-5-634, MCA, is amended to read:

9           "**75-5-634. Disposition of fines and civil penalties.** ~~(1) Except as provided in subsections (2) and~~  
10 ~~(3), fines~~ Fines and civil penalties collected under this chapter, except those collected in a justice's court,  
11 must be deposited into the ~~water quality rehabilitation account provided in 75-5-507~~ state general fund.

12           ~~(2) A maximum of \$20,000 in fines and civil penalties may be deposited in the water quality~~  
13 ~~rehabilitation account in any fiscal year. Fines and penalties in excess of \$20,000 must be deposited in~~  
14 ~~the general fund.~~

15           ~~(3) Whenever the amount of money in the water quality rehabilitation account exceeds \$100,000,~~  
16 ~~all subsequent fines and civil penalties must be deposited in the general fund."~~

17  
18           **Section 60.** Section 75-5-635, MCA, is amended to read:

19           "**75-5-635. Costs and expenses -- recovery by department** ~~-- deposit in water quality rehabilitation~~  
20 ~~account.~~ (1) In a civil action initiated by the department under this chapter, the department may ask for  
21 and the court is authorized to assess a violator for the cost of the investigation or monitoring survey ~~which~~  
22 that led to the establishment of the violation and any expense incurred by the state in removing, correcting,  
23 or terminating any of the adverse effects upon water quality resulting from the unauthorized discharge of  
24 pollutants.

25           (2) Any costs and expenses recovered by the department under the provisions of subsection (1)  
26 ~~for actions that the department financed with money from the water quality rehabilitation account~~  
27 ~~authorized in 75-5-507~~ must be deposited in the ~~water quality rehabilitation account~~ state general fund."  
28

29           **Section 61.** Section 75-6-109, MCA, is amended to read:

30           "**75-6-109. Administrative enforcement.** (1) If the department believes that a violation of this part,

1 a rule adopted under this part, or a condition of approval issued under this part has occurred, it may serve  
 2 written notice of the violation, by certified mail, on the alleged violator or ~~his~~ the violator's agent. The  
 3 notice must specify the provision of this part, the rule, or the condition of approval alleged to have been  
 4 violated and the facts alleged to constitute a violation. The notice must include an order to take necessary  
 5 corrective action within a reasonable period of time, ~~which~~. The time period must be stated in the order.  
 6 Service by mail is complete on the date of filing.

7 (2) If the alleged violator does not request a hearing before the board within 30 days of the date  
 8 of service, the order becomes final. Failure to comply with a final order may subject the violator to an  
 9 action commenced pursuant to 75-6-104, 75-6-113, or 75-6-114.

10 (3) If the alleged violator requests a hearing before the board within 30 days of the date of service,  
 11 the board shall schedule a hearing. After the hearing is held, the board may:

12 (a) affirm or modify the department's order issued under subsection (1) if the board finds that a  
 13 violation has occurred; or

14 (b) rescind the department's order if the board finds that a violation has not occurred.

15 (4) An order issued by the department or the board may set a date by which the violation must  
 16 cease and set a time limit for action to correct a violation.

17 (5) As an alternative to issuing an order pursuant to subsection (1), the department may:

18 (a) require the alleged violator to appear before the board for a hearing, at a time and place  
 19 specified in the notice, to answer the charges complained of; or

20 (b) initiate an action under 75-6-111(2), 75-6-113, or 75-6-114.

21 (6) An action initiated under this part may include an administrative penalty not to exceed \$500  
 22 for each day of violation. Administrative penalties collected under this section must be deposited in the  
 23 ~~public drinking water special revenue~~ state general fund established in ~~75-6-115~~.

24 (7) The contested case provisions of the Montana Administrative Procedure Act, provided for in  
 25 Title 2, chapter 4, part 6, apply to a hearing under 75-6-108 or this section."

26  
 27 **Section 62.** Section 75-6-114, MCA, is amended to read:

28 **"75-6-114. Civil penalty.** (1) A person who violates this part or a rule, order, or condition of  
 29 approval issued under this part is subject to a civil penalty not to exceed \$10,000.

30 (2) Each day of violation constitutes a separate violation.



1 (3) Action under this section does not bar enforcement of this part or a rule, order, or condition  
2 of approval issued under this part by injunction or other appropriate remedy.

3 (4) Civil penalties collected pursuant to this section must be deposited in the ~~public drinking water~~  
4 ~~special revenue~~ state general fund ~~established in 75-6-115."~~

5  
6 **Section 63.** Section 75-6-115, MCA, is amended to read:

7 "**75-6-115. Public drinking water special revenue fund.** (1) There is a public drinking water special  
8 revenue fund within the state special revenue fund established in 17-2-102. ~~There are established in the~~  
9 ~~public drinking water special revenue fund an operator training account and a public drinking water program~~  
10 ~~account.~~

11 (2) There must be credited to:

12 ~~(a) the operator training account all administrative and civil penalties collected under 75-6-109 and~~  
13 ~~75-6-114; and~~

14 ~~(b) the public drinking water program account revenues~~ special revenue fund the revenue from fees  
15 assessed, collected, and allocated pursuant to 75-6-108.

16 ~~(3) Funds from the operator training account may be used only to finance public water supply~~  
17 ~~system and public sewage system operator training programs.~~

18 ~~(4) Funds from the public drinking water program account~~ special revenue fund may be used only  
19 to pay department costs in implementing the public drinking water supply program, as described in this  
20 part."

21  
22 **Section 64.** Section 76-15-530, MCA, is amended to read:

23 "**76-15-530. Conservation district ~~account~~ appropriations -- administration.** (1) ~~There is a~~  
24 ~~conservation district account in the state special revenue fund of the state treasury. Money is paid into~~  
25 ~~this account under 15-35-108.~~ The state treasurer shall draw warrants payable from ~~this account~~  
26 appropriations of allocations authorized as provided under 15-35-108 on order from the department of  
27 natural resources and conservation.

28 (2) The department of natural resources and conservation shall administer the conservation district  
29 ~~account~~ appropriations referred to in subsection (1). The money ~~shall~~ must be distributed ~~from the account~~  
30 to the conservation districts on the basis of need. A conservation district may submit an application to the

1 department of natural resources and conservation for a grant of funds for purposes that conservation  
2 districts are authorized to perform.

3 (3) A conservation district is not eligible to receive a grant unless it has exhausted its authorized  
4 mill levies.

5 (4) The department of natural resources and conservation may adopt rules implementing this  
6 section that provide for the form and content of applications and the criteria, terms, and conditions for  
7 making grants."

8

9 **Section 65.** Section 77-1-808, MCA, is amended to read:

10 **"77-1-808. State lands recreational use account.** (1) There is a state lands recreational use  
11 account in the state special revenue fund provided for in 17-2-102.

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

13 (a) all revenue received from the recreational use license established by 77-1-802;

14 (b) all revenue received from the imposition of fines under 77-1-801 and 77-1-806 and from civil  
15 penalties imposed pursuant to 77-1-804; and

16 (c) money received by the department in the form of legislative appropriations, reimbursements,  
17 gifts, federal funds, or appropriations from any source intended to be used for the purposes of this account.

18 (3) Money deposited in the state lands recreational use account ~~is statutorily appropriated, as~~  
19 ~~provided in 17-7-502, and~~ must be used by the department for the following purposes:

20 (a) compensation pursuant to 77-1-809 for damage to the improvements of leases that has been  
21 proved to be caused by recreational users;

22 (b) assistance in weed control management necessary as a result of recreational use of state lands;

23 (c) protection of the resource value of the trust assets; and

24 (d) administration and management for the implementation of recreational use of state lands."

25

26 **Section 66.** Section 77-1-809, MCA, is amended to read:

27 **"77-1-809. Compensation for damage to improvements, growing crops, or livestock.** A lessee may  
28 apply to the department for reimbursement of documented costs of repair to or replacement of  
29 improvements, growing crops, or livestock damaged by recreational users of state lands. The application  
30 must include an affidavit by the applicant setting forth the nature of the loss, allegations and reasonable

1 proof supporting the involvement of recreational users, and documentation of repair or replacement costs.  
 2 Upon review of the application and supporting proof and upon additional investigation as required, the  
 3 department shall ~~either~~ grant, modify, or deny the claim. The department, by reason of payment to the  
 4 lessee for damage to improvements, is entitled to be subrogated to the rights of the lessee to recover the  
 5 amount paid from the party causing the damage. Payments under this section must be made from  
 6 appropriations from the state lands recreational use account established by 77-1-808, and the liability of  
 7 the department for damage payments is limited to the ~~existing balance of the account~~ available  
 8 appropriation. Claim applications are to be considered in the order they are received."  
 9

10 **Section 67.** Section 77-1-810, MCA, is amended to read:

11 **"77-1-810. Weed control management.** (1) The department shall establish a weed control  
 12 management program for the control of noxious weeds reasonably proved to be caused by the recreational  
 13 use of state lands. The department may by rule establish a noxious weed management program that may  
 14 include direct compensation for noxious weed control activities or participation in district and county weed  
 15 control projects or department-initiated weed control activities.

16 (2) Funding for this program must come from appropriations from the state lands recreational use  
 17 account pursuant to 77-1-808."  
 18

19 **Section 68.** Section 80-11-310, MCA, is amended to read:

20 **"80-11-310. Deposit and disbursement of funds -- records -- investment.** (1) As soon as possible  
 21 after receipt, all money received by the department from the assessment levied under 80-11-307 and all  
 22 other money received ~~shall~~ must be deposited in the state special revenue fund.

23 (2) All money referred to in subsection (1) ~~is statutorily appropriated, as provided in 17-7-502,~~ may  
 24 be appropriated to the committee and may be used only for the payment of expenses incurred in carrying  
 25 out the provisions of this part. The committee may be assessed costs by the department for the services  
 26 it provides upon request or pursuant to 2-15-121; however, the costs charged must have a substantial  
 27 relationship to the cost of services supplied.

28 (3) Money received under ~~this section,~~ 80-11-312, ~~and~~ 80-11-313, and this section that is not  
 29 immediately required for the purposes of this part must be invested under provisions of the unified  
 30 investment program established in Title 17, chapter 6, part 2.

1 (4) Money received under ~~this section, 80-11-312, and 80-11-313,~~ and this section is may be  
 2 appropriated to the committee for the purposes of this part."

3

4 **Section 69.** Section 82-4-426, MCA, is amended to read:

5 "**82-4-426. Reclamation of land on which bond forfeited.** In keeping with the provisions of this  
 6 part, the board may reclaim any affected lands with respect to which a bond has been forfeited. If the  
 7 amount of the forfeited bond exceeds the cost of reclamation, the excess must be deposited in the state  
 8 general fund."

9

10 **Section 70.** Section 82-11-149, MCA, is amended to read:

11 "**82-11-149. Civil penalties.** (1) A person is guilty of a misdemeanor and is subject to a civil  
 12 penalty of at least \$75 and not more than \$10,000 a day for each violation if that person violates any rule  
 13 or order of the board or a provision of this chapter. Each day of violation constitutes a separate violation.

14 (2) Action under this section does not bar enforcement of this chapter or of rules or orders issued  
 15 under it by injunction or other appropriate remedy.

16 (3) The board, or the attorney general upon request of the board, shall institute and maintain any  
 17 enforcement proceedings in the name of the state.

18 (4) Civil penalties collected pursuant to this section must be deposited in the state general fund."

19

20 **Section 71.** Section 87-1-114, MCA, is amended to read:

21 "**87-1-114. Disposition of proceeds.** All money collected by a court pursuant to 87-1-111 through  
 22 87-1-113 must be remitted to the state treasurer for deposit in the state ~~special revenue~~ general fund as  
 23 ~~provided in 87-1-601(1). If restitution is ordered out of a forfeited bond or bail, any balance of bond or bail~~  
 24 ~~money must be disposed of as provided in 87-1-601(4)."~~

25

26 **Section 72.** Section 90-1-108, MCA, is amended to read:

27 "**90-1-108. County land planning assistance.** (1) The department of commerce shall annually  
 28 distribute the funds appropriated to it ~~from the~~ for county land planning ~~account.~~ Each county ~~shall~~ must  
 29 be allotted ~~\$3,000. After this disbursement has been made, 40% of the balance in the account shall be~~  
 30 ~~apportioned to the counties~~ funds according to the ratio of ~~each~~ the county's land area to the total land

1 area of the state and 60% of the ~~balance funds shall be apportioned to the counties~~ according to each the  
 2 county's portion of the total population of the state. If a multijurisdictional planning board has been  
 3 established in the county, it may receive and expend part or all of the funds allocated to that county.

4 (2) Counties, cities, or joint planning boards receiving funds under this section shall use ~~such the~~ the  
 5 funds for land planning purposes, which include but are not limited to comprehensive planning, economic  
 6 development planning, and capital improvements planning.

7 (3) At the end of each fiscal year, ~~every~~ each local governing body and planning agency receiving  
 8 funds under this section shall provide an accounting of how the money was spent, in a form acceptable  
 9 to the department of commerce. ~~Surplus funds may be accumulated and rebudgeted for the purposes~~  
 10 ~~stated in subsection (2), except that funds rebudgeted by a local governing body or planning agency may~~  
 11 ~~not exceed the total revenue received under subsection (1) in the year immediately prior to the budget year.~~  
 12 ~~Any excess funds shall revert to the state special revenue fund for state equalization aid to public schools~~  
 13 ~~of the state at the end of each odd-numbered fiscal year, beginning in June 1991."~~

14  
 15 **Section 73.** Section 90-6-201, MCA, is amended to read:

16 "90-6-201. **Purpose.** The purposes of this part are to assist local governmental units ~~which that~~ that  
 17 have been required to expand the provision of public services as a consequence of large-scale development  
 18 of coal mines and coal-using energy complexes, to assist in the construction and reconstruction of  
 19 designated portions of highways ~~which that~~ that serve the area affected by ~~such the~~ the large-scale development,  
 20 to support county land planning, and to ~~invest a portion of the tax revenue from coal mines in a permanent~~  
 21 ~~fund, the income from which shall be used for the support of public schools throughout the state."~~

22  
 23 **Section 74.** Section 90-6-202, MCA, is amended to read:

24 "90-6-202. ~~Accounts~~ **Account established.** ~~(1) There is within the state special revenue fund a~~  
 25 ~~local impact account. Moneys are payable into this account under 15-35-108. The state treasurer shall~~  
 26 ~~draw warrants from this account upon order of the coal board.~~

27 ~~(2) There is within the state special revenue fund a coal area highway improvement account."~~

28  
 29 **Section 75.** Section 90-6-205, MCA, is amended to read:

30 "90-6-205. **Coal board -- general powers.** The board may:

1 (1) retain professional consultants and advisors;

2 (2) adopt rules governing its proceedings;

3 (3) consider applications for grants from ~~the local impact account~~ available funds;

4 (4) consider applications for loans from ~~the local impact account~~ available funds for periods and  
5 interest rates to be determined by the board; and

6 (5) award grants and loans, subject to 90-6-207, from ~~the local impact account~~ available funds:

7 (a) to local governmental units, state agencies, and governing bodies of federally recognized Indian  
8 tribes to assist local governmental units and federally recognized Indian tribes in meeting the local impact  
9 of coal development by enabling them to adequately provide governmental services and facilities ~~which~~ that  
10 are needed as a direct consequence of coal development; and

11 (b) notwithstanding the provisions of 90-6-207, to the department of transportation established  
12 in 2-15-2501 to expedite the construction, repair, and maintenance of deficient sections of highway within  
13 the area designated in 90-6-210 if the deficiency is the direct result of increased traffic accompanying the  
14 development of coal resources; and

15 (6) award a grant to a local government unit for the purpose of paying for part or all of the credit  
16 that the local government unit is obligated to give to a major new industrial facility that has prepaid property  
17 taxes under 15-16-201. The board must award the grant in accordance with 90-6-206."

18  
19 **Section 76.** Section 90-6-207, MCA, is amended to read:

20 **"90-6-207. Priorities for impact grants.** (1) The department of commerce shall annually designate:

21 (a) each county, incorporated city and town, school district, and other governmental unit that has  
22 had or expects to have as a result of the impact of coal development a net increase in estimated population  
23 of at least 10% over one of the 3-year periods specified in subsection (4);

24 (b) each county and all local governmental units within each county in which:

25 (i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act  
26 has been granted by the department of state lands for a project within the county that will establish a new  
27 coal mine to produce at least 300,000 tons a year and that the department of commerce determines will  
28 commence production within 2 years;

29 (ii) the department of commerce has determined that the production of an existing mine will increase  
30 by at least 1 million tons a year and that the new or expanded production will commence within 2 years

1 of the designation;

2 (iii) a newly constructed railroad serves a new, existing, or expanding coal mine; or

3 (iv) a certificate of environmental compatibility and public need in accordance with the Montana  
4 Major Facility Siting Act has been granted by the board of natural resources and conservation for a new  
5 steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of  
6 Montana-mined coal and for which the department of commerce determines the construction or operation  
7 will commence within 2 years of the designation;

8 (c) each local governmental unit located within 100 miles, measured over the shortest all-weather  
9 public road, of a mine or facility qualifying under subsection (1)(b)(i), (1)(b)(ii), or (1)(b)(iv); and

10 (d) each local governmental unit in which:

11 (i) a mine that has produced 300,000 tons or more of coal a year ~~and~~ has ceased all significant  
12 mining or is scheduled to cease within 1 year; or

13 (ii) a steam-generating or other coal-burning facility that has operated under a certificate of  
14 environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and  
15 that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close  
16 within 1 year.

17 (2) Designation under subsection (1) of:

18 (a) any local governmental unit extends to and includes as a designated unit the county in which  
19 it is located; and

20 (b) a county extends to and includes as a designated unit any local governmental unit in the county  
21 that contains at least 10% of the total population of the county.

22 (3) (a) Except as provided in 90-6-205(5)(b), beginning July 1, 1993, and ending June 30, 1995,  
23 the coal board may not award more than 20% of the funds appropriated to it each year for grants and loans  
24 to governmental units and state agencies for meeting the needs caused by coal development to local  
25 governmental units other than those governmental units designated under subsection (1).

26 (b) Except as provided in 90-6-205(5)(b), beginning July 1, 1995, and thereafter, the coal board  
27 may not award more than 10% of the funds appropriated to it each year for grants and loans to  
28 governmental units and state agencies for meeting the needs caused by coal development to local  
29 governmental units other than those governmental units designated under subsection (1).

30 (4) For the purposes of subsection (1), the department of commerce shall use five 3-year periods

1 as follows:

2 (a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;

3 (b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;

4 (c) one consecutive 3-year period ending with the current calendar year;

5 (d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and

6 (e) one consecutive 3-year period ending 2 calendar years after the current calendar year.

7 (5) Attention should be given by the coal board to the need for community planning before the full  
8 impact is realized. Applicants should be able to show how their request reasonably fits into an overall plan  
9 for the orderly management of the existing or contemplated growth problems.

10 (6) All funds ~~placed in the local impact account established~~ appropriated under this part are ~~subject~~  
11 ~~to appropriations by the legislature~~ for use related to local impact.

12 (7) All designations made under this section must be for 1 year. A designation may not continue  
13 after the department of commerce determines that the mine, railroad, or facility that provided the basis for  
14 a designation is contributing sufficient tax revenue to the designated government unit to meet the increased  
15 costs of providing the services necessitated by the development of the mine, railroad, or facility. However,  
16 nondesignated local governmental units continue to be eligible for coal impact grants and loans of not more  
17 than 20% and beginning July 1, 1995, not more than 10% of the funds appropriated to the coal board for  
18 grants and loans in circumstances in which:

19 (a) an impact exists in a community or area directly affected by the operation of a coal mine or  
20 mines; or

21 (b) tax revenue is not available to mitigate the impact due to the closure of a mine or facility."

22

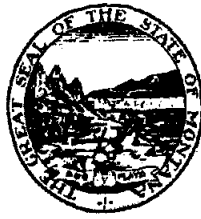
23 **Section 77.** Section 90-6-212, MCA, is amended to read:

24 "**90-6-212. ~~Local impact account disposition~~ Disposition of loan repayments, interest, and**  
25 **~~unexpended balances.~~** (1) The money derived from loans made pursuant to this part, including interest  
26 ~~thereon~~ on loans, must be deposited to the credit of the ~~local impact account created in 90-6-202~~ state  
27 general fund.

28 (2) ~~The unexpended money in the local impact account must be invested by the board of~~  
29 ~~investments as provided by statute. Interest and earnings must be deposited to the credit of the state~~  
30 ~~special revenue fund for state equalization aid to public schools of the state.~~







## HOUSE STANDING COMMITTEE REPORT

March 8, 1995

Page 1 of 7

Mr. Speaker: We, the committee on Appropriations report that Senate Bill 83 (third reading copy -- blue) be concurred in as amended.

Signed:

A handwritten signature in cursive script, appearing to read "Tom Zook".

Tom Zook, Chair

And, that such amendments read:

Carried by: Rep. Royal Johnson

1. Title, line 8.

Following: "~~15-65-121,~~"

Insert: "15-60-102, 15-65-121,"

2. Title, line 10.

Following: "20-7-504,"

Insert: "20-7-506,"

3. Title, line 16.

Following: "~~17-1-503,~~"

Insert: "15-65-122, 15-65-131,"

4. Page 2, line 3.

Strike: "APPROPRIATED TO THE DEPARTMENT FROM THE STATE GENERAL FUND"

Insert: "paid by the office of public instruction"

5. Page 2, lines 18 and 19.

Following: ";" on line 18

Insert: "and"

Strike: line 19 in its entirety

Renumber: subsequent subsection

SB 83

Committee Vote:

Yes 18, No 0.

HOUSE

6. Page 2.

Strike: lines 21 through 24 in their entirety

Insert: "(2) If the revenue received under 61-3-509 exceeds the amount appropriated by the legislature to fund the expenses of the appellate defender program, the excess amount is statutorily appropriated, as provided in 17-7-502, to the supreme court to fund the expenses described in subsections (1)(a) through (1)(f)."

7. Page 2, line 26.

Following: "expenses,"

Strike: "the excess amount"

Insert: "up to \$500,000 of the excess amount must be used for youth court and probation foster care placements if the department of family services certifies to the supreme court that appropriations for youth court and probation foster care placements will be inadequate to fund those costs and remaining excess amounts"

8. Page 2, line 30 through page 3, line 1.

Strike: "THE APPELLATE DEFENDER COMMISSION AND THE OFFICE OF APPELLATE DEFENDER MUST BE FUNDED FIRST AND"

9. Page 7, line 14.

Strike: "20%"

Insert: "21%"

10. Page 7, lines 20 and 21.

Strike: "provisions" on line 20 through "AND" on line 21

11. Page 7, line 22.

Following: "Act"

Insert: ", and the Montana Growth Through Agriculture Act"

12. Page 8, line 7.

Following: line 6

Insert: "(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;"

Renumber: subsequent subsection

13. Page 8, line 17.

Strike: "20%"

Insert: "21%"

14. Page 8, lines 23 and 24.

Strike: "provision" on line 23 through "AND" on line 24

15. Page 8, line 25.

Following: "Act"

Insert: ", and the Montana Growth Through Agriculture Act"

16. Page 9, line 10.

Following: line 9

Insert: "(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;"

Renumber: subsequent subsection

17. Page 11, line 8.

Insert: "Section 8. Section 15-60-102, MCA, is amended to read:

"15-60-102. Utilization fee for bed days in nursing facilities. A nursing facility in the state shall pay to the department of revenue a utilization fee in the amount of \$2 for each bed day in the facility during fiscal year 1994 and \$2.80 for each bed day in the facility during fiscal year 1995 and each year thereafter. The fees collected must be deposited in the nursing facility state special revenue account established in 15-60-210 general fund."

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

"15-65-121. Distribution Deposit of tax proceeds—~~general fund loan authority.~~ (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited in an account in the state special revenue general fund to the credit of the department of revenue. The department of revenue may spend from that account pay the expenses of collecting the tax 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. ~~Before allocating the balance of the tax proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1) (a) through (1) (d), the department shall determine the expenditures by state agencies for in state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the general fund. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general fund 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, to the university system, and to the department of fish, wildlife, and parks, 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;~~

~~(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use, subject to 23-1-131, and~~

~~(d) 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)(d)(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; and~~

~~(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 approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the 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."~~

Renumber subsequent sections

18. Page 14, line 11.

Strike: "17"

Insert: "19"

19. Page 16, lines 7 and 19.

Strike: "18"  
Insert: "20"

20. Page 21, line 6.  
Strike: "15-65-121;"

21. Page 21, lines 27 and 28.  
Following "+1)" on line 27  
Strike: remainder of line 27 through "each" on line 28  
Insert: "Each"  
Following: "month" on line 28  
Insert: ", "  
Following: "fund"  
Strike: ":"

22. Page 21, line 29.  
Strike: "(1)"  
Strike: "7.15%"  
Insert: "8.15%"

23. Page 21, line 30.  
Following "salaries"  
Strike: "; and"  
Insert: "."

24. Page 22, lines 1 and 2.  
Strike: subsection (2) in its entirety

25. Page 25, line 29.  
Insert: "Section 30. Section 20-7-506, MCA, is amended to read:  
"20-7-506. Annual allocation and distribution of traffic education account proceeds. (1) The Subject to the provisions of subsection (2), the superintendent of public instruction shall annually order the distribution of all moneys money in the traffic education account to the districts conducting approved traffic education courses. The distribution of the traffic education moneys money must be based on the distribution policy promulgated by the superintendent of public instruction, provided that the reimbursements to districts must be based upon the number of pupils who, in a given school fiscal year, complete an approved traffic education course, including both the classroom instruction and behind-the-wheel driving.

(2) Before the funds in the traffic education account are disbursed, there must be appropriated to the superintendent of public instruction funds to administer the statewide traffic education program for eligible, young, novice drivers. The administration may include:

(a) supervision and assessment of approved traffic education

courses:

(b) preparation for teachers of traffic education;

(c) development, printing, and distribution of essential instructional materials for traffic education; and

(d) any other activities considered necessary by the superintendent of public instruction, provided that the money is available only to support traffic education for young, novice drivers."

Renumber: subsequent sections

26. Page 35, line 30 through page 36, line 1.

Following: "state" on page 35, line 30

Strike: remainder of line 30 through "control" on page 36, line 1

27. Page 36, line 28.

Strike: "Except" through "net"

Insert: "Net"

28. Page 37, lines 5 through 11.

Strike: subsection (5) in its entirety

29. Page 42, line 6.

Strike: "state special revenue"

Insert: "enterprise"

30. Page 55, line 29.

Following: "~~made,~~"

Insert: "an equal percentage of the funds, up to \$3,000. After this disbursement has been made,"

31. Page 55, line 30.

Following: "~~counties~~"

Insert: "balance of the"

Following: "funds"

Insert: "must be apportioned among the counties"

Following: "~~each~~"

Strike: "the"

Insert: "each"

32. Page 56, line 1.

Following: "~~balance~~"

Insert: "balance of the"

Following: "~~counties~~"

Insert: "must be apportioned among the counties"

Following: "~~each~~"

Strike: "the"

Insert: "each"

33. Page 60, line 9.  
Following: "~~17-1-503~~,"  
Insert: "15-65-122, 15-65-131,"

34. Page 60, lines 12 and 14.  
Strike: "10"  
Insert: "12"

35. Page 60, lines 15 and 16.  
Strike: "17"  
Insert: "19"  
Strike: "18"  
Insert: "20"

36. Page 60, line 18.  
Strike: "78"  
Insert: "81"

37. Page 60, line 20.  
Following: "(2)"  
Strike: "[ through "ARE"  
Insert: "Except as provided in subsection (1), [this act] is"

-END-





**HOUSE COMMITTEE OF THE WHOLE AMENDMENT**

Senate Bill 83  
Representative Grinde

March 11, 1995 1:29 pm  
Page 1 of 2

Mr. Chairman: I move to amend Senate Bill 83 (third reading copy -- blue).

Signed: LARRY GRINDE  
Representative Grinde

And, that such amendments to Senate Bill 83 read as follows:

AMEND HOUSE COMMITTEE ON APPROPRIATIONS COMMITTEE REPORT DATED  
MARCH 8, 1995, AS FOLLOWS:

Amendment No. 1  
In the insert, following: "15-60-102,"  
Strike: "15-65-121,"

Amendment No. 3  
Strike: Amendment No. 3 in its entirety

Amendment No. 17  
Strike: Section 9 in its entirety

Amendment No. 18  
Insert: "~~19~~ 18"

Amendment No. 19  
Insert: "~~20~~ 19"

Amendment No. 20  
Strike: Amendment No. 20 in its entirety

Amendment No. 33  
Strike: Amendment No. 33 in its entirety

Amendment No. 34  
Insert: "~~12~~ 11"

ADOPT

62-34

SB 83

REJECT

HOUSE

Amendment No. 35  
Insert: "~~19~~ 18"  
Insert: "~~20~~ 19"

Amendment No. 36  
Insert: "~~81~~ 80"

-END-

Free Conference Committee  
on SB 83  
Report No. 1, April 7, 1995

Page 1 of 4

Mr. President and Mr. Speaker:

We, your Free Conference Committee on SB 83, met April 6, 1995,  
and considered:

House Committee on Appropriations amendments to the third  
reading copy dated March 8, 1995; and

House Committee of the Whole amendments to the third reading  
copy dated March 11, 1995.

We recommend that SB 83 (reference copy - salmon) be amended as  
follows:

1. Title, line 8.

Following: "15-60-102,"

Insert: "15-60-210,"

2. Page 2, line 28.

Following: "PROGRAM"

Insert: "and the cost of administering this section"

3. Page 7, line 25.

Strike: "21%"

Insert: "22%"

4. Page 7, line 30.

Following: "planning,"

Insert: "provision of basic library services for the residents of  
all counties through library federations and for payment of  
the costs of participating in regional and national  
networking,"

5. Page 8, line 4.

Following: "ACT"

Strike: " ;"

Insert: ". Any cash balance that is unspent at the end of each  
fiscal year must be deposited in the general fund."

6. Page 8.

Strike: lines 19 through 22 in their entirety.

7. Page 8, line 23.

Strike: "(G)"

ADOPT

REJECT

SB 83  
FCCR #1

800942CC.SPV

Insert: "(f)"

8. Page 9, line 3.

Strike: "21%"

Insert: "22%"

9. Page 9, line 8.

Following: "planning,"

Insert: "provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking,"

10. Page 9, line 12.

Following: "ACT"

Strike: " ; "

Insert: ". Any cash balance that is unspent at the end of each fiscal year must be deposited in the general fund."

11. Page 9.

Strike: lines 27 through 30 in their entirety.

12. Page 10, line 1.

Strike: "(G)"

Insert: "(f)"

13. Page 12, following line 5.

Insert: "**Section 9.** Section 15-60-210, MCA, is amended to read:

"**15-60-210. Disposition of fee — ~~nursing facility account.~~**  
(1) All proceeds from the collection of utilization fees, including penalties and interest, must, in accordance with the provisions of 15-1-501(6), be deposited in the ~~nursing facility state special revenue account established in subsection (2)~~ general fund.

~~(2) There is a nursing facility account in the state special revenue fund. The purpose of the account is to provide a continuing source of revenue for nursing facility reimbursements as appropriated by the legislature."~~

Renumber: subsequent sections

14. Page 16, line 22.

Strike: "18"

Insert: "19"

15. Page 18, line 18.

Strike: "19"

Insert: "20"

16. Page 18, line 30.

Strike: "19"  
Insert: "20"

17. Page 50, line 30.  
Strike: "35%"  
Insert: "26.25%"

18. Page 51, line 3.  
Strike: "36.25%"  
Insert: "54.55%"

19. Page 63, line 9.  
Following: "COORDINATION."  
Insert: "(1)"

20. Page 63.  
Following: line 11  
Insert: "(2) If House Bill No. 248 is passed and approved and if it includes an amendment to 61-5-121 that changes the percentage of driver's license fee receipts to be distributed to the state traffic education account or to the general fund, then the amendments to 61-5-121 contained in House Bill No. 248 are void and are superseded by the amendments to 61-5-121 contained in [this act]."

21. Page 63, lines 16 and 18.  
Strike: "11"  
Insert: "12"

22. Page 63, line 19.  
Strike: "18"  
Insert: "19"  
Insert: "19"  
Insert: "20"

23. Page 63, line 20.  
Strike: "18"  
Insert: "19"

24. Page 63, line 21.  
Strike: "19"  
Insert: "20"

25. Page 63, line 23.

Strike: "80"  
Insert: "81"

And that this Free Conference Committee report be adopted.

For the Senate:

Grosfield

Chair

Swysgood

Jacobson

Amd. Coord.

Sec. of Senate

For the House:

Royal Johnson

Chair

Kaster

Barnhart

## SENATE BILL NO. 83

INTRODUCED BY GROSFIELD, ZOOK, JACOBSON, SWYSGOOD, TVEIT, HARDING, T. NELSON,

VAN VALKENBURG, PECK, KADAS

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS CONCERNING DEDICATED REVENUE AND STATUTORY APPROPRIATIONS; AMENDING SECTIONS 2-7-514, 3-5-901, 3-10-601, 15-24-925, 15-25-111, 15-25-122, 15-35-108, ~~15-65-121~~, 15-60-102, ~~15-65-121~~, 15-70-101, 15-70-102, 15-71-104, 17-1-501, 17-1-502, 17-1-503, 17-1-504, 17-1-505, 17-2-111, 17-5-704, 17-6-409, 17-7-502, 19-8-504, 20-4-109, 20-5-324, 20-7-420, 20-7-504, 20-7-506, 20-7-605, 20-9-166, 20-9-331, 20-9-333, 20-9-342, 20-9-343, 20-9-346, 20-9-360, 20-9-361, 23-2-507, 23-2-644, 23-2-807, 23-2-823, 23-4-202, 23-7-202, 23-7-402, 27-12-206, 39-71-2501, 39-71-2503, 39-71-2504, ~~44-12-206~~, 46-18-235, 52-6-105, 61-2-107, 61-3-502, 61-4-112, 61-5-121, 61-8-204, 61-10-126, 61-10-148, 61-10-225, 61-10-226, 75-5-634, 75-5-635, 75-6-109, 75-6-114, 75-6-115, 76-15-530, 77-1-808, 77-1-809, 77-1-810, 80-11-310, 82-4-426, 82-11-149, 87-1-114, 90-1-108, 90-6-201, 90-6-202, 90-6-205, 90-6-207, AND 90-6-212, MCA; REPEALING SECTIONS 15-25-123, ~~15-65-122~~, ~~15-65-131~~, ~~17-1-503~~, ~~15-65-122~~, ~~15-65-131~~, 23-1-131, 60-2-224, AND 75-5-507, MCA; AND PROVIDING AN EFFECTIVE DATE DATES."

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

**Section 1.** Section 2-7-514, MCA, is amended to read:

**"2-7-514. Filing of audit report and financial report.** (1) Completed audit reports must be filed with the department. Completed financial reports must be filed with the department as provided in 2-7-503(1). The state superintendent of public instruction shall file with the department a list of school districts subject to audit under 2-7-503(3). The list must be filed with the department within 6 months after the close of the fiscal year.

(2) At the time that the financial report is filed or, in the case of a school district, when the audit report is filed with the department, the local government entity shall pay to the department a filing fee. The department shall charge a filing fee to any local government entity required to have an audit under

1 2-7-503, which fee must be based upon the costs incurred by the department in the administration of this  
 2 part. Notwithstanding the provisions of 20-9-343, the filing fees for school districts required by this section  
 3 must be paid by the superintendent of public instruction from the state equalization aid account  
 4 APPROPRIATED TO THE DEPARTMENT FROM THE STATE GENERAL FUND PAID BY THE OFFICE OF  
 5 PUBLIC INSTRUCTION. The department shall adopt the fee schedule by rule based upon the local  
 6 government entities' revenue amounts.

7 (3) Copies of the completed audit and financial reports must be made available by the department  
 8 and the local government entity for public inspection during regular office hours.

9 (4) The department is authorized under this part to charge a surcharge on the filing fee to generate  
 10 the necessary revenue to repay the general fund loan over a 5-year period. (Subsection (4) terminates June  
 11 30, 1997--sec. 31, Ch. 489, L. 1991.)"

12  
 13 **Section 2.** Section 3-5-901, MCA, is amended to read:

14 **"3-5-901. State assumption of certain district court expenses.** (1) The state shall, to the extent  
 15 that revenue is available under 61-3-509, fund the following district court expenses in criminal cases only:

16 (a) salaries of court reporters;

17 (b) transcripts of proceedings;

18 (c) witness fees and necessary expenses;

19 (d) juror fees;

20 (e) indigent defense; AND

21 ~~(f) expenses of the appellate defender commission and the office of appellate defender; and~~

22 ~~(g)(F) psychiatric examinations.~~

23 ~~(2) The revenue received under 61-3-509 is statutorily appropriated, as provided in 17-7-502, to~~  
 24 ~~the supreme court for funding the EXPENSES LISTED IN SUBSECTION (1)(F) AND, TO THE EXTENT THAT~~  
 25 ~~FUNDS REMAIN, THE expenses listed in subsection (1) subsections (1)(a) through (1)(e) and (1)(g) and the~~  
 26 ~~costs of administering this section.~~

27 (2) IF THE REVENUE RECEIVED UNDER 61-3-509 EXCEEDS THE AMOUNT APPROPRIATED BY  
 28 THE LEGISLATURE TO FUND THE EXPENSES OF THE APPELLATE DEFENDER PROGRAM, THE EXCESS  
 29 AMOUNT IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, TO THE SUPREME COURT TO  
 30 FUND THE EXPENSES DESCRIBED IN SUBSECTIONS (1)(A) THROUGH (1)(F).



1 (3) If money appropriated for the expenses listed in subsection (1):

2 (a) exceeds the amount necessary to fully fund those expenses, ~~the excess amount~~ UP TO  
 3 \$500,000 OF THE EXCESS AMOUNT MUST BE USED FOR YOUTH COURT AND PROBATION FOSTER  
 4 CARE PLACEMENTS IF THE DEPARTMENT OF FAMILY SERVICES CERTIFIES TO THE SUPREME COURT  
 5 THAT APPROPRIATIONS FOR YOUTH COURT AND PROBATION FOSTER CARE PLACEMENTS WILL BE  
 6 INADEQUATE TO FUND THOSE COSTS AND REMAINING EXCESS AMOUNTS must be used ~~to fund the~~  
 7 ~~appellate defender commission and the office of appellate defender and~~ for district court grants as provided  
 8 in 7-6-2352; or

9 (b) is insufficient to fully fund those expenses, ~~the appellate defender commission and the office~~  
 10 ~~of appellate defender must be funded first and~~ THE APPELLATE DEFENDER COMMISSION AND THE  
 11 OFFICE OF APPELLATE DEFENDER MUST BE FUNDED FIRST AND the county is responsible for payment  
 12 of the balance.

13 (4) Money deposited in the state general fund in fiscal year 1992, as provided in 61-3-509, that  
 14 is in excess of the legislative appropriation is statutorily appropriated, as provided in 17-7-502, to the  
 15 supreme court for district court and courts of limited jurisdiction automation purposes during the 1995  
 16 biennium. (Subsection (4) terminates July 1, 1995--sec. 7, Ch. 330, L. 1993.)"

17

18 **Section 3.** Section 3-10-601, MCA, is amended to read:

19 **"3-10-601. Collection and disposition of fines, penalties, forfeitures, and fees.** (1) Each justice  
 20 of the peace shall collect the fees prescribed by law for justices' courts and shall pay them into the county  
 21 treasury of the county in which the justice of the peace holds office, on or before the 10th day of each  
 22 month, to be credited to the general fund of the county.

23 (2) All fines, penalties, and forfeitures that this code requires to be imposed, collected, or paid in  
 24 a justice's court must, for each calendar month, be paid by the justice's court on or before the 5th day of  
 25 the following month to the treasurer of the county in which the justice's court is situated, except that they  
 26 may be distributed as provided in 44-12-206 if imposed, collected, or paid for a violation of Title 45,  
 27 chapter 9 or 10.

28 (3) The county treasurer shall, in the manner provided in 15-1-504, distribute money received under  
 29 subsection (2) as follows:

30 (a) 50% to the state treasurer for deposit in the state general fund; and

1 (b) 50% to the county general fund.  
 2 ~~(4) The state treasurer shall distribute money received under subsection (3) as follows:~~  
 3 ~~(a) 44.81% to the state general fund;~~  
 4 ~~(b) 9.09% to the fish and game account in the state special revenue fund;~~  
 5 ~~(c) 11.76% to the state highway account in the state special revenue fund;~~  
 6 ~~(d) 16.93% to the traffic education account in the state special revenue fund;~~  
 7 ~~(e) 0.57% to the department of livestock account in the state special revenue fund;~~  
 8 ~~(f) 15.9% to the crime victims compensation account in the state special revenue fund; and~~  
 9 ~~(g) 0.94% to the department of family services special revenue account for the battered spouses~~  
 10 ~~and domestic violence grant program."~~

11  
 12 **Section 4.** Section 15-24-925, MCA, is amended to read:

13 **"15-24-925. Reimbursement to county -- transmission of taxes from county to state treasurer.**

14 (1) The county treasurer may withhold 2% of the money received under 15-24-921 as reimbursement to  
 15 the county for the collection of the levy on livestock.

16 (2) Except for the amount withheld under subsection (1), the taxes levied and the money collected  
 17 pursuant to the provisions of 15-24-922 ~~shall~~ must be transmitted to the state treasury by the county  
 18 treasurer of each county, as provided in 15-1-504, but not later than July 1 following assessment. The  
 19 county treasurer shall designate the amount received from the tax levied on sheep and the amount received  
 20 from the tax levied on all other livestock and shall specify the separate amounts in ~~his~~ the report to the  
 21 state treasurer. The money, when received by the state treasurer, ~~shall~~ must be deposited in an account  
 22 in the special revenue fund to the credit of the department of livestock. The money in the account must  
 23 be kept separate from other funds received by the department of livestock."

24  
 25 **Section 5.** Section 15-25-111, MCA, is amended to read:

26 **"15-25-111. Tax on dangerous drugs.** (1) There is a tax on the possession and storage of  
 27 dangerous drugs. Except as provided in 15-25-112, each person possessing or storing dangerous drugs  
 28 is liable for the tax. The tax imposed is determined pursuant to subsection (2). The tax is due and payable  
 29 on the date of assessment. The department shall add an ~~administration~~ administrative fee of 5% of the tax  
 30 imposed pursuant to subsection (2) to offset costs incurred in assessing value, in collecting the tax, and

1 in any review and appeal process. The administrative fee must be deposited in the state general fund.

2 (2) With the exception that the tax on possession and storage of less than 1 ounce, 1 gram, or 100  
3 micrograms of dangerous drugs must be that set forth below for 1 ounce, 1 gram, or 100 micrograms, the  
4 tax on possession and storage of dangerous drugs is the greater of:

5 (a) 10% of the assessed market value of the drugs, as determined by the department; or

6 (b) (i) \$100 per ounce of marijuana, as defined in 50-32-101, or its derivatives, as determined by  
7 the aggregate weight of the substance seized;

8 (ii) \$250 per ounce of hashish, as defined in 50-32-101, as determined by the aggregate weight  
9 of the substance seized;

10 (iii) \$200 per gram of any substance containing or purported to contain any amount of a dangerous  
11 drug included in Schedule I<sub>2</sub> pursuant to 50-32-222(1), (2), (4), and (5), or Schedule II<sub>2</sub> pursuant to  
12 50-32-224(1) through (4), as determined by the aggregate weight of the substance seized;

13 (iv) \$10 per 100 micrograms of any substance containing or purported to contain any amount of  
14 lysergic acid diethylamide (LSD) included in Schedule I<sub>2</sub> pursuant to 50-32-222(3), as determined by the  
15 aggregate weight of the substance seized;

16 (v) \$100 per ounce of any substance containing or purported to contain any amount of an  
17 immediate precursor as defined under Schedule II<sub>2</sub> pursuant to 50-32-224(5), as determined by the  
18 aggregate weight of the substance seized; and

19 (vi) \$100 per gram of any substance containing or purported to contain any amount of dangerous  
20 drug not otherwise provided for in this subsection (2).

21 (3) The tax imposed under this section may be collected before any state or federal fines or  
22 forfeitures have been satisfied."

23

24 **Section 6.** Section 15-25-122, MCA, is amended to read:

25 **"15-25-122. Disposition of proceeds.** The department shall, in accordance with the provisions of  
26 15-1-501(6), transfer all taxes collected pursuant to this chapter, less the administrative fee authorized in  
27 15-25-111(1), as follows:

28 (1) one-third of the tax to the credit of the department of family services to be used for the youth  
29 evaluation program and chemical abuse aftercare programs; and

30 (2) the remaining two-thirds of the tax proceeds as follows:

- 1 (a) one-half to the department of justice to be used:
- 2 (i) for grants to youth courts to fund chemical abuse assessments; and
- 3 (ii) for grants to counties to fund services for the detention of juvenile offenders in facilities separate
- 4 from adult jails, as authorized in 41-5-1002; and
- 5 (b) one-half to the ~~account created by 44-12-206(3)~~ state general fund if a state government law
- 6 enforcement agency seized the drugs. If a local government law enforcement agency seized the drugs,
- 7 then that amount must be credited to the treasurer or finance officer of the local government, be deposited
- 8 in its general fund, and be used to enforce drug laws."

9

10 **Section 7.** Section 15-35-108, MCA, is amended to read:

11 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this

12 chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

13 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to the trust fund~~

14 ~~created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~

15 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the

16 board of investments as provided by law.

17 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are

18 allocated to the highway reconstruction trust fund account in the state special revenue fund.

19 (3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)

20 are allocated in the following percentages of the remaining balance:

21 (a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local

22 impact account at the end of each biennium are allocated to the state special revenue fund for state

23 equalization aid to public schools of the state.

24 (b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

25 (c) 1% to the state special revenue fund to the credit of the county land planning account;

26 (d) 1¼% to the credit of the renewable resource development bond fund;

27 (e) 0% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income

28 from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of

29 any sites and areas described in 23-1-102.

30 (f) 1% to the state special revenue fund to the credit of the state library commission for the

1 purposes of providing basic library services for the residents of all counties through library federations and  
2 for payment of the costs of participating in regional and national networking;

3 (g) 1/2 of 1% to the state special revenue fund for conservation districts;

4 (h) 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service  
5 fund;

6 (i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

7 (j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state  
8 capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be appropriated  
9 for protection of works of art in the state capitol and other cultural and aesthetic projects.

10 (k) beginning July 1, 1993, and ending June 30, 1995, 3 1/3% to a special revenue account to  
11 be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and  
12 cultural sites within the state park system;

13 (l) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
14 to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L. 1993.)

15 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
16 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

17 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to the trust fund~~  
18 ~~created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~  
19 ~~The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the~~  
20 ~~board of investments as provided by law.~~

21 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
22 allocated to the highway reconstruction trust fund account in the state special revenue fund.

23 (3) Coal severance tax collections remaining after ~~allocation to the trust fund~~ the allocations under  
24 ~~subsection~~ subsections (1) and (2) are allocated in the following percentages of the remaining balance:

25 (a) ~~17½% 22% 20% 21%~~ to the credit of ~~the local impact an~~ an account. ~~Unnumbered funds~~  
26 ~~remaining in the state special revenue fund to be allocated by the legislature for local impact account at the~~  
27 ~~end of each biennium are allocated to the state special revenue fund for state equalization aid to public~~  
28 ~~schools of the state.~~

29 ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~

30 ~~(c) 1% to the state special revenue fund to the credit of the impacts, county land planning, account~~

1 ~~provisions of basic library services for the residents of all counties through library federations and for~~  
 2 ~~payment of the costs of participating in regional and national networking, AND conservation districts, and~~  
 3 ~~the Montana Growth Through Agriculture Act, AND THE MONTANA GROWTH THROUGH AGRICULTURE~~  
 4 ACT;

5 ~~(d)~~(b) 1 ¼ % to the credit of the renewable resource development bond fund;

6 ~~(e)~~(c) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.

7 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
 8 maintenance of any sites and areas described in 23-1-102.

9 ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~  
 10 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
 11 ~~for payment of the costs of participating in regional and national networking;~~

12 ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

13 ~~(h)~~(d) 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service  
 14 fund;

15 ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~

16 ~~(j)~~(e) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
 17 state capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be  
 18 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

19 (F) 1% TO THE STATE SPECIAL REVENUE FUND TO THE CREDIT OF THE STATE LIBRARY  
 20 COMMISSION FOR THE PURPOSES OF PROVIDING BASIC LIBRARY SERVICES FOR THE RESIDENTS OF  
 21 ALL COUNTIES THROUGH LIBRARY FEDERATIONS AND FOR PAYMENT OF THE COSTS OF  
 22 PARTICIPATING IN REGIONAL AND NATIONAL NETWORKING;

23 ~~(k)~~(f)(G) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this  
 24 chapter to the credit of the general fund of the state. (Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

25 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
 26 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

27 (1) ~~To~~ Fifty percent of total coal severance tax collections must be allocated to the trust fund  
 28 created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
 29 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
 30 board of investments as provided by law.

1 (2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
2 are allocated in the following percentages of the remaining balance:

3 (a) ~~17½% 22% 20% 21%~~ to the credit of the local impact an account. ~~Unencumbered funds~~  
4 ~~remaining in the state special revenue fund to be allocated by the legislature for local impact account at the~~  
5 ~~end of each biennium are allocated to the state special revenue fund for state equalization aid to public~~  
6 ~~schools of the state.~~

7 ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~

8 ~~(c) 1% to the state special revenue fund to the credit of the impacts, county land planning, account~~  
9 ~~provision of basic library services for the residents of all counties through library federations and for~~  
10 ~~payment of the costs of participating in regional and national networking, AND conservation districts, and~~  
11 ~~the Montana Growth Through Agriculture Act, AND THE MONTANA GROWTH THROUGH AGRICULTURE~~  
12 ACT;

13 ~~(d)(b)~~ 1¼% to the credit of the renewable resource development bond fund;

14 ~~(e)(c)~~ 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.  
15 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
16 maintenance of any sites and areas described in 23-1-102.

17 ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~  
18 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
19 ~~for payment of the costs of participating in regional and national networking;~~

20 ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

21 ~~(h)(d)~~ 1¼% to the debt service fund type to the credit of the renewable resource loan debt service  
22 fund;

23 ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~

24 ~~(j)(e)~~ 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
25 state capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must  
26 be appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

27 (F) 1% TO THE STATE SPECIAL REVENUE FUND TO THE CREDIT OF THE STATE LIBRARY  
28 COMMISSION FOR THE PURPOSES OF PROVIDING BASIC LIBRARY SERVICES FOR THE RESIDENTS OF  
29 ALL COUNTIES THROUGH LIBRARY FEDERATIONS AND FOR PAYMENT OF THE COSTS OF  
30 PARTICIPATING IN REGIONAL AND NATIONAL NETWORKING;

1           ~~(k)(f)(G)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this  
2 chapter to the credit of the general fund of the state."

3  
4           ~~Section 8.~~ Section ~~15-65-121~~, MCA, is amended to read:

5           ~~"15-65-121. Distribution Deposit AND USE of tax proceeds—general fund loan authority.~~ (1) The  
6 proceeds of the tax imposed by ~~15-65-111~~ must, in accordance with the provisions of ~~15-1-501(6)~~, be  
7 deposited in an account in the state special revenue general SPECIAL REVENUE fund to the credit of the  
8 department of revenue. ~~The department of revenue may spend from that account pay the expenses of~~  
9 ~~collecting the tax in accordance with an expenditure appropriation by the legislature based on an estimate~~  
10 ~~of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax~~  
11 ~~proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a) through~~  
12 ~~(1)(d), the department shall determine the expenditures by state agencies for in state lodging for each~~  
13 ~~reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The~~  
14 ~~amount deducted must be deposited in the general fund. The balance of the tax proceeds received each~~  
15 ~~reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general~~  
16 ~~fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state~~  
17 ~~special revenue fund to the credit of the department of commerce for tourism promotion and promotion of~~  
18 ~~the state as a location for the production of motion pictures and television commercials, to the Montana~~  
19 ~~historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:~~

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

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

24           ~~(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state~~  
25 ~~parks that have both resident and nonresident use, subject to 23-1-131; and~~

26           ~~(d) the balance of the proceeds as follows:~~

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

28           ~~(iii) except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional~~  
29 ~~nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total~~  
30 ~~proceeds collected statewide; and~~



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

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

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

13           ~~(4) The department of commerce may use general fund loans for efficient implementation of this~~  
 14 ~~section. BEFORE ALLOCATING THE TAX PROCEEDS IN ACCORDANCE WITH THE PROVISIONS OF~~  
 15 ~~15-1-501(6), THE DEPARTMENT OF REVENUE SHALL DETERMINE THE EXPENDITURES BY STATE~~  
 16 ~~AGENCIES FOR IN-STATE LODGING FOR EACH REPORTING PERIOD AND DEDUCT 4% OF THAT AMOUNT~~  
 17 ~~FROM THE TAX PROCEEDS RECEIVED EACH REPORTING PERIOD. THE AMOUNT DEDUCTED MUST BE~~  
 18 ~~DEPOSITED IN THE GENERAL FUND. THE BALANCE OF THE TAX PROCEEDS RECEIVED EACH REPORTING~~  
 19 ~~PERIOD AND NOT DEPOSITED IN THE GENERAL FUND MUST BE DEPOSITED IN THE STATE SPECIAL~~  
 20 ~~REVENUE ACCOUNT TO BE ALLOCATED BY THE LEGISLATURE FOR THE FOLLOWING:~~

21           ~~(1) TOURISM PROMOTION AND PROMOTION OF THE STATE AS A LOCATION FOR THE~~  
 22 ~~PRODUCTION OF MOTION PICTURES AND TELEVISION COMMERCIALS;~~

23           ~~(2) DISTRIBUTION TO REGIONAL NONPROFIT TOURISM CORPORATIONS;~~

24           ~~(3) ESTABLISHMENT AND MAINTENANCE OF A MONTANA TRAVEL RESEARCH PROGRAM;~~

25           ~~(4) MAINTENANCE OF FACILITIES IN STATE PARKS;~~

26           ~~(5) INSTALLATION OR MAINTENANCE OF ROADSIDE HISTORICAL SIGNS AND HISTORIC SITES;~~

27 AND

28           ~~(6) COLLECTION OF THE TAX."~~

29  
 30 SECTION 8. SECTION 15-60-102, MCA, IS AMENDED TO READ:

1           **"15-60-102. Utilization fee for bed days in nursing facilities.** A nursing facility in the state shall  
 2 pay to the department of revenue a utilization fee in the amount of ~~\$2 for each bed day in the facility during~~  
 3 ~~fiscal year 1994 and \$2.80 for each bed day in the facility during fiscal year 1995 and each year thereafter.~~  
 4 The fees collected must be deposited in the ~~nursing facility state special revenue account established in~~  
 5 ~~15-60-210 general fund."~~

6  
 7           **SECTION 9. SECTION 15-65-121, MCA, IS AMENDED TO READ:**

8           ~~"15-65-121. Distribution Deposit of tax proceeds — general fund loan authority. (1) The proceeds~~  
 9 ~~of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited~~  
 10 ~~in an account in the state special revenue general fund to the credit of the department of revenue. The~~  
 11 ~~department of revenue may spend from that account pay the expenses of collecting the tax in accordance~~  
 12 ~~with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and~~  
 13 ~~disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with~~  
 14 ~~the provisions of 15-1-501(6) and as provided in subsections (1)(a) through (1)(d), the department shall~~  
 15 ~~determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4%~~  
 16 ~~of that amount from the tax proceeds received each reporting period. The amount deducted must be~~  
 17 ~~deposited in the general fund. The balance of the tax proceeds received each reporting period and not~~  
 18 ~~deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily~~  
 19 ~~appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue~~  
 20 ~~fund to the credit of the department of commerce for tourism promotion and promotion of the state as a~~  
 21 ~~location for the production of motion pictures and television commercials, to the Montana historical society,~~  
 22 ~~to the university system, and to the department of fish, wildlife, and parks, as follows:~~

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

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

27           ~~(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state~~  
 28 ~~parks that have both resident and nonresident use, subject to 23-1-131; and~~

29           ~~(d) the balance of the proceeds as follows:~~

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

1           ~~(ii) except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional~~  
 2 ~~nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total~~  
 3 ~~proceeds collected statewide; and~~

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

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

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

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

18  
 19           **Section 9.** Section 15-70-101, MCA, is amended to read:

20           "**15-70-101. Disposition of funds.** All taxes, ~~interest, and penalties~~ collected under this chapter,  
 21 ~~except those collected by a justice's court,~~ must, in accordance with the provisions of 15-1-501(6), be  
 22 placed in a highway revenue account in the state special revenue fund to the credit of the department of  
 23 transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance  
 24 with the provisions of 15-1-501(6), be paid by the department of transportation from the state special  
 25 revenue fund to the cities, towns, and counties.

26           (1) The amount of \$16,766,000 of the funds taxes collected under this chapter, ~~except those~~  
 27 ~~collected by a justice's court,~~ is statutorily appropriated, as provided in 17-7-502, to the department of  
 28 transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated  
 29 cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and  
 30 city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

1 (a) The amount of \$54,000 must be designated for the purposes and functions of the Montana  
2 rural technical assistance transportation program in Bozeman.

3 (b) The amount of \$6,323,000 must be divided among the various counties in the following  
4 manner:

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

8 (ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns  
9 bears to the total rural population in the state outside incorporated cities and towns;

10 (iii) 20% in the ratio that the land area of each county bears to the total land area of the state.

11 (c) The amount of \$10,389,000 must be divided among the incorporated cities and towns in the  
12 following manner:

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

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

19 (2) All funds allocated by this section to counties, cities, and towns must be used for the  
20 construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or  
21 for the share that the city, town, or county might otherwise expend for proportionate matching of federal  
22 funds allocated for the construction of roads or streets that are part of the federal-aid primary or secondary  
23 highway system or urban extensions to those systems, except that the governing body of a town or  
24 third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated  
25 to that town or third-class city for the purchase of capital equipment and supplies to be used for the  
26 maintenance and repair of town or third-class city streets and alleys.

27 (3) All funds allocated by this section to counties, cities, and towns must be disbursed to the  
28 lowest responsible bidder according to applicable bidding procedures followed in all cases in which the  
29 contract for construction, reconstruction, maintenance, or repair is in excess of \$4,000.

30 (4) For the purposes of this section in which distribution of funds is made on a basis related to

1 population, the population must be determined by the last preceding official federal census.

2 (5) For the purposes of this section in which determination of mileage is necessary for distribution  
3 of funds, it is the responsibility of the cities, towns, and counties to furnish to the department of  
4 transportation a yearly certified statement indicating the total mileage within their respective areas  
5 applicable to this chapter. All mileage submitted is subject to review and approval by the department of  
6 transportation.

7 (6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this  
8 section may not be used for the purchase of capital equipment.

9 (7) Funds authorized by this section must be used for construction and maintenance programs  
10 only."

11

12 **Section 10.** Section 15-70-102, MCA, is amended to read:

13 **"15-70-102. Allocation of funds -- participation in railroad grade crossing protection.** (1) The ~~sum~~  
14 ~~of \$100,000~~ amount determined necessary may be allocated from the state special revenue fund, state  
15 highway revenue account, ~~for the fiscal year ending June 30, 1973, and so much for each succeeding~~  
16 ~~fiscal year as may be necessary to reimburse the fund for expenditures and commitments made and to~~  
17 ~~maintain the fund at \$100,000 at the beginning of each fiscal year thereafter,~~ for participation by the  
18 department of transportation with railroads in construction of railroad grade crossing protection on any  
19 public highway or road, except those designated on the interstate, primary, or urban systems within the  
20 state. The department of transportation shall select those grade crossings in the state ~~which that~~, in the  
21 opinion of the department, are most in need of additional crossing protection and shall finance the cost  
22 ~~thereof~~ of the improvements solely from this fund.

23 (2) Signal protection provided under ~~the fund shall be~~ this section is limited to electric or automatic  
24 flashing lights or gates, depending on the amount and nature of the hazards present at the crossing, and  
25 participation in construction of ~~such~~ the signals ~~shall~~ must be on the same basis and under the same  
26 standards as are applicable and used in connection with protection of grade crossings on federal-aid roads  
27 within the state, ~~provided, however, the fund shall~~ The account may not be used for protection of grade  
28 crossings on the secondary system where the protection is considered necessary and when the cost ~~thereof~~  
29 is financed in part with federal-aid highway funds.

30 (3) In addition to the funds allocated, counties and cities may authorize the use of funds available

1 to ~~said~~ counties and cities under the provisions of 15-70-101 for participation of in the installation in grade  
 2 crossing protection within the county or city."

3  
 4 **NEW SECTION. Section 11. Highway nonrestricted account.** There is a highway nonrestricted  
 5 account in the state special revenue fund. All interest and penalties collected under this chapter, except  
 6 those collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be placed in  
 7 the highway nonrestricted account.

8  
 9 **Section 12.** Section 15-71-104, MCA, is amended to read:

10 **"15-71-104. Disposition of funds.** All taxes collected under this chapter must, in accordance with  
 11 the provisions of 15-1-501(6), be placed in the highway revenue account, state special revenue fund, to  
 12 the credit of the department of transportation."

13  
 14 **Section 13.** Section 17-1-501, MCA, is amended to read:

15 **"17-1-501. Legislative findings.** (1) The legislature finds that provisions for dedicating state  
 16 revenue and statutorily appropriating funds have increased in number, reduce legislative control over state  
 17 spending, complicate the state funding structure, and increase the effort required to budget, appropriate,  
 18 and monitor public funds. The dedication and statutory appropriation of funds ~~results~~ result in the inability  
 19 of the legislature to practically and systematically conduct reasoned prioritization of programs or funds.

20 (2) It is the intent of the legislature, by establishing ~~a system~~ criteria for the review and evaluation  
 21 of revenue dedication provisions, to ensure that provisions for revenue dedication:

- 22 (a) are based on sound principles of revenue dedication as described in [section 18 17 19 18];  
 23 (b) reflect present circumstances and legislative priorities for state spending; ~~and~~  
 24 (c) are terminated when they are no longer ~~are~~ necessary or appropriate; and  
 25 (d) are subject to the same legislative scrutiny as programs or activities funded from the general  
 26 fund.

27 (3) It is the intent of the legislature, by establishing criteria for the review and evaluation of  
 28 statutory appropriation provisions, to ensure that provisions with statutory appropriations:

- 29 (a) reflect present circumstances and legislative priorities for state spending;  
 30 (b) are terminated when they are no longer necessary or appropriate; and

1 (c) are subject to the same legislative scrutiny as other appropriations."

2  
3 **Section 14.** Section 17-1-502, MCA, is amended to read:

4 **"17-1-502. Definitions.** As used in this part, unless the context requires otherwise, the following  
5 definitions apply:

6 (1) "Administrative costs" includes:

7 (a) personal services;

8 (b) operating expenses, such as travel, supplies, and communication costs; and

9 (c) capital expenses, such as equipment, building costs, and real property costs.

10 (2) (a) "Continuing and reliable source of revenue" means a revenue source for which an agency  
11 forecasts an annual level of collections based upon historical data and prepares a budget for expenditures  
12 commensurate with the level of collections. Collections may not change significantly on an annual basis.

13 (b) The term does not include revenue:

14 (i) that an agency will receive only as a result of an occurrence that is not a routine part of agency  
15 operations;

16 (ii) that will vary significantly on an annual basis; or

17 (iii) that is unable to be included in the agency budget because of the erratic nature of receipt.

18 ~~(4)~~(3) "Dedicated revenue provision" means an administrative or legislative action that allocates  
19 the revenue from a tax, fee, assessment, or other source to an account in the state special revenue fund  
20 as described in 17-2-102.

21 (4) "General revenue source" means a source of revenue not governed by established or implied  
22 restrictions based on the source or limited use of the revenue. The term includes taxes, interest earnings,  
23 investment earnings, fines, and forfeitures.

24 ~~(2)~~(5) "State special revenue fund" means a fund in the state treasury consisting of money from  
25 state sources that is earmarked for the purposes of defraying particular costs of an agency, program, or  
26 function of state government, as provided in 17-2-102."

27  
28 **Section 15.** Section 17-1-503, MCA, is amended to read:

29 **"17-1-503. Transfer of fund balances to general fund.** ~~(1) On April 29, 1993, the~~ (1) The balance  
30 remaining in each special revenue account terminated pursuant to legislative review must be deposited in

1 the general fund.

2 (2) If the legislative finance committee concurs, the department may transfer the unobligated  
 3 balance in a special revenue account to the general fund based upon the survey conducted pursuant to  
 4 17-2-111."

5  
 6 **Section 16.** Section 17-1-504, MCA, is amended to read:

7 "17-1-504. **Effect of termination.** (1) If the legislature has appropriated ~~the revenue from an~~  
 8 ~~account provided for in 15-1-501, 20-9-343, and 31-1-602 terminated pursuant to legislative review~~  
 9 REVENUE FROM SOURCES DE-EARMARKED BY THE LEGISLATURE, the appropriation is considered to  
 10 have been made from the general fund.

11 (2) All assets, liabilities, and fund balances of accounts terminated ~~by 15-1-501, 20-9-343, and~~  
 12 ~~31-1-602 pursuant to legislative review~~ BY THE LEGISLATURE accrue to the general fund."

13  
 14 **Section 17.** Section 17-1-505, MCA, is amended to read:

15 "17-1-505. ~~Legislative review and report~~ Review of dedicated revenue provisions. (1) Each  
 16 interim, the legislative finance committee shall review each dedicated revenue provision not exempted under  
 17 subsection ~~(3)~~(4) and ~~review statutory appropriations assigned by the legislature~~ the principles of revenue  
 18 dedication set forth in [section 18-20-19] to ensure that legislative policy is clearly stated. The committee  
 19 shall also carry out the review prescribed by subsection (4).

20 (2) ~~The review conducted by the committee must include an evaluation of the legislature recognizes~~  
 21 that dedicated revenue provision, based on whether it: provisions are subject to review by:

22 (a) the office of budget and program planning in the development and implementation of the  
 23 executive budget and analysis of legislation;

24 (b) the office of the legislative fiscal analyst in analyzing the executive budget;

25 (c) the legislative council in drafting legislation;

26 (d) the legislative auditor in auditing agencies; and

27 (e) the department of administration in performing the functions provided for in 17-2-106 and  
 28 17-2-111.

29 (3) To avoid unnecessary use of dedicated revenue provisions, the entities listed in subsection (2)  
 30 shall, in the course of current duties, consider the principles in [section 18-20-19] and the criteria listed in



1 this subsection for each new or existing dedicated revenue provision. A dedicated revenue provision should  
 2 not give a program or activity an unfair advantage for funding. The expenditures from a dedicated revenue  
 3 provision must be based on requirements for meeting a legislatively established outcome. Statutorily  
 4 mandated programs or activities funded through dedicated revenue provisions from general revenue sources  
 5 must be reviewed to the same extent as programs or activities funded from the general fund. The use of  
 6 a dedicated revenue provision may be justified if it satisfies one or more of the following:

7 (a) The program or activity funded provides direct benefits for those who pay the dedicated tax,  
 8 fee, or assessment, and the tax, fee, or assessment is commensurate with the costs of the program or  
 9 activity.

10 (b) The use of the dedicated revenue provision provides special information or other advantages  
 11 that could not be obtained if the revenue were allocated to the general fund.

12 (c) ~~provides~~ The dedicated revenue provision provides program funding at a level equivalent to the  
 13 expenditures established by the legislature.

14 (d) The dedicated revenue provision involves collection and allocation formulas that are appropriate  
 15 to the present circumstances and current priorities in state government.

16 (e) ~~impairs~~ The dedicated revenue provision does not impair the legislature's ability to scrutinize  
 17 budgets, control expenditures, and establish priorities for state spending.

18 (f) The dedicated revenue provision results in an inappropriate an appropriate projected ending fund  
 19 balance.

20 (g) The dedicated revenue provision fulfills a continuing, legislatively recognized need, and

21 (h) ~~results~~ The dedicated revenue provision does not result in accounting or auditing inefficiency.

22 ~~(3)(4)~~ (4) The committee shall establish procedures to facilitate ~~the~~ a biennial review and evaluation  
 23 ~~required by this section of dedicated revenue provisions. Each interim, the committee shall attempt to~~  
 24 ~~propose measures that will reduce dedicated revenue to an amount that is less than one third of all state~~  
 25 ~~revenue.~~ If the review determines that the revenue dedication is constitutionally mandated, is for debt  
 26 service, funds emergency services, or is a user fee that is designed to provide direct benefits for those who  
 27 pay the dedicated tax, fee, or assessment in an amount commensurate with the benefits provided, the  
 28 revenue dedication ~~does not need a~~ may be exempt from future review.

29 ~~(4)(5)~~ (5) Upon completion of the review, the committee shall report a summary of its findings to the  
 30 legislature, including its recommendation of termination or extension, with or without modification, of the

1 dedicated revenue provision. The summary must include the purpose of the revenue dedication, the source  
 2 of funding, the activity funded, the number of personnel associated with the activity, and any balance in  
 3 the dedicated revenue fund. The summary must state the reason why the revenue dedication is exempt  
 4 from future review.

5 ~~(5) The committee shall review statutory appropriations to determine if the appropriation should~~  
 6 ~~be made by a legislative appropriation. During the 1995 biennium, the committee shall review the statutory~~  
 7 ~~appropriation of administrative costs in 75-11-313."~~

8

9 **NEW SECTION. Section 18. Principles of revenue dedication.** (1) It is the policy of the legislature  
 10 that a revenue source not be dedicated for a specific purpose unless one or more of the following  
 11 conditions are met:

12 (a) The person or entity paying the tax, fee, or assessment is the direct beneficiary of the specific  
 13 activity that is funded by the tax, fee, or assessment; the entire cost of the activity is paid by the  
 14 beneficiary; and the tax, fee, or assessment paid is commensurate with the cost of the activity, including  
 15 reasonable administrative costs.

16 (b) There is an expectation that funds donated by a person or entity will be used for a specified  
 17 purpose. Grants from private or public entities are considered donations under this subsection.

18 (c) There is a legal basis for the revenue dedication. A legal basis is a constitutional mandate,  
 19 federal mandate, or statutory requirement in which a source of funds is designated for a specific purpose.

20 (d) There is a recognized need for accountability through a separation of funding from the general  
 21 fund consistent with generally accepted accounting principles.

22 (2) The total funding for a program is a legislative budget and policy issue for which a dedicated  
 23 revenue provision may not be justified if:

24 (a) a general fund appropriation is needed to supplement the dedicated revenue support for the  
 25 program or activity; or

26 (b) dedicating a revenue source or portion of a revenue source diverts funds that could be  
 27 considered a general revenue source.

28 (3) In the consideration of the general appropriations act for each biennium, the legislature shall  
 29 determine the appropriateness of dedicating revenue to a program or activity under conditions described  
 30 in subsection (2). The office of budget and program planning shall describe the occurrence in its

1 presentation of the executive budget, and the legislative fiscal analyst shall highlight the issue in the budget  
2 analysis and for the appropriations subcommittee considering the revenue dedication.

3  
4 **NEW SECTION. Section 19. Review of statutory appropriations.** (1) Each interim, the legislative  
5 finance committee shall review the criteria set forth in subsection (4) to ensure that legislative policy is  
6 clearly stated concerning the use of statutory appropriations.

7 (2) Each biennium, the office of budget and program planning and the legislative fiscal analyst shall,  
8 in development and analysis of the executive budget, identify instances in which statutory appropriations  
9 in current law do not appear consistent with the criteria set forth in subsection (4).

10 (3) As part of each agency audit, the legislative auditor shall review statutory appropriations to the  
11 agency and report instances in which they do not appear consistent with the criteria set forth in subsection  
12 (4).

13 (4) The review of statutory appropriations must determine whether a statutory appropriation meets  
14 the requirements of 17-1-505. A statutory appropriation from a continuing and reliable source of revenue  
15 may not be used to fund administrative costs.

16 (5) The office of budget and program planning shall, consistent with the review provisions in this  
17 section, review each piece of legislation that proposes to create or amend a statutory appropriation. Its  
18 findings concerning the statutory appropriation must be contained in the fiscal note accompanying that  
19 legislation.

20  
21 **Section 20.** Section 17-2-111, MCA, is amended to read:

22 **"17-2-111. Review Survey of state special revenue accounts and proprietary accounts -- report**  
23 **~~transfer of funds.~~** (1) Each biennium, the department of administration shall ~~examine~~ conduct a survey  
24 of all state special revenue accounts and proprietary accounts as required by this section and report the  
25 findings and recommendations not exempt under 17-1-505 and coordinate with the legislative finance  
26 committee to provide information necessary to complete the review required by 17-1-505. The department  
27 shall provide the survey information to the legislative finance committee not later than ~~June~~ February 1 of  
28 the year preceding a regular session of the legislature.

29 (2) ~~The department shall examine restrictions against the transfer of unobligated balances in state~~  
30 ~~special revenue accounts to the general fund. If such restrictions are considered unnecessary by the~~

1 department and if they may be eliminated by administrative action, the department shall to the fullest extent  
 2 possible eliminate such restrictions and require the transfer of unobligated balances in the accounts to be  
 3 made to the general fund, either on an annual or biennial basis. If administrative action is unavailable, the  
 4 department shall make recommendations for legislative action.

5 ~~(3) The department shall examine all state special revenue accounts and proprietary accounts to~~  
 6 ~~determine if they should continue to exist or be eliminated or modified to provide better program operation~~  
 7 ~~or fiscal control. In conducting the examination, the department shall consider whether an account:~~

8 ~~(a) is accurately classified as a state special revenue account or proprietary account;~~

9 ~~(b) is required by the Montana constitution or by statute;~~

10 ~~(c) operates in compliance with the statutes that established the program;~~

11 ~~(d) receives an amount of revenue that is equal to or close to the expenditure required for the~~  
 12 ~~activity funded by the account;~~

13 ~~(e) allows the funded program to operate without supplemental general funds; and~~

14 ~~(f) has any restrictions against the transfer of unobligated balances in the account to the general~~  
 15 ~~fund."~~

16  
 17 **Section 21.** Section 17-5-704, MCA, is amended to read:

18 "17-5-704. **Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
 19 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
 20 contingency loan fund must be invested in accordance with the investment standards for coal severance  
 21 tax funds. Income and earnings from all funds are statutorily appropriated, as provided in 17-7-502, as  
 22 follows:

23 ~~(1) 15% to the state equalization aid account; and~~

24 ~~(2) 85% to must be deposited in the state general fund."~~

25  
 26 **Section 22.** Section 17-6-409, MCA, is amended to read:

27 "17-6-409. **Authority to accept funds —statutory appropriation -- funding authorization.** (1) The  
 28 department may accept grants, donations, and other private and public income, including payments of  
 29 interest on loans made by the department under the provisions of this part and fees charged by the  
 30 department. The department shall deposit all money received under this section in the microbusiness

1 finance program administrative account established in 17-6-407.

2 (2) The money in the microbusiness finance program administrative account ~~is statutorily~~  
3 ~~appropriated to the department, as provided in 17-7-502,~~ may be appropriated for the purposes stated in  
4 this part."

5

6 **Section 23.** Section 17-7-502, MCA, is amended to read:

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

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

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

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

15 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
16 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;  
17 ~~15-25-123~~; 15-31-702; 15-36-112; 15-37-117; 15-38-202; ~~15-65-121~~; ~~15-65-121~~; 15-65-121;  
18 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~;  
19 17-5-804; 17-6-101; 17-6-201; ~~17-6-409~~; 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007;  
20 19-15-101; 19-17-301; 19-18-512; 19-18-513; 19-18-606; 19-19-205; 19-19-305; 19-19-506; ~~20-4-109~~;  
21 20-8-111; 20-9-361; 20-26-1403; 20-26-1503; ~~23-2-823~~; 23-5-136; 23-5-306; 23-5-409; 23-5-610;  
22 23-5-612; 23-5-631; 23-7-301; 23-7-402; ~~27-12-206~~; 32-1-537; 37-43-204; 37-51-501; 39-71-503;  
23 39-71-907; 39-71-2321; 39-71-2504; ~~44-12-206~~; 44-12-206; 44-13-102; 50-5-232; 50-40-206;  
24 53-6-150; 53-24-206; 60-2-220; ~~61-2-107~~; 67-3-205; 75-1-1101; ~~75-5-507~~; 75-5-1108; 75-11-313;  
25 76-12-123; ~~77-1-808~~; 80-2-103; 80-2-222; 80-4-416; ~~80-11-310~~; 81-5-111; 82-11-136; 82-11-161;  
26 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

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

1 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
 2 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
 3 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
 4 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
 5 July 1, 1995.)"

6  
 7 **Section 24.** Section 19-8-504, MCA, is amended to read:

8 "19-8-504. **State's contribution.** ~~(1) To fund the employer's portion of the normal cost of benefits~~  
 9 ~~under this chapter, each EACH month,~~ the state treasurer shall pay to the pension trust fund:

10 ~~(a)(1) out of the department of fish, wildlife, and parks funds, a sum equal to 7.15% 8.15% of all~~  
 11 ~~members' salaries; and,~~

12 ~~(b)(2) out of the funds collected as fines and forfeited bonds under the provisions of 87-1-601(1)~~  
 13 ~~through (5) or funds distributed under 3-10-601(4), an amount equal to 1% of all members' salaries.~~

14 ~~(2) In addition to the contributions provided in subsection (1), the state treasurer shall pay to the~~  
 15 ~~pension trust fund the balance of the funds distributed to the fish and game account pursuant to 3-10-601~~  
 16 ~~until the unfunded liability in the pension trust fund is fully paid and a verification statement to that effect~~  
 17 ~~is given to the state treasurer by the board."~~

18  
 19 **Section 25.** Section 20-4-109, MCA, is amended to read:

20 "20-4-109. **Fees for teacher and specialist certificates.** (1) A person applying for the issuance or  
 21 renewal of a teacher or specialist certificate shall pay a fee not to exceed \$6 for each school fiscal year that  
 22 the certificate is valid. In addition to this fee, a person who has never held any class of Montana teacher  
 23 or specialist certificate or for whom an emergency authorization of employment has never been issued shall  
 24 pay a filing fee of \$6. The fees must be paid to the superintendent of public instruction, who shall deposit  
 25 the fees with the state treasurer to the credit of the state special revenue fund account, created in  
 26 subsection (2), to be used in the following manner:

27 (a) \$3 for expenses of the certification standards and practices advisory council created in  
 28 2-15-1522;

29 (b) \$3 to the board of public education to be used by the certification standards and practices  
 30 advisory council for research in accordance with the duties of the council provided for in 20-4-133.

1           (2) There is an account in the state special revenue fund. Money from fees for teacher or specialist  
 2 certificates required in subsection (1) must be deposited in the account. ~~The money in the account to be  
 3 used for the purposes of subsection (1)(b) is statutorily appropriated, as provided in 17-7-502, to the board  
 4 of public education for use by the certification standards and practices advisory council."~~

5  
 6           **Section 26.** Section 20-5-324, MCA, is amended to read:

7           **"20-5-324. Tuition report and payment provisions.** (1) At the close of the school term of each  
 8 school fiscal year and before July 15, the trustees of a district shall report to the county superintendent:

9           (a) the name and district of residence of each child who is attending a school of the district under  
 10 an approved mandatory out-of-district attendance agreement;

11           (b) the number of days of enrollment for each child reported under the provisions of subsection  
 12 (1)(a);

13           (c) the annual tuition rate for each child's tuition payment, as determined under the provisions of  
 14 20-5-323, and the tuition cost for each reported child; and

15           (d) the names, districts of attendance, and amount of tuition to be paid by the district for resident  
 16 students attending public schools out of state.

17           (2) The county superintendent shall send, as soon as practicable, the reported information to the  
 18 county superintendent of the county in which a reported child resides.

19           (3) Before July 30, the county superintendent shall report the information in subsection (1)(d) to  
 20 the superintendent of public instruction, who shall determine the total ~~foundation BASE aid amount~~  
 21 PER-ANB ENTITLEMENT for which the district would be eligible if the student were enrolled in the resident  
 22 district. The reimbursement amount is the difference between the actual amount paid and the amount  
 23 calculated in this subsection.

24           (4) Notwithstanding the requirements of subsection (5), tuition payment provisions for  
 25 out-of-district placement of students with disabilities must be determined pursuant to Title 20, chapter 7,  
 26 part 4.

27           (5) Except as provided in subsection (6), when a child has approval to attend a school outside the  
 28 child's district of residence under the provisions of 20-5-320 or 20-5-321, the district of residence shall  
 29 finance the tuition amount from the district tuition fund and any transportation amount from the  
 30 transportation fund.

1 (6) When a child has mandatory approval under the provisions of 20-5-321, the tuition and  
 2 transportation obligation for an elementary school child attending a school outside of the child's county of  
 3 residence must be financed by the county basic tax for elementary districts, as provided in 20-9-331, for  
 4 the child's county of residence or for a high school child attending a school outside the county of residence  
 5 by the county basic tax for high school districts, as provided in 20-9-333, for the child's county of  
 6 residence.

7 (7) By December 31 of the school fiscal year, the county superintendent or the trustees shall pay  
 8 at least one-half of any tuition and transportation obligation established under this section out of the money  
 9 realized to date from the appropriate basic county tax account provided for in 20-9-334 or from the district  
 10 tuition or transportation fund. The remaining tuition and transportation obligation must be paid by June  
 11 15 of the school fiscal year. The payments must be made to the county treasurer in each county with a  
 12 school district that is entitled to tuition and transportation. Except as provided in subsection (9), the county  
 13 treasurer shall credit tuition receipts to the general fund of a school district entitled to a tuition payment.  
 14 The tuition receipts must be used in accordance with the provisions of 20-9-141. The county treasurer  
 15 shall credit transportation receipts to the transportation fund of a school district entitled to a transportation  
 16 payment.

17 (8) The superintendent of public instruction shall reimburse the district of residence ~~from the state~~  
 18 ~~equalization account for the foundation~~ BASE aid amount PER-ANB ENTITLEMENT determined in subsection  
 19 (3).

20 (9) (a) Any tuition receipts received under the provisions of Title 20, chapter 7, part 4, or  
 21 20-5-323(3) for the current school fiscal year that exceed the tuition receipts of the prior year may be  
 22 deposited in the district miscellaneous programs fund and must be used for that year in the manner  
 23 provided for in 20-9-507 to support the costs of the program for which the tuition was received.

24 (b) Any other tuition receipts received for the current school fiscal year that exceed the tuition  
 25 receipts of the prior year may be deposited in the district miscellaneous programs fund and may be used  
 26 for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must  
 27 be credited to the district general fund budget."  
 28

29 **Section 27.** Section 20-7-420, MCA, is amended to read:

30 **"20-7-420. Residency requirements -- financial responsibility for special education.** (1) In



1 accordance with the provisions of 1-1-215, a child's district of residence for special education purposes  
2 is the residence of the child's parents or of the child's guardian if the parents are deceased, unless  
3 otherwise determined by the court. This applies to a child living at home, in an institution, or under foster  
4 care. If the parent has left the state, the parent's ~~last-known~~ last-known district of residence is the child's  
5 district of residence.

6 (2) The county of residence is financially responsible for tuition and transportation as established  
7 under 20-5-323 for a child with disabilities, as defined in 20-7-401, including a child who has been placed  
8 by a state agency in a foster care or group home licensed by the state. The county of residence is not  
9 financially responsible for tuition and transportation for a child with disabilities who is placed by a state  
10 agency in an out-of-state public school or an out-of-state private residential facility.

11 (3) If an eligible child, as defined in 20-7-436, is receiving inpatient treatment in an in-state  
12 residential treatment facility or children's psychiatric hospital, as defined in 20-7-436, and the educational  
13 services are provided by a public school district under the provisions of 20-7-411 or 20-7-435, the  
14 superintendent of public instruction shall reimburse the district providing the services for the negotiated  
15 amount, as established pursuant to 20-7-435(5), that represents the district's costs of providing education  
16 and related services. Payments must be made from funds appropriated for this purpose. If the negotiated  
17 amount exceeds the daily membership rate under 20-7-435(3) and any per-ANB amount of direct state aid,  
18 the superintendent of public instruction shall pay the remaining balance from ~~the state equalization aid~~  
19 ~~account~~ available funds. However, the amount spent from ~~the state equalization aid account~~ available  
20 funds for this purpose may not exceed \$500,000 during any biennium.

21 (4) Under the provisions of 20-7-422(3), the superintendent of public instruction shall provide funds  
22 for the education fees required to provide a free appropriate public education for a child with disabilities  
23 who is in need of special education and related services and is placed by a state agency in an out-of-state  
24 private residential facility or out-of-state public school, provided that, in determining the special education  
25 services needed for the child with disabilities, the district of residence has complied with the rules  
26 promulgated under 20-7-402.

27 (5) A state agency that makes a placement of a child with disabilities is responsible for the financial  
28 costs of room and board and the treatment of the child."

29  
30 **Section 28.** Section 20-7-504, MCA, is amended to read:

1           **"20-7-504. State traffic education account -- proceeds earmarked for the account.** (1) There is  
2 a traffic education account in the treasury of the state of Montana.

3           ~~(2) Money paid into the account pursuant to 3-10-601 must be distributed to approved traffic~~  
4 ~~education courses as provided in 20-7-506.~~

5           ~~(3)~~ Money collected and accrued from motorcycle safety training courses, designated grants, and  
6 motorcycle registration fees or an amount equal to that amount must be deposited in the state traffic  
7 education account as provided in 20-7-513 and 20-7-514 and must be available to support only approved  
8 motorcycle safety training courses, appropriate motorcycle safety instructor training, and other related  
9 motorcycle safety training activities."

10  
11           **SECTION 29. SECTION 20-7-506, MCA, IS AMENDED TO READ:**

12           **"20-7-506. Annual allocation and distribution of traffic education account proceeds.** (1) ~~The~~  
13 Subject to the provisions of subsection (2), the superintendent of public instruction shall annually order the  
14 distribution of all ~~moneys~~ money in the traffic education account to the districts conducting approved traffic  
15 education courses. The distribution of the traffic education ~~moneys~~ money must be based on the  
16 distribution policy promulgated by the superintendent of public instruction, provided that the  
17 reimbursements to districts must be based upon the number of pupils who, in a given school fiscal year,  
18 complete an approved traffic education course, including both the classroom instruction and  
19 behind-the-wheel driving.

20           (2) Before the funds in the traffic education account are disbursed, there must be appropriated to  
21 the superintendent of public instruction funds to administer the statewide traffic education program for  
22 eligible, young, novice drivers. The administration may include:

23           (a) supervision and assessment of approved traffic education courses;

24           (b) preparation for teachers of traffic education;

25           (c) development, printing, and distribution of essential instructional materials for traffic education;

26 and

27           (d) any other activities considered necessary by the superintendent of public instruction, provided  
28 that the money is available only to support traffic education for young, novice drivers."

29  
30           **Section 30. Section 20-7-605, MCA, is amended to read:**

1           **"20-7-605. Notification and processing of complaint against a licensed textbook dealer.** (1) A  
 2 district or county superintendent shall notify the superintendent of public instruction whenever it is  
 3 ascertained that a licensed textbook dealer is:

4           (a) offering to sell textbooks at a higher price than the listed uniform sales price filed with the  
 5 superintendent of public instruction;

6           (b) offering to sell textbooks at a higher shipping point price than the shipping point price of the  
 7 same textbooks distributed elsewhere in the United States; or

8           (c) in any other way performing contrary to the laws regulating the offering of textbooks for sale  
 9 or adoption to districts.

10           (2) Upon receipt of such notification from the district or county superintendent, the superintendent  
 11 of public instruction shall notify the appropriate licensed textbook dealer of the complaint. If the  
 12 superintendent of public instruction finds that the licensed textbook dealer has violated any provision of  
 13 this section and the dealer fails to rectify ~~his~~ the error within 30 days of the notification of the finding of  
 14 a violation, ~~he~~ the dealer shall forfeit ~~his~~ the dealer's surety bond. The attorney general, upon written  
 15 request of the superintendent of public instruction, shall proceed to collect by legal action the full amount  
 16 of the surety bond. Any amount ~~so~~ recovered ~~shall~~ must be paid into the state ~~public school equalization~~  
 17 ~~aid account~~ general fund."

18

19           **Section 31.** Section 20-9-166, MCA, is amended to read:

20           **"20-9-166. State financial aid for budget amendments.** Whenever a final budget amendment has  
 21 been adopted for the general fund or the transportation fund to finance the cost of an amendment resulting  
 22 from increased enrollment, the trustees may apply to the superintendent of public instruction for an  
 23 increased payment from the state ~~public school equalization aid account~~ for the BASE funding program or  
 24 for state transportation reimbursement, or both. The superintendent of public instruction shall adopt rules  
 25 for the application. The superintendent of public instruction shall approve or disapprove each application  
 26 for increased state aid made in accordance with 20-9-314 and this section. When the superintendent of  
 27 public instruction approves an application, the superintendent of public instruction shall determine the  
 28 additional amount of state aid from the state ~~public school equalization aid account~~ or the state  
 29 transportation reimbursement that will be made available to the applicant district because of the increase  
 30 in enrollment. The superintendent of public instruction shall notify the applicant district of the

1 superintendent's approval or disapproval and, in the event of approval, the amount of additional state aid  
2 that will be made available for the general fund or the transportation fund. The superintendent of public  
3 instruction shall disburse the state aid to the eligible district at the time the next regular state aid payment  
4 is made."

5  
6 **Section 32.** Section 20-9-331, MCA, is amended to read:

7 **"20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**  
8 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
9 tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for  
10 property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and  
11 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
12 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
13 districts in the county and to the state ~~special revenue~~ general fund, ~~state equalization aid account~~, in the  
14 following manner:

15 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
16 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE  
17 funding programs of all elementary districts of the county.

18 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
19 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
20 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account~~,  
21 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
22 remittance due no later than June 20 of the fiscal year for which the levy has been set.

23 (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
24 revenue from the following sources must be used for the equalization of the elementary BASE funding  
25 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
26 by the county treasurer in accordance with 20-9-212(1):

27 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
28 the common school fund under the provisions of 17-3-222;

29 (b) the portion of the federal flood control act funds distributed to a county and designated for  
30 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

1 (c) all money paid into the county treasury as a result of fines for violations of law, except money  
2 paid to a justice's court, and the use of which is not otherwise specified by law;

3 (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
4 treasurer's accounts for the various sources of revenue established or referred to in this section;

5 (e) any federal or state money distributed to the county as payment in lieu of property taxation,  
6 including federal forest reserve funds allocated under the provisions of 17-3-213;

7 (f) gross proceeds taxes from coal under 15-23-703;

8 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
9 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
10 production occurring after December 31, 1988; and

11 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
12 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

13  
14 **Section 33.** Section 20-9-333, MCA, is amended to read:

15 **"20-9-333. Basic special levy and other ~~revenues~~ revenue for county equalization of high school**  
16 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
17 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
18 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
19 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue  
20 collected from this levy must be apportioned to the support of the BASE funding programs of high school  
21 districts in the county and to the state ~~special-revenue~~ general fund, ~~state-equalization-aid-account~~, in the  
22 following manner:

23 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
24 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
25 county's high school tuition obligation and the total of the BASE funding programs of all high school  
26 districts of the county.

27 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
28 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
29 to the state treasurer for deposit to the state ~~special-revenue~~ general fund, ~~state-equalization-aid-account~~,  
30 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final

1 remittance due no later than June 20 of the fiscal year for which the levy has been set.

2 (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
3 revenue from the following sources must be used for the equalization of the high school BASE funding  
4 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
5 by the county treasurer in accordance with 20-9-212(1):

6 (a) any money remaining at the end of the immediately preceding school fiscal year in the county  
7 treasurer's accounts for the various sources of revenue established in this section;

8 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
9 including federal forest reserve funds allocated under the provisions of 17-3-213;

10 (c) gross proceeds taxes from coal under 15-23-703;

11 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
12 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
13 production occurring after December 31, 1988; and

14 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
15 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

16  
17 **Section 34.** Section 20-9-342, MCA, is amended to read:

18 **"20-9-342. Deposit of interest and income ~~moneys~~ money by state board of land commissioners.**

19 The state board of land commissioners shall annually deposit the interest and income ~~moneys~~ money for  
20 each calendar year into the state ~~special revenue~~ general fund for state equalization aid, ~~provided for by~~  
21 ~~20-9-343~~, by the last business day of February following the calendar year in which the ~~moneys were~~  
22 money was received."

23  
24 **Section 35.** Section 20-9-343, MCA, is amended to read:

25 **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term  
26 "state equalization aid" means ~~the account in the state special revenue fund that receives~~ revenue as  
27 required in this section ~~plus any legislative appropriation of money from other sources~~ for:

28 (a) distribution to the public schools for the purposes of payment of systems development and  
29 other related costs resulting from the enactment of legislation that requires changes to the automated  
30 system used to administer the BASE funding program, guaranteed tax base aid, BASE aid, state

1 reimbursement for school facilities, and matching funds for the systemic initiative for Montana mathematics  
2 and science grant;

3 (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 per biennium; and

4 (c) the Montana educational telecommunications network as provided in 20-32-101.

5 (2) The superintendent of public instruction may spend throughout the biennium funds appropriated  
6 ~~from the state equalization aid account as required~~ for the purposes of systems development and other  
7 related costs resulting from the enactment of legislation that requires changes to the automated system  
8 used to administer the BASE funding program, guaranteed tax base aid, BASE aid for the BASE funding  
9 program, state reimbursement for school facilities, negotiated payments authorized under 20-7-420(3), and  
10 the Montana educational telecommunications network, ~~throughout the biennium, and for the biennium~~  
11 ~~beginning July 1, 1993, equipment purchases that qualify as the state match for the systemic initiative for~~  
12 ~~Montana mathematics and science grant.~~

13 (3) The following must be paid into the state ~~equalization aid account~~ general fund for the public  
14 schools of the state:

15 (a) ~~money allocated to state equalization from the collection of the severance tax on coal;~~

16 (b) ~~money received from the treasurer of the United States as the state's shares of oil, gas, and~~  
17 ~~other mineral royalties under the federal Mineral Lands Leasing Act, as amended;~~

18 (c) ~~interest and income money described in 20-9-341 and 20-9-342;~~

19 (d) ~~money received from the state equalization aid levy under 20-9-360;~~

20 (e) ~~income from the lottery, as provided in 23-7-402;~~

21 (f) ~~the surplus revenues collected by the counties for BASE funding program support according to~~  
22 ~~20-9-331 and 20-9-333; and~~

23 (g) (b) investment income earned by investing money in the state equalization aid account in the  
24 state special revenue fund interest and income money described in 20-9-341 and 20-9-342.

25 (4) ~~The superintendent of public instruction shall request the board of investments to invest the~~  
26 ~~money in the state equalization aid account to maximize investment earnings to the account.~~

27 (5) ~~Any surplus revenue in the state equalization aid account at the end of a fiscal year must be~~  
28 ~~transferred to the general fund."~~

29

30 **Section 36.** Section 20-9-346, MCA, is amended to read:

1           **"20-9-346. Duties of superintendent of public instruction for state and county equalization aid**  
2 **distribution.** The superintendent of public instruction shall administer the distribution of the state and  
3 county equalization aid by:

4           (1) establishing the annual entitlement of each district and county to state and county equalization  
5 aid, based on the data reported in the retirement and general fund budgets for each district that have been  
6 duly adopted for the current school fiscal year and verified by the superintendent of public instruction;

7           (2) for the purposes of state reimbursements for school facilities, limiting the distribution ~~from the~~  
8 ~~state equalization aid account to no more than \$1 million for the school fiscal year ending June 30, 1994,~~  
9 ~~and~~ to no more than \$2 million for the biennium ending June 30, 1995, to the districts that are eligible  
10 under the provisions of 20-9-366 through 20-9-371 by:

11           (a) determining by May 1 of each school fiscal year the number of mills levied in each district for  
12 debt service on bonds that were issued as provided in 20-9-370(2)(b)(i) or (2)(b)(ii) and that qualify for  
13 guaranteed tax base aid under the provisions of 20-9-366 through 20-9-369 and 20-9-370;

14           (b) based on the limitation of state equalization aid available for debt service purposes in this  
15 subsection (2), determining the percentage of state equalization aid that each eligible district must receive  
16 for the school fiscal year;

17           (c) distributing that amount to each eligible district for reducing the property tax for the debt  
18 service fund for the ensuing school fiscal year; and

19           (d) at the end of the school fiscal year ending June 30, 1994, determining whether there is an  
20 unused portion of the amount of state equalization aid appropriated in this subsection (2) to be carried into  
21 the next school fiscal year for the purposes of this subsection (2);

22           (3) distributing by electronic transfer the BASE aid and state advances for county equalization, for  
23 each district or county entitled to the aid, to the county treasurer of the respective county for county  
24 equalization or to the county treasurer of the county where the district is located for BASE aid, in  
25 accordance with the distribution ordered by the board of public education;

26           (4) keeping a record of the full and complete data concerning money available for state equalization  
27 aid, state advances for county equalization, and the entitlements for BASE aid of the districts of the state;

28           (5) reporting to the board of public education the estimated amount that will be available for state  
29 equalization aid; and

30           (6) reporting to the office of budget and program planning as provided in 17-7-111:



1 (a) the figures and data available concerning distributions of state and county equalization aid  
2 during the preceding 2 school fiscal years;

3 (b) the amount of state equalization aid then available;

4 (c) the apportionment made of the available money but not yet distributed;

5 (d) the latest estimate of accruals of money available for state equalization aid; and

6 (e) the amount of state advances and repayment for county equalization."  
7

8 **Section 37.** Section 20-9-360, MCA, is amended to read:

9 **"20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
10 commissioners of each county on all taxable property within the state, except property for which a tax or  
11 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as  
12 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be  
13 deposited to the credit of the state ~~special revenue~~ general fund for state equalization aid to the public  
14 schools of Montana.

15 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
16 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall  
17 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
18 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
19 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference  
20 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
21 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
22 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
23 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
24 installments on December 31 and June 30 of the fiscal year."  
25

26 **Section 38.** Section 20-9-361, MCA, is amended to read:

27 **"20-9-361. State and county equalization revenue -- statutory appropriation.** (1) Revenue received  
28 in support of ~~state and~~ county equalization under the provisions of 20-9-331, and 20-9-333, ~~and 20-9-343~~  
29 is ~~statutorily appropriated, as provided in 17-7-502,~~ to:

30 ~~(1) the superintendent of public instruction to be used for county equalization and state equalization~~

1 aid for the public schools, as provided by law, and must be accounted for in accordance with generally  
2 accepted accounting principles; ~~and~~.

3 (2) Revenue received from the state equalization aid levy for a municipality that created an urban  
4 renewal area and adopted a tax increment financing provision for the urban renewal area prior to July 1,  
5 1990, is statutorily appropriated, as provided in 17-7-502, to counties be distributed as provided in  
6 20-9-360(2)."

7  
8 **Section 39.** Section 23-2-507, MCA, is amended to read:

9 "23-2-507. **Penalty.** (1) Violations of any section of this part, except 23-2-526(3), unless  
10 otherwise specified ~~shall be~~ are a misdemeanor and shall be punishable by a fine of not less than \$15 or  
11 more than \$500 or ~~by~~ imprisonment up to 6 months, ~~or by both such fine and imprisonment.~~ All fine and  
12 bond forfeitures, except those paid to a justice's court, ~~shall~~ must be transmitted to the state treasurer,  
13 who shall deposit ~~such~~ the fines and forfeitures in the ~~motorboat account of a special revenue~~ general fund.  
14 ~~The moneys shall be used only by the department may use appropriations for enforcement of this part, as~~  
15 ~~amended.~~

16 (2) If 23-2-525(4) is violated, 46-18-241 through 46-18-249 apply, except that the sentencing  
17 court shall order restitution and shall do so regardless of the court's disposition of the violator."

18  
19 **Section 40.** Section 23-2-644, MCA, is amended to read:

20 "23-2-644. **Use DEPOSIT of funds from fines and forfeitures.** All fines and forfeitures collected  
21 under 23-2-601 through 23-2-644 relating to snowmobiles, except those collected by a justice's court, ~~shall~~  
22 must be transmitted to the state treasurer, who shall deposit ~~such~~ the fines and forfeitures in the state  
23 ~~special revenue~~ general fund. ~~to the credit of the~~ The department to be used only may use appropriations  
24 ~~for snowmobile safety and education."~~

25  
26 **Section 41.** Section 23-2-807, MCA, is amended to read:

27 "23-2-807. **Penalty -- disposition.** (1) The failure to display a current decal indicating that the fee  
28 in lieu of tax, registration fees, decal fees, and, when applicable, taxes on licensed vehicles have been paid  
29 on the off-highway vehicle for the current year as provided in 23-2-804 is a misdemeanor punishable by  
30 a fine of \$50.

1 (2) All fines collected under this section must be transmitted to the state treasurer, who shall  
 2 deposit the money in the ~~account created under 23-2-804(3)~~ state general fund. ~~Fifty percent of this~~  
 3 ~~money and the interest earned on it must be used for off-highway vehicle safety and education. The~~  
 4 ~~remaining 50% of the money and the interest earned on it must be used for enforcement."~~

5  
 6 **Section 42.** Section 23-2-823, MCA, is amended to read:

7 "**23-2-823. Off-highway vehicle safety education training program —appropriation.** (1) There is  
 8 an off-highway vehicle safety education training program. ~~Beginning October 1, 1994, the~~ The department  
 9 of fish, wildlife, and parks shall coordinate the program as funds are available.

10 (2) ~~Beginning October 1, 1994, the~~ The department of justice shall transfer to the department of  
 11 fish, wildlife, and parks all money available for the program under 23 U.S.C. 402.

12 (3) There is an account in the federal special revenue fund in which all money received for the  
 13 administration of the off-highway vehicle safety education training program must be deposited. ~~The money~~  
 14 ~~in the account is statutorily appropriated, as provided in 17-7-502, to the department of fish, wildlife, and~~  
 15 ~~parks for the administration of the program."~~

16  
 17 **Section 43.** Section 23-4-202, MCA, is amended to read:

18 "**23-4-202. Penalty for violations of law -- authority of board -- judicial review.** (1) A person  
 19 holding a race meet or an owner, trainer, or jockey participating in a race meet, without first being licensed  
 20 under this chapter, ~~and~~ or a person violating this chapter is guilty of a misdemeanor.

21 (2) The board or, upon the board's authorization, the board of stewards of a race meet at which  
 22 they officiate may exclude from racecourses in this state a person whom the board considers detrimental  
 23 to the best interest of racing as defined by rules of the board.

24 (3) As its own formal act or through an act of a board of stewards of a race meet, the board may  
 25 suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed  
 26 \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the  
 27 board. In addition to the suspension or revocation and fine, the board may forbid application for relicensure  
 28 for a 2-year period. Fines collected under this subsection must be deposited in the general fund.

29 (4) The board shall promulgate rules implementing this chapter, including the right to a hearing for  
 30 individuals against whom action is taken or proposed ~~herein~~ under this chapter. The rules may include

1 provisions for the following:

2 (a) summary imposition of penalty by the stewards of a race meet, including a fine and license  
3 suspension, subject to review under the contested case provisions of the Montana Administrative Procedure  
4 Act;

5 (b) stay of a summary imposition of penalty by either the board or board of stewards;

6 (c) retention of purses pending final disposition of complaints, protests, or appeals of stewards'  
7 rulings;

8 (d) setting aside of up to 2% of exotic wagering on races, including simulcast races, to be used  
9 as a bonus for owners pursuant to 23-4-304(2), ~~and up to 30% of the amount set aside may be used~~  
10 to defray administrative costs ~~which shall be~~ in addition to the 20% already withheld under 23-4-302;

11 (e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all  
12 purses except stakes races;

13 (f) assessment of penalty and interest on the late payment of fines, which must be paid before  
14 licenses are reinstated;

15 (g) definition of exotic forms of wagering on races to be allowed;

16 (h) standards for simulcast facilities; and

17 (i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast  
18 races.

19 (5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial  
20 review of cases arising under this chapter."

21

22 **Section 44.** Section 23-7-202, MCA, is amended to read:

23 **"23-7-202. Powers and duties of commission.** The commission shall:

24 (1) establish and operate a state lottery and may not become involved in any other gambling or  
25 gaming;

26 (2) determine policies for the operation of the state lottery, supervise the director and ~~his~~ the staff,  
27 and meet with the director at least once every 3 months to make and consider recommendations, set  
28 policies, determine types and forms of lottery games to be operated by the state lottery, and transact other  
29 necessary business;

30 (3) maximize the net revenue paid to the ~~superintendent of public instruction~~ state and to the board

1 ~~of crime control~~ under 23-7-402 and ensure that all policies and rules adopted further revenue  
2 maximization;

3 (4) subject to 23-7-402(1), determine the percentage of the money paid for tickets or chances to  
4 be paid out as prizes;

5 (5) determine the price of each ticket or chance and the number and size of prizes;

6 (6) provide for the conduct of drawings of winners of lottery games;

7 (7) carry out, with the director, a continuing study of the state lotteries of Montana and other  
8 states to make the state lottery more efficient, profitable, and secure from violations of the law;

9 (8) study and may enter into agreements with other lottery states to offer lottery games;

10 (9) prepare quarterly and annual reports on all aspects of the operation of the state lottery,  
11 including but not limited to types of games, gross revenue, prize money paid, operating expenses, net  
12 revenue to the state, contracts with gaming suppliers, and recommendations for changes to this part, and  
13 deliver a copy of each report to the governor, the department of administration, the legislative auditor, the  
14 president of the senate, the speaker of the house of representatives, and each member of the appropriate  
15 committee of each house of the legislature as determined by the president of the senate and the speaker  
16 of the house; and

17 (10) adopt rules relating to lottery staff sales incentives or bonuses and sales agents' commissions  
18 and any other rules necessary to carry out this part."  
19

20 **Section 45.** Section 23-7-402, MCA, is amended to read:

21 **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or  
22 chances must be paid out as prize money. The prize money is statutorily appropriated, as provided in  
23 17-7-502, to the lottery.

24 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating  
25 expense.

26 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
27 expenses, together with the interest earned on the gross revenue while the gross revenue is in the  
28 enterprise fund, is net revenue. ~~Except for the amount required to be paid under subsection (5), net~~ NET  
29 revenue must be paid transferred quarterly from the enterprise fund established by 23-7-401 to the  
30 superintendent of public instruction state general fund ~~for distribution as state equalization aid to the public~~

1 schools of Montana as provided in ~~20-9-343~~. The net revenue is statutorily appropriated, as provided in  
2 ~~17-7-502~~, to the superintendent of public instruction.

3 (4) The spending authority of the lottery may be increased in accordance with this section upon  
4 review and approval of a revised operation plan by the ~~budget office~~ of budget and program planning.

5 ~~(5) (a) An amount equal to 9.1% of the net revenue derived under subsection (3), but not to~~  
6 ~~exceed \$1 million in any fiscal year, must be paid to the board of crime control.~~

7 ~~(b) All money paid to the board of crime control under this subsection (5) must be used to fund~~  
8 ~~state grants to counties for youth detention services and to cover the costs of administering the grant~~  
9 ~~program as authorized in 41-5-1002. The grants are statutorily appropriated, as provided in 17-7-502, to~~  
10 ~~the board of crime control. The costs of administering the grant program must be paid pursuant to a~~  
11 ~~legislative appropriation."~~

12  
13 **Section 46.** Section 27-12-206, MCA, is amended to read:

14 **"27-12-206. Funding.** (1) There is an account in the state special revenue fund. Money from the  
15 assessments levied under this section must be deposited in the account. ~~The money in the account is~~  
16 ~~statutorily appropriated, as provided in 17-7-502, to the director to be used to administer this chapter.~~

17 (2) For each fiscal year, beginning July 1, an annual assessment is levied on all chiropractic  
18 physicians. The amount of the assessment must be annually set by the director and equally assessed  
19 against all chiropractic physicians. A fund surplus at the end of a fiscal year, not required for the  
20 administration of this chapter, ~~must be retained by the director~~ in the account and used to finance the  
21 administration of this chapter during the next fiscal year, in which event the director shall reduce the next  
22 annual assessment to an amount estimated to be necessary for the proper administration of this chapter  
23 during that fiscal year.

24 (3) The annual assessment must be paid on or before the date the chiropractic physician's annual  
25 renewal fee under 37-12-307 is due. An unpaid assessment bears a late charge fee of \$25. The late  
26 charge fee is part of the annual assessment. The director has the same powers and duties in connection  
27 with the collection of and failure to pay the annual assessment as the department of commerce has under  
28 37-12-307 with regard to a chiropractic physician's annual license fee."

29  
30 **Section 47.** Section 39-71-2501, MCA, is amended to read:

1           **"39-71-2501. Definitions.** As used in this part, the following definitions apply:

2           ~~(1)~~ "Account" means the workers' compensation bond repayment account established in  
3 39-71-2504.

4           ~~(1)(2)~~ "Department" means the department of revenue provided for in 2-15-1301.

5           ~~(2)(3)~~ "Employee" includes an officer, employee, or elected public official of the United States, the  
6 state of Montana, or any political subdivision of the United States or the state of Montana or any agency  
7 or instrumentality of the United States, the state of Montana, or a political subdivision of the United States  
8 or the state of Montana. The term "employee" also includes an officer of a corporation.

9           ~~(3)(4)~~ (a) "Employer" means, except as provided in subsection ~~(3)(b)~~ (4)(b), the person for whom  
10 an individual performs or performed any service, of whatever nature, as an employee of the person.

11           (b) If the person for whom the individual performs or performed the service does not have control  
12 of the payment of the wages for the service, the term employer means the person who has control of the  
13 payment of wages.

14           ~~(4)(5)~~ "Employer's payroll" means wages paid for each of the calendar quarters ending March 31,  
15 June 30, September 30, and December 31.

16           ~~(5)(6)~~ "State fund" means the state compensation insurance fund.

17           ~~(6)(7)~~ "Tax" means the workers' compensation old fund liability tax provided for in 39-71-2503,  
18 created to address the unfunded liability for claims for injuries resulting from accidents that occurred before  
19 July 1, 1990.

20           ~~(7)~~ ~~"Tax account" means the workers' compensation tax account created by 39-71-2504.~~

21           (8) "Wages" means all remuneration for services performed by an employee for an employer,  
22 including the cash value of all remuneration paid in any medium other than cash. The term does not include  
23 remuneration paid:

24           (a) for casual labor not in the course of the employer's trade or business performed in any calendar  
25 quarter by an employee unless the cash remuneration paid for the service is \$50 or more and the service  
26 is performed by an individual who is regularly employed by the employer to perform the service. For  
27 purposes of this subsection (8)(a), an individual is considered to be regularly employed by an employer  
28 during a calendar quarter only if:

29           (i) on each of 24 days during the calendar quarter, the individual performs service not in the course  
30 of the employer's trade or business for the employer for some portion of the day; and

1 (ii) the individual was regularly employed, as determined under subsection (8)(a)(i), by the employer  
2 in the performance of service during the preceding calendar quarter;

3 (b) for services not in the course of the employer's trade or business, to the extent that  
4 remuneration is paid in any medium other than cash, when the payments are in the form of lodging or meals  
5 and the payments are received by the employee at the request of and for the convenience of the employer;

6 (c) to or for an employee as a payment for or a contribution toward the cost of any group plan or  
7 program that benefits the employee, including but not limited to life insurance, hospitalization insurance for  
8 the employee or the employee's dependents, and employees' club activities;

9 (d) as wages or compensation, the taxation of which is prohibited by federal law."  
10

11 **Section 48.** Section 39-71-2503, MCA, is amended to read:

12 **"39-71-2503. Workers' compensation old fund liability tax.** (1) (a) There is imposed on each  
13 employer a workers' compensation old fund liability tax in an amount equal to 0.28%, plus the additional  
14 amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the preceding calendar  
15 quarter, except that if an employer is subject to 15-30-204(2), the tax is an amount equal to 0.28%, plus  
16 the additional amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the  
17 preceding week.

18 (b) There is imposed on each employee, except workers engaged in the rail industry who are under  
19 the jurisdiction of the federal railroad administration, United States department of transportation, an old  
20 fund liability tax, as provided in 39-71-2505, on the employee's wages in the preceding calendar quarter.

21 (c) There is imposed on each business of a sole proprietor, on each subchapter S. corporation  
22 shareholder, on each partner of a partnership, and on each member or manager of a limited liability  
23 company a workers' compensation old fund liability tax, as provided in 39-71-2505, on the profit of each  
24 separate business of a sole proprietor and on the distributive share of ordinary income of each shareholder,  
25 partner, or member or manager.

26 (d) A corporate officer of a subchapter S. corporation who receives wages as an employee of the  
27 corporation shall pay the old fund liability tax on both the wages and any distributive share of ordinary  
28 income at the employee rate. The subchapter S. corporation is not liable for the tax on the corporate  
29 officer's wages.

30 (e) A corporate officer of a closely held corporation who meets the stock ownership test under



1 section 542(a)(2) of the Internal Revenue Code and receives wages as an employee of the corporation is  
2 required to pay the old fund liability tax only on the wages received. The corporation is not liable for the  
3 tax on the corporate officer's wages.

4 (f) This old fund liability tax must be used to reduce the unfunded liability in the state fund incurred  
5 for claims for injuries resulting from accidents that occurred before July 1, 1990. If one or more loans or  
6 bonds are outstanding, the legislature may not reduce the security for repayment of the outstanding loans  
7 or bonds, except that the legislature may forgive payment of a tax or reduce a tax rate for any 12-month  
8 period if the workers' compensation bond repayment account contains on the first day of that period an  
9 amount, regardless of the source, that is in excess of the reserve maintained in the account and that is  
10 equal to the amount needed to pay and is dedicated to the payment of the principal, premium, and interest  
11 that must be paid during that period on the outstanding loans or bonds.

12 (g) Each employer shall maintain the records the department requires concerning the old fund  
13 liability tax. The records are subject to inspection by the department and its employees and agents during  
14 regular business hours.

15 (h) An employee does not have any right of action against an employer for any money deducted  
16 and withheld from the employee's wages and paid to the state in compliance or intended compliance with  
17 this section.

18 (i) The employer is liable to the state for any amount of old fund liability taxes, plus interest and  
19 penalty, when the employer fails to withhold from an employee's wages or fails to remit to the state the  
20 old fund liability tax required by this section.

21 (j) A sole proprietor, subchapter S. corporation shareholder, partner of a partnership, or member  
22 or manager of a limited liability company is liable to the state for the old fund liability tax, plus interest and  
23 penalty, when the sole proprietor, shareholder, partner, or member or manager fails to remit to the state  
24 the old fund liability tax required by this section.

25 (2) All collections of the tax must be deposited as received in the ~~tax~~ account. The tax is in  
26 addition to any other tax or fee assessed against persons subject to the tax.

27 (3) (a) On or before the last day of April, July, October, and January, each employer subject to the  
28 tax shall file a return in the form and containing the information required by the department and, except  
29 as provided in subsection (3)(b), pay the amount of tax required by this section to be paid on the  
30 employer's payroll for the preceding calendar quarter ~~and in addition.~~ The employer shall also remit

1 withholdings for employees' old fund liability taxes at the same time.

2 (b) An employer subject to 15-30-204(2) shall remit to the department a weekly payment with its  
3 weekly withholding tax payment in the amount required by subsection (1)(a) and shall remit withholdings  
4 for employees' old fund liability taxes at the same time.

5 (c) Tax payments required by subsections (1)(a) and (1)(b) must be made with the return filed  
6 pursuant to 15-30-204. The department shall first credit a payment to the liability under 15-30-202 and  
7 credit any remainder to the workers' compensation tax account provided in 39-71-2504.

8 (d) Tax payments due from sole proprietors, subchapter S. corporation shareholders, partners of  
9 partnerships, and members or managers of limited liability companies must be made with and at the same  
10 time as the returns filed pursuant to 15-30-144 and 15-30-241. The department shall first credit a payment  
11 to the liability under 15-30-103 or 15-30-202 and shall then credit any remainder to the ~~workers'~~  
12 ~~compensation tax~~ account provided for in 39-71-2504.

13 (4) An employer's officer or employee with the duty to collect, account for, and pay to the  
14 department the amounts due under this section who fails to pay an amount is liable to the state for the  
15 unpaid amount and any penalty and interest relating to that amount.

16 (5) Returns and remittances under subsection (3) and any information obtained by the department  
17 during an audit are subject to the provisions of 15-30-303, but the department may disclose the information  
18 to the department of labor and industry under circumstances and conditions that ensure the continued  
19 confidentiality of the information.

20 (6) The department of labor and industry and the state fund shall, ~~on July 1, 1991, or as soon after~~  
21 ~~that date as possible,~~ give the department a list of all employers having coverage under any plan  
22 administered or regulated by the department of labor and industry and the state fund. After the lists have  
23 been given to the department, the department of labor and industry and the state fund shall update the lists  
24 weekly. The department of labor and industry and the state fund shall provide the department with access  
25 to their computer data bases and paper files and records for the purpose of the department's administration  
26 of the tax imposed by this section.

27 (7) The provisions of Title 15, chapter 30, that are not in conflict with the provisions of this part  
28 regarding administration, remedies, enforcement, collections, hearings, interest, deficiency assessments,  
29 credits for overpayment, statute of limitations, penalties, estimated taxes, and department rulemaking  
30 authority apply to the tax, to employers, to employees, to sole proprietors, to subchapter S. corporation

1 shareholders, to partners of partnerships, to members or managers of limited liability companies, and to the  
2 department."

3

4 **Section 49.** Section 39-71-2504, MCA, is amended to read:

5 "**39-71-2504. Workers' compensation tax bond repayment account.** (1) There is a workers'  
6 compensation tax bond repayment account in the ~~state special revenue~~ ENTERPRISE fund. ~~The workers'~~  
7 ~~compensation tax account consists of a tax account and a workers' compensation bond repayment~~  
8 ~~account.~~

9 (2) All collections of the tax imposed under 39-71-2503, and the interest and penalties on the tax,  
10 ~~and revenue appropriated to the workers' compensation tax account under section 11, Chapter 9, Special~~  
11 ~~Laws of June 1989,~~ must, in accordance with the provisions of 15-1-501(6), be deposited in the workers'  
12 compensation tax bond repayment account. All money deposited in the ~~workers' compensation tax~~  
13 ~~account must be credited to the workers' compensation bond repayment account~~ must be retained in the  
14 account to the extent necessary to pay the principal of and the redemption premium and interest due on  
15 workers' compensation bonds issued under 39-71-2354 and 39-71-2355 and to establish and maintain a  
16 reserve for the bonds equal to the maximum annual principal of and interest on the bonds in any future  
17 year. The balance in the workers' compensation bond repayment account ~~must be credited to the tax~~  
18 ~~account within the workers' compensation tax account and~~ is statutorily appropriated, as provided in  
19 17-7-502, to the state fund to be used to reduce the unfunded liability in the state fund incurred for claims  
20 for injuries resulting from accidents that occurred before July 1, 1990."

21

22 **Section 49.** ~~Section 44-12-206, MCA, is amended to read:~~

23 "~~44-12-206. Disposition of proceeds of sale report.~~ (1) Whenever property is seized, forfeited,  
24 and sold under the provisions of this chapter, the ~~net proceeds of the sale must be distributed as follows:~~

25 ~~(a) to the holders of security interests who have presented proper proof of their claims, if any, up~~  
26 ~~to the amount of their interests in the property;~~

27 ~~(b) the remainder, if any, to the county treasurer of the county in which the property was seized,~~  
28 ~~who. The county treasurer shall establish and maintain a drug forfeiture account and deposit the remainder~~  
29 ~~into the account, except as provided in subsections (1)(c) through (1)(e);~~

30 ~~(c) if the property was seized within the corporate limits of a city or town by a law enforcement~~

1 ~~agency of that city or town, the remainder, if any, to the city or town treasurer, who. The city or town~~  
 2 ~~treasurer shall establish and maintain a drug forfeiture account and deposit the remainder into the account,~~  
 3 ~~except as provided in subsections (1)(d) and (1)(e);~~

4 ~~(d) if the property was seized by an employee of the state, the remainder, if any, to the account~~  
 5 ~~established in subsection (3) state general fund, except as provided in subsection (1)(e); and~~

6 ~~(e) if the property was seized as a result of the efforts of more than one law enforcement agency,~~  
 7 ~~the remainder, if any, to the accounts required by this subsection (1), pro rata in the proportions~~  
 8 ~~represented by the agencies' expenses of investigation, as determined by the attorney general.~~

9 ~~(2) All proceeds from any source that are deposited into a county, city, or town drug forfeiture~~  
 10 ~~account must in each fiscal year be appropriated to and remain available until expended by the confiscating~~  
 11 ~~agency for drug laws enforcement and education concerning drugs.~~

12 ~~(3) Net proceeds received by the state under subsections (1)(d) and (1)(e) must be deposited in~~  
 13 ~~an account in the state special revenue fund to the credit of the department of justice. The department~~  
 14 ~~may expend the money in the account only for purposes of enforcement of drug laws. An amount up to~~  
 15 ~~\$125,000 each year is statutorily appropriated, as provided in 17-7-502, to the attorney general for~~  
 16 ~~enforcement of drug laws. Any expenditure in excess of \$125,000 each fiscal year requires approval~~  
 17 ~~through budget amendment, as provided in Title 17, chapter 7, part 4.~~

18 ~~(4)(3) The attorney general shall provide the legislative finance committee and the legislative auditor~~  
 19 ~~with a detailed, written report of the amounts and property credited to the account general fund no later~~  
 20 ~~than 4 months after the end of each fiscal year. The attorney general may not disclose any information~~  
 21 ~~that would compromise any investigation or prosecution."~~

22  
 23 **Section 50.** Section 46-18-235, MCA, is amended to read:

24 **"46-18-235. Disposition of money collected as fines and costs.** The money collected by a court  
 25 as a result of the imposition of fines or assessment of costs under the provisions of 46-18-231 and  
 26 46-18-232 shall must be paid:

27 (1) by a district court to the county general fund of the county in which the court is held, except  
 28 that:

29 (a) if the costs assessed include any district court expense listed in 3-5-901, the money collected  
 30 from assessment of these costs must be paid to the state for deposit into the state general fund to the

1 extent that the expenses were paid by the state; and

2 (b) if the fine was imposed for a violation of Title 45, chapter 9 or 10, the court may order the  
3 money paid into the drug forfeiture account maintained under 44-12-206 for the law enforcement agency  
4 ~~which~~ that made the arrest from which the conviction and fine arose; and

5 ~~(c) if the fine was imposed for a violation of 45-5-206, 50% of the amount collected must be~~  
6 ~~deposited in the state special revenue fund for use of the department of family services in the battered~~  
7 ~~spouses and domestic violence grant program created by 52-6-101; and~~

8 (2) by a justice's court pursuant to 3-10-601."

9

10 **Section 51.** Section 52-6-105, MCA, is amended to read:

11 **"52-6-105. Funding.** (1) Revenue from the marriage license fee, and the fee collected for filing  
12 a declaration of marriage without solemnization, ~~and the portion of fines allocated to this program by~~  
13 ~~46-18-235~~ is the primary source of funding for the battered spouses and domestic violence program. The  
14 disposition of the marriage license fee is as established in 25-1-201.

15 (2) Twenty percent of the operational costs of a battered spouses and domestic violence program  
16 must come from the local community served by the program. The local contribution may include in-kind  
17 contributions."

18

19 **Section 52.** Section 61-2-107, MCA, is amended to read:

20 **"61-2-107. License reinstatement fee to fund county drinking and driving prevention programs.**

21 (1) Notwithstanding the provisions of any other law of the state, a driver's license that has been  
22 suspended or revoked under 61-5-205 or 61-8-402 must remain suspended or revoked until the driver has  
23 paid to the department a fee of \$100 in addition to any other fines, forfeitures, and penalties assessed as  
24 a result of conviction for a violation of the traffic laws of the state.

25 (2) ~~(a)~~ The department shall deposit the fees collected under subsection (1) in the general fund.  
26 One-half of the fees must be appropriated and used for funding county drinking and driving prevention  
27 programs as provided in 61-2-108. ~~For each fiscal year, an amount up to \$50,000 of the money from the~~  
28 ~~fees remaining in the general fund after appropriation for those programs is statutorily appropriated, as~~  
29 ~~provided in 17-7-502, to the department to purchase and maintain equipment used to analyze breath for~~  
30 ~~the presence of alcohol.~~

1 ~~(b) On or before June 30, 1994, the department shall transfer to the general fund the balance of~~  
 2 ~~the driver's license reinstatement fee state special revenue account."~~

3  
 4 **Section 53.** Section 61-3-502, MCA, is amended to read:

5 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to  
 6 use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding  
 7 trailers, semitrailers, and housetrailers, for which a license is sought and an original application for title is  
 8 made. The tax must be paid by the purchaser when the purchaser applies for an original Montana license  
 9 through the county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle  
 10 for which original registration is sought or a motor vehicle previously furnished without charge by a dealer  
 11 to a school district for use in a state-approved traffic education program, whether or not titled by the  
 12 dealer or the school district, and for which original registration is sought.

13 (2) Except as provided in subsections (4) and (5), the sales tax is:

14 (a) 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
 15 the year or for a registration period other than a calendar year or calendar quarter;

16 (b) 1 1/8% of the list price during the second quarter of the year;

17 (c) 3/4 of 1% during the third quarter of the year;

18 (d) 3/8 of 1% during the fourth quarter of the year.

19 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
 20 list price, the department may use published price lists.

21 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
 22 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
 23 new vehicle is purchased.

24 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%  
 25 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

26 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
 27 the ~~state~~ highway nonrestricted account of the state special revenue fund. The county treasurer shall retain  
 28 5% of the taxes collected to pay for the cost of administration.

29 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
 30 calendar year in which the original application for title is made.

1           ~~(8) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor~~  
 2 ~~vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle~~  
 3 ~~by a school district operating a state approved traffic education program within the state, whether or not~~  
 4 ~~previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),~~  
 5 ~~acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been~~  
 6 ~~otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the~~  
 7 ~~vehicle was in the state of Montana on January 1 of the year.~~

8           ~~(b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless~~  
 9 ~~the application for registration is accompanied by a statement of origin to be that is furnished by the dealer~~  
 10 ~~selling the vehicle, ~~showing~~ and that shows that the vehicle has not previously been registered or owned,~~  
 11 ~~except as otherwise provided in this section, by any person, firm, corporation, or association ~~that is not~~~~  
 12 ~~other than a new motor vehicle dealer holding a franchise or distribution agreement from a new car~~  
 13 ~~manufacturer, distributor, or importer.~~

14           (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
 15 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of  
 16 subsection (1).

17           (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
 18 agricultural worker temporarily employed in agricultural work in this state ~~where~~ when those motor vehicles  
 19 are used exclusively for transportation of agricultural workers are also exempt from the provisions of  
 20 subsection (1).

21           (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
 22 the provisions of subsection (1);

23           (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
 24 property only; and

25           (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
 26 demonstrated in the course of the dealer's business."

27  
 28           **Section 54.** Section 61-4-112, MCA, is amended to read:

29           **"61-4-112. New motor vehicles -- transfers by dealers.** (1) When a motor vehicle dealer transfers  
 30 a new motor vehicle to a purchaser or other recipient, the dealer shall:

1 (a) issue and affix a sticker as prescribed in 61-4-111(1)(a) for transfers of used motor vehicles  
2 and retain a copy of the sticker;

3 (b) within 4 working days following the date of delivery of the new motor vehicle, forward to the  
4 county treasurer of the county where the purchaser or recipient resides:

5 (i) one copy of the sticker issued under subsection (1)(a);

6 (ii) an application for certificate of title with a notice of security interest, if any, executed by the  
7 purchaser or recipient; and

8 (iii) a statement of origin as prescribed in 61-3-502(8)(b).

9 (2) Upon receipt from the county treasurer of the documents required under subsection (1), the  
10 department shall issue a certificate of ownership and certificate of registration together with a statement  
11 of lien as provided in 61-3-202."

12  
13 **SECTION 55. SECTION 61-5-121, MCA, IS AMENDED TO READ:**

14 "61-5-121. **Disposition of fees.** (1) The disposition of the fees from driver's licenses provided for  
15 in 61-5-111(7)(a), motorcycle endorsements provided for in 61-5-111(7)(b), commercial driver's licenses  
16 provided for in 61-5-111(7)(c), and duplicate driver's licenses provided for in 61-5-114 is as follows:

17 (a) The amount of 25% of each driver's license fee and of each duplicate driver's license fee must  
18 be deposited into an account in the state special revenue fund. The department shall transfer the funds  
19 from this account to the Montana highway patrol officers' retirement pension trust fund as provided in  
20 19-6-404.

21 (b) (i) If the fees are collected by a county treasurer or other agent of the department, the amount  
22 of 3.75% of each driver's license fee and of each duplicate driver's license fee must be deposited into the  
23 county general fund.

24 (ii) If the fees are collected by the department, the amount provided for in subsection (1)(b)(i) must  
25 be deposited into the general fund.

26 (c) (i) If the fee is collected by a county treasurer or other agent of the department, the amount  
27 of 5% of each motorcycle endorsement must be deposited into the county general fund.

28 (ii) If the fee is collected by the department, the amount provided for in subsection (1)(c)(i) must  
29 be deposited into the general fund.

30 (d) The amount of ~~8-75%~~ 35% of each driver's license fee and of each duplicate driver's license



1 fee must be deposited into the state traffic education account.

2 (e) In addition to the amounts deposited pursuant to subsections (1)(b)(ii) and (1)(c)(ii), the amount  
3 of ~~62.5%~~ 36.25% of each driver's license fee and of each duplicate driver's license fee must be deposited  
4 into the state general fund.

5 (f) If the fee is collected by the county treasurer or other agent of the department, the amount of  
6 3.75% of each commercial driver's license fee must be deposited into the county general fund, otherwise  
7 all of the fee must be deposited in the state general fund.

8 (g) The amount of 95% of each motorcycle endorsement fee must be deposited into the state  
9 traffic education account in the state special revenue fund.

10 (2) (a) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
11 duplicate driver's licenses are collected by a county treasurer or other agent of the department, the county  
12 treasurer or agent shall deposit the amounts provided for in subsections (1)(b)(i) and (1)(c)(i) into the county  
13 general fund. The county treasurer or agent shall then remit to the state treasurer all remaining fees,  
14 together with a statement indicating what portion of each fee is to be deposited into the account in the  
15 state special revenue fund as provided in subsection (1)(a) and the state general fund. The state treasurer,  
16 upon receipt of the fees and statement, shall deposit the fees as provided in subsections (1)(a) and (1)(d)  
17 through (1)(g).

18 (b) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
19 duplicate driver's licenses are collected by the department, it shall remit all fees to the state treasurer,  
20 together with a statement indicating what portion of each fee is to be deposited into the account in the  
21 state special revenue fund as provided in subsection (1)(a), the state special revenue fund, and the state  
22 general fund. The state treasurer, upon receipt of the fees and statement, shall deposit the fees as provided  
23 in subsections (1)(a), (1)(b)(ii), (1)(c)(ii), and (1)(d) through (1)(g)."

24

25 **Section 56.** Section 61-8-204, MCA, is amended to read:

26 "**61-8-204. Reward for information on injury to or removal of sign or marker.** Upon conviction  
27 under the provisions of 61-8-713, ~~any~~ a person who furnishes information to law enforcement officers  
28 leading to the arrest and conviction of the accused person shall must be paid a reward from the state  
29 highway nonrestricted account in the state special revenue fund in the sum of \$100."

30

1           **Section 57.** Section 61-10-126, MCA, is amended to read:

2           **"61-10-126. Deposit of fees.** All fees collected under 61-10-101 through 61-10-125 ~~shall~~ must  
3 be forwarded to the state treasurer for deposit in the ~~state~~ highway nonrestricted account in the state  
4 special revenue fund."

5

6           **Section 58.** Section 61-10-148, MCA, is amended to read:

7           **"61-10-148. Disposition of fines and forfeited bonds.** (1) Except as provided in 61-12-701 and  
8 subsection (2) of this section, one-half of all the money collected as fines and forfeited bonds for violations  
9 of Title 61, chapter 10, must be remitted monthly by the county treasurer to the state treasurer for deposit  
10 in the ~~state~~ highway nonrestricted account in the state special revenue fund. The remaining half, less the  
11 deductions required by law, must be deposited in the county road fund. This subsection does not apply  
12 to fines and forfeited bonds paid to justices' courts.

13           (2) If the apprehension or arrest was for a violation of Title 61, chapter 10, and if the offense  
14 occurred on a road or highway not included under the provisions of 60-2-128 and 60-2-203, all money  
15 collected as fines and forfeited bonds must be distributed to the county treasurer for deposit in the county  
16 road fund."

17

18           **Section 59.** Section 61-10-225, MCA, is amended to read:

19           **"61-10-225. Disposition of fees collected by county treasurer.** At the time of collecting the fees  
20 provided for in 61-10-222, each county treasurer shall retain 5% of the fees ~~collected by him~~ for the cost  
21 of administration and for deposit in the general fund of the county. The remaining 95% ~~shall~~ must be  
22 remitted monthly to the state treasurer for deposit to the credit of the department of transportation in the  
23 highway revenue account. The remittance ~~shall~~ must be made on forms furnished to the county treasurer  
24 by the department."

25

26           **Section 60.** Section 61-10-226, MCA, is amended to read:

27           **"61-10-226. Deposit of state highway money.** (1) ~~Any reference to the state highway fund means~~  
28 ~~the state highway account in the state special revenue fund.~~

29           ~~(2)~~ Money received for the use of the department from the receipt or transfer of GVW license fees,  
30 as provided by law, or from other state sources ~~shall~~ must be deposited in the highway revenue account

1 in the state special revenue fund to the credit of the department.

2 ~~(3)(2)~~ Money received from the federal government or other agencies ~~shall~~ must be deposited in  
3 a federal or state special revenue fund to the credit of the department.

4 ~~(4)(3)~~ Money collected for the department as authorized by law ~~shall~~ must be credited to ~~such the~~  
5 appropriate fund or funds by the state treasurer.

6 ~~(5)(4)~~ Money received from the counties ~~shall~~ must be deposited in the appropriate account in the  
7 state special revenue fund to the credit of the department."

8

9 **Section 61.** Section 75-5-634, MCA, is amended to read:

10 **"75-5-634. Disposition of fines and civil penalties.** ~~(1) Except as provided in subsections (2) and~~  
11 ~~(3), fines~~ Fines and civil penalties collected under this chapter, except those collected in a justice's court,  
12 must be deposited into the ~~water quality rehabilitation account provided in 75-5-507~~ state general fund.

13 ~~(2) A maximum of \$20,000 in fines and civil penalties may be deposited in the water quality~~  
14 ~~rehabilitation account in any fiscal year. Fines and penalties in excess of \$20,000 must be deposited in~~  
15 ~~the general fund.~~

16 ~~(3) Whenever the amount of money in the water quality rehabilitation account exceeds \$100,000,~~  
17 ~~all subsequent fines and civil penalties must be deposited in the general fund."~~

18

19 **Section 62.** Section 75-5-635, MCA, is amended to read:

20 **"75-5-635. Costs and expenses -- recovery by department** ~~—deposit in water quality rehabilitation~~  
21 ~~account.~~ (1) In a civil action initiated by the department under this chapter, the department may ask for  
22 and the court is authorized to assess a violator for the cost of the investigation or monitoring survey ~~which~~  
23 that led to the establishment of the violation and any expense incurred by the state in removing, correcting,  
24 or terminating any of the adverse effects upon water quality resulting from the unauthorized discharge of  
25 pollutants.

26 (2) Any costs and expenses recovered by the department under the provisions of subsection (1)  
27 ~~for actions that the department financed with money from the water quality rehabilitation account~~  
28 ~~authorized in 75-5-507~~ must be deposited in the ~~water quality rehabilitation account~~ state general fund."

29

30 **Section 63.** Section 75-6-109, MCA, is amended to read:

1           **"75-6-109. Administrative enforcement.** (1) If the department believes that a violation of this part,  
 2 a rule adopted under this part, or a condition of approval issued under this part has occurred, it may serve  
 3 written notice of the violation, by certified mail, on the alleged violator or ~~his~~ the violator's agent. The  
 4 notice must specify the provision of this part, the rule, or the condition of approval alleged to have been  
 5 violated and the facts alleged to constitute a violation. The notice must include an order to take necessary  
 6 corrective action within a reasonable period of time, ~~which~~. The time period must be stated in the order.  
 7 Service by mail is complete on the date of filing.

8           (2) If the alleged violator does not request a hearing before the board within 30 days of the date  
 9 of service, the order becomes final. Failure to comply with a final order may subject the violator to an  
 10 action commenced pursuant to 75-6-104, 75-6-113, or 75-6-114.

11           (3) If the alleged violator requests a hearing before the board within 30 days of the date of service,  
 12 the board shall schedule a hearing. After the hearing is held, the board may:

13           (a) affirm or modify the department's order issued under subsection (1) if the board finds that a  
 14 violation has occurred; or

15           (b) rescind the department's order if the board finds that a violation has not occurred.

16           (4) An order issued by the department or the board may set a date by which the violation must  
 17 cease and set a time limit for action to correct a violation.

18           (5) As an alternative to issuing an order pursuant to subsection (1), the department may:

19           (a) require the alleged violator to appear before the board for a hearing, at a time and place  
 20 specified in the notice, to answer the charges complained of; or

21           (b) initiate an action under 75-6-111(2), 75-6-113, or 75-6-114.

22           (6) An action initiated under this part may include an administrative penalty not to exceed \$500  
 23 for each day of violation. Administrative penalties collected under this section must be deposited in the  
 24 ~~public drinking water special revenue~~ state general fund ~~established in 75-6-115.~~

25           (7) The contested case provisions of the Montana Administrative Procedure Act, provided for in  
 26 Title 2, chapter 4, part 6, apply to a hearing under 75-6-108 or this section."

27  
 28           **Section 64.** Section 75-6-114, MCA, is amended to read:

29           **"75-6-114. Civil penalty.** (1) A person who violates this part or a rule, order, or condition of  
 30 approval issued under this part is subject to a civil penalty not to exceed \$10,000.

1 (2) Each day of violation constitutes a separate violation.

2 (3) Action under this section does not bar enforcement of this part or a rule, order, or condition  
3 of approval issued under this part by injunction or other appropriate remedy.

4 (4) Civil penalties collected pursuant to this section must be deposited in the ~~public drinking water~~  
5 ~~special revenue~~ state general fund ~~established in 75-6-115.~~"

6  
7 **Section 65.** Section 75-6-115, MCA, is amended to read:

8 **"75-6-115. Public drinking water special revenue fund.** (1) There is a public drinking water special  
9 revenue fund within the state special revenue fund established in 17-2-102. ~~There are established in the~~  
10 ~~public drinking water special revenue fund an operator training account and a public drinking water program~~  
11 ~~account.~~

12 (2) There must be credited to:

13 ~~(a) the operator training account all administrative and civil penalties collected under 75-6-109 and~~  
14 ~~75-6-114; and~~

15 ~~(b) the public drinking water program account revenues~~ special revenue fund the revenue from fees  
16 assessed, collected, and allocated pursuant to 75-6-108.

17 ~~(3) Funds from the operator training account may be used only to finance public water supply~~  
18 ~~system and public sewage system operator training programs.~~

19 ~~(4) Funds from the public drinking water program account~~ special revenue fund may be used only  
20 to pay department costs in implementing the public drinking water supply program, as described in this  
21 part."

22  
23 **Section 66.** Section 76-15-530, MCA, is amended to read:

24 **"76-15-530. Conservation district ~~account~~ appropriations -- administration.** (1) ~~There is a~~  
25 ~~conservation district account in the state special revenue fund of the state treasury. Money is paid into~~  
26 ~~this account under 15-35-108.~~ The state treasurer shall draw warrants payable from this account  
27 appropriations of allocations authorized as provided under 15-35-108 on order from the department of  
28 natural resources and conservation.

29 (2) The department of natural resources and conservation shall administer the conservation district  
30 ~~account~~ appropriations referred to in subsection (1). The money ~~shall~~ must be distributed ~~from the account~~

1 to the conservation districts on the basis of need. A conservation district may submit an application to the  
 2 department of natural resources and conservation for a grant of funds for purposes that conservation  
 3 districts are authorized to perform.

4 (3) A conservation district is not eligible to receive a grant unless it has exhausted its authorized  
 5 mill levies.

6 (4) The department of natural resources and conservation may adopt rules implementing this  
 7 section that provide for the form and content of applications and the criteria, terms, and conditions for  
 8 making grants."

9  
 10 **Section 67.** Section 77-1-808, MCA, is amended to read:

11 **"77-1-808. State lands recreational use account.** (1) There is a state lands recreational use  
 12 account in the state special revenue fund provided for in 17-2-102.

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

14 (a) all revenue received from the recreational use license established by 77-1-802;

15 (b) all revenue received from the imposition of fines under 77-1-801 and 77-1-806 and from civil  
 16 penalties imposed pursuant to 77-1-804; and

17 (c) money received by the department in the form of legislative appropriations, reimbursements,  
 18 gifts, federal funds, or appropriations from any source intended to be used for the purposes of this account.

19 (3) Money deposited in the state lands recreational use account ~~is statutorily appropriated, as~~  
 20 ~~provided in 17-7-502, and~~ must be used by the department for the following purposes:

21 (a) compensation pursuant to 77-1-809 for damage to the improvements of leases that has been  
 22 proved to be caused by recreational users;

23 (b) assistance in weed control management necessary as a result of recreational use of state lands;

24 (c) protection of the resource value of the trust assets; and

25 (d) administration and management for the implementation of recreational use of state lands."

26  
 27 **Section 68.** Section 77-1-809, MCA, is amended to read:

28 **"77-1-809. Compensation for damage to improvements, growing crops, or livestock.** A lessee may  
 29 apply to the department for reimbursement of documented costs of repair to or replacement of  
 30 improvements, growing crops, or livestock damaged by recreational users of state lands. The application

1 must include an affidavit by the applicant setting forth the nature of the loss, allegations and reasonable  
 2 proof supporting the involvement of recreational users, and documentation of repair or replacement costs.  
 3 Upon review of the application and supporting proof and upon additional investigation as required, the  
 4 department shall ~~either~~ grant, modify, or deny the claim. The department, by reason of payment to the  
 5 lessee for damage to improvements, is entitled to be subrogated to the rights of the lessee to recover the  
 6 amount paid from the party causing the damage. Payments under this section must be made from  
 7 appropriations from the state lands recreational use account established by 77-1-808, and the liability of  
 8 the department for damage payments is limited to the ~~existing balance of the account available~~  
 9 appropriation. Claim applications are to be considered in the order they are received."

10  
 11 **Section 69.** Section 77-1-810, MCA, is amended to read:

12 **"77-1-810. Weed control management.** (1) The department shall establish a weed control  
 13 management program for the control of noxious weeds reasonably proved to be caused by the recreational  
 14 use of state lands. The department may by rule establish a noxious weed management program that may  
 15 include direct compensation for noxious weed control activities or participation in district and county weed  
 16 control projects or department-initiated weed control activities.

17 (2) Funding for this program must come from appropriations from the state lands recreational use  
 18 account pursuant to 77-1-808."

19  
 20 **Section 70.** Section 80-11-310, MCA, is amended to read:

21 **"80-11-310. Deposit and disbursement of funds -- records -- investment.** (1) As soon as possible  
 22 after receipt, all money received by the department from the assessment levied under 80-11-307 and all  
 23 other money received ~~shall~~ must be deposited in the state special revenue fund.

24 (2) All money referred to in subsection (1) ~~is statutorily appropriated, as provided in 17-7-502,~~ may  
 25 be appropriated to the committee and may be used only for the payment of expenses incurred in carrying  
 26 out the provisions of this part. The committee may be assessed costs by the department for the services  
 27 it provides upon request or pursuant to 2-15-121; however, the costs charged must have a substantial  
 28 relationship to the cost of services supplied.

29 (3) Money received under ~~this section,~~ 80-11-312, and 80-11-313, and this section that is not  
 30 immediately required for the purposes of this part must be invested under provisions of the unified

1 investment program established in Title 17, chapter 6, part 2.

2 (4) Money received under ~~this section~~, 80-11-312, and 80-11-313, and this section is may be  
3 appropriated to the committee for the purposes of this part."

4  
5 **Section 71.** Section 82-4-426, MCA, is amended to read:

6 "**82-4-426. Reclamation of land on which bond forfeited.** In keeping with the provisions of this  
7 part, the board may reclaim any affected lands with respect to which a bond has been forfeited. If the  
8 amount of the forfeited bond exceeds the cost of reclamation, the excess must be deposited in the state  
9 general fund."

10  
11 **Section 72.** Section 82-11-149, MCA, is amended to read:

12 "**82-11-149. Civil penalties.** (1) A person is guilty of a misdemeanor and is subject to a civil  
13 penalty of at least \$75 and not more than \$10,000 a day for each violation if that person violates any rule  
14 or order of the board or a provision of this chapter. Each day of violation constitutes a separate violation.

15 (2) Action under this section does not bar enforcement of this chapter or of rules or orders issued  
16 under it by injunction or other appropriate remedy.

17 (3) The board, or the attorney general upon request of the board, shall institute and maintain any  
18 enforcement proceedings in the name of the state.

19 (4) Civil penalties collected pursuant to this section must be deposited in the state general fund."

20  
21 **Section 73.** Section 87-1-114, MCA, is amended to read:

22 "**87-1-114. Disposition of proceeds.** All money collected by a court pursuant to 87-1-111 through  
23 87-1-113 must be remitted to the state treasurer for deposit in the state ~~special revenue~~ general fund as  
24 provided in ~~87-1-601(1)~~. ~~If restitution is ordered out of a forfeited bond or bail, any balance of bond or bail~~  
25 ~~money must be disposed of as provided in 87-1-601(4)."~~

26  
27 **Section 74.** Section 90-1-108, MCA, is amended to read:

28 "**90-1-108. County land planning assistance.** (1) The department of commerce shall annually  
29 distribute the funds appropriated to it ~~from the~~ for county land planning ~~account~~. Each county ~~shall~~ must  
30 be allotted ~~\$3,000~~. ~~After this disbursement has been made,~~ AN EQUAL PERCENTAGE OF THE FUNDS,



1 UP TO \$3,000. AFTER THIS DISBURSEMENT HAS BEEN MADE, 40% of the ~~balance in the account shall~~  
 2 ~~be apportioned to the counties~~ BALANCE OF THE funds MUST BE APPORTIONED AMONG THE COUNTIES  
 3 according to the ratio of ~~each the~~ EACH county's land area to the total land area of the state and 60% of  
 4 the ~~balance~~ BALANCE OF THE funds shall be apportioned to the counties MUST BE APPORTIONED AMONG  
 5 THE COUNTIES according to ~~each the~~ EACH county's portion of the total population of the state. If a  
 6 multijurisdictional planning board has been established in the county, it may receive and expend part or all  
 7 of the funds allocated to that county.

8 (2) Counties, cities, or joint planning boards receiving funds under this section shall use ~~such the~~  
 9 funds for land planning purposes, which include but are not limited to comprehensive planning, economic  
 10 development planning, and capital improvements planning.

11 (3) At the end of each fiscal year, ~~every~~ each local governing body and planning agency receiving  
 12 funds under this section shall provide an accounting of how the money was spent, in a form acceptable  
 13 to the department of commerce. ~~Surplus funds may be accumulated and rebudgeted for the purposes~~  
 14 ~~stated in subsection (2), except that funds rebudgeted by a local governing body or planning agency may~~  
 15 ~~not exceed the total revenue received under subsection (1) in the year immediately prior to the budget year.~~  
 16 ~~Any excess funds shall revert to the state special revenue fund for state equalization aid to public schools~~  
 17 ~~of the state at the end of each odd numbered fiscal year, beginning in June 1991."~~

18  
 19 **Section 75.** Section 90-6-201, MCA, is amended to read:

20 "**90-6-201. Purpose.** The purposes of this part are to assist local governmental units ~~which that~~  
 21 have been required to expand the provision of public services as a consequence of large-scale development  
 22 of coal mines and coal-using energy complexes, to assist in the construction and reconstruction of  
 23 designated portions of highways ~~which that~~ serve the area affected by ~~such the~~ large-scale development,  
 24 to support county land planning, and to ~~invest a portion of the tax revenue from coal mines in a permanent~~  
 25 ~~fund, the income from which shall be used for the support of public schools throughout the state."~~

26  
 27 **Section 76.** Section 90-6-202, MCA, is amended to read:

28 "**90-6-202. ~~Accounts~~ Account established.** ~~(1) There is within the state special revenue fund a~~  
 29 ~~local impact account. Moneys are payable into this account under 15-35-108. The state treasurer shall~~  
 30 ~~draw warrants from this account upon order of the coal board.~~

1       ~~(2)~~ There is within the state special revenue fund a coal area highway improvement account."

2

3       **Section 77.** Section 90-6-205, MCA, is amended to read:

4       "**90-6-205. Coal board -- general powers.** The board may:

5       (1) retain professional consultants and advisors;

6       (2) adopt rules governing its proceedings;

7       (3) consider applications for grants from ~~the local impact account~~ available funds;

8       (4) consider applications for loans from ~~the local impact account~~ available funds for periods and  
9 interest rates to be determined by the board; and

10       (5) award grants and loans, subject to 90-6-207, from ~~the local impact account~~ available funds:

11       (a) to local governmental units, state agencies, and governing bodies of federally recognized Indian  
12 tribes to assist local governmental units and federally recognized Indian tribes in meeting the local impact  
13 of coal development by enabling them to adequately provide governmental services and facilities ~~which that~~  
14 are needed as a direct consequence of coal development; and

15       (b) notwithstanding the provisions of 90-6-207, to the department of transportation established  
16 in 2-15-2501 to expedite the construction, repair, and maintenance of deficient sections of highway within  
17 the area designated in 90-6-210 if the deficiency is the direct result of increased traffic accompanying the  
18 development of coal resources; and

19       (6) award a grant to a local government unit for the purpose of paying for part or all of the credit  
20 that the local government unit is obligated to give to a major new industrial facility that has prepaid property  
21 taxes under 15-16-201. The board must award the grant in accordance with 90-6-206."

22

23       **Section 78.** Section 90-6-207, MCA, is amended to read:

24       "**90-6-207. Priorities for impact grants.** (1) The department of commerce shall annually designate:

25       (a) each county, incorporated city and town, school district, and other governmental unit that has  
26 had or expects to have as a result of the impact of coal development a net increase in estimated population  
27 of at least 10% over one of the 3-year periods specified in subsection (4);

28       (b) each county and all local governmental units within each county in which:

29       (i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act  
30 has been granted by the department of state lands for a project within the county that will establish a new

1 coal mine to produce at least 300,000 tons a year and that the department of commerce determines will  
2 commence production within 2 years;

3 (ii) the department of commerce has determined that the production of an existing mine will increase  
4 by at least 1 million tons a year and that the new or expanded production will commence within 2 years  
5 of the designation;

6 (iii) a newly constructed railroad serves a new, existing, or expanding coal mine; or

7 (iv) a certificate of environmental compatibility and public need in accordance with the Montana  
8 Major Facility Siting Act has been granted by the board of natural resources and conservation for a new  
9 steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of  
10 Montana-mined coal and for which the department of commerce determines the construction or operation  
11 will commence within 2 years of the designation;

12 (c) each local governmental unit located within 100 miles, measured over the shortest all-weather  
13 public road, of a mine or facility qualifying under subsection (1)(b)(i), (1)(b)(ii), or (1)(b)(iv); and

14 (d) each local governmental unit in which:

15 (i) a mine that has produced 300,000 tons or more of coal a year ~~and~~ has ceased all significant  
16 mining or is scheduled to cease within 1 year; or

17 (ii) a steam-generating or other coal-burning facility that has operated under a certificate of  
18 environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and  
19 that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close  
20 within 1 year.

21 (2) Designation under subsection (1) of:

22 (a) any local governmental unit extends to and includes as a designated unit the county in which  
23 it is located; and

24 (b) a county extends to and includes as a designated unit any local governmental unit in the county  
25 that contains at least 10% of the total population of the county.

26 (3) (a) Except as provided in 90-6-205(5)(b), beginning July 1, 1993, and ending June 30, 1995,  
27 the coal board may not award more than 20% of the funds appropriated to it each year for grants and loans  
28 to governmental units and state agencies for meeting the needs caused by coal development to local  
29 governmental units other than those governmental units designated under subsection (1).

30 (b) Except as provided in 90-6-205(5)(b), beginning July 1, 1995, and thereafter, the coal board

1 may not award more than 10% of the funds appropriated to it each year for grants and loans to  
 2 governmental units and state agencies for meeting the needs caused by coal development to local  
 3 governmental units other than those governmental units designated under subsection (1).

4 (4) For the purposes of subsection (1), the department of commerce shall use five 3-year periods  
 5 as follows:

6 (a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;

7 (b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;

8 (c) one consecutive 3-year period ending with the current calendar year;

9 (d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and

10 (e) one consecutive 3-year period ending 2 calendar years after the current calendar year.

11 (5) Attention should be given by the coal board to the need for community planning before the full  
 12 impact is realized. Applicants should be able to show how their request reasonably fits into an overall plan  
 13 for the orderly management of the existing or contemplated growth problems.

14 (6) All funds ~~placed in the local impact account established~~ appropriated under this part are ~~subject~~  
 15 ~~to appropriations by the legislature~~ for use related to local impact.

16 (7) All designations made under this section must be for 1 year. A designation may not continue  
 17 after the department of commerce determines that the mine, railroad, or facility that provided the basis for  
 18 a designation is contributing sufficient tax revenue to the designated government unit to meet the increased  
 19 costs of providing the services necessitated by the development of the mine, railroad, or facility. However,  
 20 nondesignated local governmental units continue to be eligible for coal impact grants and loans of not more  
 21 than 20% and beginning July 1, 1995, not more than 10% of the funds appropriated to the coal board for  
 22 grants and loans in circumstances in which:

23 (a) an impact exists in a community or area directly affected by the operation of a coal mine or  
 24 mines; or

25 (b) tax revenue is not available to mitigate the impact due to the closure of a mine or facility."

26  
 27 **Section 79.** Section 90-6-212, MCA, is amended to read:

28 "~~90-6-212. Local impact account — disposition~~ Disposition of loan repayments, interest, and  
 29 ~~unexpended balances.~~ (4) The money derived from loans made pursuant to this part, including interest  
 30 ~~thereon on loans,~~ must be deposited to the credit of the ~~local impact account created in 90-6-202~~ state

1 general fund.

2 ~~(2) The unexpended money in the local impact account must be invested by the board of~~  
 3 ~~investments as provided by statute. Interest and earnings must be deposited to the credit of the state~~  
 4 ~~special revenue fund for state equalization aid to public schools of the state.~~

5 ~~(3) The unexpended balance in the local impact account at the end of each fiscal year must be~~  
 6 ~~deposited to the credit of the state special revenue fund for state equalization aid to public schools of the~~  
 7 ~~state."~~

8  
 9 NEW SECTION. SECTION 80. COORDINATION. EFFECTIVE ON PASSAGE AND APPROVAL,  
 10 AGENCIES WHOSE BUDGETS ARE AFFECTED SHALL SUBMIT AMENDMENTS TO HOUSE BILL NO. 2 TO  
 11 REFLECT THE PROPER FUNDING OF ACTIVITY.

12  
 13 NEW SECTION. Section 81. Repealer. Sections 15-25-123, ~~15-65-122, 15-65-131, 17-1-503,~~  
 14 ~~15-65-122, 15-65-131,~~ 23-1-131, 60-2-224, and 75-5-507, MCA, are repealed.

15  
 16 NEW SECTION. Section 82. Codification instructions. (1) [Section ~~44 40 42 11~~] is intended to  
 17 be codified as an integral part of Title 15, chapter 70, and the provisions of Title 15, chapter 70, apply to  
 18 [section ~~44 40 42 11~~].

19 (2) [Sections ~~48 47 49 18~~ and ~~49 48 20 19~~] are intended to be codified as an integral part of Title  
 20 17, chapter 1, part 5, and the provisions of Title 17, chapter 1, part 5, apply to [sections ~~48 47 49 18~~ and  
 21 ~~49 48 20 19~~].

22  
 23 NEW SECTION. Section 83. Effective date DATES. ~~{This act} is (1) [SECTION 79 78 81 80 AND~~  
 24 THIS SECTION] ARE EFFECTIVE ON PASSAGE AND APPROVAL.

25 ~~(2) [SECTIONS 1 THROUGH 78, 80, AND 81 77, 79, AND 80] ARE EXCEPT AS PROVIDED IN~~  
 26 SUBSECTION (1), [THIS ACT] IS effective July 1, 1995.

27 -END-

## SENATE BILL NO. 83

INTRODUCED BY GROSFIELD, ZOOK, JACOBSON, SWYSGOOD, TVEIT, HARDING, T. NELSON,

VAN VALKENBURG, PECK, KADAS

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS CONCERNING DEDICATED REVENUE AND STATUTORY APPROPRIATIONS; AMENDING SECTIONS 2-7-514, 3-5-901, 3-10-601, 15-24-925, 15-25-111, 15-25-122, 15-35-108, ~~15-65-121~~, 15-60-102, 15-60-210, ~~15-65-121~~, 15-70-101, 15-70-102, 15-71-104, 17-1-501, 17-1-502, 17-1-503, 17-1-504, 17-1-505, 17-2-111, 17-5-704, 17-6-409, 17-7-502, 19-8-504, 20-4-109, 20-5-324, 20-7-420, 20-7-504, 20-7-506, 20-7-605, 20-9-166, 20-9-331, 20-9-333, 20-9-342, 20-9-343, 20-9-346, 20-9-360, 20-9-361, 23-2-507, 23-2-644, 23-2-807, 23-2-823, 23-4-202, 23-7-202, 23-7-402, 27-12-206, 39-71-2501, 39-71-2503, 39-71-2504, ~~44-12-206~~, 46-18-235, 52-6-105, 61-2-107, 61-3-502, 61-4-112, 61-5-121, 61-8-204, 61-10-126, 61-10-148, 61-10-225, 61-10-226, 75-5-634, 75-5-635, 75-6-109, 75-6-114, 75-6-115, 76-15-530, 77-1-808, 77-1-809, 77-1-810, 80-11-310, 82-4-426, 82-11-149, 87-1-114, 90-1-108, 90-6-201, 90-6-202, 90-6-205, 90-6-207, AND 90-6-212, MCA; REPEALING SECTIONS 15-25-123, ~~15-65-122~~, ~~15-65-131~~, ~~17-1-503~~, ~~15-65-122~~, ~~15-65-131~~, 23-1-131, 60-2-224, AND 75-5-507, MCA; AND PROVIDING AN EFFECTIVE DATE DATES."

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

**Section 1.** Section 2-7-514, MCA, is amended to read:

**"2-7-514. Filing of audit report and financial report.** (1) Completed audit reports must be filed with the department. Completed financial reports must be filed with the department as provided in 2-7-503(1). The state superintendent of public instruction shall file with the department a list of school districts subject to audit under 2-7-503(3). The list must be filed with the department within 6 months after the close of the fiscal year.

(2) At the time that the financial report is filed or, in the case of a school district, when the audit report is filed with the department, the local government entity shall pay to the department a filing fee. The department shall charge a filing fee to any local government entity required to have an audit under

1 2-7-503, which fee must be based upon the costs incurred by the department in the administration of this  
 2 part. Notwithstanding the provisions of 20-9-343, the filing fees for school districts required by this section  
 3 must be paid by the superintendent of public instruction from the state equalization aid account  
 4 APPROPRIATED TO THE DEPARTMENT FROM THE STATE GENERAL FUND PAID BY THE OFFICE OF  
 5 PUBLIC INSTRUCTION. The department shall adopt the fee schedule by rule based upon the local  
 6 government entities' revenue amounts.

7 (3) Copies of the completed audit and financial reports must be made available by the department  
 8 and the local government entity for public inspection during regular office hours.

9 (4) The department is authorized under this part to charge a surcharge on the filing fee to generate  
 10 the necessary revenue to repay the general fund loan over a 5-year period. (Subsection (4) terminates June  
 11 30, 1997--sec. 31, Ch. 489, L. 1991.)"

12  
 13 **Section 2.** Section 3-5-901, MCA, is amended to read:

14 **"3-5-901. State assumption of certain district court expenses.** (1) The state shall, to the extent  
 15 that revenue is available under 61-3-509, fund the following district court expenses in criminal cases only:

16 (a) salaries of court reporters;

17 (b) transcripts of proceedings;

18 (c) witness fees and necessary expenses;

19 (d) juror fees;

20 (e) indigent defense; AND

21 ~~(f) expenses of the appellate defender commission and the office of appellate defender; and~~

22 ~~(g)(F) psychiatric examinations.~~

23 ~~(2) The revenue received under 61-3-509 is statutorily appropriated, as provided in 17-7-502, to~~  
 24 ~~the supreme court for funding the EXPENSES LISTED IN SUBSECTION (1)(F) AND, TO THE EXTENT THAT~~  
 25 ~~FUNDS REMAIN, THE expenses listed in subsection (1) subsections (1)(a) through (1)(e) and (1)(g) and the~~  
 26 ~~costs of administering this section.~~

27 (2) IF THE REVENUE RECEIVED UNDER 61-3-509 EXCEEDS THE AMOUNT APPROPRIATED BY  
 28 THE LEGISLATURE TO FUND THE EXPENSES OF THE APPELLATE DEFENDER PROGRAM AND THE COST  
 29 OF ADMINISTERING THIS SECTION, THE EXCESS AMOUNT IS STATUTORILY APPROPRIATED, AS  
 30 PROVIDED IN 17-7-502, TO THE SUPREME COURT TO FUND THE EXPENSES DESCRIBED IN

1 SUBSECTIONS (1)(A) THROUGH (1)(F).

2 (3) If money appropriated for the expenses listed in subsection (1):

3 (a) exceeds the amount necessary to fully fund those expenses, ~~the excess amount~~ UP TO  
 4 \$500,000 OF THE EXCESS AMOUNT MUST BE USED FOR YOUTH COURT AND PROBATION FOSTER  
 5 CARE PLACEMENTS IF THE DEPARTMENT OF FAMILY SERVICES CERTIFIES TO THE SUPREME COURT  
 6 THAT APPROPRIATIONS FOR YOUTH COURT AND PROBATION FOSTER CARE PLACEMENTS WILL BE  
 7 INADEQUATE TO FUND THOSE COSTS AND REMAINING EXCESS AMOUNTS must be used ~~to fund the~~  
 8 ~~appellate defender commission and the office of appellate defender and~~ for district court grants as provided  
 9 in 7-6-2352; or

10 (b) is insufficient to fully fund those expenses, ~~the appellate defender commission and the office~~  
 11 ~~of appellate defender must be funded first and~~ THE APPELLATE DEFENDER COMMISSION AND THE  
 12 OFFICE OF APPELLATE DEFENDER MUST BE FUNDED FIRST AND the county is responsible for payment  
 13 of the balance.

14 (4) Money deposited in the state general fund in fiscal year 1992, as provided in 61-3-509, that  
 15 is in excess of the legislative appropriation is statutorily appropriated, as provided in 17-7-502, to the  
 16 supreme court for district court and courts of limited jurisdiction automation purposes during the 1995  
 17 biennium. (Subsection (4) terminates July 1, 1995--sec. 7, Ch. 330, L. 1993.)"

18

19 **Section 3.** Section 3-10-601, MCA, is amended to read:

20 **"3-10-601. Collection and disposition of fines, penalties, forfeitures, and fees.** (1) Each justice  
 21 of the peace shall collect the fees prescribed by law for justices' courts and shall pay them into the county  
 22 treasury of the county in which the justice of the peace holds office, on or before the 10th day of each  
 23 month, to be credited to the general fund of the county.

24 (2) All fines, penalties, and forfeitures that this code requires to be imposed, collected, or paid in  
 25 a justice's court must, for each calendar month, be paid by the justice's court on or before the 5th day of  
 26 the following month to the treasurer of the county in which the justice's court is situated, except that they  
 27 may be distributed as provided in 44-12-206 if imposed, collected, or paid for a violation of Title 45,  
 28 chapter 9 or 10.

29 (3) The county treasurer shall, in the manner provided in 15-1-504, distribute money received under  
 30 subsection (2) as follows:



1 (a) 50% to the state treasurer for deposit in the state general fund; and  
 2 (b) 50% to the county general fund.  
 3 ~~(4) The state treasurer shall distribute money received under subsection (3) as follows:~~  
 4 ~~(a) 44.81% to the state general fund;~~  
 5 ~~(b) 9.09% to the fish and game account in the state special revenue fund;~~  
 6 ~~(c) 11.76% to the state highway account in the state special revenue fund;~~  
 7 ~~(d) 16.93% to the traffic education account in the state special revenue fund;~~  
 8 ~~(e) 0.57% to the department of livestock account in the state special revenue fund;~~  
 9 ~~(f) 15.9% to the crime victims compensation account in the state special revenue fund; and~~  
 10 ~~(g) 0.94% to the department of family services special revenue account for the battered spouses~~  
 11 ~~and domestic violence grant program."~~

12  
 13 **Section 4.** Section 15-24-925, MCA, is amended to read:

14 **"15-24-925. Reimbursement to county -- transmission of taxes from county to state treasurer.**

15 (1) The county treasurer may withhold 2% of the money received under 15-24-921 as reimbursement to  
 16 the county for the collection of the levy on livestock.

17 (2) Except for the amount withheld under subsection (1), the taxes levied and the money collected  
 18 pursuant to the provisions of 15-24-922 ~~shall~~ must be transmitted to the state treasury by the county  
 19 treasurer of each county, as provided in 15-1-504, but not later than July 1 following assessment. The  
 20 county treasurer shall designate the amount received from the tax levied on sheep and the amount received  
 21 from the tax levied on all other livestock and shall specify the separate amounts in ~~his~~ the report to the  
 22 state treasurer. The money, when received by the state treasurer, ~~shall~~ must be deposited in an account  
 23 in the special revenue fund to the credit of the department of livestock. The money in the account must  
 24 be kept separate from other funds received by the department of livestock."

25  
 26 **Section 5.** Section 15-25-111, MCA, is amended to read:

27 **"15-25-111. Tax on dangerous drugs.** (1) There is a tax on the possession and storage of  
 28 dangerous drugs. Except as provided in 15-25-112, each person possessing or storing dangerous drugs  
 29 is liable for the tax. The tax imposed is determined pursuant to subsection (2). The tax is due and payable  
 30 on the date of assessment. The department shall add an ~~administration~~ administrative fee of 5% of the tax

1 imposed pursuant to subsection (2) to offset costs incurred in assessing value, in collecting the tax, and  
2 in any review and appeal process. The administrative fee must be deposited in the state general fund.

3 (2) With the exception that the tax on possession and storage of less than 1 ounce, 1 gram, or 100  
4 micrograms of dangerous drugs must be that set forth below for 1 ounce, 1 gram, or 100 micrograms, the  
5 tax on possession and storage of dangerous drugs is the greater of:

6 (a) 10% of the assessed market value of the drugs, as determined by the department; or

7 (b) (i) \$100 per ounce of marijuana, as defined in 50-32-101, or its derivatives, as determined by  
8 the aggregate weight of the substance seized;

9 (ii) \$250 per ounce of hashish, as defined in 50-32-101, as determined by the aggregate weight  
10 of the substance seized;

11 (iii) \$200 per gram of any substance containing or purported to contain any amount of a dangerous  
12 drug included in Schedule I, pursuant to 50-32-222(1), (2), (4), and (5), or Schedule II, pursuant to  
13 50-32-224(1) through (4), as determined by the aggregate weight of the substance seized;

14 (iv) \$10 per 100 micrograms of any substance containing or purported to contain any amount of  
15 lysergic acid diethylamide (LSD) included in Schedule I, pursuant to 50-32-222(3), as determined by the  
16 aggregate weight of the substance seized;

17 (v) \$100 per ounce of any substance containing or purported to contain any amount of an  
18 immediate precursor as defined under Schedule II, pursuant to 50-32-224(5), as determined by the  
19 aggregate weight of the substance seized; and

20 (vi) \$100 per gram of any substance containing or purported to contain any amount of dangerous  
21 drug not otherwise provided for in this subsection (2).

22 (3) The tax imposed under this section may be collected before any state or federal fines or  
23 forfeitures have been satisfied."

24  
25 **Section 6.** Section 15-25-122, MCA, is amended to read:

26 **"15-25-122. Disposition of proceeds.** The department shall, in accordance with the provisions of  
27 15-1-501(6), transfer all taxes collected pursuant to this chapter, less the administrative fee authorized in  
28 15-25-111(1), as follows:

29 (1) one-third of the tax to the credit of the department of family services to be used for the youth  
30 evaluation program and chemical abuse aftercare programs; and

1 (2) the remaining two-thirds of the tax proceeds as follows:

2 (a) one-half to the department of justice to be used:

3 (i) for grants to youth courts to fund chemical abuse assessments; and

4 (ii) for grants to counties to fund services for the detention of juvenile offenders in facilities separate  
5 from adult jails, as authorized in 41-5-1002; and

6 (b) one-half to the ~~account created by 44-12-206(3)~~ state general fund if a state government law  
7 enforcement agency seized the drugs. If a local government law enforcement agency seized the drugs,  
8 then that amount must be credited to the treasurer or finance officer of the local government, be deposited  
9 in its general fund, and be used to enforce drug laws."

10  
11 **Section 7.** Section 15-35-108, MCA, is amended to read:

12 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this  
13 chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

14 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to the trust fund~~  
15 ~~created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~  
16 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
17 board of investments as provided by law.

18 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
19 allocated to the highway reconstruction trust fund account in the state special revenue fund.

20 (3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
21 are allocated in the following percentages of the remaining balance:

22 (a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local  
23 impact account at the end of each biennium are allocated to the state special revenue fund for state  
24 equalization aid to public schools of the state.

25 (b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

26 (c) 1% to the state special revenue fund to the credit of the county land planning account;

27 (d) 1¼% to the credit of the renewable resource development bond fund;

28 (e) 0% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income  
29 from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of  
30 any sites and areas described in 23-1-102.

1 (f) 1% to the state special revenue fund to the credit of the state library commission for the  
 2 purposes of providing basic library services for the residents of all counties through library federations and  
 3 for payment of the costs of participating in regional and national networking;

4 (g) 1/2 of 1% to the state special revenue fund for conservation districts;

5 (h) 1¼% to the debt service fund type to the credit of the renewable resource loan debt service  
 6 fund;

7 (i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

8 (j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state  
 9 capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be appropriated  
 10 for protection of works of art in the state capitol and other cultural and aesthetic projects.

11 (k) beginning July 1, 1993, and ending June 30, 1995, 3 1/3% to a special revenue account to  
 12 be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and  
 13 cultural sites within the state park system;

14 (l) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter  
 15 to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L. 1993.)

16 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
 17 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

18 (1) ~~To Fifty percent of total coal severance tax collections must be allocated to the trust fund~~  
 19 ~~created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~  
 20 The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
 21 board of investments as provided by law.

22 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
 23 allocated to the highway reconstruction trust fund account in the state special revenue fund.

24 (3) Coal severance tax collections remaining after ~~allocation to the trust fund~~ the allocations under  
 25 ~~subsection~~ subsections (1) and (2) are allocated in the following percentages of the remaining balance:

26 (a) ~~17¼% 22% 20% 21% 22%~~ to the credit of ~~the local impact an account. Unnumbered funds~~  
 27 ~~remaining in the state special revenue fund to be allocated by the legislature for local impact account at the~~  
 28 ~~end of each biennium are allocated to the state special revenue fund for state equalization aid to public~~  
 29 ~~schools of the state.~~

30 (b) ~~30% to the state special revenue fund for state equalization aid to public schools of the state;~~

1           ~~(e) 1% to the state special revenue fund to the credit of the impacts,~~ county land planning,  
 2 PROVISION OF BASIC LIBRARY SERVICES FOR THE RESIDENTS OF ALL COUNTIES THROUGH LIBRARY  
 3 FEDERATIONS AND FOR PAYMENT OF THE COSTS OF PARTICIPATING IN REGIONAL AND NATIONAL  
 4 NETWORKING, ~~account provisions of basic library services for the residents of all counties through library~~  
 5 ~~federations and for payment of the costs of participating in regional and national networking, AND~~  
 6 ~~conservation districts, and the Montana Growth Through Agriculture Act, AND THE MONTANA GROWTH~~  
 7 ~~THROUGH AGRICULTURE ACT,~~ ANY CASH BALANCE THAT IS UNSPENT AT THE END OF EACH FISCAL  
 8 YEAR MUST BE DEPOSITED IN THE GENERAL FUND.

9           ~~(d)~~(b) 1 ¼ % to the credit of the renewable resource development bond fund;

10           ~~(e)~~(c) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.  
 11 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
 12 maintenance of any sites and areas described in 23-1-102.

13           ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~  
 14 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
 15 ~~for payment of the costs of participating in regional and national networking;~~

16           ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

17           ~~(h)~~(d) 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service  
 18 fund;

19           ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~

20           ~~(j)~~(e) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
 21 state capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be  
 22 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

23           ~~(F) 1% TO THE STATE SPECIAL REVENUE FUND TO THE CREDIT OF THE STATE LIBRARY~~  
 24 ~~COMMISSION FOR THE PURPOSES OF PROVIDING BASIC LIBRARY SERVICES FOR THE RESIDENTS OF~~  
 25 ~~ALL COUNTIES THROUGH LIBRARY FEDERATIONS AND FOR PAYMENT OF THE COSTS OF~~  
 26 ~~PARTICIPATING IN REGIONAL AND NATIONAL NETWORKING;~~

27           ~~(k)(f)(G)(F)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this  
 28 chapter to the credit of the general fund of the state. (Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

29           **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
 30 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

1           (1) ~~To Fifty percent of total coal severance tax collections must be allocated to the trust fund~~  
 2           created by Article IX, section 5, of the Montana constitution, ~~50% of total coal severance tax collections.~~  
 3           The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the  
 4           board of investments as provided by law.

5           (2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
 6           are allocated in the following percentages of the remaining balance:

7           (a) ~~17 1/2%~~ 22% ~~20%~~ ~~21%~~ 22% to the credit of ~~the local impact an~~ account. ~~Unnumbered funds~~  
 8           ~~remaining in the state special revenue fund to be allocated by the legislature for local impact account at the~~  
 9           ~~end of each biennium are allocated to the state special revenue fund for state equalization aid to public~~  
 10           ~~schools of the state.~~

11           ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~

12           ~~(c) 1% to the state special revenue fund to the credit of the impacts, county land planning,~~

13           PROVISION OF BASIC LIBRARY SERVICES FOR THE RESIDENTS OF ALL COUNTIES THROUGH LIBRARY  
 14           FEDERATIONS AND FOR PAYMENT OF THE COSTS OF PARTICIPATING IN REGIONAL AND NATIONAL  
 15           NETWORKING, account provision of basic library services for the residents of all counties through library  
 16           federations and for payment of the costs of participating in regional and national networking, AND  
 17           conservation districts, and the Montana Growth Through Agriculture Act, AND THE MONTANA GROWTH  
 18           THROUGH AGRICULTURE ACT; ANY CASH BALANCE THAT IS UNSPENT AT THE END OF EACH FISCAL  
 19           YEAR MUST BE DEPOSITED IN THE GENERAL FUND.

20           ~~(d)(b)~~ 1 1/4 % to the credit of the renewable resource development bond fund;

21           ~~(e)(c)~~ 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.

22           Income from this trust fund must be appropriated for the acquisition, development, operation, and  
 23           maintenance of any sites and areas described in 23-1-102.

24           ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~  
 25           ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
 26           ~~for payment of the costs of participating in regional and national networking;~~

27           ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~

28           ~~(h)(d)~~ 1 1/4 % to the debt service fund type to the credit of the renewable resource loan debt service  
 29           fund;

30           ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~

1           ~~(j)~~(e) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the  
2 state capitol and for other cultural and aesthetic projects. Income from this trust fund shall must be  
3 appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

4           ~~(F) 1% TO THE STATE SPECIAL REVENUE FUND TO THE CREDIT OF THE STATE LIBRARY~~  
5 ~~COMMISSION FOR THE PURPOSES OF PROVIDING BASIC LIBRARY SERVICES FOR THE RESIDENTS OF~~  
6 ~~ALL COUNTIES THROUGH LIBRARY FEDERATIONS AND FOR PAYMENT OF THE COSTS OF~~  
7 ~~PARTICIPATING IN REGIONAL AND NATIONAL NETWORKING;~~

8           ~~(k)(j)(G)(F)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this  
9 chapter to the credit of the general fund of the state."

10  
11           ~~Section 8.~~ Section 15-65-121, MCA, is amended to read:

12           ~~"15-65-121. Distribution Deposit AND USE of tax proceeds—general fund loan authority. (1) The~~  
13 ~~proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be~~  
14 ~~deposited in an account in the state special revenue general SPECIAL REVENUE fund to the credit of the~~  
15 ~~department of revenue. The department of revenue may spend from that account pay the expenses of~~  
16 ~~collecting the tax in accordance with an expenditure appropriation by the legislature based on an estimate~~  
17 ~~of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax~~  
18 ~~proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a) through~~  
19 ~~(1)(d), the department shall determine the expenditures by state agencies for in state lodging for each~~  
20 ~~reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The~~  
21 ~~amount deducted must be deposited in the general fund. The balance of the tax proceeds received each~~  
22 ~~reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general~~  
23 ~~fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state~~  
24 ~~special revenue fund to the credit of the department of commerce for tourism promotion and promotion of~~  
25 ~~the state as a location for the production of motion pictures and television commercials, to the Montana~~  
26 ~~historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:~~

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

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

1 ~~(e) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state~~  
 2 ~~parks that have both resident and nonresident use, subject to 23-1-131; and~~

3 ~~(d) the balance of the proceeds as follows:~~

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

5 ~~(ii) except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional~~  
 6 ~~nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total~~  
 7 ~~proceeds collected statewide; and~~

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

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

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

20 ~~(4) The department of commerce may use general fund loans for efficient implementation of this~~  
 21 ~~section. BEFORE ALLOCATING THE TAX PROCEEDS IN ACCORDANCE WITH THE PROVISIONS OF~~  
 22 ~~15-1-501(6), THE DEPARTMENT OF REVENUE SHALL DETERMINE THE EXPENDITURES BY STATE~~  
 23 ~~AGENCIES FOR IN STATE LODGING FOR EACH REPORTING PERIOD AND DEDUCT 4% OF THAT AMOUNT~~  
 24 ~~FROM THE TAX PROCEEDS RECEIVED EACH REPORTING PERIOD. THE AMOUNT DEDUCTED MUST BE~~  
 25 ~~DEPOSITED IN THE GENERAL FUND. THE BALANCE OF THE TAX PROCEEDS RECEIVED EACH REPORTING~~  
 26 ~~PERIOD AND NOT DEPOSITED IN THE GENERAL FUND MUST BE DEPOSITED IN THE STATE SPECIAL~~  
 27 ~~REVENUE ACCOUNT TO BE ALLOCATED BY THE LEGISLATURE FOR THE FOLLOWING:~~

28 ~~(1) TOURISM PROMOTION AND PROMOTION OF THE STATE AS A LOCATION FOR THE~~  
 29 ~~PRODUCTION OF MOTION PICTURES AND TELEVISION COMMERCIALS;~~

30 ~~(2) DISTRIBUTION TO REGIONAL NONPROFIT TOURISM CORPORATIONS;~~



1 ~~(3) ESTABLISHMENT AND MAINTENANCE OF A MONTANA TRAVEL RESEARCH PROGRAM;~~

2 ~~(4) MAINTENANCE OF FACILITIES IN STATE PARKS;~~

3 ~~(5) INSTALLATION OR MAINTENANCE OF ROADSIDE HISTORICAL SIGNS AND HISTORIC SITES;~~

4 AND

5 ~~(6) COLLECTION OF THE TAX."~~

7 SECTION 8. SECTION 15-60-102, MCA, IS AMENDED TO READ:

8 "15-60-102. Utilization fee for bed days in nursing facilities. A nursing facility in the state shall  
9 pay to the department of revenue a utilization fee in the amount of \$2 for each bed day in the facility during  
10 fiscal year 1994 and \$2.80 for each bed day in the facility during fiscal year 1995 and each year thereafter.  
11 The fees collected must be deposited in the nursing facility state special revenue account established in  
12 15-60-210 general fund."

14 SECTION 9. SECTION 15-60-210, MCA, IS AMENDED TO READ:

15 "15-60-210. Disposition of fee —nursing facility account. (1) All proceeds from the collection of  
16 utilization fees, including penalties and interest, must, in accordance with the provisions of 15-1-501(6),  
17 be deposited in the nursing facility state special revenue account established in subsection (2) general fund.

18 (2) There is a nursing facility account in the state special revenue fund. The purpose of the account  
19 is to provide a continuing source of revenue for nursing facility reimbursements as appropriated by the  
20 legislature."

22 SECTION 9. SECTION 15-65-121, MCA, IS AMENDED TO READ:

23 ~~"15-65-121. Distribution Deposit of tax proceeds—general fund loan authority. (1) The proceeds~~  
24 ~~of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited~~  
25 ~~in an account in the state special revenue general fund to the credit of the department of revenue. The~~  
26 ~~department of revenue may spend from that account pay the expenses of collecting the tax in accordance~~  
27 ~~with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and~~  
28 ~~disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with~~  
29 ~~the provisions of 15-1-501(6) and as provided in subsections (1)(a) through (1)(d), the department shall~~  
30 ~~determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4%~~

1 of that amount from the tax proceeds received each reporting period. The amount deducted must be  
 2 deposited in the general fund. The balance of the tax proceeds received each reporting period and not  
 3 deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily  
 4 appropriated, as provided in ~~17-7-502~~, and must be transferred to an account in the state special revenue  
 5 fund to the credit of the department of commerce for tourism promotion and promotion of the state as a  
 6 location for the production of motion pictures and television commercials, to the Montana historical society,  
 7 to the university system, and to the department of fish, wildlife, and parks, as follows:

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

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

12 (c) ~~6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state  
 13 parks that have both resident and nonresident use, subject to ~~23-1-131~~; and~~

14 (d) ~~the balance of the proceeds as follows:~~

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

16 (ii) ~~except as provided in subsection (1)(d)(iii), 25% to be distributed by the department to regional  
 17 nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total  
 18 proceeds collected statewide; and~~

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

23 (2) ~~If a city or consolidated city county qualifies under this section for funds but fails to either  
 24 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing  
 25 plan as required in ~~15-65-122~~, then those funds must be allocated to the regional nonprofit tourism  
 26 corporation in the region in which the city or consolidated city county is located.~~

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

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

3  
 4 **Section 10.** Section 15-70-101, MCA, is amended to read:

5 **"15-70-101. Disposition of funds.** All taxes, ~~interest, and penalties~~ collected under this chapter,  
 6 ~~except those collected by a justice's court,~~ must, in accordance with the provisions of 15-1-501(6), be  
 7 placed in a highway revenue account in the state special revenue fund to the credit of the department of  
 8 transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance  
 9 with the provisions of 15-1-501(6), be paid by the department of transportation from the state special  
 10 revenue fund to the cities, towns, and counties.

11 (1) The amount of \$16,766,000 of the ~~fund~~ taxes collected under this chapter, ~~except those~~  
 12 ~~collected by a justice's court,~~ is statutorily appropriated, as provided in 17-7-502, to the department of  
 13 transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated  
 14 cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and  
 15 city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

16 (a) The amount of \$54,000 must be designated for the purposes and functions of the Montana  
 17 rural technical assistance transportation program in Bozeman;

18 (b) The amount of \$6,323,000 must be divided among the various counties in the following  
 19 manner:

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

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

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

26 (c) The amount of \$10,389,000 must be divided among the incorporated cities and towns in the  
 27 following manner:

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

30 (ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the federal-aid

1 interstate system and the federal-aid primary system, within corporate limits bears to the total street and  
 2 alley mileage, exclusive of the federal-aid interstate system and federal-aid primary system, within the  
 3 corporate limits of all cities and towns in Montana.

4 (2) All funds allocated by this section to counties, cities, and towns must be used for the  
 5 construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or  
 6 for the share that the city, town, or county might otherwise expend for proportionate matching of federal  
 7 funds allocated for the construction of roads or streets that are part of the federal-aid primary or secondary  
 8 highway system or urban extensions to those systems, except that the governing body of a town or  
 9 third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated  
 10 to that town or third-class city for the purchase of capital equipment and supplies to be used for the  
 11 maintenance and repair of town or third-class city streets and alleys.

12 (3) All funds allocated by this section to counties, cities, and towns must be disbursed to the  
 13 lowest responsible bidder according to applicable bidding procedures followed in all cases in which the  
 14 contract for construction, reconstruction, maintenance, or repair is in excess of \$4,000.

15 (4) For the purposes of this section in which distribution of funds is made on a basis related to  
 16 population, the population must be determined by the last preceding official federal census.

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

22 (6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this  
 23 section may not be used for the purchase of capital equipment.

24 (7) Funds authorized by this section must be used for construction and maintenance programs  
 25 only."

26  
 27 **Section 11.** Section 15-70-102, MCA, is amended to read:

28 **"15-70-102. Allocation of funds -- participation in railroad grade crossing protection.** (1) The ~~sum~~  
 29 ~~of \$100,000~~ amount determined necessary may be allocated from the state special revenue fund, state  
 30 highway revenue account, ~~for the fiscal year ending June 30, 1973, and so much for each succeeding~~

1 fiscal year ~~as may be necessary to reimburse the fund~~ for expenditures and commitments made ~~and to~~  
 2 ~~maintain the fund at \$100,000 at the beginning of each fiscal year thereafter,~~ for participation by the  
 3 department of transportation with railroads in construction of railroad grade crossing protection on any  
 4 public highway or road, except those designated on the interstate, primary, or urban systems within the  
 5 state. The department of transportation shall select those grade crossings in the state ~~which that,~~ in the  
 6 opinion of the department, are most in need of additional crossing protection and shall finance the cost  
 7 ~~thereof~~ of the improvements solely from this fund.

8 (2) Signal protection provided under ~~the fund shall be~~ this section is limited to electric or automatic  
 9 flashing lights or gates, depending on the amount and nature of the hazards present at the crossing, and  
 10 participation in construction of ~~such~~ the signals shall must be on the same basis and under the same  
 11 standards as are applicable and used in connection with protection of grade crossings on federal-aid roads  
 12 within the state, ~~provided, however, the fund shall~~ The account may not be used for protection of grade  
 13 crossings on the secondary system where the protection is considered necessary and when the cost ~~thereof~~  
 14 is financed in part with federal-aid highway funds.

15 (3) In addition to the funds allocated, counties and cities may authorize the use of funds available  
 16 to ~~said~~ counties and cities under the provisions of 15-70-101 for participation ~~of~~ in the installation in grade  
 17 crossing protection within the county or city."

18  
 19 **NEW SECTION. Section 12. Highway nonrestricted account.** There is a highway nonrestricted  
 20 account in the state special revenue fund. All interest and penalties collected under this chapter, except  
 21 those collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be placed in  
 22 the highway nonrestricted account.

23  
 24 **Section 13.** Section 15-71-104, MCA, is amended to read:

25 "15-71-104. **Disposition of funds.** All taxes collected under this chapter must, in accordance with  
 26 the provisions of 15-1-501(6), be placed in the highway revenue account, state special revenue fund, to  
 27 the credit of the department of transportation."

28  
 29 **Section 14.** Section 17-1-501, MCA, is amended to read:

30 "17-1-501. **Legislative findings.** (1) The legislature finds that provisions for dedicating state

1 revenue and statutorily appropriating funds have increased in number, reduce legislative control over state  
 2 spending, complicate the state funding structure, and increase the effort required to budget, appropriate,  
 3 and monitor public funds. The dedication and statutory appropriation of funds ~~results~~ result in the inability  
 4 of the legislature to practically and systematically conduct reasoned prioritization of programs or funds.

5 (2) It is the intent of the legislature, by establishing ~~a system~~ criteria for the review and evaluation  
 6 of revenue dedication provisions, to ensure that provisions for revenue dedication:

7 (a) are based on sound principles of revenue dedication as described in [section ~~48 17 19 18 19]~~;

8 (b) reflect present circumstances and legislative priorities for state spending; ~~and~~

9 (c) are terminated when they are no longer ~~are~~ necessary or appropriate; and

10 (d) are subject to the same legislative scrutiny as programs or activities funded from the general  
 11 fund.

12 (3) It is the intent of the legislature, by establishing criteria for the review and evaluation of  
 13 statutory appropriation provisions, to ensure that provisions with statutory appropriations:

14 (a) reflect present circumstances and legislative priorities for state spending;

15 (b) are terminated when they are no longer necessary or appropriate; and

16 (c) are subject to the same legislative scrutiny as other appropriations."

17

18 **Section 15.** Section 17-1-502, MCA, is amended to read:

19 **"17-1-502. Definitions.** As used in this part, unless the context requires otherwise, the following  
 20 definitions apply:

21 (1) "Administrative costs" includes:

22 (a) personal services;

23 (b) operating expenses, such as travel, supplies, and communication costs; and

24 (c) capital expenses, such as equipment, building costs, and real property costs.

25 (2) (a) "Continuing and reliable source of revenue" means a revenue source for which an agency  
 26 forecasts an annual level of collections based upon historical data and prepares a budget for expenditures  
 27 commensurate with the level of collections. Collections may not change significantly on an annual basis.

28 (b) The term does not include revenue:

29 (i) that an agency will receive only as a result of an occurrence that is not a routine part of agency  
 30 operations;

1 (ii) that will vary significantly on an annual basis; or

2 (iii) that is unable to be included in the agency budget because of the erratic nature of receipt.

3 ~~(1)(3)~~ "Dedicated revenue provision" means an administrative or legislative action that allocates  
4 the revenue from a tax, fee, assessment, or other source to an account in the state special revenue fund  
5 as described in 17-2-102.

6 (4) "General revenue source" means a source of revenue not governed by established or implied  
7 restrictions based on the source or limited use of the revenue. The term includes taxes, interest earnings,  
8 investment earnings, fines, and forfeitures.

9 ~~(2)(5)~~ "State special revenue fund" means a fund in the state treasury consisting of money from  
10 state sources that is earmarked for the purposes of defraying particular costs of an agency, program, or  
11 function of state government, as provided in 17-2-102."

12  
13 **Section 16.** Section 17-1-503, MCA, is amended to read:

14 **"17-1-503. Transfer of fund balances to general fund.** ~~(1) On April 29, 1993, the~~ The balance  
15 remaining in each special revenue account terminated pursuant to legislative review must be deposited in  
16 the general fund.

17 (2) If the legislative finance committee concurs, the department may transfer the unobligated  
18 balance in a special revenue account to the general fund based upon the survey conducted pursuant to  
19 17-2-111."

20  
21 **Section 17.** Section 17-1-504, MCA, is amended to read:

22 **"17-1-504. Effect of termination.** (1) If the legislature has appropriated ~~the revenue from an~~  
23 ~~account provided for in 15-1-501, 20-9-343, and 31-1-602 terminated pursuant to legislative review~~  
24 **REVENUE FROM SOURCES DE-EARMARKED BY THE LEGISLATURE**, the appropriation is considered to  
25 have been made from the general fund.

26 (2) All assets, liabilities, and fund balances of accounts terminated ~~by 15-1-501, 20-9-343, and~~  
27 ~~31-1-602 pursuant to legislative review~~ **BY THE LEGISLATURE** accrue to the general fund."

28  
29 **Section 18.** Section 17-1-505, MCA, is amended to read:

30 **"17-1-505. Legislative review and report** Review of dedicated revenue provisions. (1) Each

1 interim, the legislative finance committee shall review each dedicated revenue provision not exempted under  
 2 subsection ~~(3)~~(4) and ~~review statutory appropriations assigned by the legislature~~ the principles of revenue  
 3 dedication set forth in [section ~~18 20 19 20~~ 20] to ensure that legislative policy is clearly stated. The  
 4 committee shall also carry out the review prescribed by subsection (4).

5 (2) ~~The review conducted by the committee must include an evaluation of the~~ legislature recognizes  
 6 that dedicated revenue provision, based on whether it: provisions are subject to review by:

7 (a) the office of budget and program planning in the development and implementation of the  
 8 executive budget and analysis of legislation;

9 (b) the office of the legislative fiscal analyst in analyzing the executive budget;

10 (c) the legislative council in drafting legislation;

11 (d) the legislative auditor in auditing agencies; and

12 (e) the department of administration in performing the functions provided for in 17-2-106 and  
 13 17-2-111.

14 (3) To avoid unnecessary use of dedicated revenue provisions, the entities listed in subsection (2)  
 15 shall, in the course of current duties, consider the principles in [section ~~18 20 19 20~~ 20] and the criteria listed  
 16 in this subsection for each new or existing dedicated revenue provision. A dedicated revenue provision  
 17 should not give a program or activity an unfair advantage for funding. The expenditures from a dedicated  
 18 revenue provision must be based on requirements for meeting a legislatively established outcome.  
 19 Statutorily mandated programs or activities funded through dedicated revenue provisions from general  
 20 revenue sources must be reviewed to the same extent as programs or activities funded from the general  
 21 fund. The use of a dedicated revenue provision may be justified if it satisfies one or more of the following:

22 (a) The program or activity funded provides direct benefits for those who pay the dedicated tax,  
 23 fee, or assessment, and the tax, fee, or assessment is commensurate with the costs of the program or  
 24 activity.

25 (b) The use of the dedicated revenue provision provides special information or other advantages  
 26 that could not be obtained if the revenue were allocated to the general fund.

27 (c) ~~provides~~ The dedicated revenue provision provides program funding at a level equivalent to the  
 28 expenditures established by the legislature.

29 (d) The dedicated revenue provision involves collection and allocation formulas that are appropriate  
 30 to the present circumstances and current priorities in state government.



1 (e) ~~impairs~~ The dedicated revenue provision does not impair the legislature's ability to scrutinize  
2 budgets, control expenditures, and establish priorities for state spending.

3 (f) The dedicated revenue provision results in an inappropriate ~~an appropriate projected~~ ending fund  
4 balance.

5 (g) The dedicated revenue provision fulfills a continuing, legislatively recognized need; and.

6 (h) ~~results~~ The dedicated revenue provision does not result in accounting or auditing inefficiency.

7 ~~(3)(4)~~ (4) The committee shall establish procedures to facilitate ~~the~~ a biennial review and evaluation  
8 ~~required by this section of dedicated revenue provisions. Each interim, the committee shall attempt to~~  
9 ~~propose measures that will reduce dedicated revenue to an amount that is less than one third of all state~~  
10 ~~revenue.~~ If the review determines that the revenue dedication is constitutionally mandated, is for debt  
11 service, funds emergency services, or is a user fee that is designed to provide direct benefits for those who  
12 pay the dedicated tax, fee, or assessment in an amount commensurate with the benefits provided, the  
13 revenue dedication ~~does not need a~~ may be exempt from future review.

14 ~~(4)(5)~~ (5) Upon completion of the review, the committee shall report a summary of its findings to the  
15 legislature, including its recommendation of termination or extension, with or without modification, of the  
16 dedicated revenue provision. The summary must include the purpose of the revenue dedication, the source  
17 of funding, the activity funded, the number of personnel associated with the activity, and any balance in  
18 the dedicated revenue fund. The summary must state the reason why the revenue dedication is exempt  
19 from future review.

20 ~~(6) The committee shall review statutory appropriations to determine if the appropriation should~~  
21 ~~be made by a legislative appropriation. During the 1995 biennium, the committee shall review the statutory~~  
22 ~~appropriation of administrative costs in 75-11-313."~~

23  
24 **NEW SECTION. Section 19. Principles of revenue dedication.** (1) It is the policy of the legislature  
25 that a revenue source not be dedicated for a specific purpose unless one or more of the following  
26 conditions are met:

27 (a) The person or entity paying the tax, fee, or assessment is the direct beneficiary of the specific  
28 activity that is funded by the tax, fee, or assessment; the entire cost of the activity is paid by the  
29 beneficiary; and the tax, fee, or assessment paid is commensurate with the cost of the activity, including  
30 reasonable administrative costs.

1 (b) There is an expectation that funds donated by a person or entity will be used for a specified  
2 purpose. Grants from private or public entities are considered donations under this subsection.

3 (c) There is a legal basis for the revenue dedication. A legal basis is a constitutional mandate,  
4 federal mandate, or statutory requirement in which a source of funds is designated for a specific purpose.

5 (d) There is a recognized need for accountability through a separation of funding from the general  
6 fund consistent with generally accepted accounting principles.

7 (2) The total funding for a program is a legislative budget and policy issue for which a dedicated  
8 revenue provision may not be justified if:

9 (a) a general fund appropriation is needed to supplement the dedicated revenue support for the  
10 program or activity; or

11 (b) dedicating a revenue source or portion of a revenue source diverts funds that could be  
12 considered a general revenue source.

13 (3) In the consideration of the general appropriations act for each biennium, the legislature shall  
14 determine the appropriateness of dedicating revenue to a program or activity under conditions described  
15 in subsection (2). The office of budget and program planning shall describe the occurrence in its  
16 presentation of the executive budget, and the legislative fiscal analyst shall highlight the issue in the budget  
17 analysis and for the appropriations subcommittee considering the revenue dedication.

18  
19 **NEW SECTION. Section 20. Review of statutory appropriations.** (1) Each interim, the legislative  
20 finance committee shall review the criteria set forth in subsection (4) to ensure that legislative policy is  
21 clearly stated concerning the use of statutory appropriations.

22 (2) Each biennium, the office of budget and program planning and the legislative fiscal analyst shall,  
23 in development and analysis of the executive budget, identify instances in which statutory appropriations  
24 in current law do not appear consistent with the criteria set forth in subsection (4).

25 (3) As part of each agency audit, the legislative auditor shall review statutory appropriations to the  
26 agency and report instances in which they do not appear consistent with the criteria set forth in subsection  
27 (4).

28 (4) The review of statutory appropriations must determine whether a statutory appropriation meets  
29 the requirements of 17-1-505. A statutory appropriation from a continuing and reliable source of revenue  
30 may not be used to fund administrative costs.

1 (5) The office of budget and program planning shall, consistent with the review provisions in this  
 2 section, review each piece of legislation that proposes to create or amend a statutory appropriation. Its  
 3 findings concerning the statutory appropriation must be contained in the fiscal note accompanying that  
 4 legislation.

5  
 6 **Section 21.** Section 17-2-111, MCA, is amended to read:

7 **"17-2-111. Review Survey of state special revenue accounts and proprietary accounts -- report**  
 8 ~~—transfer of funds.~~ (1) Each biennium, the department of administration shall ~~examine~~ conduct a survey  
 9 of all state special revenue accounts and proprietary accounts as required by this section and report the  
 10 findings and recommendations not exempt under 17-1-505 and coordinate with the legislative finance  
 11 committee to provide information necessary to complete the review required by 17-1-505. The department  
 12 shall provide the survey information to the legislative finance committee not later than ~~June~~ February 1 of  
 13 the year preceding a regular session of the legislature.

14 ~~(2) The department shall examine restrictions against the transfer of unobligated balances in state~~  
 15 ~~special revenue accounts to the general fund. If such restrictions are considered unnecessary by the~~  
 16 ~~department and if they may be eliminated by administrative action, the department shall to the fullest extent~~  
 17 ~~possible eliminate such restrictions and require the transfer of unobligated balances in the accounts to be~~  
 18 ~~made to the general fund, either on an annual or biennial basis. If administrative action is unavailable, the~~  
 19 ~~department shall make recommendations for legislative action.~~

20 ~~(3) The department shall examine all state special revenue accounts and proprietary accounts to~~  
 21 ~~determine if they should continue to exist or be eliminated or modified to provide better program operation~~  
 22 ~~or fiscal control. In conducting the examination, the department shall consider whether an account:~~

- 23 ~~(a) is accurately classified as a state special revenue account or proprietary account;~~  
 24 ~~(b) is required by the Montana constitution or by statute;~~  
 25 ~~(c) operates in compliance with the statutes that established the program;~~  
 26 ~~(d) receives an amount of revenue that is equal to or close to the expenditure required for the~~  
 27 ~~activity funded by the account;~~  
 28 ~~(e) allows the funded program to operate without supplemental general funds; and~~  
 29 ~~(f) has any restrictions against the transfer of unobligated balances in the account to the general~~  
 30 ~~fund."~~

1           **Section 22.** Section 17-5-704, MCA, is amended to read:

2           **"17-5-704. Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
3 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
4 contingency loan fund must be invested in accordance with the investment standards for coal severance  
5 tax funds. Income and earnings from all funds ~~are statutorily appropriated, as provided in 17-7-502, as~~  
6 ~~follows:~~

- 7           ~~(1) 15% to the state equalization aid account; and~~  
8           ~~(2) 85% to~~ must be deposited in the state general fund."

9

10          **Section 23.** Section 17-6-409, MCA, is amended to read:

11          **"17-6-409. Authority to accept funds -- statutory appropriation -- funding authorization.** (1) The  
12 department may accept grants, donations, and other private and public income, including payments of  
13 interest on loans made by the department under the provisions of this part and fees charged by the  
14 department. The department shall deposit all money received under this section in the microbusiness  
15 finance program administrative account established in 17-6-407.

16          (2) The money in the microbusiness finance program administrative account ~~is statutorily~~  
17 ~~appropriated to the department, as provided in 17-7-502, may be appropriated~~ for the purposes stated in  
18 this part."

19

20          **Section 24.** Section 17-7-502, MCA, is amended to read:

21          **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
22 appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
23 without the need for a biennial legislative appropriation or budget amendment.

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

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

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

29          (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
30 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;

1 ~~15-25-123~~; 15-31-702; 15-36-112; 15-37-117; 15-38-202; ~~15-65-121~~; ~~15-65-121~~; 15-65-121;  
 2 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~;  
 3 17-5-804; 17-6-101; 17-6-201; ~~17-6-409~~; 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007;  
 4 19-15-101; 19-17-301; 19-18-512; 19-18-513; 19-18-606; 19-19-205; 19-19-305; 19-19-506; ~~20-4-109~~;  
 5 20-8-111; 20-9-361; 20-26-1403; 20-26-1503; ~~23-2-823~~; 23-5-136; 23-5-306; 23-5-409; 23-5-610;  
 6 23-5-612; 23-5-631; 23-7-301; 23-7-402; ~~27-12-206~~; 32-1-537; 37-43-204; 37-51-501; 39-71-503;  
 7 39-71-907; 39-71-2321; 39-71-2504; ~~44-12-206~~; 44-12-206; 44-13-102; 50-5-232; 50-40-206;  
 8 53-6-150; 53-24-206; 60-2-220; ~~61-2-107~~; 67-3-205; 75-1-1101; ~~75-5-507~~; 75-5-1108; 75-11-313;  
 9 76-12-123; ~~77-1-908~~; 80-2-103; 80-2-222; 80-4-416; ~~80-11-310~~; 81-5-111; 82-11-136; 82-11-161;  
 10 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

11 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
 12 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
 13 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
 14 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
 15 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
 16 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
 17 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
 18 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
 19 July 1, 1995.)"

20

21 **Section 25.** Section 19-8-504, MCA, is amended to read:

22 "19-8-504. **State's contribution.** ~~(1) To fund the employer's portion of the normal cost of benefits~~  
 23 ~~under this chapter, each~~ EACH month, the state treasurer shall pay to the pension trust fund:

24 ~~(a)(1)~~ out of the department of fish, wildlife, and parks funds, a sum equal to ~~7.15%~~ 8.15% of all  
 25 members' salaries; and,

26 ~~(b)(2) out of the funds collected as fines and forfeited bonds under the provisions of 37-1-601(1)~~  
 27 ~~through (5) or funds distributed under 3-10-601(4), an amount equal to 1% of all members' salaries.~~

28 ~~(2) In addition to the contributions provided in subsection (1), the state treasurer shall pay to the~~  
 29 ~~pension trust fund the balance of the funds distributed to the fish and game account pursuant to 3-10-601~~  
 30 ~~until the unfunded liability in the pension trust fund is fully paid and a verification statement to that effect~~

1 ~~is given to the state treasurer by the board."~~

2

3 **Section 26.** Section 20-4-109, MCA, is amended to read:

4 **"20-4-109. Fees for teacher and specialist certificates.** (1) A person applying for the issuance or  
5 renewal of a teacher or specialist certificate shall pay a fee not to exceed \$6 for each school fiscal year that  
6 the certificate is valid. In addition to this fee, a person who has never held any class of Montana teacher  
7 or specialist certificate or for whom an emergency authorization of employment has never been issued shall  
8 pay a filing fee of \$6. The fees must be paid to the superintendent of public instruction, who shall deposit  
9 the fees with the state treasurer to the credit of the state special revenue fund account, created in  
10 subsection (2), to be used in the following manner:

11 (a) \$3 for expenses of the certification standards and practices advisory council created in  
12 2-15-1522;

13 (b) \$3 to the board of public education to be used by the certification standards and practices  
14 advisory council for research in accordance with the duties of the council provided for in 20-4-133.

15 (2) There is an account in the state special revenue fund. Money from fees for teacher or specialist  
16 certificates required in subsection (1) must be deposited in the account. ~~The money in the account to be  
17 used for the purposes of subsection (1)(b) is statutorily appropriated, as provided in 17-7-502, to the board  
18 of public education for use by the certification standards and practices advisory council."~~

19

20 **Section 27.** Section 20-5-324, MCA, is amended to read:

21 **"20-5-324. Tuition report and payment provisions.** (1) At the close of the school term of each  
22 school fiscal year and before July 15, the trustees of a district shall report to the county superintendent:

23 (a) the name and district of residence of each child who is attending a school of the district under  
24 an approved mandatory out-of-district attendance agreement;

25 (b) the number of days of enrollment for each child reported under the provisions of subsection  
26 (1)(a);

27 (c) the annual tuition rate for each child's tuition payment, as determined under the provisions of  
28 20-5-323, and the tuition cost for each reported child; and

29 (d) the names, districts of attendance, and amount of tuition to be paid by the district for resident  
30 students attending public schools out of state.

1 (2) The county superintendent shall send, as soon as practicable, the reported information to the  
2 county superintendent of the county in which a reported child resides.

3 (3) Before July 30, the county superintendent shall report the information in subsection (1)(d) to  
4 the superintendent of public instruction, who shall determine the total ~~foundation BASE aid amount~~  
5 PER-ANB ENTITLEMENT for which the district would be eligible if the student were enrolled in the resident  
6 district. The reimbursement amount is the difference between the actual amount paid and the amount  
7 calculated in this subsection.

8 (4) Notwithstanding the requirements of subsection (5), tuition payment provisions for  
9 out-of-district placement of students with disabilities must be determined pursuant to Title 20, chapter 7,  
10 part 4.

11 (5) Except as provided in subsection (6), when a child has approval to attend a school outside the  
12 child's district of residence under the provisions of 20-5-320 or 20-5-321, the district of residence shall  
13 finance the tuition amount from the district tuition fund and any transportation amount from the  
14 transportation fund.

15 (6) When a child has mandatory approval under the provisions of 20-5-321, the tuition and  
16 transportation obligation for an elementary school child attending a school outside of the child's county of  
17 residence must be financed by the county basic tax for elementary districts, as provided in 20-9-331, for  
18 the child's county of residence or for a high school child attending a school outside the county of residence  
19 by the county basic tax for high school districts, as provided in 20-9-333, for the child's county of  
20 residence.

21 (7) By December 31 of the school fiscal year, the county superintendent or the trustees shall pay  
22 at least one-half of any tuition and transportation obligation established under this section out of the money  
23 realized to date from the appropriate basic county tax account provided for in 20-9-334 or from the district  
24 tuition or transportation fund. The remaining tuition and transportation obligation must be paid by June  
25 15 of the school fiscal year. The payments must be made to the county treasurer in each county with a  
26 school district that is entitled to tuition and transportation. Except as provided in subsection (9), the county  
27 treasurer shall credit tuition receipts to the general fund of a school district entitled to a tuition payment.  
28 The tuition receipts must be used in accordance with the provisions of 20-9-141. The county treasurer  
29 shall credit transportation receipts to the transportation fund of a school district entitled to a transportation  
30 payment.

1 (8) The superintendent of public instruction shall reimburse the district of residence ~~from the state~~  
2 ~~equalization account~~ for the foundation BASE aid amount PER-ANB ENTITLEMENT determined in subsection  
3 (3).

4 (9) (a) Any tuition receipts received under the provisions of Title 20, chapter 7, part 4, or  
5 20-5-323(3) for the current school fiscal year that exceed the tuition receipts of the prior year may be  
6 deposited in the district miscellaneous programs fund and must be used for that year in the manner  
7 provided for in 20-9-507 to support the costs of the program for which the tuition was received.

8 (b) Any other tuition receipts received for the current school fiscal year that exceed the tuition  
9 receipts of the prior year may be deposited in the district miscellaneous programs fund and may be used  
10 for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must  
11 be credited to the district general fund budget."

12  
13 **Section 28.** Section 20-7-420, MCA, is amended to read:

14 **"20-7-420. Residency requirements -- financial responsibility for special education.** (1) In  
15 accordance with the provisions of 1-1-215, a child's district of residence for special education purposes  
16 is the residence of the child's parents or of the child's guardian if the parents are deceased, unless  
17 otherwise determined by the court. This applies to a child living at home, in an institution, or under foster  
18 care. If the parent has left the state, the parent's ~~last known~~ last-known district of residence is the child's  
19 district of residence.

20 (2) The county of residence is financially responsible for tuition and transportation as established  
21 under 20-5-323 for a child with disabilities, as defined in 20-7-401, including a child who has been placed  
22 by a state agency in a foster care or group home licensed by the state. The county of residence is not  
23 financially responsible for tuition and transportation for a child with disabilities who is placed by a state  
24 agency in an out-of-state public school or an out-of-state private residential facility.

25 (3) If an eligible child, as defined in 20-7-436, is receiving inpatient treatment in an in-state  
26 residential treatment facility or children's psychiatric hospital, as defined in 20-7-436, and the educational  
27 services are provided by a public school district under the provisions of 20-7-411 or 20-7-435, the  
28 superintendent of public instruction shall reimburse the district providing the services for the negotiated  
29 amount, as established pursuant to 20-7-435(5), that represents the district's costs of providing education  
30 and related services. Payments must be made from funds appropriated for this purpose. If the negotiated



1 amount exceeds the daily membership rate under 20-7-435(3) and any per-ANB amount of direct state aid,  
 2 the superintendent of public instruction shall pay the remaining balance from ~~the state equalization aid~~  
 3 ~~account~~ available funds. However, the amount spent from ~~the state equalization aid account~~ available  
 4 funds for this purpose may not exceed \$500,000 during any biennium.

5 (4) Under the provisions of 20-7-422(3), the superintendent of public instruction shall provide funds  
 6 for the education fees required to provide a free appropriate public education for a child with disabilities  
 7 who is in need of special education and related services and is placed by a state agency in an out-of-state  
 8 private residential facility or out-of-state public school, provided that, in determining the special education  
 9 services needed for the child with disabilities, the district of residence has complied with the rules  
 10 promulgated under 20-7-402.

11 (5) A state agency that makes a placement of a child with disabilities is responsible for the financial  
 12 costs of room and board and the treatment of the child."

13  
 14 **Section 29.** Section 20-7-504, MCA, is amended to read:

15 "**20-7-504. State traffic education account -- proceeds earmarked for the account.** (1) There is  
 16 a traffic education account in the treasury of the state of Montana.

17 (2) ~~Money paid into the account pursuant to 3-10-601 must be distributed to approved traffic~~  
 18 ~~education courses as provided in 20-7-506.~~

19 ~~(3) Money collected and accrued from motorcycle safety training courses, designated grants, and~~  
 20 ~~motorcycle registration fees or an amount equal to that amount must be deposited in the state traffic~~  
 21 ~~education account as provided in 20-7-513 and 20-7-514 and must be available to support only approved~~  
 22 ~~motorcycle safety training courses, appropriate motorcycle safety instructor training, and other related~~  
 23 ~~motorcycle safety training activities."~~

24  
 25 **SECTION 30. SECTION 20-7-506, MCA, IS AMENDED TO READ:**

26 "**20-7-506. Annual allocation and distribution of traffic education account proceeds.** (1) The  
 27 Subject to the provisions of subsection (2), the superintendent of public instruction shall annually order the  
 28 distribution of all ~~moneys~~ money in the traffic education account to the districts conducting approved traffic  
 29 education courses. The distribution of the traffic education ~~moneys~~ money must be based on the  
 30 distribution policy promulgated by the superintendent of public instruction, provided that the

1 reimbursements to districts must be based upon the number of pupils who, in a given school fiscal year,  
 2 complete an approved traffic education course, including both the classroom instruction and  
 3 behind-the-wheel driving.

4 (2) Before the funds in the traffic education account are disbursed, there must be appropriated to  
 5 the superintendent of public instruction funds to administer the statewide traffic education program for  
 6 eligible, young, novice drivers. The administration may include:

7 (a) supervision and assessment of approved traffic education courses;

8 (b) preparation for teachers of traffic education;

9 (c) development, printing, and distribution of essential instructional materials for traffic education;

10 and

11 (d) any other activities considered necessary by the superintendent of public instruction, provided  
 12 that the money is available only to support traffic education for young, novice drivers."

13

14 **Section 31.** Section 20-7-605, MCA, is amended to read:

15 **"20-7-605. Notification and processing of complaint against a licensed textbook dealer.** (1) A  
 16 district or county superintendent shall notify the superintendent of public instruction whenever it is  
 17 ascertained that a licensed textbook dealer is:

18 (a) offering to sell textbooks at a higher price than the listed uniform sales price filed with the  
 19 superintendent of public instruction;

20 (b) offering to sell textbooks at a higher shipping point price than the shipping point price of the  
 21 same textbooks distributed elsewhere in the United States; or

22 (c) in any other way performing contrary to the laws regulating the offering of textbooks for sale  
 23 or adoption to districts.

24 (2) Upon receipt of such notification from the district or county superintendent, the superintendent  
 25 of public instruction shall notify the appropriate licensed textbook dealer of the complaint. If the  
 26 superintendent of public instruction finds that the licensed textbook dealer has violated any provision of  
 27 this section and the dealer fails to rectify ~~his~~ the error within 30 days of the notification of the finding of  
 28 a violation, ~~he~~ the dealer shall forfeit ~~his~~ the dealer's surety bond. The attorney general, upon written  
 29 request of the superintendent of public instruction, shall proceed to collect by legal action the full amount  
 30 of the surety bond. Any amount ~~so~~ recovered ~~shall~~ must be paid into the state ~~public-school equalization~~

1 ~~aid account~~ general fund."

2

3 **Section 32.** Section 20-9-166, MCA, is amended to read:

4 **"20-9-166. State financial aid for budget amendments.** Whenever a final budget amendment has  
5 been adopted for the general fund or the transportation fund to finance the cost of an amendment resulting  
6 from increased enrollment, the trustees may apply to the superintendent of public instruction for an  
7 increased payment from the state ~~public school equalization aid account~~ for the BASE funding program or  
8 for state transportation reimbursement, or both. The superintendent of public instruction shall adopt rules  
9 for the application. The superintendent of public instruction shall approve or disapprove each application  
10 for increased state aid made in accordance with 20-9-314 and this section. When the superintendent of  
11 public instruction approves an application, the superintendent of public instruction shall determine the  
12 additional amount of state aid from the state ~~public school equalization aid account~~ or the state  
13 transportation reimbursement that will be made available to the applicant district because of the increase  
14 in enrollment. The superintendent of public instruction shall notify the applicant district of the  
15 superintendent's approval or disapproval and, in the event of approval, the amount of additional state aid  
16 that will be made available for the general fund or the transportation fund. The superintendent of public  
17 instruction shall disburse the state aid to the eligible district at the time the next regular state aid payment  
18 is made."

19

20 **Section 33.** Section 20-9-331, MCA, is amended to read:

21 **"20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**  
22 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
23 tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for  
24 property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and  
25 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
26 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
27 districts in the county and to the state ~~special revenue~~ general fund, ~~state equalization aid account~~, in the  
28 following manner:

29

30 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE

1 funding programs of all elementary districts of the county.

2 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
3 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
4 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account,~~  
5 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
6 remittance due no later than June 20 of the fiscal year for which the levy has been set.

7 (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
8 revenue from the following sources must be used for the equalization of the elementary BASE funding  
9 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
10 by the county treasurer in accordance with 20-9-212(1):

11 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
12 the common school fund under the provisions of 17-3-222;

13 (b) the portion of the federal flood control act funds distributed to a county and designated for  
14 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

15 (c) all money paid into the county treasury as a result of fines for violations of law, except money  
16 paid to a justice's court, and the use of which is not otherwise specified by law;

17 (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
18 treasurer's accounts for the various sources of revenue established or referred to in this section;

19 (e) any federal or state money distributed to the county as payment in lieu of property taxation,  
20 including federal forest reserve funds allocated under the provisions of 17-3-213;

21 (f) gross proceeds taxes from coal under 15-23-703;

22 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
23 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
24 production occurring after December 31, 1988; and

25 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
26 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

27

28 **Section 34.** Section 20-9-333, MCA, is amended to read:

29 "20-9-333. **Basic special levy and other ~~revenues~~ revenue for county equalization of high school**  
30 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic

1 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
2 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
3 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue  
4 collected from this levy must be apportioned to the support of the BASE funding programs of high school  
5 districts in the county and to the state ~~special revenue~~ general fund, ~~state equalization aid account~~, in the  
6 following manner:

7 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
8 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
9 county's high school tuition obligation and the total of the BASE funding programs of all high school  
10 districts of the county.

11 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
12 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
13 to the state treasurer for deposit to the state ~~special revenue~~ general fund, ~~state equalization aid account~~,  
14 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
15 remittance due no later than June 20 of the fiscal year for which the levy has been set.

16 (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
17 revenue from the following sources must be used for the equalization of the high school BASE funding  
18 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
19 by the county treasurer in accordance with 20-9-212(1):

20 (a) any money remaining at the end of the immediately preceding school fiscal year in the county  
21 treasurer's accounts for the various sources of revenue established in this section;

22 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
23 including federal forest reserve funds allocated under the provisions of 17-3-213;

24 (c) gross proceeds taxes from coal under 15-23-703;

25 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
26 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
27 production occurring after December 31, 1988; and

28 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
29 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

30

1           **Section 35.** Section 20-9-342, MCA, is amended to read:

2           "**20-9-342. Deposit of interest and income ~~moneys~~ money by state board of land commissioners.**

3           The state board of land commissioners shall annually deposit the interest and income ~~moneys~~ money for  
4           each calendar year into the state ~~special revenue~~ general fund for state equalization aid, ~~provided for by~~  
5           ~~20-9-343~~, by the last business day of February following the calendar year in which the ~~moneys were~~  
6           money was received."

7

8           **Section 36.** Section 20-9-343, MCA, is amended to read:

9           "**20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term  
10          "state equalization aid" means ~~the account in the state special revenue fund that receives~~ revenue as  
11          required in this section ~~plus any legislative appropriation of money from other sources~~ for:

12           (a) distribution to the public schools for the purposes of payment of systems development and  
13          other related costs resulting from the enactment of legislation that requires changes to the automated  
14          system used to administer the BASE funding program, guaranteed tax base aid, BASE aid, state  
15          reimbursement for school facilities, and matching funds for the systemic initiative for Montana mathematics  
16          and science grant;

17           (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 per biennium; and

18           (c) the Montana educational telecommunications network as provided in 20-32-101.

19           (2) The superintendent of public instruction may spend throughout the biennium funds appropriated  
20          ~~from the state equalization aid account as required~~ for the purposes of systems development and other  
21          related costs resulting from the enactment of legislation that requires changes to the automated system  
22          used to administer the BASE funding program, guaranteed tax base aid, BASE aid for the BASE funding  
23          program, state reimbursement for school facilities, negotiated payments authorized under 20-7-420(3), and  
24          the Montana educational telecommunications network, ~~throughout the biennium, and for the biennium~~  
25          ~~beginning July 1, 1993, equipment purchases that qualify as the state match for the systemic initiative for~~  
26          ~~Montana mathematics and science grant.~~

27           (3) The following must be paid into the state ~~equalization aid account~~ general fund for the public  
28          schools of the state:

29           (a) ~~money allocated to state equalization from the collection of the severance tax on coal;~~

30           (b) ~~money received from the treasurer of the United States as the state's shares of oil, gas, and~~

1 ~~other mineral royalties under the federal Mineral Lands Leasing Act, as amended;~~

2 ~~(e) interest and income money described in 20-9-341 and 20-9-342;~~

3 ~~(d) money received from the state equalization aid levy under 20-9-360;~~

4 ~~(e) income from the lottery, as provided in 23-7-402;~~

5 ~~(f) the surplus revenues collected by the counties for BASE funding program support according to~~  
6 ~~20-9-331 and 20-9-333; and~~

7 ~~(g)(b) investment income earned by investing money in the state equalization aid account in the~~  
8 ~~state special revenue fund interest and income money described in 20-9-341 and 20-9-342.~~

9 ~~(4) The superintendent of public instruction shall request the board of investments to invest the~~  
10 ~~money in the state equalization aid account to maximize investment earnings to the account.~~

11 ~~(5) Any surplus revenue in the state equalization aid account at the end of a fiscal year must be~~  
12 ~~transferred to the general fund."~~

13  
14 **Section 37.** Section 20-9-346, MCA, is amended to read:

15 **"20-9-346. Duties of superintendent of public instruction for state and county equalization aid**  
16 **distribution.** The superintendent of public instruction shall administer the distribution of the state and  
17 county equalization aid by:

18 (1) establishing the annual entitlement of each district and county to state and county equalization  
19 aid, based on the data reported in the retirement and general fund budgets for each district that have been  
20 duly adopted for the current school fiscal year and verified by the superintendent of public instruction;

21 (2) for the purposes of state reimbursements for school facilities, limiting the distribution ~~from the~~  
22 ~~state equalization aid account to no more than \$1 million for the school fiscal year ending June 30, 1994,~~  
23 ~~and to no more than \$2 million for the biennium ending June 30, 1995,~~ to the districts that are eligible  
24 under the provisions of 20-9-366 through 20-9-371 by:

25 (a) determining by May 1 of each school fiscal year the number of mills levied in each district for  
26 debt service on bonds that were issued as provided in 20-9-370(2)(b)(i) or (2)(b)(ii) and that qualify for  
27 guaranteed tax base aid under the provisions of 20-9-366 through 20-9-369 and 20-9-370;

28 (b) based on the limitation of state equalization aid available for debt service purposes in this  
29 subsection (2), determining the percentage of state equalization aid that each eligible district must receive  
30 for the school fiscal year;

1 (c) distributing that amount to each eligible district for reducing the property tax for the debt  
2 service fund for the ensuing school fiscal year; and

3 (d) at the end of the school fiscal year ending June 30, 1994, determining whether there is an  
4 unused portion of the amount of state equalization aid appropriated in this subsection (2) to be carried into  
5 the next school fiscal year for the purposes of this subsection (2);

6 (3) distributing by electronic transfer the BASE aid and state advances for county equalization, for  
7 each district or county entitled to the aid, to the county treasurer of the respective county for county  
8 equalization or to the county treasurer of the county where the district is located for BASE aid, in  
9 accordance with the distribution ordered by the board of public education;

10 (4) keeping a record of the full and complete data concerning money available for state equalization  
11 aid, state advances for county equalization, and the entitlements for BASE aid of the districts of the state;

12 (5) reporting to the board of public education the estimated amount that will be available for state  
13 equalization aid; and

14 (6) reporting to the office of budget and program planning as provided in 17-7-111:

15 (a) the figures and data available concerning distributions of state and county equalization aid  
16 during the preceding 2 school fiscal years;

17 (b) the amount of state equalization aid then available;

18 (c) the apportionment made of the available money but not yet distributed;

19 (d) the latest estimate of accruals of money available for state equalization aid; and

20 (e) the amount of state advances and repayment for county equalization."

21  
22 **Section 38.** Section 20-9-360, MCA, is amended to read:

23 **"20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
24 commissioners of each county on all taxable property within the state, except property for which a tax or  
25 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as  
26 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be  
27 deposited to the credit of the state ~~special revenue~~ general fund for state equalization aid to the public  
28 schools of Montana.

29 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
30 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall



1 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
 2 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
 3 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference  
 4 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
 5 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
 6 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
 7 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
 8 installments on December 31 and June 30 of the fiscal year."

9  
 10 **Section 39.** Section 20-9-361, MCA, is amended to read:

11 **"20-9-361. State and county equalization revenue -- statutory appropriation.** (1) Revenue received  
 12 in support of ~~state and county equalization under the provisions of 20-9-331, and 20-9-333, and 20-9-343~~  
 13 ~~is statutorily appropriated, as provided in 17-7-502, to:~~

14 ~~(1) the superintendent of public instruction to be used for county equalization and state equalization~~  
 15 ~~aid for the public schools, as provided by law, and must be accounted for in accordance with generally~~  
 16 ~~accepted accounting principles; and,~~

17 (2) Revenue received from the state equalization aid levy for a municipality that created an urban  
 18 renewal area and adopted a tax increment financing provision for the urban renewal area prior to July 1,  
 19 1990, is statutorily appropriated, as provided in 17-7-502, to counties be distributed as provided in  
 20 20-9-360(2)."

21  
 22 **Section 40.** Section 23-2-507, MCA, is amended to read:

23 **"23-2-507. Penalty.** (1) Violations of any section of this part, except 23-2-526(3), unless  
 24 otherwise specified ~~shall be~~ are a misdemeanor and shall be punishable by a fine of not less than \$15 or  
 25 more than \$500 or ~~by~~ imprisonment up to 6 months, or by both such fine and imprisonment. All fine and  
 26 bond forfeitures, except those paid to a justice's court, ~~shall~~ must be transmitted to the state treasurer,  
 27 who shall deposit ~~such~~ the fines and forfeitures in the ~~motorboat account of a special revenue~~ general fund.  
 28 ~~The moneys shall be used only by the department may use appropriations for enforcement of this part, as~~  
 29 ~~amended.~~

30 (2) If 23-2-525(4) is violated, 46-18-241 through 46-18-249 apply, except that the sentencing

1 court shall order restitution and shall do so regardless of the court's disposition of the violator."

2

3 **Section 41.** Section 23-2-644, MCA, is amended to read:

4 **"23-2-644. Use DEPOSIT of funds from fines and forfeitures.** All fines and forfeitures collected  
5 under 23-2-601 through 23-2-644 relating to snowmobiles, except those collected by a justice's court, ~~shall~~  
6 must be transmitted to the state treasurer, who shall deposit ~~such~~ the fines and forfeitures in the state  
7 ~~special revenue~~ general fund, ~~to the credit of the~~ The department to be used only may use appropriations  
8 ~~for snowmobile safety and education."~~

9

10 **Section 42.** Section 23-2-807, MCA, is amended to read:

11 **"23-2-807. Penalty -- disposition.** (1) The failure to display a current decal indicating that the fee  
12 in lieu of tax, registration fees, decal fees, and, when applicable, taxes on licensed vehicles have been paid  
13 on the off-highway vehicle for the current year as provided in 23-2-804 is a misdemeanor punishable by  
14 a fine of \$50.

15 (2) All fines collected under this section must be transmitted to the state treasurer, who shall  
16 deposit the money in the ~~account created under 23-2-804(3)~~ state general fund. ~~Fifty percent of this~~  
17 ~~money and the interest earned on it must be used for off-highway vehicle safety and education. The~~  
18 ~~remaining 50% of the money and the interest earned on it must be used for enforcement."~~

19

20 **Section 43.** Section 23-2-823, MCA, is amended to read:

21 **"23-2-823. Off-highway vehicle safety education training program —~~appropriation~~.** (1) There is  
22 an off-highway vehicle safety education training program. ~~Beginning October 1, 1994, the~~ The department  
23 of fish, wildlife, and parks shall coordinate the program as funds are available.

24 (2) ~~Beginning October 1, 1994, the~~ The department of justice shall transfer to the department of  
25 fish, wildlife, and parks all money available for the program under 23 U.S.C. 402.

26 (3) There is an account in the federal special revenue fund in which all money received for the  
27 administration of the off-highway vehicle safety education training program must be deposited. ~~The money~~  
28 ~~in the account is statutorily appropriated, as provided in 17-7-502, to the department of fish, wildlife, and~~  
29 ~~parks for the administration of the program."~~

30

1           **Section 44.** Section 23-4-202, MCA, is amended to read:

2           **"23-4-202. Penalty for violations of law -- authority of board -- judicial review.** (1) A person  
3 holding a race meet or an owner, trainer, or jockey participating in a race meet, without first being licensed  
4 under this chapter, ~~and~~ or a person violating this chapter is guilty of a misdemeanor.

5           (2) The board or, upon the board's authorization, the board of stewards of a race meet at which  
6 they officiate may exclude from racecourses in this state a person whom the board considers detrimental  
7 to the best interest of racing as defined by rules of the board.

8           (3) As its own formal act or through an act of a board of stewards of a race meet, the board may  
9 suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed  
10 \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the  
11 board. In addition to the suspension or revocation and fine, the board may forbid application for relicensure  
12 for a 2-year period. Fines collected under this subsection must be deposited in the general fund.

13           (4) The board shall promulgate rules implementing this chapter, including the right to a hearing for  
14 individuals against whom action is taken or proposed ~~herein~~ under this chapter. The rules may include  
15 provisions for the following:

16           (a) summary imposition of penalty by the stewards of a race meet, including a fine and license  
17 suspension, subject to review under the contested case provisions of the Montana Administrative Procedure  
18 Act;

19           (b) stay of a summary imposition of penalty by either the board or board of stewards;

20           (c) retention of purses pending final disposition of complaints, protests, or appeals of stewards'  
21 rulings;

22           (d) setting aside of up to 2% of exotic wagering on races, including simulcast races, to be used  
23 as a bonus for owners pursuant to 23-4-304(2), ~~and up to~~ Up to 30% of the amount set aside may be used  
24 to defray administrative costs ~~which shall be~~ in addition to the 20% already withheld under 23-4-302~~;~~

25           (e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all  
26 purses except stakes races;

27           (f) assessment of penalty and interest on the late payment of fines, which must be paid before  
28 licenses are reinstated;

29           (g) definition of exotic forms of wagering on races to be allowed;

30           (h) standards for simulcast facilities; and

1 (i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast  
2 races.

3 (5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial  
4 review of cases arising under this chapter."  
5

6 **Section 45.** Section 23-7-202, MCA, is amended to read:

7 **"23-7-202. Powers and duties of commission.** The commission shall:

8 (1) establish and operate a state lottery and may not become involved in any other gambling or  
9 gaming;

10 (2) determine policies for the operation of the state lottery, supervise the director and ~~his~~ the staff,  
11 and meet with the director at least once every 3 months to make and consider recommendations, set  
12 policies, determine types and forms of lottery games to be operated by the state lottery, and transact other  
13 necessary business;

14 (3) maximize the net revenue paid to the ~~superintendent of public instruction state and to the board~~  
15 ~~of crime control~~ under 23-7-402 and ensure that all policies and rules adopted further revenue  
16 maximization;

17 (4) subject to 23-7-402(1), determine the percentage of the money paid for tickets or chances to  
18 be paid out as prizes;

19 (5) determine the price of each ticket or chance and the number and size of prizes;

20 (6) provide for the conduct of drawings of winners of lottery games;

21 (7) carry out, with the director, a continuing study of the state lotteries of Montana and other  
22 states to make the state lottery more efficient, profitable, and secure from violations of the law;

23 (8) study and may enter into agreements with other lottery states to offer lottery games;

24 (9) prepare quarterly and annual reports on all aspects of the operation of the state lottery,  
25 including but not limited to types of games, gross revenue, prize money paid, operating expenses, net  
26 revenue to the state, contracts with gaming suppliers, and recommendations for changes to this part, and  
27 deliver a copy of each report to the governor, the department of administration, the legislative auditor, the  
28 president of the senate, the speaker of the house of representatives, and each member of the appropriate  
29 committee of each house of the legislature as determined by the president of the senate and the speaker  
30 of the house; and

1 (10) adopt rules relating to lottery staff sales incentives or bonuses and sales agents' commissions  
2 and any other rules necessary to carry out this part."

3  
4 **Section 46.** Section 23-7-402, MCA, is amended to read:

5 "23-7-402. **Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or  
6 chances must be paid out as prize money. The prize money is statutorily appropriated, as provided in  
7 17-7-502, to the lottery.

8 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating  
9 expense.

10 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
11 expenses, together with the interest earned on the gross revenue while the gross revenue is in the  
12 enterprise fund, is net revenue. ~~Except for the amount required to be paid under subsection (5), net~~ NET  
13 revenue must be ~~paid~~ transferred quarterly from the enterprise fund established by 23-7-401 to the  
14 ~~superintendent of public instruction~~ state general fund ~~for distribution as state equalization aid to the public~~  
15 ~~schools of Montana as provided in 20-9-343. The net revenue is statutorily appropriated, as provided in~~  
16 ~~17-7-502, to the superintendent of public instruction.~~

17 (4) The spending authority of the lottery may be increased in accordance with this section upon  
18 review and approval of a revised operation plan by the ~~budget office~~ of budget and program planning.

19 ~~(5) (a) An amount equal to 0.1% of the net revenue derived under subsection (3), but not to~~  
20 ~~exceed \$1 million in any fiscal year, must be paid to the board of crime control.~~

21 ~~(b) All money paid to the board of crime control under this subsection (5) must be used to fund~~  
22 ~~state grants to counties for youth detention services and to cover the costs of administering the grant~~  
23 ~~program as authorized in 41-5-1002. The grants are statutorily appropriated, as provided in 17-7-502, to~~  
24 ~~the board of crime control. The costs of administering the grant program must be paid pursuant to a~~  
25 ~~legislative appropriation."~~

26  
27 **Section 47.** Section 27-12-206, MCA, is amended to read:

28 "27-12-206. **Funding.** (1) There is an account in the state special revenue fund. Money from the  
29 assessments levied under this section must be deposited in the account. ~~The money in the account is~~  
30 ~~statutorily appropriated, as provided in 17-7-502, to the director to be used to administer this chapter.~~

1 (2) For each fiscal year, beginning July 1, an annual assessment is levied on all chiropractic  
 2 physicians. The amount of the assessment must be annually set by the director and equally assessed  
 3 against all chiropractic physicians. A fund surplus at the end of a fiscal year, not required for the  
 4 administration of this chapter, must be retained ~~by the director~~ in the account and used to finance the  
 5 administration of this chapter during the next fiscal year, in which event the director shall reduce the next  
 6 annual assessment to an amount estimated to be necessary for the proper administration of this chapter  
 7 during that fiscal year.

8 (3) The annual assessment must be paid on or before the date the chiropractic physician's annual  
 9 renewal fee under 37-12-307 is due. An unpaid assessment bears a late charge fee of \$25. The late  
 10 charge fee is part of the annual assessment. The director has the same powers and duties in connection  
 11 with the collection of and failure to pay the annual assessment as the department of commerce has under  
 12 37-12-307 with regard to a chiropractic physician's annual license fee."

13  
 14 **Section 48.** Section 39-71-2501, MCA, is amended to read:

15 **"39-71-2501. Definitions.** As used in this part, the following definitions apply:

16 (1) "Account" means the workers' compensation bond repayment account established in  
 17 39-71-2504.

18 ~~(1)(2)~~ "Department" means the department of revenue provided for in 2-15-1301.

19 ~~(2)(3)~~ "Employee" includes an officer, employee, or elected public official of the United States, the  
 20 state of Montana, or any political subdivision of the United States or the state of Montana or any agency  
 21 or instrumentality of the United States, the state of Montana, or a political subdivision of the United States  
 22 or the state of Montana. The term "employee" also includes an officer of a corporation.

23 ~~(3)(4)~~ (a) "Employer" means, except as provided in subsection ~~(3)(b)~~ (4)(b), the person for whom  
 24 an individual performs or performed any service, of whatever nature, as an employee of the person.

25 (b) If the person for whom the individual performs or performed the service does not have control  
 26 of the payment of the wages for the service, the term employer means the person who has control of the  
 27 payment of wages.

28 ~~(4)(5)~~ "Employer's payroll" means wages paid for each of the calendar quarters ending March 31,  
 29 June 30, September 30, and December 31.

30 ~~(5)(6)~~ "State fund" means the state compensation insurance fund.

1           ~~(6)(7)~~ "Tax" means the workers' compensation old fund liability tax provided for in 39-71-2503,  
2 created to address the unfunded liability for claims for injuries resulting from accidents that occurred before  
3 July 1, 1990.

4           ~~(7) "Tax account" means the workers' compensation tax account created by 39-71-2504.~~

5           (8) "Wages" means all remuneration for services performed by an employee for an employer,  
6 including the cash value of all remuneration paid in any medium other than cash. The term does not include  
7 remuneration paid:

8           (a) for casual labor not in the course of the employer's trade or business performed in any calendar  
9 quarter by an employee unless the cash remuneration paid for the service is \$50 or more and the service  
10 is performed by an individual who is regularly employed by the employer to perform the service. For  
11 purposes of this subsection (8)(a), an individual is considered to be regularly employed by an employer  
12 during a calendar quarter only if:

13           (i) on each of 24 days during the calendar quarter, the individual performs service not in the course  
14 of the employer's trade or business for the employer for some portion of the day; and

15           (ii) the individual was regularly employed, as determined under subsection (8)(a)(i), by the employer  
16 in the performance of service during the preceding calendar quarter;

17           (b) for services not in the course of the employer's trade or business, to the extent that  
18 remuneration is paid in any medium other than cash, when the payments are in the form of lodging or meals  
19 and the payments are received by the employee at the request of and for the convenience of the employer;

20           (c) to or for an employee as a payment for or a contribution toward the cost of any group plan or  
21 program that benefits the employee, including but not limited to life insurance, hospitalization insurance for  
22 the employee or the employee's dependents, and employees' club activities;

23           (d) as wages or compensation, the taxation of which is prohibited by federal law."  
24

25           **Section 49.** Section 39-71-2503, MCA, is amended to read:

26           **"39-71-2503. Workers' compensation old fund liability tax.** (1) (a) There is imposed on each  
27 employer a workers' compensation old fund liability tax in an amount equal to 0.28%, plus the additional  
28 amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the preceding calendar  
29 quarter, except that if an employer is subject to 15-30-204(2), the tax is an amount equal to 0.28%, plus  
30 the additional amount of old fund liability tax provided in 39-71-2505, of the employer's payroll in the

1 preceding week.

2 (b) There is imposed on each employee, except workers engaged in the rail industry who are under  
3 the jurisdiction of the federal railroad administration, United States department of transportation, an old  
4 fund liability tax, as provided in 39-71-2505, on the employee's wages in the preceding calendar quarter.

5 (c) There is imposed on each business of a sole proprietor, on each subchapter S. corporation  
6 shareholder, on each partner of a partnership, and on each member or manager of a limited liability  
7 company a workers' compensation old fund liability tax, as provided in 39-71-2505, on the profit of each  
8 separate business of a sole proprietor and on the distributive share of ordinary income of each shareholder,  
9 partner, or member or manager.

10 (d) A corporate officer of a subchapter S. corporation who receives wages as an employee of the  
11 corporation shall pay the old fund liability tax on both the wages and any distributive share of ordinary  
12 income at the employee rate. The subchapter S. corporation is not liable for the tax on the corporate  
13 officer's wages.

14 (e) A corporate officer of a closely held corporation who meets the stock ownership test under  
15 section 542(a)(2) of the Internal Revenue Code and receives wages as an employee of the corporation is  
16 required to pay the old fund liability tax only on the wages received. The corporation is not liable for the  
17 tax on the corporate officer's wages.

18 (f) This old fund liability tax must be used to reduce the unfunded liability in the state fund incurred  
19 for claims for injuries resulting from accidents that occurred before July 1, 1990. If one or more loans or  
20 bonds are outstanding, the legislature may not reduce the security for repayment of the outstanding loans  
21 or bonds, except that the legislature may forgive payment of a tax or reduce a tax rate for any 12-month  
22 period if the workers' compensation bond repayment account contains on the first day of that period an  
23 amount, regardless of the source, that is in excess of the reserve maintained in the account and that is  
24 equal to the amount needed to pay and is dedicated to the payment of the principal, premium, and interest  
25 that must be paid during that period on the outstanding loans or bonds.

26 (g) Each employer shall maintain the records the department requires concerning the old fund  
27 liability tax. The records are subject to inspection by the department and its employees and agents during  
28 regular business hours.

29 (h) An employee does not have any right of action against an employer for any money deducted  
30 and withheld from the employee's wages and paid to the state in compliance or intended compliance with



1 this section.

2 (i) The employer is liable to the state for any amount of old fund liability taxes, plus interest and  
3 penalty, when the employer fails to withhold from an employee's wages or fails to remit to the state the  
4 old fund liability tax required by this section.

5 (j) A sole proprietor, subchapter S. corporation shareholder, partner of a partnership, or member  
6 or manager of a limited liability company is liable to the state for the old fund liability tax, plus interest and  
7 penalty, when the sole proprietor, shareholder, partner, or member or manager fails to remit to the state  
8 the old fund liability tax required by this section.

9 (2) All collections of the tax must be deposited as received in the ~~tax~~ account. The tax is in  
10 addition to any other tax or fee assessed against persons subject to the tax.

11 (3) (a) On or before the last day of April, July, October, and January, each employer subject to the  
12 tax shall file a return in the form and containing the information required by the department and, except  
13 as provided in subsection (3)(b), pay the amount of tax required by this section to be paid on the  
14 employer's payroll for the preceding calendar quarter ~~and in addition.~~ The employer shall also remit  
15 withholdings for employees' old fund liability taxes at the same time.

16 (b) An employer subject to 15-30-204(2) shall remit to the department a weekly payment with its  
17 weekly withholding tax payment in the amount required by subsection (1)(a) and shall remit withholdings  
18 for employees' old fund liability taxes at the same time.

19 (c) Tax payments required by subsections (1)(a) and (1)(b) must be made with the return filed  
20 pursuant to 15-30-204. The department shall first credit a payment to the liability under 15-30-202 and  
21 credit any remainder to the workers' compensation tax account provided in 39-71-2504.

22 (d) Tax payments due from sole proprietors, subchapter S. corporation shareholders, partners of  
23 partnerships, and members or managers of limited liability companies must be made with and at the same  
24 time as the returns filed pursuant to 15-30-144 and 15-30-241. The department shall first credit a payment  
25 to the liability under 15-30-103 or 15-30-202 and shall then credit any remainder to the ~~workers'~~  
26 ~~compensation tax~~ account provided for in 39-71-2504.

27 (4) An employer's officer or employee with the duty to collect, account for, and pay to the  
28 department the amounts due under this section who fails to pay an amount is liable to the state for the  
29 unpaid amount and any penalty and interest relating to that amount.

30 (5) Returns and remittances under subsection (3) and any information obtained by the department

1 during an audit are subject to the provisions of 15-30-303, but the department may disclose the information  
 2 to the department of labor and industry under circumstances and conditions that ensure the continued  
 3 confidentiality of the information.

4 (6) The department of labor and industry and the state fund shall, ~~on July 1, 1991, or as soon after~~  
 5 ~~that date as possible,~~ give the department a list of all employers having coverage under any plan  
 6 administered or regulated by the department of labor and industry and the state fund. After the lists have  
 7 been given to the department, the department of labor and industry and the state fund shall update the lists  
 8 weekly. The department of labor and industry and the state fund shall provide the department with access  
 9 to their computer data bases and paper files and records for the purpose of the department's administration  
 10 of the tax imposed by this section.

11 (7) The provisions of Title 15, chapter 30, that are not in conflict with the provisions of this part  
 12 regarding administration, remedies, enforcement, collections, hearings, interest, deficiency assessments,  
 13 credits for overpayment, statute of limitations, penalties, estimated taxes, and department rulemaking  
 14 authority apply to the tax, to employers, to employees, to sole proprietors, to subchapter S. corporation  
 15 shareholders, to partners of partnerships, to members or managers of limited liability companies, and to the  
 16 department."

17  
 18 **Section 50.** Section 39-71-2504, MCA, is amended to read:

19 "**39-71-2504. Workers' compensation tax bond repayment account.** (1) There is a workers'  
 20 compensation tax bond repayment account in the ~~state special revenue~~ ENTERPRISE fund. ~~The workers'~~  
 21 ~~compensation tax account consists of a tax account and a workers' compensation bond repayment~~  
 22 ~~account.~~

23 (2) All collections of the tax imposed under 39-71-2503, and the interest and penalties on the tax,  
 24 ~~and revenue appropriated to the workers' compensation tax account under section 11, Chapter 9, Special~~  
 25 ~~Laws of June 1989,~~ must, in accordance with the provisions of 15-1-501(6), be deposited in the workers'  
 26 compensation tax bond repayment account. All money deposited in the ~~workers' compensation tax~~  
 27 ~~account must be credited to the workers' compensation bond repayment account~~ must be retained in the  
 28 account to the extent necessary to pay the principal of and the redemption premium and interest due on  
 29 workers' compensation bonds issued under 39-71-2354 and 39-71-2355 and to establish and maintain a  
 30 reserve for the bonds equal to the maximum annual principal of and interest on the bonds in any future

1 year. The balance in the workers' compensation bond repayment account ~~must be credited to the tax~~  
 2 ~~account within the workers' compensation tax account~~ and is statutorily appropriated, as provided in  
 3 17-7-502, to the state fund to be used to reduce the unfunded liability in the state fund incurred for claims  
 4 for injuries resulting from accidents that occurred before July 1, 1990."

5  
 6 ~~Section 49. Section 44-12-206, MCA, is amended to read:~~

7 ~~"44-12-206. Disposition of proceeds of sale report. (1) Whenever property is seized, forfeited,~~  
 8 ~~and sold under the provisions of this chapter, the net proceeds of the sale must be distributed as follows:~~

9 ~~(a) to the holders of security interests who have presented proper proof of their claims, if any, up~~  
 10 ~~to the amount of their interests in the property;~~

11 ~~(b) the remainder, if any, to the county treasurer of the county in which the property was seized,~~  
 12 ~~who. The county treasurer shall establish and maintain a drug forfeiture account and deposit the remainder~~  
 13 ~~into the account, except as provided in subsections (1)(c) through (1)(e);~~

14 ~~(c) if the property was seized within the corporate limits of a city or town by a law enforcement~~  
 15 ~~agency of that city or town, the remainder, if any, to the city or town treasurer, who. The city or town~~  
 16 ~~treasurer shall establish and maintain a drug forfeiture account and deposit the remainder into the account,~~  
 17 ~~except as provided in subsections (1)(d) and (1)(e);~~

18 ~~(d) if the property was seized by an employee of the state, the remainder, if any, to the account~~  
 19 ~~established in subsection (3) state general fund, except as provided in subsection (1)(c); and~~

20 ~~(e) if the property was seized as a result of the efforts of more than one law enforcement agency,~~  
 21 ~~the remainder, if any, to the accounts required by this subsection (1), pro rata in the proportions~~  
 22 ~~represented by the agencies' expenses of investigation, as determined by the attorney general.~~

23 ~~(2) All proceeds from any source that are deposited into a county, city, or town drug forfeiture~~  
 24 ~~account must in each fiscal year be appropriated to and remain available until expended by the confiscating~~  
 25 ~~agency for drug laws enforcement and education concerning drugs.~~

26 ~~(3) Net proceeds received by the state under subsections (1)(d) and (1)(e) must be deposited in~~  
 27 ~~an account in the state special revenue fund to the credit of the department of justice. The department~~  
 28 ~~may expend the money in the account only for purposes of enforcement of drug laws. An amount up to~~  
 29 ~~\$125,000 each year is statutorily appropriated, as provided in 17-7-502, to the attorney general for~~  
 30 ~~enforcement of drug laws. Any expenditure in excess of \$125,000 each fiscal year requires approval~~

1 through budget amendment, as provided in Title 17, chapter 7, part 4.

2 ~~(4)(3) The attorney general shall provide the legislative finance committee and the legislative auditor~~  
 3 ~~with a detailed, written report of the amounts and property credited to the account general fund no later~~  
 4 ~~than 4 months after the end of each fiscal year. The attorney general may not disclose any information~~  
 5 ~~that would compromise any investigation or prosecution."~~

6

7 **Section 51.** Section 46-18-235, MCA, is amended to read:

8 **"46-18-235. Disposition of money collected as fines and costs.** The money collected by a court  
 9 as a result of the imposition of fines or assessment of costs under the provisions of 46-18-231 and  
 10 46-18-232 ~~shall~~ must be paid:

11 (1) by a district court to the county general fund of the county in which the court is held, except  
 12 that:

13 (a) if the costs assessed include any district court expense listed in 3-5-901, the money collected  
 14 from assessment of these costs must be paid to the state for deposit into the state general fund to the  
 15 extent that the expenses were paid by the state; and

16 (b) if the fine was imposed for a violation of Title 45, chapter 9 or 10, the court may order the  
 17 money paid into the drug forfeiture account maintained under 44-12-206 for the law enforcement agency  
 18 ~~which~~ that made the arrest from which the conviction and fine arose; and

19 ~~(c) if the fine was imposed for a violation of 45-5-206, 50% of the amount collected must be~~  
 20 ~~deposited in the state special revenue fund for use of the department of family services in the battered~~  
 21 ~~spouses and domestic violence grant program created by 52-6-101; and~~

22 (2) by a justice's court pursuant to 3-10-601."

23

24 **Section 52.** Section 52-6-105, MCA, is amended to read:

25 **"52-6-105. Funding.** (1) Revenue from the marriage license fee, and the fee collected for filing  
 26 a declaration of marriage without solemnization, ~~and the portion of fines allocated to this program by~~  
 27 ~~46-18-235~~ is the primary source of funding for the battered spouses and domestic violence program. The  
 28 disposition of the marriage license fee is as established in 25-1-201.

29 (2) Twenty percent of the operational costs of a battered spouses and domestic violence program  
 30 must come from the local community served by the program. The local contribution may include in-kind

1 contributions."

2

3 **Section 53.** Section 61-2-107, MCA, is amended to read:

4 **"61-2-107. License reinstatement fee to fund county drinking and driving prevention programs.**

5 (1) Notwithstanding the provisions of any other law of the state, a driver's license that has been  
6 suspended or revoked under 61-5-205 or 61-8-402 must remain suspended or revoked until the driver has  
7 paid to the department a fee of \$100 in addition to any other fines, forfeitures, and penalties assessed as  
8 a result of conviction for a violation of the traffic laws of the state.

9 (2) ~~{a}~~ The department shall deposit the fees collected under subsection (1) in the general fund.  
10 One-half of the fees must be appropriated and used for funding county drinking and driving prevention  
11 programs as provided in 61-2-108. ~~For each fiscal year, an amount up to \$50,000 of the money from the~~  
12 ~~fees remaining in the general fund after appropriation for these programs is statutorily appropriated, as~~  
13 ~~provided in 17-7-502, to the department to purchase and maintain equipment used to analyze breath for~~  
14 ~~the presence of alcohol.~~

15 ~~(b) On or before June 30, 1994, the department shall transfer to the general fund the balance of~~  
16 ~~the driver's license reinstatement fee state special revenue account."~~

17

18 **Section 54.** Section 61-3-502, MCA, is amended to read:

19 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to  
20 use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding  
21 trailers, semitrailers, and housetrailers, for which a license is sought and an original application for title is  
22 made. The tax must be paid by the purchaser when the purchaser applies for an original Montana license  
23 through the county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle  
24 for which original registration is sought or a motor vehicle previously furnished without charge by a dealer  
25 to a school district for use in a state-approved traffic education program, whether or not titled by the  
26 dealer or the school district, and for which original registration is sought.

27 (2) Except as provided in subsections (4) and (5), the sales tax is:

28 (a) 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
29 the year or for a registration period other than a calendar year or calendar quarter;

30 (b) 1 1/8% of the list price during the second quarter of the year;

1 (c) 3/4 of 1% during the third quarter of the year;

2 (d) 3/8 of 1% during the fourth quarter of the year.

3 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
4 list price, the department may use published price lists.

5 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
6 1½% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
7 new vehicle is purchased.

8 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%  
9 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

10 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
11 the ~~state~~ highway nonrestricted account of the state special revenue fund. The county treasurer shall retain  
12 5% of the taxes collected to pay for the cost of administration.

13 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
14 calendar year in which the original application for title is made.

15 (8) ~~(a) The applicant for original registration of any new and unused motor vehicle, or a new motor  
16 vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle  
17 by a school district operating a state approved traffic education program within the state, whether or not  
18 previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),  
19 acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been  
20 otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the  
21 vehicle was in the state of Montana on January 1 of the year.~~

22 ~~(b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless  
23 the application for registration is accompanied by a statement of origin to be that is furnished by the dealer  
24 selling the vehicle, showing and that shows that the vehicle has not previously been registered or owned,  
25 except as otherwise provided in this section, by any person, firm, corporation, or association that is not  
26 other than a new motor vehicle dealer holding a franchise or distribution agreement from a new car  
27 manufacturer, distributor, or importer.~~

28 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
29 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of  
30 subsection (1).

1 (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
 2 agricultural worker temporarily employed in agricultural work in this state ~~where~~ when those motor vehicles  
 3 are used exclusively for transportation of agricultural workers are also exempt from the provisions of  
 4 subsection (1).

5 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
 6 the provisions of subsection (1);

7 (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
 8 property only; and

9 (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
 10 demonstrated in the course of the dealer's business."

11  
 12 **Section 55.** Section 61-4-112, MCA, is amended to read:

13 "**61-4-112. New motor vehicles -- transfers by dealers.** (1) When a motor vehicle dealer transfers  
 14 a new motor vehicle to a purchaser or other recipient, the dealer shall:

15 (a) issue and affix a sticker as prescribed in 61-4-111(1)(a) for transfers of used motor vehicles  
 16 and retain a copy of the sticker;

17 (b) within 4 working days following the date of delivery of the new motor vehicle, forward to the  
 18 county treasurer of the county where the purchaser or recipient resides:

19 (i) one copy of the sticker issued under subsection (1)(a);

20 (ii) an application for certificate of title with a notice of security interest, if any, executed by the  
 21 purchaser or recipient; and

22 (iii) a statement of origin as prescribed in 61-3-502(8)(~~b~~).

23 (2) Upon receipt from the county treasurer of the documents required under subsection (1), the  
 24 department shall issue a certificate of ownership and certificate of registration together with a statement  
 25 of lien as provided in 61-3-202."

26  
 27 **SECTION 56. SECTION 61-5-121, MCA, IS AMENDED TO READ:**

28 "**61-5-121. Disposition of fees.** (1) The disposition of the fees from driver's licenses provided for  
 29 in 61-5-111(7)(a), motorcycle endorsements provided for in 61-5-111(7)(b), commercial driver's licenses  
 30 provided for in 61-5-111(7)(c), and duplicate driver's licenses provided for in 61-5-114 is as follows:

1 (a) The amount of 25% of each driver's license fee and of each duplicate driver's license fee must  
 2 be deposited into an account in the state special revenue fund. The department shall transfer the funds  
 3 from this account to the Montana highway patrol officers' retirement pension trust fund as provided in  
 4 19-6-404.

5 (b) (i) If the fees are collected by a county treasurer or other agent of the department, the amount  
 6 of 3.75% of each driver's license fee and of each duplicate driver's license fee must be deposited into the  
 7 county general fund.

8 (ii) If the fees are collected by the department, the amount provided for in subsection (1)(b)(i) must  
 9 be deposited into the general fund.

10 (c) (i) If the fee is collected by a county treasurer or other agent of the department, the amount  
 11 of 5% of each motorcycle endorsement must be deposited into the county general fund.

12 (ii) If the fee is collected by the department, the amount provided for in subsection (1)(c)(i) must  
 13 be deposited into the general fund.

14 (d) The amount of ~~8.75%~~ ~~35%~~ 26.25% of each driver's license fee and of each duplicate driver's  
 15 license fee must be deposited into the state traffic education account.

16 (e) In addition to the amounts deposited pursuant to subsections (1)(b)(ii) and (1)(c)(ii), the amount  
 17 of ~~62.5%~~ ~~36.25%~~ 54.55% of each driver's license fee and of each duplicate driver's license fee must be  
 18 deposited into the state general fund.

19 (f) If the fee is collected by the county treasurer or other agent of the department, the amount of  
 20 3.75% of each commercial driver's license fee must be deposited into the county general fund, otherwise  
 21 all of the fee must be deposited in the state general fund.

22 (g) The amount of 95% of each motorcycle endorsement fee must be deposited into the state  
 23 traffic education account in the state special revenue fund.

24 (2) (a) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
 25 duplicate driver's licenses are collected by a county treasurer or other agent of the department, the county  
 26 treasurer or agent shall deposit the amounts provided for in subsections (1)(b)(i) and (1)(c)(i) into the county  
 27 general fund. The county treasurer or agent shall then remit to the state treasurer all remaining fees,  
 28 together with a statement indicating what portion of each fee is to be deposited into the account in the  
 29 state special revenue fund as provided in subsection (1)(a) and the state general fund. The state treasurer,  
 30 upon receipt of the fees and statement, shall deposit the fees as provided in subsections (1)(a) and (1)(d)



1 through (1)(g).

2 (b) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and  
 3 duplicate driver's licenses are collected by the department, it shall remit all fees to the state treasurer,  
 4 together with a statement indicating what portion of each fee is to be deposited into the account in the  
 5 state special revenue fund as provided in subsection (1)(a), the state special revenue fund, and the state  
 6 general fund. The state treasurer, upon receipt of the fees and statement, shall deposit the fees as provided  
 7 in subsections (1)(a), (1)(b)(ii), (1)(c)(ii), and (1)(d) through (1)(g)."

8

9 **Section 57.** Section 61-8-204, MCA, is amended to read:

10 **"61-8-204. Reward for information on injury to or removal of sign or marker.** Upon conviction  
 11 under the provisions of 61-8-713, ~~any~~ a person who furnishes information to law enforcement officers  
 12 leading to the arrest and conviction of the accused person ~~shall~~ must be paid a reward from the state  
 13 highway nonrestricted account in the state special revenue fund in the sum of \$100."

14

15 **Section 58.** Section 61-10-126, MCA, is amended to read:

16 **"61-10-126. Deposit of fees.** All fees collected under 61-10-101 through 61-10-125 ~~shall~~ must  
 17 be forwarded to the state treasurer for deposit in the ~~state~~ highway nonrestricted account in the state  
 18 special revenue fund."

19

20 **Section 59.** Section 61-10-148, MCA, is amended to read:

21 **"61-10-148. Disposition of fines and forfeited bonds.** (1) Except as provided in 61-12-701 and  
 22 subsection (2) of this section, one-half of all the money collected as fines and forfeited bonds for violations  
 23 of Title 61, chapter 10, must be remitted monthly by the county treasurer to the state treasurer for deposit  
 24 in the ~~state~~ highway nonrestricted account in the state special revenue fund. The remaining half, less the  
 25 deductions required by law, must be deposited in the county road fund. This subsection does not apply  
 26 to fines and forfeited bonds paid to justices' courts.

27 (2) If the apprehension or arrest was for a violation of Title 61, chapter 10, and if the offense  
 28 occurred on a road or highway not included under the provisions of 60-2-128 and 60-2-203, all money  
 29 collected as fines and forfeited bonds must be distributed to the county treasurer for deposit in the county  
 30 road fund."

1           **Section 60.** Section 61-10-225, MCA, is amended to read:

2           **"61-10-225. Disposition of fees collected by county treasurer.** At the time of collecting the fees  
3 provided for in 61-10-222, each county treasurer shall retain 5% of the fees ~~collected by him~~ for the cost  
4 of administration and for deposit in the general fund of the county. The remaining 95% ~~shall~~ must be  
5 remitted monthly to the state treasurer for deposit to the credit of the department of transportation in the  
6 highway revenue account. The remittance ~~shall~~ must be made on forms furnished to the county treasurer  
7 by the department."

8

9           **Section 61.** Section 61-10-226, MCA, is amended to read:

10           **"61-10-226. Deposit of state highway money.** (1) ~~Any reference to the state highway fund means~~  
11 ~~the state highway account in the state special revenue fund.~~

12           ~~(2)~~ Money received for the use of the department from the receipt or transfer of GVW license fees,  
13 as provided by law, or from other state sources ~~shall~~ must be deposited in the highway revenue account  
14 in the state special revenue fund to the credit of the department.

15           ~~(3)~~(2) Money received from the federal government or other agencies ~~shall~~ must be deposited in  
16 a federal or state special revenue fund to the credit of the department.

17           ~~(4)~~(3) Money collected for the department as authorized by law ~~shall~~ must be credited to ~~such~~ the  
18 appropriate fund or funds by the state treasurer.

19           ~~(5)~~(4) Money received from the counties ~~shall~~ must be deposited in the appropriate account in the  
20 state special revenue fund to the credit of the department."

21

22           **Section 62.** Section 75-5-634, MCA, is amended to read:

23           **"75-5-634. Disposition of fines and civil penalties.** ~~(1) Except as provided in subsections (2) and~~  
24 ~~(3), fines~~ Fines and civil penalties collected under this chapter, except those collected in a justice's court,  
25 must be deposited into the ~~water quality rehabilitation account provided in 75-5-507~~ state general fund.

26           ~~(2) A maximum of \$20,000 in fines and civil penalties may be deposited in the water quality~~  
27 ~~rehabilitation account in any fiscal year. Fines and penalties in excess of \$20,000 must be deposited in~~  
28 ~~the general fund.~~

29           ~~(3) Whenever the amount of money in the water quality rehabilitation account exceeds \$100,000,~~  
30 ~~all subsequent fines and civil penalties must be deposited in the general fund."~~

1           **Section 63.** Section 75-5-635, MCA, is amended to read:

2           "**75-5-635. Costs and expenses -- recovery by department** ~~—deposit in water quality rehabilitation~~  
3 ~~account.~~ (1) In a civil action initiated by the department under this chapter, the department may ask for  
4 and the court is authorized to assess a violator for the cost of the investigation or monitoring survey ~~which~~  
5 that led to the establishment of the violation and any expense incurred by the state in removing, correcting,  
6 or terminating any of the adverse effects upon water quality resulting from the unauthorized discharge of  
7 pollutants.

8           (2) Any costs and expenses recovered by the department under the provisions of subsection (1)  
9 ~~for actions that the department financed with money from the water quality rehabilitation account~~  
10 ~~authorized in 75-5-507~~ must be deposited in the ~~water quality rehabilitation account~~ state general fund."

11

12           **Section 64.** Section 75-6-109, MCA, is amended to read:

13           "**75-6-109. Administrative enforcement.** (1) If the department believes that a violation of this part,  
14 a rule adopted under this part, or a condition of approval issued under this part has occurred, it may serve  
15 written notice of the violation, by certified mail, on the alleged violator or ~~his~~ the violator's agent. The  
16 notice must specify the provision of this part, the rule, or the condition of approval alleged to have been  
17 violated and the facts alleged to constitute a violation. The notice must include an order to take necessary  
18 corrective action within a reasonable period of time, ~~which.~~ The time period must be stated in the order.  
19 Service by mail is complete on the date of filing.

20           (2) If the alleged violator does not request a hearing before the board within 30 days of the date  
21 of service, the order becomes final. Failure to comply with a final order may subject the violator to an  
22 action commenced pursuant to 75-6-104, 75-6-113, or 75-6-114.

23           (3) If the alleged violator requests a hearing before the board within 30 days of the date of service,  
24 the board shall schedule a hearing. After the hearing is held, the board may:

25           (a) affirm or modify the department's order issued under subsection (1) if the board finds that a  
26 violation has occurred; or

27           (b) rescind the department's order if the board finds that a violation has not occurred.

28           (4) An order issued by the department or the board may set a date by which the violation must  
29 cease and set a time limit for action to correct a violation.

30           (5) As an alternative to issuing an order pursuant to subsection (1), the department may:

1 (a) require the alleged violator to appear before the board for a hearing, at a time and place  
2 specified in the notice, to answer the charges complained of; or

3 (b) initiate an action under 75-6-111(2), 75-6-113, or 75-6-114.

4 (6) An action initiated under this part may include an administrative penalty not to exceed \$500  
5 for each day of violation. Administrative penalties collected under this section must be deposited in the  
6 ~~public drinking water special revenue~~ state general fund ~~established in 75-6-115.~~

7 (7) The contested case provisions of the Montana Administrative Procedure Act, provided for in  
8 Title 2, chapter 4, part 6, apply to a hearing under 75-6-108 or this section."

9  
10 **Section 65.** Section 75-6-114, MCA, is amended to read:

11 **"75-6-114. Civil penalty.** (1) A person who violates this part or a rule, order, or condition of  
12 approval issued under this part is subject to a civil penalty not to exceed \$10,000.

13 (2) Each day of violation constitutes a separate violation.

14 (3) Action under this section does not bar enforcement of this part or a rule, order, or condition  
15 of approval issued under this part by injunction or other appropriate remedy.

16 (4) Civil penalties collected pursuant to this section must be deposited in the ~~public drinking water~~  
17 ~~special revenue~~ state general fund ~~established in 75-6-115."~~

18  
19 **Section 66.** Section 75-6-115, MCA, is amended to read:

20 **"75-6-115. Public drinking water special revenue fund.** (1) There is a public drinking water special  
21 revenue fund within the state special revenue fund established in 17-2-102. ~~There are established in the~~  
22 ~~public drinking water special revenue fund an operator training account and a public drinking water program~~  
23 ~~account.~~

24 (2) There must be credited to:

25 ~~(a) the operator training account all administrative and civil penalties collected under 75-6-108 and~~  
26 ~~75-6-114; and~~

27 ~~(b) the public drinking water program account revenues~~ special revenue fund the revenue from fees  
28 assessed, collected, and allocated pursuant to 75-6-108.

29 ~~(3) Funds from the operator training account may be used only to finance public water supply~~  
30 ~~system and public sewage system operator training programs.~~

1           ~~(4)~~ Funds from the public drinking water ~~program account~~ special revenue fund may be used only  
2 to pay department costs in implementing the public drinking water supply program, as described in this  
3 part."

4  
5           **Section 67.** Section 76-15-530, MCA, is amended to read:

6           **"76-15-530. Conservation district ~~account~~ appropriations -- administration.** (1) ~~There is a~~  
7 ~~conservation district account in the state special revenue fund of the state treasury. Money is paid into~~  
8 ~~this account under 15-35-108.~~ The state treasurer shall draw warrants payable from ~~this account~~  
9 appropriations of allocations authorized as provided under 15-35-108 on order from the department of  
10 natural resources and conservation.

11           (2) The department of natural resources and conservation shall administer the conservation district  
12 ~~account~~ appropriations referred to in subsection (1). The money ~~shall~~ must be distributed ~~from the account~~  
13 to the conservation districts on the basis of need. A conservation district may submit an application to the  
14 department of natural resources and conservation for a grant of funds for purposes that conservation  
15 districts are authorized to perform.

16           (3) A conservation district is not eligible to receive a grant unless it has exhausted its authorized  
17 mill levies.

18           (4) The department of natural resources and conservation may adopt rules implementing this  
19 section that provide for the form and content of applications and the criteria, terms, and conditions for  
20 making grants."

21  
22           **Section 68.** Section 77-1-808, MCA, is amended to read:

23           **"77-1-808. State lands recreational use account.** (1) There is a state lands recreational use  
24 account in the state special revenue fund provided for in 17-2-102.

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

26           (a) all revenue received from the recreational use license established by 77-1-802;

27           (b) all revenue received from the imposition of fines under 77-1-801 and 77-1-806 and from civil  
28 penalties imposed pursuant to 77-1-804; and

29           (c) money received by the department in the form of legislative appropriations, reimbursements,  
30 gifts, federal funds, or appropriations from any source intended to be used for the purposes of this account.

1 (3) Money deposited in the state lands recreational use account ~~is statutorily appropriated, as~~  
 2 ~~provided in 17-7-502, and~~ must be used by the department for the following purposes:

3 (a) compensation pursuant to 77-1-809 for damage to the improvements of leases that has been  
 4 proved to be caused by recreational users;

5 (b) assistance in weed control management necessary as a result of recreational use of state lands;

6 (c) protection of the resource value of the trust assets; and

7 (d) administration and management for the implementation of recreational use of state lands."  
 8

9 **Section 69.** Section 77-1-809, MCA, is amended to read:

10 **"77-1-809. Compensation for damage to improvements, growing crops, or livestock.** A lessee may  
 11 apply to the department for reimbursement of documented costs of repair to or replacement of  
 12 improvements, growing crops, or livestock damaged by recreational users of state lands. The application  
 13 must include an affidavit by the applicant setting forth the nature of the loss, allegations and reasonable  
 14 proof supporting the involvement of recreational users, and documentation of repair or replacement costs.  
 15 Upon review of the application and supporting proof and upon additional investigation as required, the  
 16 department shall ~~either~~ grant, modify, or deny the claim. The department, by reason of payment to the  
 17 lessee for damage to improvements, is entitled to be subrogated to the rights of the lessee to recover the  
 18 amount paid from the party causing the damage. Payments under this section must be made from  
 19 appropriations from the state lands recreational use account established by 77-1-808, and the liability of  
 20 the department for damage payments is limited to the ~~existing balance of the account available~~  
 21 appropriation. Claim applications are to be considered in the order they are received."  
 22

23 **Section 70.** Section 77-1-810, MCA, is amended to read:

24 **"77-1-810. Weed control management.** (1) The department shall establish a weed control  
 25 management program for the control of noxious weeds reasonably proved to be caused by the recreational  
 26 use of state lands. The department may by rule establish a noxious weed management program that may  
 27 include direct compensation for noxious weed control activities or participation in district and county weed  
 28 control projects or department-initiated weed control activities.

29 (2) Funding for this program must come from appropriations from the state lands recreational use  
 30 account pursuant to 77-1-808."

1           **Section 71.** Section 80-11-310, MCA, is amended to read:

2           **"80-11-310. Deposit and disbursement of funds -- records -- investment.** (1) As soon as possible  
3 after receipt, all money received by the department from the assessment levied under 80-11-307 and all  
4 other money received ~~shall~~ must be deposited in the state special revenue fund.

5           (2) All money referred to in subsection (1) ~~is statutorily appropriated, as provided in 17-7-502,~~ may  
6 be appropriated to the committee and may be used only for the payment of expenses incurred in carrying  
7 out the provisions of this part. The committee may be assessed costs by the department for the services  
8 it provides upon request or pursuant to 2-15-121; however, the costs charged must have a substantial  
9 relationship to the cost of services supplied.

10           (3) Money received under ~~this section,~~ 80-11-312, ~~and~~ 80-11-313, and this section that is not  
11 immediately required for the purposes of this part must be invested under provisions of the unified  
12 investment program established in Title 17, chapter 6, part 2.

13           (4) Money received under ~~this section,~~ 80-11-312, ~~and~~ 80-11-313, and this section is may be  
14 appropriated to the committee for the purposes of this part."  
15

16           **Section 72.** Section 82-4-426, MCA, is amended to read:

17           **"82-4-426. Reclamation of land on which bond forfeited.** In keeping with the provisions of this  
18 part, the board may reclaim any affected lands with respect to which a bond has been forfeited. If the  
19 amount of the forfeited bond exceeds the cost of reclamation, the excess must be deposited in the state  
20 general fund."  
21

22           **Section 73.** Section 82-11-149, MCA, is amended to read:

23           **"82-11-149. Civil penalties.** (1) A person is guilty of a misdemeanor and is subject to a civil  
24 penalty of at least \$75 and not more than \$10,000 a day for each violation if that person violates any rule  
25 or order of the board or a provision of this chapter. Each day of violation constitutes a separate violation.

26           (2) Action under this section does not bar enforcement of this chapter or of rules or orders issued  
27 under it by injunction or other appropriate remedy.

28           (3) The board, or the attorney general upon request of the board, shall institute and maintain any  
29 enforcement proceedings in the name of the state.

30           (4) Civil penalties collected pursuant to this section must be deposited in the state general fund."

1           **Section 74.** Section 87-1-114, MCA, is amended to read:

2           "**87-1-114. Disposition of proceeds.** All money collected by a court pursuant to 87-1-111 through  
3 87-1-113 must be remitted to the state treasurer for deposit in the state ~~special revenue~~ general fund as  
4 provided in ~~87-1-601(1)~~. ~~If restitution is ordered out of a forfeited bond or bail, any balance of bond or bail~~  
5 ~~money must be disposed of as provided in 87-1-601(4).~~"

6

7           **Section 75.** Section 90-1-108, MCA, is amended to read:

8           "**90-1-108. County land planning assistance.** (1) The department of commerce shall annually  
9 distribute the funds appropriated to it ~~from the for~~ for county land planning ~~account~~. Each county ~~shall~~ must  
10 be allotted ~~\$3,000~~. ~~After this disbursement has been made, AN EQUAL PERCENTAGE OF THE FUNDS,~~  
11 UP TO \$3,000. AFTER THIS DISBURSEMENT HAS BEEN MADE, 40% of the balance in the account shall  
12 be apportioned to the counties BALANCE OF THE funds MUST BE APPORTIONED AMONG THE COUNTIES  
13 according to the ratio of ~~each the~~ EACH county's land area to the total land area of the state and 60% of  
14 the ~~balance~~ BALANCE OF THE funds shall be apportioned to the counties MUST BE APPORTIONED AMONG  
15 THE COUNTIES according to ~~each the~~ EACH county's portion of the total population of the state. If a  
16 multijurisdictional planning board has been established in the county, it may receive and expend part or all  
17 of the funds allocated to that county.

18           (2) Counties, cities, or joint planning boards receiving funds under this section shall use ~~such~~ the  
19 funds for land planning purposes, which include but are not limited to comprehensive planning, economic  
20 development planning, and capital improvements planning.

21           (3) At the end of each fiscal year, ~~every~~ each local governing body and planning agency receiving  
22 funds under this section shall provide an accounting of how the money was spent, in a form acceptable  
23 to the department of commerce. ~~Surplus funds may be accumulated and rebudgeted for the purposes~~  
24 ~~stated in subsection (2), except that funds rebudgeted by a local governing body or planning agency may~~  
25 ~~not exceed the total revenue received under subsection (1) in the year immediately prior to the budget year.~~  
26 ~~Any excess funds shall revert to the state special revenue fund for state equalization aid to public schools~~  
27 ~~of the state at the end of each odd-numbered fiscal year, beginning in June 1991."~~

28

29           **Section 76.** Section 90-6-201, MCA, is amended to read:

30           "**90-6-201. Purpose.** The purposes of this part are to assist local governmental units ~~which~~ that



1 have been required to expand the provision of public services as a consequence of large-scale development  
 2 of coal mines and coal-using energy complexes, to assist in the construction and reconstruction of  
 3 designated portions of highways ~~which~~ that serve the area affected by ~~such~~ the large-scale development,  
 4 to support county land planning, and to ~~invest a portion of the tax revenue from coal mines in a permanent~~  
 5 ~~fund, the income from which shall be used for the support of public schools throughout the state."~~

6  
 7 **Section 77.** Section 90-6-202, MCA, is amended to read:

8 **"90-6-202. ~~Accounts~~ Account established.** ~~(1) There is within the state special revenue fund a~~  
 9 ~~local impact account. Monies are payable into this account under 15-35-108. The state treasurer shall~~  
 10 ~~draw warrants from this account upon order of the coal board.~~

11 ~~(2) There is within the state special revenue fund a coal area highway improvement account."~~

12  
 13 **Section 78.** Section 90-6-205, MCA, is amended to read:

14 **"90-6-205. Coal board -- general powers.** The board may:

15 (1) retain professional consultants and advisors;

16 (2) adopt rules governing its proceedings;

17 (3) consider applications for grants from ~~the local impact account~~ available funds;

18 (4) consider applications for loans from ~~the local impact account~~ available funds for periods and  
 19 interest rates to be determined by the board; and

20 (5) award grants and loans, subject to 90-6-207, from ~~the local impact account~~ available funds:

21 (a) to local governmental units, state agencies, and governing bodies of federally recognized Indian  
 22 tribes to assist local governmental units and federally recognized Indian tribes in meeting the local impact  
 23 of coal development by enabling them to adequately provide governmental services and facilities ~~which~~ that  
 24 are needed as a direct consequence of coal development; and

25 (b) notwithstanding the provisions of 90-6-207, to the department of transportation established  
 26 in 2-15-2501 to expedite the construction, repair, and maintenance of deficient sections of highway within  
 27 the area designated in 90-6-210 if the deficiency is the direct result of increased traffic accompanying the  
 28 development of coal resources; and

29 (6) award a grant to a local government unit for the purpose of paying for part or all of the credit  
 30 that the local government unit is obligated to give to a major new industrial facility that has prepaid property

1 taxes under 15-16-201. The board must award the grant in accordance with 90-6-206."

2  
3 **Section 79.** Section 90-6-207, MCA, is amended to read:

4 **"90-6-207. Priorities for impact grants.** (1) The department of commerce shall annually designate:

5 (a) each county, incorporated city and town, school district, and other governmental unit that has  
6 had or expects to have as a result of the impact of coal development a net increase in estimated population  
7 of at least 10% over one of the 3-year periods specified in subsection (4);

8 (b) each county and all local governmental units within each county in which:

9 (i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act  
10 has been granted by the department of state lands for a project within the county that will establish a new  
11 coal mine to produce at least 300,000 tons a year and that the department of commerce determines will  
12 commence production within 2 years;

13 (ii) the department of commerce has determined that the production of an existing mine will increase  
14 by at least 1 million tons a year and that the new or expanded production will commence within 2 years  
15 of the designation;

16 (iii) a newly constructed railroad serves a new, existing, or expanding coal mine; or

17 (iv) a certificate of environmental compatibility and public need in accordance with the Montana  
18 Major Facility Siting Act has been granted by the board of natural resources and conservation for a new  
19 steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of  
20 Montana-mined coal and for which the department of commerce determines the construction or operation  
21 will commence within 2 years of the designation;

22 (c) each local governmental unit located within 100 miles, measured over the shortest all-weather  
23 public road, of a mine or facility qualifying under subsection (1)(b)(i), (1)(b)(ii), or (1)(b)(iv); and

24 (d) each local governmental unit in which:

25 (i) a mine that has produced 300,000 tons or more of coal a year ~~and~~ has ceased all significant  
26 mining or is scheduled to cease within 1 year; or

27 (ii) a steam-generating or other coal-burning facility that has operated under a certificate of  
28 environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and  
29 that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close  
30 within 1 year.

1 (2) Designation under subsection (1) of:

2 (a) any local governmental unit extends to and includes as a designated unit the county in which  
3 it is located; and

4 (b) a county extends to and includes as a designated unit any local governmental unit in the county  
5 that contains at least 10% of the total population of the county.

6 (3) (a) Except as provided in 90-6-205(5)(b), beginning July 1, 1993, and ending June 30, 1995,  
7 the coal board may not award more than 20% of the funds appropriated to it each year for grants and loans  
8 to governmental units and state agencies for meeting the needs caused by coal development to local  
9 governmental units other than those governmental units designated under subsection (1).

10 (b) Except as provided in 90-6-205(5)(b), beginning July 1, 1995, and thereafter, the coal board  
11 may not award more than 10% of the funds appropriated to it each year for grants and loans to  
12 governmental units and state agencies for meeting the needs caused by coal development to local  
13 governmental units other than those governmental units designated under subsection (1).

14 (4) For the purposes of subsection (1), the department of commerce shall use five 3-year periods  
15 as follows:

16 (a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;

17 (b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;

18 (c) one consecutive 3-year period ending with the current calendar year;

19 (d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and

20 (e) one consecutive 3-year period ending 2 calendar years after the current calendar year.

21 (5) Attention should be given by the coal board to the need for community planning before the full  
22 impact is realized. Applicants should be able to show how their request reasonably fits into an overall plan  
23 for the orderly management of the existing or contemplated growth problems.

24 (6) All funds ~~placed in the local impact account established~~ appropriated under this part are ~~subject~~  
25 ~~to appropriations by the legislature~~ for use related to local impact.

26 (7) All designations made under this section must be for 1 year. A designation may not continue  
27 after the department of commerce determines that the mine, railroad, or facility that provided the basis for  
28 a designation is contributing sufficient tax revenue to the designated government unit to meet the increased  
29 costs of providing the services necessitated by the development of the mine, railroad, or facility. However,  
30 nondesignated local governmental units continue to be eligible for coal impact grants and loans of not more

1 than 20% and beginning July 1, 1995, not more than 10% of the funds appropriated to the coal board for  
2 grants and loans in circumstances in which:

3 (a) an impact exists in a community or area directly affected by the operation of a coal mine or  
4 mines; or

5 (b) tax revenue is not available to mitigate the impact due to the closure of a mine or facility."  
6

7 **Section 80.** Section 90-6-212, MCA, is amended to read:

8 "**90-6-212. ~~Local impact account—disposition~~ Disposition of loan repayments, interest, and  
9 ~~unexpended balances.~~ (1) The money derived from loans made pursuant to this part, including interest  
10 ~~thereon on loans,~~ must be deposited to the credit of the ~~local impact account created in 90-6-202~~ state  
11 general fund.**

12 ~~(2) The unexpended money in the local impact account must be invested by the board of~~  
13 ~~investments as provided by statute. Interest and earnings must be deposited to the credit of the state~~  
14 ~~special revenue fund for state equalization aid to public schools of the state.~~

15 ~~(3) The unexpended balance in the local impact account at the end of each fiscal year must be~~  
16 ~~deposited to the credit of the state special revenue fund for state equalization aid to public schools of the~~  
17 ~~state."~~

18  
19 **NEW SECTION. SECTION 81. COORDINATION.** (1) **EFFECTIVE ON PASSAGE AND APPROVAL,**  
20 **AGENCIES WHOSE BUDGETS ARE AFFECTED SHALL SUBMIT AMENDMENTS TO HOUSE BILL NO. 2 TO**  
21 **REFLECT THE PROPER FUNDING OF ACTIVITY.**

22 **(2) IF HOUSE BILL NO. 248 IS PASSED AND APPROVED AND IF IT INCLUDES AN AMENDMENT**  
23 **TO 61-5-121 THAT CHANGES THE PERCENTAGE OF DRIVER'S LICENSE FEE RECEIPTS TO BE**  
24 **DISTRIBUTED TO THE STATE TRAFFIC EDUCATION ACCOUNT OR TO THE GENERAL FUND, THEN THE**  
25 **AMENDMENTS TO 61-5-121 CONTAINED IN HOUSE BILL NO. 248 ARE VOID AND ARE SUPERSEDED BY**  
26 **THE AMENDMENTS TO 61-5-121 CONTAINED IN [THIS ACT].**

27  
28 **NEW SECTION. Section 82. Repealer.** Sections 15-25-123, ~~15-65-122, 15-65-131, 17-1-503,~~  
29 ~~15-65-122, 15-65-131,~~ 23-1-131, 60-2-224, and 75-5-507, MCA, are repealed.

30

1            NEW SECTION. Section 83. Codification instructions. (1) [Section ~~41 40 42 41 12~~] is intended  
2 to be codified as an integral part of Title 15, chapter 70, and the provisions of Title 15, chapter 70, apply  
3 to [section ~~41 40 42 41 12~~].

4            (2) [Sections ~~48 47 49 48 19~~ and ~~49 48 20 49 20~~] are intended to be codified as an integral part  
5 of Title 17, chapter 1, part 5, and the provisions of Title 17, chapter 1, part 5, apply to [sections ~~48 47~~  
6 ~~49 48 19~~ and ~~49 48 20 49 20~~].

7

8            NEW SECTION. Section 84. Effective date DATES. ~~[This act] is (1) [SECTION 79 78 81 80 81~~  
9 ~~AND THIS SECTION] ARE EFFECTIVE ON PASSAGE AND APPROVAL.~~

10            ~~(2) [SECTIONS 1 THROUGH 78, 80, AND 81 77, 79, AND 80] ARE EXCEPT AS PROVIDED IN~~  
11 ~~SUBSECTION (1), [THIS ACT] IS effective July 1, 1995.~~

12

-END-