

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

SECTION 1. Section 15-70-433, MCA, is amended to read:

"15-70-433. Refund for taxes paid on biodiesel by distributor or retailer -- statement -- payment

-- appropriation -- records --report to interim committee. (1) A licensed distributor who pays the special fuel tax under 15-70-403 on biodiesel, as defined in 15-70-401, may claim a refund equal to 2 cents a gallon on biodiesel sold during the previous calendar quarter if the biodiesel is produced entirely from biodiesel ingredients produced in Montana.

(2) The owner or operator of a retail motor fuel outlet may claim a refund equal to 1 cent a gallon on biodiesel on which the special fuel tax has been paid and that is purchased from a licensed distributor if the biodiesel is produced entirely from biodiesel ingredients produced in Montana.

20 (3) (a) To receive the refund allowed under subsection (1) or (2), the licensed distributor or the
21 owner or operator of a motor fuel outlet shall file a statement within 30 days after the end of each calendar
22 quarter on a form provided by the department.

23 (b) The statement provided by a licensed distributor must set forth information required by the
24 department, including the gallons of biodiesel sold and the source of ingredients used to produce biodiesel.

25 (c) The statement provided by the owner or operator of a retail motor fuel outlet must set forth
26 information required by the department, including the gallons of biodiesel purchased.

27 (4) The payment of the refund allowed by this section must be made by the department within 90
28 days after the claim for a refund is filed by the licensed distributor or the owner or operator of a retail motor fuel

1 outlet. Tax refund payments under this section are statutorily appropriated, as provided in 17-7-502, from the
2 state general fund.

3 (5) The records of each licensed distributor or owner or operator of a retail motor fuel outlet must
4 be kept for a period of not more than 3 years and must include receipts, invoices, and other information as the
5 department may require.

6 (6) The department or its authorized representative may examine the books, papers, or records of
7 any licensed distributor or owner or operator of a retail motor fuel outlet.

8 (7) ~~The department shall report to the transportation interim committee biennially, in accordance~~
9 ~~with 5-11-210, the number and type of taxpayers claiming the refund under this section, the total amount of the~~
10 ~~refund claimed, and the department's cost associated with administering the refund."~~

11

12 **SECTION 2.** Section 15-70-450, MCA, is amended to read:

13 "15-70-450. Cooperative agreement -- motor fuels taxes. (1) In order to prevent the possibility of
14 dual taxation of motor fuels purchased by Montana citizens and businesses on Indian reservations, the
15 department and an Indian tribe may enter into a cooperative agreement. The department may, with the
16 concurrence of the attorney general, include as a member of the negotiating team a representative of the
17 department of justice who has expertise in Indian matters.

18 (2) The department of transportation shall report the status of cooperative agreement negotiations
19 to the transportation interim committee in accordance with 5-11-210.

20 (3) ~~After negotiations are complete and if the legislature is not in session, an agreement must be~~
21 ~~presented to the transportation interim committee for review and comment before the final agreement is~~
22 ~~submitted to the attorney general for approval pursuant to 18-11-105."~~

23

24 **Section 3.** Section 17-1-102, MCA, is amended to read:

25 "17-1-102. Uniform accounting system and expenditure control. (1) The department shall
26 establish a system of financial control so that the functioning of the various agencies of the state may be
27 improved, duplications of work by different state agencies and employees may be eliminated, public service
28 may be improved, and the cost of government may be reduced.

25 (ii) Nongeneral fund encumbrances also require a valid extension plan approved by the
26 department at the end of each fiscal year. After 3 years, approved extensions must be included by the
27 department in its fiscal yearend report to the office of budget and program planning and to the legislative
28 finance committee.

3

4 **Section 4.** Section 37-1-107, MCA, is amended to read:

5 **"37-1-107. Joint meetings -- department duties.** (1) The department shall convene a joint meeting
6 once every 2 years of two or more boards that:

7 (a) have licensees with dual licensure in related professions or occupations;

8 (b) have licensees licensed by another board in a related profession or with similar scopes of

9 practice, including but not limited to:

10 (i) health care boards;

11 (ii) mental health care boards;

12 (iii) design boards;

13 (iv) therapeutic boards; or

14 (v) technical boards; or

15 (c) have issues of joint concern or related jurisdiction with each other.

16 (2) A quorum is not required for the joint meeting. However, one member from each board shall
17 attend.

18 (3) The department shall report to the economic affairs interim committee in accordance with 5-11-
19 210 with regard to attendance and issues of concern addressed by the boards."

22 "39-51-706. Department duties -- integrity data hub -- review of information -- reporting to
23 legislature. The department of labor and industry shall:

24 (1) engage with and utilize a commercially available database to verify the integrity of the state's
25 unemployment insurance rolls;

26 (2) on a weekly basis, check the unemployment insurance rolls against the department of
27 corrections list of incarcerated individuals to verify eligibility and ensure program integrity;

28 (3) on a weekly basis, check the unemployment insurance rolls against the national directory of

1 new hires to verify eligibility;

2 (4) have the authority to execute a memorandum of understanding with any department, agency,

3 or division for information required to be shared between agencies as outlined in this part; and

4 (5) if it receives information concerning an individual receiving unemployment insurance benefits

5 that indicates a change in circumstances that may affect eligibility, review the individual's case; and

6 (6) ~~report to the economic affairs interim committee in accordance with 5-11-210 relating to the~~

7 ~~administration of this part."~~

8

9 **Section 6.** Section 53-6-116, MCA, is amended to read:

10 **"53-6-116. Medicaid managed care -- capitated health care.** (1) The department of public health

11 and human services, in its discretion, may develop managed care and capitated health care systems for

12 medicaid recipients.

13 (2) The department may contract with one or more persons for the management of comprehensive

14 physical health services and the management of comprehensive mental health services for medicaid recipients.

15 The department may contract for the provision of these services by means of a fixed monetary or capitated

16 amount for each recipient.

17 (3) A managed care system is a program organized to serve the medical needs of medicaid

18 recipients in an efficient and cost-effective manner by managing the receipt of medical services for a

19 geographical or otherwise defined population of recipients through appropriate health care professionals.

20 (4) The provision of medicaid services through managed care and capitated health care systems is

21 not subject to the limitations provided in 53-6-104. The managed care or capitated health care system that is

22 provided to a defined population of recipients may be based on one or more of the medical assistance services

23 provided for in 53-6-101.

24 (5) The proposed systems, referred to in subsection (1), must be submitted to the legislative

25 finance committee. The legislative finance committee shall review the proposed systems at its next regularly

26 scheduled meeting and shall provide any comments concerning the proposed systems to the department. The

27 department shall provide a copy of any reports made to the legislative finance committee concerning the

28 proposed systems to the legislature in accordance with 5-11-210.

(6) A managed care or capitated health care system, except for a primary care case management service, that requires for implementation a waiver from the centers for medicare and medicaid is subject to the provisions of Title 53, chapter 6, part 7."

SECTION 7. Section 60-3-304, MCA, is amended to read:

"60-3-304. Duties of department of transportation. (1) The allocation of available funds for the maintenance, repair, and establishment of shared-use paths and the expenditure of funds as authorized by this section primarily for the maintenance and repair of shared-use paths and for the promotion of traffic safety on highways, roads, and streets of the state.

(2) The transportation commission shall, when requested, provide technical assistance and advice to cities and counties in carrying out the purpose of this part.

(3) The department of transportation shall:

(a) maintain an inventory of all shared-use paths located in the right-of-way of each state-maintained federal-aid highway in Montana;

(b) maintain a plan for maintenance and repair of all the shared-use paths described in subsection (3)(a);

(e) (b) recommend construction and maintenance standards for shared-use paths;

(d) (c) provide a uniform system of signing shared-use paths that applies to all shared-use paths, under the jurisdiction of the commission or a city or county; and

(e) (d) as provided in 60-3-309, allocate funds in the account established in 61-3-321(21).

(4) (a) Except as provided in subsection (4)(b), shared-use paths may not be used by motorized vehicles.

(b) The transportation commission, a city or county, or the commission jointly with a city or county may authorize the use of snowmobiles on all or a portion of a shared-use path under its jurisdiction."

SECTION 8. Section 60-3-309, MCA, is amended to read:

"60-3-309. Allocation of funds. (1) Of the total funds in the account established in 61-3-321(21)(a):

(a) in fiscal year 2018 only, an amount not to exceed \$50,000 must be transferred to the

1 department of justice to reprogram the software and equipment of the department and the department's vendor
2 to accommodate the optional fee provided for in 61-3-321(21); and

3 (b) of the remainder in fiscal year 2018 and for succeeding fiscal years:

4 (i) 20% of the total must be allocated to the department of transportation to be used for bicycle
5 and pedestrian education throughout the state as provided in 60-3-308(2); and

6 (ii) 80% of the total must be allocated as provided in subsection (2) by the department of
7 transportation to each of the five districts established in 2-15-2502.

8 (2) The amount of funds to be allocated to a district is equal to the total amount of optional
9 registration fees provided for in 61-3-321(21)(a) collected in the district divided by the total amount of the
10 optional registration fees provided for in 61-3-321(21)(a) collected for the entire state.

11 (3) Except as provided in subsection (4), the total funds allocated to a district under subsection
12 (1)(b)(ii) must be used within the district for the maintenance and repair of shared-use paths described in this
13 part. At least 10% of the funds allocated to a district under subsection (1)(b)(ii) must be used to maintain or
14 repair shared-use paths that are not part of the state-maintained federal-aid highway system.

15 (4) (a) Subject to the provisions of subsection (4)(b), if all of the shared-use paths in the district are
16 maintained and repaired at a level that meets or exceeds the standards established pursuant to 60-3-304 (3)(e)
17 60-3-304(3)(b) or if there are no shared-use paths in the district that are not part of the state-maintained
18 federal-aid highway system, any funds remaining in a fiscal year may be used to construct new shared-use
19 paths within the district.

20 (b) Prior to the construction or extension of a shared-use path, the department shall enter into a
21 maintenance agreement with the county or municipality, or both, in which the path is proposed to be
22 constructed or extended. The maintenance agreement may provide that maintenance be conducted by the
23 county or the municipality, by both the county and the municipality, by the department, or by a combination of
24 those entities. Based on the maintenance agreement and available funding, the department shall transfer funds
25 from the account established in 61-3-321(21)(a) to the appropriate county or municipality as provided for in the
26 maintenance agreement. If the maintenance agreement provides for maintenance by the department, the
27 department shall use the funds in the account for that purpose."

28

1 **SECTION 9.** Section 61-10-154, MCA, is amended to read:

2 **"61-10-154. Department of transportation to adopt motor carrier safety standards --**

3 **enforcement -- designation of peace officers -- duties -- violations.** (1) As used in this section, the terms
4 "for-hire motor carrier", "private motor carrier", "gross vehicle weight rating", and "gross combination weight
5 rating" have the same meaning as provided in 49 CFR 390.5.

6 (2) The department of transportation shall adopt, by rule, standards for safety of operations of:

7 (a) any for-hire motor carrier or any private motor carrier;

8 (b) any motor vehicle or vehicle combination used in interstate commerce that has a gross vehicle
9 weight rating, gross combination weight rating, gross vehicle weight, or gross combination weight, whichever is
10 greater, of 10,001 pounds or more;

11 (c) any motor vehicle or vehicle combination used in intrastate commerce that has a gross vehicle
12 weight rating, gross combination weight rating, gross vehicle weight, or gross combination weight, whichever is
13 greater, of 26,001 pounds or more and that is not a farm vehicle operating solely in Montana;

14 (d) any motor vehicle that is designed or used to transport at least 16 passengers, including the
15 driver, and that is not used to transport passengers for compensation;

16 (e) any motor vehicle that is designed or used to transport at least nine passengers, including the
17 driver, for compensation; or

18 (f) any motor vehicle that is used to transport hazardous materials of a type or quantity that
19 requires the vehicle to be marked or placarded in accordance with federal hazardous materials regulations in
20 49 CFR, part 172.

21 (3) Standards of safety adopted under this section must substantially comply, within allowed
22 tolerance guidelines, to the federal motor carrier safety regulations and the federal hazardous material
23 regulations as applied to motor carriers and vehicles transporting passengers or property in commerce.

24 (4) The department of transportation shall work with the highway patrol in the enforcement of
25 safety standards adopted pursuant to this section. The highway patrol and the department of transportation
26 shall cooperate to ensure minimum duplication and maximum coordination of enforcement efforts.

27 (5) In order to enforce compliance with safety standards adopted pursuant to this section, the
28 department of transportation shall designate employees as peace officers. The designated employees must be

1 employed in the administration of the motor carrier services functions of the department of transportation. Each
2 employee designated as a peace officer may:

3 (a) issue citations and make arrests in connection with violations of safety standards adopted

4 under this section;

5 (b) issue summonses;

6 (c) accept bail;

7 (d) serve warrants for arrest;

8 (e) make reasonable inspections of cargo carried by commercial motor vehicles;

9 (f) enforce the provisions of Title 49 of the United States Code and regulations that have been
10 adopted under Title 49 and make reasonable safety inspections of commercial motor vehicles used by motor
11 carriers; and

12 (g) require production of documents relating to the cargo, driver, routing, or ownership of
13 commercial motor vehicles.

14 (6) In addition to other enforcement duties assigned under 61-10-141 and this section, an
15 employee of the department of transportation who is appointed as a peace officer pursuant to 61-12-201 or this
16 section:

17 (a) has the same authority to enforce provisions of the motor carriers law as that granted to the
18 public service commission under 69-12-203;

19 (b) has the duty to secure or make copies, or both, of all bills of lading or other evidence of delivery
20 for shipment of agricultural seeds, as defined in 80-5-120, that have been sold or are intended for sale in
21 Montana and to forward the copies to the department of agriculture within 24 hours of the date that the bill of
22 lading was obtained;

23 (c) has the authority, if probable cause exists, to stop and inspect a supply tank connected to the
24 engine of any diesel-powered motor vehicle operating on the public highways of this state in order to determine
25 compliance with Title 15, chapter 70, part 4;

26 (d) has for vehicle configurations subject to 61-10-141 and this section, the authority to issue a
27 citation:

28 (i) pursuant to 61-9-520(1)(a) for violation of 61-9-406(6) when the vehicle configuration causes a

1 lane blockage; and

2 (ii) pursuant to 61-9-520(1)(b) for violation of 61-9-406(6) when the vehicle configuration causes
3 an incident that results in the closure of all lanes in one or both directions of a highway; and

4 (e) may, on any highway under the jurisdiction of the department of transportation within the
5 exterior boundaries of a reservation whose tribal government has entered into an agreement with the
6 department of transportation pursuant to Title 18, chapter 11, part 1, exercise the authority under this part to
7 issue a citation pursuant to 61-9-520 for violation of 61-9-406(6).

8 (7) A violation of the standards adopted pursuant to this section is punishable as provided in 61-9-
9 512, and the court, upon conviction, as defined in 61-5-213, shall forward a record of conviction to the
10 department of transportation within 5 days in accordance with 61-11-101.

11 (8) ~~The department of transportation shall report to the transportation interim committee biennially, in accordance with 5-11-210, on its enforcement of the provisions of Title 15, chapter 70, part 4, pursuant to the authority provided in subsection (6)(c) and on any impacts that enforcement has had on the state special revenue fund."~~

15

16 **Section 10.** Section 85-1-203, MCA, is amended to read:

17 **"85-1-203. State water plan.** (1) The department shall gather from any source reliable information
18 relating to Montana's water resources and prepare from that information a continuing comprehensive inventory
19 of the water resources of the state. In preparing this inventory, the department may:

20 (a) conduct studies;

21 (b) adopt studies made by other competent water resource groups, including federal, regional,
22 state, or private agencies;

23 (c) perform research or employ other competent agencies to perform research on a contract basis;
24 and

25 (d) hold public hearings in affected areas at which all interested parties must be given an
26 opportunity to appear.

27 (2) The department shall formulate and adopt and amend, extend, or add to a comprehensive,
28 coordinated multiple-use water resources plan known as the "state water plan". The state water plan may be

1 formulated and adopted in sections, with some of these sections corresponding with hydrologic divisions of the
2 state. The state water plan must set out a progressive program for the conservation, development, utilization,
3 and sustainability of the state's water resources and must propose the most effective means by which these
4 water resources may be applied for the benefit of the people, with due consideration of alternative uses and
5 combinations of uses.

6 (3) Sections of the state water plan must be completed for the Missouri River basin, the
7 Yellowstone River basin, and the Clark Fork and Kootenai River basins, be submitted to the 2035 legislature,
8 and be updated at least every 20 years. These basinwide plans must include:

9 (a) an inventory of consumptive and nonconsumptive uses associated with existing water rights;
10 (b) identified data gaps;
11 (c) an estimate of the amount of surface and ground water needed to satisfy new future demands;
12 (d) analysis of the effects of frequent drought and of new or increased depletions on the availability
13 of future water supplies;

14 (e) proposals for the best means to satisfy existing water rights and new water demands, such as
15 an evaluation of opportunities for storage of water by both private and public entities;

16 (f) possible sources of water to meet the needs of the state; and

17 (g) any legislation necessary to address water resource concerns in these basins.

18 (4) (a) The department shall create a basin advisory council in the Missouri River basin, in the
19 Yellowstone River basin, and in the Clark Fork and Kootenai River basins that is inclusive and representative of
20 all water interests and interests in those basins.

21 (b) The basin advisory councils must consist of key water interests within the basins, including, on
22 recommendation from relevant water user interest groups, at least one representative each from the following
23 groups or organizations:

24 (i) agricultural;
25 (ii) conservation;
26 (iii) industrial;
27 (iv) irrigation;
28 (v) municipal;

(vi) recreational;

(vii) tribal;

(viii) watershed; and

(ix) conservation districts.

(c) Each basin advisory council may have up to 20 members.

(d) Each basin advisory council shall make recommendations to the department on the basinwide required by subsection (3).

(e) The department may use existing basin councils as a basin advisory council if the composition and purpose of the existing basin council is consistent with this subsection (4).

(5) Before adopting the entire state water plan or any section of the plan, the department shall hold hearings across the state, or in an area of the state encompassed by a section of the plan if adoption of a is proposed. Notice of the hearing or hearings must be published for 2 consecutive weeks in a paper of general circulation published in each county encompassed by the proposed plan or section of the least 30 days prior to the hearing.

(6) The department shall submit to the water policy interim committee and to the legislature in accordance with 5-11-210 the state water plan or any section of the plan or amendments, additions, or changes to the plan that the department has formulated and adopted.

(7)(6) The legislature, by joint resolution, may revise the state water plan.

(8)(7) The department shall prepare a continuing inventory of the ground water resources of the state. The ground water inventory must be included in the comprehensive water resources inventory described in section (1) but must be a separate component of the inventory.

(9)(8) The department shall publish the comprehensive inventory, the state water plan, the ground inventory, or any part of each, and the department may assess and collect a reasonable charge for these actions.

(10)(9) In developing and revising the state water plan as provided in this section, the department shall work with the water policy committee established in 5-5-231 and solicit the advice of the water policy committee in carrying out its duties under this section."

1 **Section 11.** Section 85-1-501, MCA, is amended to read:

2 **"85-1-501. Survey of power generation capacity.** (1) The department shall study the economic and
3 environmental feasibility of constructing and operating a small-scale hydroelectric power generating facility on
4 each of the water projects under its control and shall periodically update those studies as the cost of the
5 electrical energy increases. In determining whether small-scale hydroelectric generation may be economically
6 feasible on a particular project, the department shall consider:

7 (a)(1) the estimated cost of construction of a facility;

8 (b)(2) the estimated cost of maintaining, repairing, and operating the facility;

9 (c)(3) the estimated cost of tying into an existing power distribution channel;

10 (d)(4) the ability of public utilities or rural electric cooperatives to lease and operate such a facility;

11 (e)(5) the debt burden to be serviced;

12 (f)(6) the revenue expected to be derived;

13 (g)(7) the likelihood of a reasonable rate of return on the investment; and

14 (h)(8) the potential impacts on water supply and streamflows.

15 (2) ~~The department shall update the energy and telecommunications interim committee and the water policy interim committee in accordance with 5-11-210 on all past and current studies conducted pursuant to this section.~~"

19 **Section 12.** Section 87-2-702, MCA, is amended to read:

20 **"87-2-702. Restrictions on special licenses -- availability of bear and mountain lion licenses.** (1)

21 A person who has killed or taken any game animal, except a deer, an elk, or an antelope, during the current
22 license year is not permitted to receive a special license under this chapter to hunt or kill a second game animal
23 of the same species.

24 (2) The commission may require applicants for special permits authorized by this chapter to obtain
25 a valid big game license for that species for the current year prior to applying for a special permit.

26 (3) Except as provided in 87-2-815, a person may take only one grizzly bear in Montana with a
27 license authorized by 87-2-701.

28 (4) (a) Except as provided in 87-1-271(2), 87-1-275, and 87-2-815, a person who receives a

1 moose, mountain goat, or limited mountain sheep license, as authorized by 87-2-701, with the exception of an
2 antlerless moose or an adult ewe game management license issued under 87-2-104, is not eligible to receive
3 another special license for that species for the next 7 years. For the purposes of this subsection (4)(a), "limited
4 mountain sheep license" means a license that is valid for an area in which the number of licenses issued is
5 restricted.

6 (b) (i) Except as provided in 87-1-271(2) and 87-2-815, a person who takes a legal ram mountain
7 sheep with at least one horn that is equal to or greater than a three-fourths curl using an unlimited mountain
8 sheep license or a population management license issued pursuant to 87-2-701 is not eligible to receive
9 another special license for that species for the next 7 years. For the purposes of this subsection (4)(b)[(i)],
10 "unlimited mountain sheep license" means a license that is valid for an area in which the number of licenses
11 issued is not restricted.

12 [(ii) The department shall biennially report to the environmental quality council in accordance with
13 5-11-210 information on:

14 (A) mountain sheep harvested pursuant to this subsection (4) from the Tendoy Mountain herd;
15 (B) efforts to collect tissue samples and other biological information from mountain sheep
16 harvested from the Tendoy Mountain herd to determine the immunity of surviving herd members to pneumonia
17 outbreaks; and
18 (C) attempts by the department to share tissue samples and other biological information collected
19 from the Tendoy Mountain herd with Washington State University, other public entities, and private entities that
20 research the interaction between mountain sheep and domestic sheep.]

21 (5) An application for a wild buffalo or bison license must be made on the same form and is subject
22 to the same license application deadline as the special license for moose, mountain goat, and mountain sheep.
23 (Bracketed language in subsection (4)(b) terminates July 1, 2027—sec. 3, Ch. 186, L. 2017.)"

24

25 **Section 13.** Section 90-1-182, MCA, is amended to read:

26 **"90-1-182. State assistance to local governments in review of and comment on federal land**
27 **management proposals -- rulemaking.** (1) In carrying out the provisions of 90-1-181, the department of
28 commerce may conduct on behalf of local governments a socioeconomic impact review and analysis of

1 significant federal land management proposals. The department of commerce may use the review and analysis
2 to comment in a timely manner on the federal proposals regarding projected impacts on local government.

3 (2) The department of commerce may:

4 (a) establish a minimal procedure for local governments to request from the department a review
5 and analysis of significant federal land management proposals that may have a direct socioeconomic impact on
6 the community for which the local government has requested the review. The request must include sufficient
7 details about the federal land management proposal for the department of commerce to determine a deadline
8 by which the review must be conducted.

9 (b) contract with a unit of the Montana university system experienced in technical, doctorate-level
10 analysis of the socioeconomic impacts of federal land management proposals to provide an independent
11 economic analysis of the federal proposals; and

12 (c) advocate on behalf of the local government before the agency issuing the federal land
13 management proposals, using the reports generated under this subsection (2); and

14 (d) ~~report to the local government interim committee in accordance with 5-11-210, in any year in
15 which there is a request, the number of requests, the types of requests, and the number of responses handled.
16 The department shall post the information under this subsection (2)(d) on its website when a request has been
17 made along with a summary of each requested analysis.~~

18 (3) The department of commerce may adopt rules to implement this section."

19

20 **NEW SECTION. Section 14. Repealer.** The following section of the Montana Code Annotated is
21 repealed:

22 5-12-208. Grant information to be provided to legislative finance committee -- internet link required.

23 75-1-314. REPORTING REQUIREMENTS.

24 77-1-820. REPORTING REQUIREMENTS.

25 77-2-366. LAND BANKING AND STATE LAND CABIN AND HOME SITES -- REPORTS TO ENVIRONMENTAL QUALITY
26 COUNCIL.

27 - END -