

1 SENATE BILL NO. 307
2 INTRODUCED BY T. MCGILLVRAY
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISTRIBUTION OF MARIJUANA TAX REVENUE;
5 PROVIDING THAT A PORTION OF MARIJUANA TAX REVENUE BE USED FOR ~~PREVENTION SERVICES~~,
6 MARIJUANA LAW ENFORCEMENT OPERATIONS, AND LOCAL MARIJUANA LAW ENFORCEMENT
7 GRANTS; CREATING A MARIJUANA TAX REVENUE ACCOUNTABILITY COUNCIL; INCREASING THE
8 DISTRIBUTION TO THE HEALING AND ENDING ADDICTION THROUGH RECOVERY AND TREATMENT
9 ACCOUNT; PROVIDING FOR A MARIJUANA IMPACT REPORT; PROVIDING DEFINITIONS; PROVIDING
10 RULEMAKING AUTHORITY; EXPANDING REPORTING REQUIREMENTS; AMENDING SECTIONS 10-2-
11 108, 16-12-111, 16-12-122, 23-1-105, 23-2-108, 53-21-1111, AND 87-5-121, MCA; AND PROVIDING AN
12 EFFECTIVE DATE."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15
16 NEW SECTION. Section 1. Marijuana prevention account — rules. (1) There is a marijuana
17 prevention account in the state special revenue fund established in 17-2-102. The account consists of money
18 transferred to the account pursuant to 16-12-111.

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

22 (3) The programs must be designed to:

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

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

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

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1 marijuana prevention account established in [section 1] and any grants made from that account;

2 (b) advise and make recommendations to the department of public health and human services and

3 other state agencies on primary substance misuse prevention and youth suicide prevention;

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

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

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

7 (a) "Good standing" means an active license unencumbered by a final order of disciplinary action

8 or administrative suspension.

9 (b) "Primary substance misuse prevention" means preventing the initiation of substance abuse or

10 delaying the age of initiation to prevent health problems before they occur by:

11 (i) addressing risk factors;

12 (ii) enhancing resistance to those risks; and

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

14

15 **NEW SECTION. Section 1. Marijuana impact report.** The marijuana tax revenue accountability

16 ~~council~~ DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES shall provide a written marijuana impact report in

17 accordance with 5-11-210 to the children, families, health, and human services interim committee, the

18 economic affairs interim committee, and the law and justice interim committee, no later than September 1 of

19 each year. The report must include:

20 (1) public health and safety objectives that may be impacted by marijuana policy changes,

21 including prevalence and patterns of use; and

22 (2) information on harms, including but not limited to cannabis use disorder, marijuana

23 hospitalizations, environmental impacts of marijuana production, licenses, marijuana business density,

24 marijuana law enforcement actions, criminal and administrative violations, youth access, and cases of driving

25 under the influence of marijuana.

26

27 **NEW SECTION. Section 2. Marijuana law enforcement operations account.** (1) There is a

1 marijuana law enforcement operations account in the state special revenue fund established in 17-2-102. The
2 account consists of money transferred to the account pursuant to 16-12-111.

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

4 (a) ~~99%-90%~~ for the marijuana law enforcement office provided for in [section 5 3]; and

5 (b) ~~1%-10%~~ for local marijuana law enforcement grants.

6 (3) The local marijuana law enforcement grants provided for in subsection (2)(b) must be
7 administered by the department of justice and provided to local governments that apply for the grants. To apply
8 for a grant, the local government must have satisfied the approval provisions contained in 16-12-301 or be
9 located in a county in which the majority of voters voted to approve Initiative Measure No. 190 in the November
10 3, 2020, general election.

11

12 **NEW SECTION. Section 3. Marijuana law enforcement office.** (1) There is a marijuana law
13 enforcement office in the department of justice under the supervision and control of the ~~attorney general~~
14 division of criminal investigation.

15 (2) The office shall conduct law enforcement operations related to marijuana, including but not
16 limited to combatting black market activities and investigating and prosecuting criminal violations ~~of marijuana~~
17 regulations related to illicit manufacture, distribution, diversion, and trafficking of marijuana and other related
18 criminal violations.

19 (3) The office must include:

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

22 (b) ~~a district attorney; and~~

23 (c) ~~a canine unit~~

24 (b) one deputy attorney general prosecutor assigned to support the office as needed.

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

27

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

2 **"10-2-108. Veterans and surviving spouses state special revenue account.** (1) There is a
3 veterans and surviving spouses account in the state special revenue fund to be administered by the veterans'
4 affairs division of the department of military affairs. The account consists of revenue deposited pursuant to 16-
5 12-111 and 16-11-119.

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

8

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

10 **"16-12-111. Marijuana state special revenue account -- operating reserve -- transfer of excess**
11 **funds.** (1) There is a dedicated marijuana state special revenue account within the state special revenue fund
12 established in 17-2-102, to be administered by the department.

13 (2) The account consists of:

14 (a) money deposited into the account pursuant to this chapter;
15 (b) the taxes collected pursuant to Title 15, chapter 64, part 1;
16 (c) license and registered cardholder fees deposited into the account pursuant to this chapter;
17 (d) taxes deposited into the account pursuant to 16-12-310; and
18 (e) civil penalties collected under this chapter.

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

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

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

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

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1 (i) ~~20% to the credit of the department of fish, wildlife, and parks to be used solely as funding for~~
2 ~~wildlife habitat in the same manner as funding generated under 87-1-242(3) and used pursuant to 87-1-209;~~
3 (ii) ~~4% to the state park account established in 23-1-105(1);~~
4 (iii) ~~4% to the trails and recreational facilities account established in 23-2-108;~~
5 (iv) ~~4% to the nongame wildlife account established in 87-5-121;~~
6 (v) ~~3% or \$200,000, whichever is less, to the veterans and surviving spouses state special~~
7 ~~revenue account provided for in 10-2-108;~~
8 (vi) ~~for the biennium beginning July 1, 2021, \$300,000 to the department of justice to administer~~
9 ~~grant funding to local and state law enforcement agencies for the purpose of purchasing and training drug~~
10 ~~detection canines and canine handlers, including canines owned by local law enforcement agencies to replace~~
11 ~~canines who were trained to detect marijuana;~~
12 (vii) ~~\$150,000 to the board of crime control to fund crisis intervention team training as provided in~~
13 ~~44-7-110; and~~
14 (viii) ~~the remainder to the general fund \$12 ~~\$6 \$7.3~~ million used for department administrative costs~~
15 as follows IN THE FOLLOWING ORDER:
16 (a) 52% to the general fund;
17 (A) \$200,000 TO THE VETERANS AND SURVIVING SPOUSES STATE SPECIAL REVENUE ACCOUNT PROVIDED
18 FOR IN 10-2-108;
19 (B) \$150,000 TO THE BOARD OF CRIME CONTROL TO FUND CRISIS INTERVENTION TEAM TRAINING AS
20 PROVIDED IN 44-7-110;
21 (b)(c) 24% ~~40% 26%~~ to the healing and ending addiction through recovery and treatment account
22 established in 16-12-122; AND
23 (c) 16% to the marijuana prevention account established in [section 1]; and
24 (d) 8% ~~4%~~ to the marijuana law enforcement operations account established in [section 4 2]; AND
25 (E) THE REMAINDER TO THE GENERAL FUND. (Subsection (4)(b)(vi) terminates June 30, 2025 sec.
26 117(2), Ch. 576, L. 2021.)"
27