

SENATE BILL NO. 307

INTRODUCED BY T. MCGILLVRAY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISTRIBUTION OF MARIJUANA TAX REVENUE; PROVIDING THAT A PORTION OF MARIJUANA TAX REVENUE BE USED FOR PREVENTION SERVICES; MARIJUANA LAW ENFORCEMENT OPERATIONS; AND LOCAL MARIJUANA LAW ENFORCEMENT GRANTS; CREATING A MARIJUANA TAX REVENUE ACCOUNTABILITY COUNCIL; INCREASING THE DISTRIBUTION TO THE HEALING AND ENDING ADDICTION THROUGH RECOVERY AND TREATMENT ACCOUNT; PROVIDING FOR A MARIJUANA IMPACT REPORT; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; EXPANDING REPORTING REQUIREMENTS; AMENDING SECTIONS 10-2-108, 16-12-111, 16-12-122, 23-1-105, 23-2-108, 53-21-1111, AND 87-5-121, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. — Marijuana prevention account — rules. (1) There is a marijuana prevention account in the state special revenue fund established in 17-2-102. The account consists of money transferred to the account pursuant to 16-12-111.

(2) — Money in the account must be used by the department of public health and human services to fund the marijuana tax revenue accountability council provided for in [section 2] and to provide grants for primary substance misuse prevention and youth suicide prevention in consultation with the council.

(3) — The programs must be designed to:

(a) — improve access to, utilization of, and engagement and retention in primary substance misuse prevention services; and

(b) — expand the availability of community-based services that reflect best practices or are evidence-based.

(4) — The department of public health and human services shall:

(a) — manage the programs funded by the special revenue account in consultation with the

marijuana tax revenue accountability council provided for in [section 2];

(b) — provide support for schools to administer the behavioral risk factor surveillance system with marijuana module and the Montana prevention needs assessment for youth trends;

(c) — adopt rules to implement the programs; and

(d) — provide a written report to the children, families, health, and human services interim committee in accordance with 5-11-210 no later than September 1 of each year on the programs, grants, and services funded under this section. The report must include the amount of funding each program received.

(5) — The legislature shall appropriate money from the account provided for in this section for the programs referred to in this section.

(6) — Programs funded under this section must be funded through contracted services with service providers.

NEW SECTION. Section 2. — Marijuana tax revenue accountability council — definition. (1) The re is a marijuana tax revenue accountability council attached to the department of public health and human services for administrative purposes only as prescribed in 2-15-121.

(2) — The council is composed of the following members:

(a) — the director of the department of public health and human services or a designee;

(b) — a representative of the department of justice appointed by the attorney general;

(c) — a representative of the department of revenue appointed by the director of the department of revenue;

(d) — one member who also serves on the board of behavioral health provided for in 2-15-1744 appointed by the presiding officer of the board of behavioral health;

(e) — one member who represents the behavioral health alliance of Montana and who is dually licensed as an addiction counselor and as a licensed practitioner or is a master's social work licensee appointed by the governor;

(f) — one member who represents the behavioral health alliance of Montana and who is a licensed psychiatrist appointed by the governor;

(g) — one member who is a certified prevention specialist appointed by the governor; and

(h) — one public member appointed by the governor.

(3) — The members provided for in subsections (2)(e) through (2)(h) shall serve 3-year terms. The initial appointments may specify a shorter length of the initial term in order to stagger the terms. Vacancies must be filled for the balance of an unexpired term. A member of the council may be reappointed.

(4) — Each professional member of a board, while serving as a board member:

(a) — must be a resident of this state and at least 18 years of age; and

(b) — must be currently practicing in the profession or occupation and have an active license in this state for at least 1 year and be in good standing for the profession or occupation in which the member is appointed to serve.

(5) — (a) The public member of the council must be a resident of this state and be at least 18 years of age.

(b) — The public member may not be:

(i) — the spouse, parent, or child of a person who provides services or applies for a grant under [section 1]; or

(ii) — a person who currently or within the 3 years prior to appointment had any material financial interest in the provision of contracted services or engaged in any activity related to the marijuana industry, including holding a license under Title 16, chapter 12, part 2.

(6) — Each council member shall maintain eligibility to serve on the council by avoiding or disclosing conflicts of interest or relationships that would interfere with the mission of the council.

(7) — The council shall meet quarterly, and the director of the department of public health and human services or a designee shall serve as presiding officer.

(8) — The public members of the council shall serve without compensation but may be reimbursed as provided in 2-18-501 through 2-18-503, subject to available funding.

(9) — The council shall:

(a) — advise the department of public health and human services on the expenditures of the marijuana prevention account established in [section 1] and any grants made from that account;

(b) — advise and make recommendations to the department of public health and human services and other state agencies on primary substance misuse prevention and youth suicide prevention;

(c) — encourage and stimulate research, public awareness, education, and prevention activities; and

(d) — prepare the marijuana impact report provided for in [section 3].

(10) — As used in this section, the following definitions apply:

(a) — "Good standing" means an active license unencumbered by a final order of disciplinary action or administrative suspension.

(b) — "Primary substance misuse prevention" means preventing the initiation of substance abuse or delaying the age of initiation to prevent health problems before they occur by:

(i) — addressing risk factors;

(ii) — enhancing resistance to those risks; and

(iii) — shifting the focus to help people avoid, reduce, or modify drug use.

NEW SECTION. Section 1. Marijuana impact report. The ~~marijuana tax revenue accountability council~~ DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES shall provide a written marijuana impact report in accordance with 5-11-210 to the children, families, health, and human services interim committee, the economic affairs interim committee, and the law and justice interim committee, no later than September 1 of each year. The report must include:

(1) public health and safety objectives that may be impacted by marijuana policy changes, including prevalence and patterns of use; and

(2) information on harms, including but not limited to cannabis use disorder, marijuana hospitalizations, environmental impacts of marijuana production, licenses, marijuana business density, marijuana law enforcement actions, criminal and administrative violations, youth access, and cases of driving under the influence of marijuana.

NEW SECTION. Section 2. Marijuana law enforcement operations account. (1) There is a marijuana law enforcement operations account in the state special revenue fund established in 17-2-102. The account consists of money transferred to the account pursuant to 16-12-111.

(2) Money in the account must be used by the department of justice as follows:

(a) 99% for the marijuana law enforcement office provided for in [section 5 3]; and

(b) 1% for local marijuana law enforcement grants.

(3) The local marijuana law enforcement grants provided for in subsection (2)(b) must be administered by the department of justice and provided to local governments that apply for the grants. To apply for a grant, the local government must have satisfied the approval provisions contained in 16-12-301 or be located in a county in which the majority of voters voted to approve Initiative Measure No. 190 in the November 3, 2020, general election.

NEW SECTION. Section 3. Marijuana law enforcement office. (1) There is a marijuana law enforcement office in the department of justice under the supervision and control of the attorney general.

(2) The office shall conduct law enforcement operations related to marijuana, including but not limited to combatting black market activities and investigating and prosecuting violations of marijuana regulations.

(3) The office must include:

(a) two marijuana enforcement teams, one based in western Montana and one based in eastern Montana;

(b) a district attorney; and

(c) a canine unit.

(4) The office is funded with revenue from the marijuana law enforcement operations account provided for in [section 4 2].

Section 6. Section 10-2-108, MCA, is amended to read:

~~"10-2-108. Veterans and surviving spouses state special revenue account. (1) There is a veterans and surviving spouses account in the state special revenue fund to be administered by the veterans' affairs division of the department of military affairs. The account consists of revenue deposited pursuant to 16-12-111 and 16-11-119.~~

~~(2) The account must be used to provide services and assistance for all Montana veterans and surviving spouses and dependents."~~

Section 4. Section 16-12-111, MCA, is amended to read:

"16-12-111. Marijuana state special revenue account -- operating reserve -- transfer of excess funds. (1) There is a dedicated marijuana state special revenue account within the state special revenue fund established in 17-2-102, to be administered by the department.

(2) The account consists of:

(a) money deposited into the account pursuant to this chapter;

(b) the taxes collected pursuant to Title 15, chapter 64, part 1;

(c) license and registered cardholder fees deposited into the account pursuant to this chapter;

(d) taxes deposited into the account pursuant to 16-12-310; and

(e) civil penalties collected under this chapter.

(3) Except as provided in subsection (4), money in the account must be used by the department for the purpose of administering the provisions of this chapter.

(4) At the end of each fiscal year, the department shall transfer funds in excess of a 3-month operating reserve necessary to fund operating costs at the beginning of the next fiscal year in the following order:

(a) ~~an amount not to exceed \$6 million must be transferred to the healing and ending addiction through recovery and treatment (HEART) account established in 16-12-122;~~

(b) ~~the net balance remaining after distribution to the HEART account must be distributed as follows:~~

(i) ~~20% to the credit of the department of fish, wildlife, and parks to be used solely as funding for wildlife habitat in the same manner as funding generated under 87-1-242(3) and used pursuant to 87-1-209;~~

(ii) ~~4% to the state park account established in 23-1-105(1);~~

(iii) ~~4% to the trails and recreational facilities account established in 23-2-108;~~

(iv) ~~4% to the nongame wildlife account established in 87-5-121;~~

(v) ~~3% or \$200,000, whichever is less, to the veterans and surviving spouses state special revenue account provided for in 10-2-108;~~

(vi) ~~for the biennium beginning July 1, 2021, \$300,000 to the department of justice to administer grant funding to local and state law enforcement agencies for the purpose of purchasing and training drug~~

detection canines and canine handlers, including canines owned by local law enforcement agencies to replace canines who were trained to detect marijuana;

(vii) ~~— \$150,000 to the board of crime control to fund crisis intervention team training as provided in 44-7-110; and~~

(viii) ~~— the remainder to the general fund \$12 \$6 million used for department administrative costs as follows~~ IN THE FOLLOWING ORDER:

(a) ~~— 52% to the general fund;~~

(A) \$200,000 TO THE VETERANS AND SURVIVING SPOUSES STATE SPECIAL REVENUE ACCOUNT PROVIDED FOR IN 10-2-108;

(B) \$150,000 TO THE BOARD OF CRIME CONTROL TO FUND CRISIS INTERVENTION TEAM TRAINING AS PROVIDED IN 44-7-110;

(b)(C) 24% 40% to the healing and ending addiction through recovery and treatment account established in 16-12-122; AND

(c) ~~— 16% to the marijuana prevent ion account established in [section 1]; and~~

(d) 8% to the marijuana law enforcement operations account established in [section 4 2]; AND

(E) THE REMAINDER TO THE GENERAL FUND. (Subsection (4)(b)(vi) terminates June 30, 2025—sec. 117(2), Ch. 576, L. 2021.)"

Section 8. Section 16-12-122, MCA, is amended to read:

"16-12-122. Healing and ending addiction through recovery and treatment account -- report. (1)

There is a healing and ending addiction through recovery and treatment account in the state special revenue fund. The account consists of money transferred to the account pursuant to 16-12-111.

(2) ~~— Revenue in the account must be used to provide statewide programs for:~~

(a) ~~— substance use disorder prevention;~~

(b) ~~— youth suicide prevention;~~

(c)(a) ~~— mental health promotion; and~~

(d)(b) ~~— crisis, treatment, and recovery services for substance use and mental health disorders. The services include but are not limited to crisis stabilization services as defined in 53-21-1401 and provided under~~

1 Title 53, chapter 6, or Title 53, chapter 21, part 14.

2 (3) — The programs must be designed to:

3 (a) — ~~increase the number of individuals choosing treatment over incarceration;~~

4 (b) — ~~improve access to, utilization of, and engagement and retention in prevention, treatment, and~~
5 ~~recovery support services;~~

6 (c) — ~~expand the availability of community-based services that reflect best practices or are evidence-~~
7 ~~based;~~

8 (d) — ~~leverage additional federal funds when available for the healthy Montana kids plan provided for~~
9 ~~in Title 53, chapter 4, part 11, and the medicaid program provided for in Title 53, chapter 6, for the purposes of~~
10 ~~this section;~~

11 (e) — ~~provide funding for programs and services that are described in subsections (2)(a) through~~
12 ~~(2)(d) and (2)(b) and provided on an Indian reservation located in this state; or~~

13 (f) — ~~provide funding for grants and services to tribes for use in accordance with this section.~~

14 (4) — (a) ~~An amount not to exceed \$500,000, including eligible federal matching sources when~~
15 ~~applicable, must be used to provide funding for grants and services to tribes for tobacco prevention and~~
16 ~~cessation, substance use disorder prevention, mental health promotion, and substance use disorder and~~
17 ~~mental health crisis, treatment, and recovery services.~~

18 (b) — ~~The department of public health and human services shall:~~

19 (i) — ~~manage the programs funded by the special revenue account;~~

20 (ii) — ~~adopt rules to implement the programs; and~~

21 (iii) — ~~provide a written report to the children, families, health, and human services interim committee,~~
22 ~~in accordance with 5-11-210, no later than September 1 of each year on the programs, grants, and services~~
23 ~~funded under this section. The report must include the amount of funding each program received.~~

24 (5) — ~~The legislature shall appropriate money from the state special revenue account provided for in~~
25 ~~this section for:~~

26 (a) — ~~the chemical dependency treatment room and board voucher program provided for in 53-24-~~
27 ~~218 ; and~~

28 (b) — ~~the programs referred to in this section.~~

~~(6) — Programs funded under this section must be funded through contracted services with service providers. (Subsection (5)(a) terminates June 30, 2027—sec. 7, Ch. 187, L. 2023.)"~~

Section 5. Section 23-1-105, MCA, is amended to read:

"23-1-105. Fees and charges -- use of motor vehicle registration fee. (1) (a) The department may levy and collect reasonable fees or other charges for the use of privileges and conveniences that may be provided and to grant concessions that it considers advisable, except as provided in subsections (2) and (6).

(b) There must be deposited ~~into~~ in a state special revenue fund in the state treasury to the credit of the department:

(i) ~~all~~ money derived from the activities of the department, except as provided in subsection (5);

and

(ii) ~~money from marijuana taxes deposited under 16-12-111.~~

(2) Overnight camping fees established by the department under subsection (1) must be discounted 50% for a campsite rented by a person who is a resident of Montana, as defined in 87-2-102, and is:

(a) 62 years of age or older;

(b) certified as disabled in accordance with rules adopted by the department; or

(c) a veteran of the armed forces. While camping at a discounted rate, the veteran shall carry proof of the person's veteran status, such as a DD form 214, U.S. department of veterans affairs identification card, or a driver's license indicating the person's veteran status.

(3) For a violation of any fee collection rule involving a vehicle, the registered owner of the vehicle at the time of the violation is personally responsible if an adult is not in the vehicle at the time the violation is discovered by an authorized officer. A defense that the vehicle was driven into the fee area by another person is not allowable unless it is shown that at that time, the vehicle was being used without the consent of the registered owner.

(4) Money received from the collection of fees and charges is subject to the deposit requirements of 17-6-105(6) unless the department has submitted and received approval for a modified deposit schedule pursuant to 17-6-105(8).

(5) There is a fund of the enterprise fund type, as defined in 17-2-102(2)(a), for the purpose of

managing state park visitor services revenue. The fund is to be used by the department to serve the recreating public by providing for the obtaining of inventory through purchase, production, or donation and for the sale of educational, commemorative, and interpretive merchandise and other related goods and services at department sites and facilities. The fund consists of money from the sale of educational, commemorative, and interpretive merchandise and other related goods and services and from donations. Gross revenue from the sale of educational, commemorative, and interpretive merchandise and other related goods and services must be deposited in the fund. All interest and earnings on money deposited in the fund must be credited to the fund for use as provided in this subsection.

(6) In recognition of the fact that individuals support state parks through the payment of certain motor vehicle registration fees, persons who pay the fee provided for in 61-3-321(19)(a) may not be required to pay a day-use fee for access to state parks. Other fees for the use of state parks and fishing access sites, such as overnight camping fees, are still chargeable and may be collected by the department.

(7) Any increase in the motor vehicle registration fee collected pursuant to 61-3-321(19)(a) on or after January 1, 2012, that is dedicated to state parks must be used by the department for maintenance and operation of state parks."

Section 6. Section 23-2-108, MCA, is amended to read:

"23-2-108. Trails and recreational facilities account. (1) There is a trails and recreational facilities account in the state special revenue fund established in 17-2-102.

(2) There must be paid into the account:

(a) ~~money collected pursuant to 61-3-321(19)(a)(iii); and~~

(b) ~~money from marijuana taxes deposited under 16-12-111.~~

(3) Money in the account may only be used by the department to provide trails and recreational facilities grants pursuant to 23-2-109.

(4) Interest and income earned on the account and any unspent or unencumbered money in the account at the end of a fiscal year must remain in the account."

Section 11. ~~Section 53-21-1111, MCA, is amended to read:~~

1 ~~"53-21-1111. Suicide prevention grants. (1) The department shall administer a grant program from~~
2 ~~funds appropriated by the legislature for suicide prevention activities pursuant to this section.~~

3 ~~(2) (a) To be eligible for a grant under this section, an entity shall demonstrate credible evidence to~~
4 ~~the department that the activity to be funded is effective in preventing suicide.~~

5 ~~(b) An activity must be considered effective if it meets one or more of the following criteria:~~

6 ~~(i) it has been cited as effective by peer-reviewed research or literature;~~

7 ~~(ii) it was a formally adopted recommendation of the Montana suicide review team established in~~
8 ~~section 3, Chapter 353, Laws of 2013; or~~

9 ~~(iii) it increases knowledge of and response to adverse childhood experiences.~~

10 ~~(3) The requirements of this section apply to youth suicide prevention programs funded with~~
11 ~~money from the healing and ending addiction through recovery and treatment account provided for in 16-12-~~
12 ~~122."~~

14 **Section 7.** Section 87-5-121, MCA, is amended to read:

15 **"87-5-121. Nongame wildlife account.** (1) There is a nongame wildlife account in the state special
16 revenue fund provided for in 17-2-102.

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

18 ~~(a) all money collected under 15-30-2387 and all interest earned by the fund before being~~
19 ~~expended under this section; and~~

20 ~~(b) money from marijuana taxes deposited under 16-12-111.~~

21 (3) Money in the account must be used by the department, upon the approval of the commission
22 as determined under 87-5-122, to provide adequate funding for:

23 (a) research and education programs on nongame wildlife in Montana, as provided for in 87-5-104;
24 and

25 (b) any management programs for nongame wildlife approved by the legislature under 87-5-105 as
26 species or subspecies in need of management.

27 (4) The money is available to the department in the same manner as provided in 87-1-601, except
28 that money collected under 15-30-2387 may not be used:

- 1 (a) for the purchase of any real property; or
2 (b) in such a way as to interfere with the production on or management of private property."

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4 NEW SECTION. Section 8. Codification instruction. (1) [~~Sections 1 and 4~~ SECTION 2] are IS
5 intended to be codified as an integral part of Title 16, chapter 12, and the provisions of Title 16, chapter 12,
6 apply to [~~sections 1 and 4~~ SECTION 2].

7 (2) [~~Sections 2 and 3~~ SECTION 1] are IS intended to be codified as an integral part of Title 2,
8 chapter 15, part 13, and the provisions of Title 2, chapter 15, part 13, apply to [~~sections 2 and 3~~ SECTION 1].

9 (3) [Section 5 3] is intended to be codified as an integral part of Title 2, chapter 15, part 20, and the
10 provisions of Title 2, chapter 15, part 20, apply to [section 5 3].

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12 NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 2025.

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