_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE ENERGY AND TECHNOLOGY INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: “AN ACT GENERALLY REVISING LAWS RELATING TO THE COLSTRIP WATER INFRASTRUCTURE MITIGATION ACCOUNT; EXPANDING THE ACCOUNT TO APPLY TO MUNICIPAL WATER INFRASTRUCTURE COAL TRANSITIONS; PROVIDING FOR FUNDING OF THE ACCOUNT; PROVIDING FOR USES OF THE ACCOUNT; PROVIDING FOR REIMBURSEMENT PROCESSES; PROVIDING PROCEDURES FOR THE DEPARTMENT OF ENVIRONMENTAL QUALITY; PROVIDING FOR ALLOCATIONS, SUSPENSION OF ALLOCATIONS, AND RESUMPTION OF ALLOCATIONS IF NECESSARY AS THEY RELATE TO THE ACCOUNT; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING DEFINITIONS; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-35-108, 17-7-502, AND 75-8-305, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.”

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

Section 1. Section 15-35-108, MCA, is amended to read:

"**15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

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

(2) The amount of 12% of coal severance tax collections is allocated to the major repair long-range building program account established in 17-7-221.

(3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year thereafter must be allocated for 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 and must be

deposited in the basic library services account established in 22-1-202.

(4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year thereafter must be allocated to the department of natural resources and conservation for conservation districts and deposited in the conservation district account established in 76-15-106.

(5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through agriculture account established in 90-9-104.

(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(7) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(8) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(9) The amount of 5.8% must be credited to the coal natural resource account established in 90-6-1001(2).

(10) After the allocations are made under subsections (2) through (9), $250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(11) After the allocations are made under subsections (2) through (10), $2 million for the fiscal year must be credited to the ~~town of Colstrip~~ municipal water infrastructure ~~mitigation~~ coal transition account established in 75-8-305.

(12) (a) Subject to subsection (12)(b), all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state.

(b) The interest income of the coal severance tax permanent fund that is deposited in the general

fund is statutorily appropriated, as provided in 17-7-502, on July 1 each year as follows:

(i) to the department of agriculture:

(A) $65,000 for the cooperative development center;

(B) $900,000 for the growth through agriculture program provided for in Title 90, chapter 9;

(C) $600,000 for the Montana food and agricultural development program provided for in Title 80, chapter 11;

(ii) to the department of commerce:

(A) $325,000 for a small business development center;

(B) $50,000 for a small business innovative research program;

(C) $625,000 for certified regional development corporations;

(D) $500,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and

(E) $300,000 for export trade enhancement. (Terminates June 30, 2027--secs. 13, 15, 18, Ch. 343, L. 2019.)

15-35-108. (Effective July 1, 2027) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

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

(2) The amount of 12% of coal severance tax collections is allocated to the major repair long-range building program account established in 17-7-221.

(3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year thereafter must be allocated for 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 and must be deposited in the basic library services account established in 22-1-202.

(4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year thereafter must be allocated to the department of natural resources and conservation for conservation districts and deposited in the conservation district account established in 76-15-106.

(5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through agriculture account established in 90-9-104.

(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(7) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(8) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(9) The amount of 5.8% must be credited to the coal natural resource account established in 90-6-1001(2).

(10) After the allocations are made under subsections (2) through (9), $250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(11) After the allocations are made under subsections (2) through (10), $2 million for the fiscal year must be credited to the ~~town of Colstrip~~ municipal water infrastructure ~~mitigation~~ coal transition account established in 75-8-305.

(12) All other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state."

Section 2. Section 17-7-502, MCA, is amended to read:

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

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

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

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

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-316; 10-3-802; 10-4-304; 10-4-310; 15-1-121; 15-1-218; 15-6-407; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-128; 15-70-131; 15-70-132; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-6-214; 17-7-133; 17-7-215; 18-5-417; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-3-369; 20-7-1709; 20-8-107; 20-9-250; 20-9-516; 20-9-622; 20-15-328; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 33-22-1321; 37-1-125; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-4-1506; 44-12-213; 44-13-102; 53-1-109; 53-6-148; [53-6-152]; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-3-415; 61-3-416; 67-1-309; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-8-305; 75-11-313; 75-11-708; 75-26-308; 76-13-150; 76-13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-2-203; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 87-1-627; 87-5-909; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due in the ordinary course or when earlier called for redemption or defeased, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement

system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates June 30, 2027; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to sec. 1, Ch. 20, L. 2023, sec. 2, Ch. 20, L. 2023, and sec. 3, Ch. 20, L. 2023, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031; pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L. 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 5, Ch. 129, L. 2025, the inclusion of 37-1-125 terminates June 30, 2031; pursuant to sec. 1, Ch. 181, L. 2025, and sec. 3, Ch. 181, L. 2025, the inclusion of 90-6-331 terminates June 30, 2035; pursuant to sec. 19, Ch. 420, L. 2025, the inclusion of 53-6-152 is effective on occurrence of contingency; pursuant to sec. 20, Ch. 420, L. 2025, the inclusion of 53-6-152 is void on occurrence of contingency; pursuant to sec. 21, Ch. 420, L. 2025, the inclusion of 53-6-152 terminates June 30, 2033; and pursuant to sec. 5, Ch. 645, L. 2025, the inclusion of 33-22-1321 terminates June 30, 2031.)"

Section 3. Section 75-8-305, MCA, is amended to read:

"**75-8-305. ~~Town of Colstrip~~Municipal water infrastructure ~~mitigation~~ coal transition account -- statutory appropriation.** (1) (a) There is a ~~town of Colstrip~~ municipal water infrastructure ~~mitigation~~ coal transition account within the state special revenue fund established in 17-2-102.

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

(i) money allocated pursuant to 15-35-108(11); and

(ii) interest that accrues on the money in the account.

~~(3)~~ (b) Money deposited in the account is statutorily appropriated, as provided in 17-7-502, to the department for the purposes of implementing this section ~~must be transferred to the town of Colstrip and may be used to pay for costs to ensure a water supply is available to the town if the proximate coal-fired generating unit closes or retires, and the town is unable to access a water supply~~.

(2) Money in the municipal water infrastructure coal transition account must be used:

(a) by an eligible municipality for eligible costs beginning 5 years prior to the department's projected date of remediation completion as provided in subsections (3) and (4). Eligible costs consist of water infrastructure projects that exclusively provide municipal water services, including raw water transmission systems, drinking water treatment systems, source developments and improvements, and finished water storage and distribution system improvements.

(b) by the department on or before July 1, 2035, and every 10 years afterward for the purposes of department review or management and employing consultants or experts to assist the department in the determination required in subsection (5). The amount used may not exceed $75,000 for each 10-year review period.

(3) (a) A municipality is eligible to receive reimbursement funding from the municipal water infrastructure coal transition account if the municipality is primarily dependent on the water conveyance infrastructure of a coal-fired generating unit or units for its water supply.

(b) If the coal-fired generating unit or units convert to a future industrial use requiring water and the eligible municipality continues to be supplied water for municipal purposes, the funds in the account must revert to the general fund.

(4) (a) An eligible municipality shall make a written request to the department to access the funds in the account. The request must describe the eligible costs to be reimbursed and provide documentation of the costs for reimbursement. Eligible costs for reimbursement are those that are incurred as a result of remediation completion as provided in subsection (2).

(b) After receiving a request for reimbursement, the department:

(i) shall review the request to ensure funds are used in accordance with the purposes of this section;

(ii) may not unreasonably withhold reimbursement;

(iii) shall reimburse the municipality for eligible expenses from the account established in subsection (1); and

(iv) shall provide an annual report in accordance with 5-11-210 to the energy and technology interim committee regarding reimbursed costs to eligible municipalities.

~~(4)~~ (5) (a) The department, in consultation with the eligible municipality, ~~[of environmental quality]~~ shall review this account every 10 years to confirm the funding level remains sufficient to meet the purposes of this section. The department shall report its ~~finding~~ findings to the ~~economic affairs~~ energy and technology interim committee in accordance with 5-11-210.

(b) The allocations credited to the municipal water infrastructure coal transition account pursuant to 15-35-108(11) must continue until the department determines that the account has reached the level required to fully fund the purposes of this section. Upon this determination, the allocations must be suspended. If, based on an evaluation completed under subsection (5)(a), the department determines the account is insufficient to fully fund the purposes of this section, the allocations must be reactivated until the department again determines the account is fully funded.

(6) For the purposes of this section, the terms "coal-fired generating unit" and "department" have the same meaning as provided in 75-8-103."

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

- END -