SENATE BILL NO. 287

INTRODUCED BY W. MCKAMEY, D. BEDEY, S. FITZPATRICK, B. LER

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING STATE FINANCE LAWS; CREATING THE MONTANA GROWTH AND OPPORTUNITY TRUST; PROVIDING FOR TRANSFERS OF VOLATILE REVENUES TO THE TRUST; PROVIDING FOR ANNUAL DISTRIBUTIONS OF INTEREST INCOME TO STATE SPECIAL REVENUE ACCOUNTS; PROVIDING FOR REINVESTMENT OF A PORTION OF THE TRUST FOR PENSIONS AND HOUSING; PROVIDING FOR CALCULATIONS RELATED TO VOLATILE REVENUE; ESTABLISHING A MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT; ESTABLISHING A BETTER LOCAL BRIDGE ACCOUNT; TRANSFERRING AUTHORITY FOR CERTAIN HOUSING LOANS FROM THE COAL TAX TRUST FUND TO THE MONTANA GROWTH AND OPPORTUNITY TRUST; ESTABLISHING A PENSION FUND; CREATING A MONTANA HOUSING TRUST; LIMITING THE TRANSFER OF VOLATILE REVENUE WHEN GENERAL FUND DEFICIT IS CERTIFIED OR OPERATING RESERVE IS ESTIMATED AT A CERTAIN AMOUNT; ESTABLISHING A MONTANA EARLY CHILDHOOD ACCOUNT, BOARD, AND FUNDING; PROVIDING PROPERTY TAX ASSISTANCE THAT IS DISTRIBUTED TO COUNTIES TO BE DISTRIBUTED AS A CREDIT TO CERTAIN PRIMARY RESIDENCES; REQUIRING THE DEPARTMENT OF REVENUE TO CERTIFY PRIMARY RESIDENCES; PROVIDING A PENALTY FOR FALSE OR FRAUDULENT PRIMARY RESIDENCE APPLICATIONS; PROVIDING AN APPEALS PROCESS FOR CERTIFICATION OF A PRIMARY RESIDENCE; PROVIDING A DEFINITION; ~~REVISING FUNDING ALLOCATIONS; PROVIDING FOR TRANSFERS; PROVIDING FOR INVESTMENT INCOME TO BE TRANSFERRED IN EQUAL AMOUNTS TO THE GENERAL FUND AND THE DEBT AND LIABILITY FREE ACCOUNT; PLACING A CAP ON THE DEBT AND LIABILITY FREE ACCOUNT; REVISING REPORTING REQUIREMENTS ON THE DEBT AND LIABILITY FREE ACCOUNT;~~ PROVIDING FOR TRANSFERS FROM THE DEBT AND LIABILITY FREE ACCOUNT; PROVIDING FOR TRANSFERS FROM THE PENSION ~~STATE SPECIAL REVENUE ACCOUNT~~ FUND TO THE TEACHERS' RETIREMENT SYSTEM OR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM ON CERTIFICATION OF THE RETIREMENT SYSTEM BOARD; PROVIDING FOR AN INCREASE TO THE EMPLOYER SUPPLEMENTAL CONTRIBUTION RATE; PROVIDING FOR ~~A~~ FUND ~~TRANSFER~~ TRANSFERS; PROVIDING FOR

APPROPRIATIONS; AMENDING SECTIONS 15-7-102, 15-10-420, 15-15-101, 15-15-102, 15-15-103, 15-16-101, 15-17-125, 15-38-302, ~~17-6-202,~~ 17-6-214, 17-6-308, 17-6-317, 17-7-130, ~~17-7-134,~~ 17-7-140, 19-3-316, ~~AND~~ 19-20-609, 85-1-631, 90-6-137, AND 90-6-603, MCA; REPEALING SECTION 17-7-134, MCA; AMENDING SECTION 5, CHAPTER 48, LAWS OF 2023; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

SECTION 1. SECTION 15-7-102, MCA, IS AMENDED TO READ:

"**15-7-102. Notice of classification, market value, and taxable value to owners -- appeals.** (1) (a) Except as provided in 15-7-138, the department shall mail or provide electronically to each owner or purchaser under contract for deed a notice that includes the land classification, market value, and taxable value of the land and improvements owned or being purchased. A notice must be mailed or, with property owner consent, provided electronically to the owner only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(i) change in ownership;

(ii) change in classification;

(iii) change in valuation; or

(iv) addition or subtraction of personal property affixed to the land.

(b) The notice must include the following for the taxpayer's informational and informal classification and appraisal review purposes:

(i) a notice of the availability of all the property tax assistance programs available to property taxpayers, including the state property tax assistance provided for in [section 30], the intangible land value assistance program provided for in 15-6-240, the property tax assistance programs provided for in Title 15, chapter 6, part 3, and the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341;

(ii) the total amount of mills levied against the property in the prior year;

(iii) the market value for the prior reappraisal cycle;

(iv) if the market value has increased by more than 10%, an explanation for the increase in valuation;

(v) a statement that the notice is not a tax bill; and

(vi) a taxpayer option to request an informal classification and appraisal review by checking a box on the notice and returning it to the department.

(c) When the department uses an appraisal method that values land and improvements as a unit, including the sales comparison approach for residential condominiums or the income approach for commercial property, the notice must contain a combined appraised value of land and improvements.

(d) Any misinformation provided in the information required by subsection (1)(b) does not affect the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

(2) (a) Except as provided in subsection (2)(c), the department shall assign each classification and appraisal to the correct owner or purchaser under contract for deed and mail or provide electronically the notice in written or electronic form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(c) The department is not required to mail or provide electronically the notice to a new owner or purchaser under contract for deed unless the department has received the realty transfer certificate from the clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection (2)(a) are mailed or provided electronically. The department shall notify the county tax appeal board of the date of the mailing or the date when the taxpayer is informed the information is available electronically.

(3) (a) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request an informal classification and appraisal review by submitting an objection on written or electronic forms provided by the department for that purpose or by checking a box on the notice and returning it to the department in a manner prescribed by the department.

(i) For property other than class three property described in 15-6-133, class four property described in 15-6-134, class ten property described in 15-6-143, and centrally assessed property described in 15-23-101, the objection must be submitted within 30 days from the date on the notice.

(ii) For class three property described in 15-6-133, class four property described in 15-6-134, and class ten property described in 15-6-143, the objection may be made only once each valuation cycle. An objection must be made in writing or by checking a box on the notice within 30 days from the date on the classification and appraisal notice for a reduction in the appraised value to be considered for both years of the 2-year valuation cycle. An objection made more than 30 days from the date of the classification and appraisal notice will be applicable only for the second year of the 2-year valuation cycle. For an objection to apply to the second year of the valuation cycle, the taxpayer shall make the objection in writing or by checking a box on the notice no later than June 1 of the second year of the valuation cycle or, if a classification and appraisal notice is received in the second year of the valuation cycle, within 30 days from the date on the notice.

(iii) For centrally assessed property described in 15-23-101(2)(a), the objection must be submitted within 20 days from the date on the notice. A taxpayer may submit an objection up to 10 days after this deadline on request to the department.

(iv) (A) For centrally assessed property described in 15-23-101(2)(b) and (2)(c), an objection to the valuation or classification may be made only once each valuation cycle. An objection must be made in writing within the time period specified in subsection (3)(a)(iii) for a reduction in the appraised value to be considered for both years of the 2-year valuation cycle. An objection made after the deadline specified in subsection (3)(a)(iii) will be applicable only for the second year of the 2-year valuation cycle. For an objection to apply to the second year of the valuation cycle, the taxpayer shall make the objection in writing no later than June 1 of the second year of the valuation cycle or, if a classification and appraisal notice is received in the second year of the valuation cycle, within the time period specified in subsection (3)(a)(iii).

(B) If a property owner has exhausted the right to object to a valuation, as provided for in subsection (3)(a)(iv)(A), the property owner may ask the department to consider extenuating circumstances to adjust the value of property described in 15-23-101(2)(b) or (2)(c). Occurrences that may result in an adjustment to the value include but are not limited to extraordinary, unusual, or infrequent events that are material in nature and of a character different from the typical or customary business operations, that are not expected to recur frequently, and that are not normally considered in the evaluation of the operating results of a business, including bankruptcies, acquisitions, sales of assets, or mergers.

(b) If the objection relates to residential or commercial property and the objector agrees to the confidentiality requirements, the department shall provide to the objector, by posted mail or electronically, within 8 weeks of submission of the objection, the following information:

(i) the methodology and sources of data used by the department in the valuation of the property; and

(ii) if the department uses a blend of evaluations developed from various sources, the reasons that the methodology was used.

(c) At the request of the objector or a representative of the objector, and only if the objector or representative signs a written or electronic confidentiality agreement, the department shall provide in written or electronic form:

(i) comparable sales data used by the department to value the property;

(ii) sales data used by the department to value residential property in the property taxpayer's market model area; and

(iii) if the cost approach was used by the department to value residential property, the documentation required in 15-8-111(3) regarding why the comparable sales approach was not reliable.

(d) For properties valued using the income approach as one approximation of market value, notice must be provided that the taxpayer will be given a form to acknowledge confidentiality requirements for the receipt of all aggregate model output that the department used in the valuation model for the property.

(e) The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall consider an independent appraisal provided by the taxpayer if the appraisal meets standards set by the Montana board of real estate appraisers and the appraisal was completed within 6 months of the valuation date pursuant to 15-8-201. If the department does not use the appraisal provided by the taxpayer in conducting the appeal, the department shall provide to the taxpayer the reason for not using the appraisal. The department shall give reasonable notice to the taxpayer of the time and place of the review.

(f) After the review, the department shall determine the correct appraisal and classification of the land or improvements and notify the taxpayer of its determination by mail or electronically. The department may not determine an appraised value that is higher than the value that was the subject of the objection unless the reason for an increase was the result of a physical change in the property or caused by an error in the description of the property or data available for the property that is kept by the department and used for calculating the appraised value. In the notification, the department shall state its reasons for revising the classification or appraisal. When the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

(4) Whether a review as provided in subsection (3) is held or not, the department may not adjust an appraisal or classification upon the taxpayer's objection unless:

(a) the taxpayer has submitted an objection on written or electronic forms provided by the department or by checking a box on the notice; and

(b) the department has provided to the objector by mail or electronically its stated reason in writing for making the adjustment.

(5) A taxpayer's written objection or objection made by checking a box on the notice and supplemental information provided by a taxpayer that elects to check a box on the notice to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. The department shall make the records available for inspection during regular office hours.

(6) Except as provided in 15-2-302 and 15-23-102, if a property owner feels aggrieved by the classification or appraisal made by the department after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax appeal board and then to the Montana tax appeal board, whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board, pursuant to 15-15-102, must be filed within 30 days from the date on the notice of the department's determination. A county tax appeal board or the Montana tax appeal board may consider the actual selling price of the property, independent appraisals of the property, negative property features that differentiate the subject property from the department's comparable sales, and other relevant information presented by the taxpayer as

evidence of the market value of the property. If the county tax appeal board or the Montana tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

SECTION 2. SECTION 15-10-420, MCA, IS AMENDED TO READ:

"**15-10-420. Procedure for calculating levy.** (1) (a) Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's newly taxable value, plus one-half of the average rate of inflation for the prior 3 years.

(b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly taxable property.

(3) (a) For purposes of this section, newly taxable property includes:

(i) annexation of real property and improvements into a taxing unit;

(ii) construction, expansion, or remodeling of improvements;

(iii) transfer of property into a taxing unit;

(iv) subdivision of real property; and

(v) transfer of property from tax-exempt to taxable status.

(b) Newly taxable property does not include an increase in value that arises because of an increase in the incremental value within a tax increment financing district.

(4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the release of taxable value from the incremental taxable value of a tax increment financing district because of:

(i) a change in the boundary of a tax increment financing district;

(ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

(iii) the termination of a tax increment financing district.

(b) If a tax increment financing district terminates prior to the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment financing district terminates. If a tax increment financing district terminates after the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

(c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current year market value of that property less the previous year market value of that property.

(d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real property that results in the property being taxable as class four property under 15-6-134 or as nonqualified agricultural land as described in 15-6-133(1)(c).

(5) Subject to subsection (8), subsection (1)(a) does not apply to:

(a) school district levies established in Title 20; or

(b) a mill levy imposed for a newly created regional resource authority.

(6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received under 15-6-131 and 15-6-132.

(7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

(a) may increase the number of mills to account for a decrease in reimbursements; ~~and~~

(b) may not increase the number of mills to account for a loss of tax base because of legislative action that is reimbursed under the provisions of 15-1-121(7); and

(c) may not include revenue distributed to a county to provide state property tax assistance pursuant to [section 30].

(8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes of 15-10-109, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections. The mill calculation must be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the calculation must be rounded up to the nearest tenth of a mill.

(9) (a) The provisions of subsection (1) do not prevent or restrict:

(i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

(ii) a levy to repay taxes paid under protest as provided in 15-1-402;

(iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

(iv) a levy for the support of a study commission under 7-3-184;

(v) a levy for the support of a newly established regional resource authority;

(vi) the portion that is the amount in excess of the base contribution of a governmental entity's property tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703;

(vii) a levy for reimbursing a county for costs incurred in transferring property records to an adjoining county under 7-2-2807 upon relocation of a county boundary;

(viii) a levy used to fund the sheriffs' retirement system under 19-7-404(3)(b); or

(ix) a governmental entity from levying mills for the support of an airport authority in existence prior to May 7, 2019, regardless of the amount of the levy imposed for the support of the airport authority in the past. The levy under this subsection (9)(a)(ix) is limited to the amount in the resolution creating the authority.

(b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes actually assessed in a subsequent year.

(10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating funds by a county or municipality during that time.

(11) The department may adopt rules to implement this section. The rules may include a method for

calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable value in a governmental unit."

Section 3. Section 15-15-101, MCA, is amended to read:

"**15-15-101. County tax appeal board -- meetings and compensation.** (1) The board of county commissioners of each county shall appoint a county tax appeal board, with a minimum of three members and with the members to serve staggered terms of 3 years each. The members of each county tax appeal board must be residents of the county in which they serve. A person may not be a member of a county tax appeal board if the person was an employee of the department less than 36 months before the date of appointment.

(2) (a) The members receive compensation as provided in subsection (2)(b) and travel expenses, as provided for in 2-18-501 through 2-18-503, only when the county tax appeal board meets to hear taxpayers' appeals from property tax assessments or when they are attending meetings called by the Montana tax appeal board. Travel expenses and compensation must be paid from the appropriation to the Montana tax appeal board.

(b) (i) The daily compensation for a member is as follows:

(A) $45 for 4 hours of work or less; and

(B) $90 for more than 4 hours of work.

(ii) For the purpose of calculating work hours in this subsection (2)(b), work includes hearing tax appeals, deliberating with other board members, and attending meetings called by the Montana tax appeal board.

(3) Office space and equipment for the county tax appeal boards must be furnished by the county. All other incidental expenses must be paid from the appropriation of the Montana tax appeal board.

(4) The county tax appeal board shall hold an organizational meeting each year on the date of its first scheduled hearing, immediately before conducting the business for which the hearing was otherwise scheduled. At the organizational meeting, the members shall choose one member as the presiding officer of the board. The county tax appeal board shall continue in session from July 1 of the current tax year until December 31 of the current tax year to hear protests concerning assessments made by the department until the business of hearing protests is disposed of and may meet after December 31 to hear an appeal at the discretion of the

county tax appeal board.

(5) In counties that have appointed more than three members to the county tax appeal board, only three members shall hear each appeal. The presiding officer shall select the three members hearing each appeal.

(6) In connection with an appeal, the county tax appeal board may change any assessment or fix the assessment at some other level or determine eligibility as a primary residence pursuant to [section 31]. Upon notification by the county tax appeal board, the county clerk and recorder shall publish a notice to taxpayers, giving the time the county tax appeal board will be in session to hear scheduled protests concerning assessments and the latest date the county tax appeal board may take applications for the hearings. The notice must be published in a newspaper if any is printed in the county or, if none, then in the manner that the county tax appeal board directs. The notice must be published by May 15 of the current tax year.

(7) Challenges to a department rule governing the assessment of property or to an assessment procedure apply only to the taxpayer bringing the challenge and may not apply to all similarly situated taxpayers unless an action is brought in the district court as provided in 15-1-406."

SECTION 4. SECTION 15-15-102, MCA, IS AMENDED TO READ:

"**15-15-102. Application for reduction in valuation -- certification as primary residence.** (1) The county tax appeal board may not reduce the valuation of property ~~may not be reduced by the county tax appeal board~~ or review eligibility as a primary residence under [section 31] unless either the taxpayer or the taxpayer's agent makes and files a written application ~~for reduction~~ with the county tax appeal board.

(2) The application ~~for reduction~~ may be obtained at the local appraisal office or from the county tax appeal board. The completed application must be submitted to the county clerk and recorder. The date of receipt is the date stamped on the appeal form by the county clerk and recorder upon receipt of the form. The county tax appeal board is responsible for obtaining the applications from the county clerk and recorder.

(3) One application ~~for reduction~~ may be submitted during each valuation cycle. The application must be submitted within the time periods provided for in 15-7-102(3)(a) or [section 33].

(4) A taxpayer who receives an informal review by the department of revenue as provided in 15-7-102(3)(a)(i) and (3)(a)(ii) or [section 33] may appeal the decision of the department of revenue to the county tax

appeal board as provided in<u> [section 33] or</u> 15-7-102(6). The taxpayer may not file a subsequent application ~~for reduction~~ for the same property with the county tax appeal board during the same valuation cycle.

(5) If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal board is effective for the year in which the request for review was filed with the department. The application must state the post-office address of the applicant, specifically describe the property involved, and state the facts upon which it is claimed the reduction should be made<u> or the property should be certified as a primary residence</u>."

<u>**SECTION 5.** SECTION 15-15-103, MCA, IS AMENDED TO READ:</u>

"**15-15-103. Examination of applicant -- failure to hear application.** (1) Before the county tax appeal board grants any application or makes any reduction applied for, it shall examine on oath the person or agent making the application with regard to the value of the property of the person<u> or eligibility as a primary residence pursuant to [section 31]</u>. A reduction may not be made <u>or a property certified as a primary residence</u> unless the applicant makes an application, as provided in 15-15-102, and attends the county board hearing. An appeal of the county board's decision may not be made to the Montana tax appeal board unless the person or the person's agent has exhausted the remedies available through the county board. In order to exhaust the remedies, the person or the person's agent shall attend the county board hearing. On written request by the person or the person's agent and on the written concurrence of the department, the county board may waive the requirement that the person or the person's agent attend the hearing. The testimony of all witnesses at the hearing and the deliberation of the county tax appeal board in rendering a decision must be electronically recorded and preserved for 1 year. If the decision of the county board is appealed, the record of the proceedings, including the electronic recording of all testimony and the deliberation of the county tax appeal board, must be forwarded, together with all exhibits, to the Montana board. The date of the hearing, the proceedings before the county board, and the decision must be entered upon the minutes of the county board, and the county board shall notify the applicant of its decision by mail within 3 days. A copy of the minutes of the county board must be transmitted to the Montana board no later than 3 days after the county board holds its final hearing of the year.

(2) (a) Except as provided in 15-15-201, if a county board refuses or fails to hear a taxpayer's timely application for a reduction in valuation of property or eligibility as a primary residence, the taxpayer's application is considered to be granted on the day following the county board's final meeting for that year. The department shall enter the appraisal, ~~or~~ classification, or eligibility as a primary residence sought in the application in the property tax record. An application is not automatically granted for the following appeals:

(i) those listed in 15-2-302(1); and

(ii) if a taxpayer's appeal from the department's determination of classification or appraisal made pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the county board during its current session.

(b) The county board shall provide written notification of each application that was automatically granted pursuant to subsection (2)(a) to the department, the Montana board, and any affected municipal corporation. The notice must include the name of the taxpayer and a description of the subject property.

(3) The county tax appeal board shall consider an independent appraisal provided by the taxpayer if the appraisal meets standards set by the Montana board of real estate appraisers and the appraisal was conducted within 6 months of the valuation date. If the county tax appeal board does not use the appraisal provided by the taxpayer in conducting the appeal, the county board shall provide to the taxpayer the reason for not using the appraisal."

SECTION 6. SECTION 15-16-101, MCA, IS AMENDED TO READ:

"**15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the receipt of the property tax record, the county treasurer shall publish a notice specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(c) the time and place at which payment of taxes may be made.

(2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice, postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due and delinquent for other years. The written notice must include:

(i) the taxable value of the property;

(ii) the total mill levy applied to that taxable value;

(iii) itemized city services and special improvement district assessments collected by the county;

(iv) the number of the school district in which the property is located;

(v) the amount of the total tax due itemized by mill levy that is levied as city tax, county tax, state tax, school district tax, and other tax and, for a primary residence, the total amount of state property tax assistance received under [section 30];

(vi) an indication of which mill levies are voted levies, including voted levies to impose a new mill levy, to increase a mill levy that is required to be submitted to the electors, or to exceed the mill levy limit provided for in 15-10-420;

(vii) except as provided in subsection (2)(c), an itemization of the taxes due for each mill levy and a comparison to the amount due for each mill levy in the prior year; and

(viii) a notice of the availability of all the property tax assistance programs available to property taxpayers, including the state property tax assistance provided for in [section 30], the intangible land value assistance program provided for in 15-6-240, the property tax assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly under 15-30-2337 through 15-30-2341.

(b) If a tax lien is attached to the property, the notice must also include, in a manner calculated to draw attention, a statement that a tax lien is attached to the property, that failure to respond will result in loss of property, and that the taxpayer may contact the county treasurer for complete information.

(c) The information required in subsection (2)(a)(vii) may be posted on the county treasurer's website instead of being included on the written notice.

(3) The municipality shall, upon request of the county treasurer, provide the information to be included under subsection (2)(a)(iii) ready for mailing.

(4) The notice in every case must be given as provided in 7-1-2121. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax.

(5) If the department revises an assessment that results in an additional tax of $5 or less, an additional tax is not owed and a new tax bill does not need to be prepared."

SECTION 7. SECTION 15-17-125, MCA, IS AMENDED TO READ:

"**15-17-125. Attachment of tax lien and preparation of tax lien certificate.** (1) (a) The county treasurer shall attach a tax lien no later than the first working day in August to properties on which the taxes are delinquent and for which proper notification was given as provided in 15-17-122 and subsection (4) of this section. Upon attachment of a tax lien, the county is the possessor of the tax lien unless the tax lien is assigned pursuant to 15-17-323.

(b) The county treasurer may not attach a tax lien to a property on which taxes are delinquent but for which proper notice was not given.

(2) After attaching a tax lien, the county treasurer shall prepare a tax lien certificate that must contain:

(a) the date on which the property taxes became delinquent;

(b) the date on which a property tax lien was attached to the property;

(c) the name and address of record of the person to whom the taxes were assessed;

(d) a description of the property on which the taxes were assessed;

(e) a separate listing of the amount of the delinquent taxes, penalties, interest, and costs;

(f) a statement that the tax lien certificate represents a lien on the property that may lead to the issuance of a tax deed for the property;

(g) a statement specifying the date on which the county or an assignee will be entitled to a tax deed; and

(h) an identification number corresponding to the tax lien certificate.

(3) The tax lien certificate must be signed by the county treasurer. A copy of the tax lien certificate must be filed by the treasurer in the office of the county clerk. A copy of the tax lien certificate must also be

mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the person may contact the county treasurer for further information on property tax liens.

(4) Prior to attaching a tax lien to the property, the county treasurer shall send notice of the pending attachment of a tax lien to the person to whom the property was assessed. The notice must include the information listed in subsection (2), state that the tax lien may be assigned to a third party, and provide notice of the availability of all the property tax assistance programs available to property taxpayers, including the state property tax assistance provided for in [section 30], the property tax assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly under 15-30-2337 through 15-30-2341. The notice must have been mailed at least 2 weeks prior to the date on which the county treasurer attaches the tax lien.

(5) The county treasurer shall file the tax lien certificate with the county clerk and recorder."

NEW SECTION. **Section 8. State property tax assistance account.** (1) There is a state property tax assistance account in the state special revenue fund established in 17-2-102. The revenue allocated to the account as provided in [section 15] must be deposited in the account and distributed as provided in this section.

(2) (a) At the end of each fiscal year, if the balance in the account exceeds $50 million, the department shall determine the amount of property tax assistance per primary residence by subtracting the amounts listed in subsection (2)(c) and dividing the remainder by the total number of primary residences certified pursuant to [section 31].

(b) By August 31 of each year, the department shall distribute to each county the property tax assistance per primary residence multiplied by the number of primary residences within the county. The county shall deposit the money in the account in which property tax revenue is held and use the distribution to provide property tax assistance pursuant to [section 30].

(c) The department may retain 2% of the revenue allocated to the account for administering the certification of primary residences under [section 31] and shall retain $100,000 for appeals granted under [section 33].

(3) The department shall provide each county with a list of property in the county that the

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DEPARTMENT CERTIFIES PURSUANT TO [SECTION 31] QUALIFIES AS A PRIMARY RESIDENCE TO ENABLE THE COUNTY TREASURER TO ADMINISTER THE PROPERTY TAX ASSISTANCE.

(4) A PAYMENT REQUIRED PURSUANT TO THIS SECTION MAY BE WITHHELD IF, FOR MORE THAN 90 DAYS, A LOCAL GOVERNMENT FAILS TO:

(A) FILE A FINANCIAL REPORT REQUIRED BY 15-1-504;

(B) REMIT ANY AMOUNTS COLLECTED ON BEHALF OF THE STATE AS REQUIRED BY 15-1-504; OR

(C) REMIT ANY OTHER AMOUNTS OWED TO THE STATE OR ANOTHER TAXING JURISDICTION.

SECTION 9. SECTION 15-38-302, MCA, IS AMENDED TO READ:

"**15-38-302. Natural resources projects state special revenue account created -- revenue allocated -- limitations on appropriations from account.** (1) There is a natural resources projects state special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the natural resources projects state special revenue ~~account money allocated from~~:

(a) the interest income of the resource indemnity trust fund under the provisions of 15-38-202;

(b) the resource indemnity and ground water assessment tax under the provisions of 15-38-106;

(c) the oil and natural gas production tax as provided in 15-36-331; ~~and~~

(d) the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable resource loan debt service fund above debt service requirements as provided in and subject to the conditions of 85-1-619; and

(e) 10% of the interest earned from the Montana water development state special revenue account established in [section 19] to be used for water storage pilot projects and dam inspections required under 85-15-213.

(3) Appropriations may be made from the natural resources projects state special revenue account for grants and loans for designated projects and the activities authorized in 85-1-602 and 90-2-1102.

(4) The account retains its own interest."

~~**Section 1.** Section 17-6-202, MCA, is amended to read:~~

~~"**17-6-202. Investment funds -- general provisions.** (1) For each treasury fund account into which state funds are segregated by the department of administration pursuant to 17-2-106, individual transactions and totals of all investments shall must be separately recorded to the extent directed by the department.~~

~~(2) However, the securities purchased and cash on hand for all treasury fund accounts not otherwise specifically designated by law or by the provisions of a gift, donation, grant, legacy, bequest, or devise from which the fund account originates to be invested shall must be pooled in an account to be designated "treasury cash account" and placed in one of the investment funds designated in 17-6-203. Except for the fiscal year beginning July 1, 2022, through the fiscal year ending June 30, 2025, the share of the income for this account shall must be credited to the general fund. For the fiscal year beginning July 1, 2022, through the fiscal year ending June 30, 2025, the share of the income for this account must be credited to the debt and liability free account established in 17-6-214. Starting in the fiscal year beginning July 1, 2025, and for each subsequent fiscal year, 50% of the income for this account must be credited to the general fund, and 50% of the income of the account must be credited to the debt and liability free account established in 17-6-214.~~

~~(3) If, within the list in 17-6-203 of separate investment funds, more than one investment fund is included which that may be held jointly with others under the same separate listing, all investments purchased for that separate investment fund shall must be held jointly for all the accounts participating therein in the separate investment fund, which shall must share all capital gains and losses and income pro rata. "~~

Section 2. ~~Section 17-6-214, MCA, is amended to read:~~

~~"**17-6-214. Debt and liability free account -- rules for deposits and transfers -- purpose.** (1) There is an account in the state special revenue fund established by 17-2-102 known as the debt and liability free account.~~

~~(2) The purpose of the debt and liability free account is to as follows :~~

~~(a) to pay the principal, interest, premiums, and any costs or fees associated with redeeming outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of Montana and that are currently subject to optional redemption;~~

~~(b) to pay the principal, interest, premiums, and any costs or fees associated with defeasing outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of~~

~~Montana that are not currently subject to optional redemption;~~

~~(c) to forego or reduce the amount of an issuance of general obligation bonds paid from the general fund authorized by the legislature but not yet issued by the board of examiners prior to using funds from the account established in 17-7-209 for the same purpose; and~~

~~(d) to pay in whole or in part legally resolved nonpension financial liabilities of the state of Montana~~ ~~;~~

~~(e) to acquire, purchase, or invest in loans, bonds, or othe r i n debtedness or obligations payable to the state or an authority, board, agency, or other body of the state ; and~~

~~(f) to the extent not obligated for the uses outlined in subsections (2) (a) through (2) (e), to make transfers described in subsections (8) and (9).~~

~~(3) For the fiscal year beginning July 1, 2022, through the fiscal year ending June 30, 2025, and for each subsequent fiscal year, 50% of the interest income received pursuant to 17-6-202 (2) is deposited into in the account.~~

~~(4) Funds in the debt and liability free account are statutorily appropriated, as provided in 17-7-502, to the governor's office of budget and program planning and must be used in accordance with the requirements of this section.~~

~~(5) Funds expended from the account in this section may not be included in the calculation of annual transfers in 17-7-208.~~

~~(6) The office of budget and program planning shall prioritize the use of funds for the uses outlined in subsections (1)(a) through (1)(c).~~

~~(7) Within 15 days of the close of each fiscal quarter year, the office of budget and program planning shall submit a written report to the legislative finance committee in accordance with 5-11-210 that identifies the amount and the type of debt payoff or other expenditure from the account established in this section for the previous fiscal quarter.~~

~~(8) Unobligated balances in the account in excess of $150 million at the end of the second fiscal year of a biennium must be transferred to the account provided for in 17-7-134 by August 15 following the fiscal yearend of the second year of the biennium.~~

~~(9) If a transfer is made pursuant to 17-7-134(8) or 17-7-134 (9), the state treasurer shall transfer~~

~~from t he unobligated balance of this account to the pension state special revenue account provided for in 17-7-134 the amount necessary to increase the fund balance of the pension state special revenue account to $300 million.~~ "

SECTION 10. SECTION 17-7-130, MCA, IS AMENDED TO READ:

"**17-7-130. Budget stabilization reserve fund -- rules for deposits and transfers -- purpose.** (1) There is an account in the state special revenue fund established by 17-2-102 known as the budget stabilization reserve fund.

(2) The purpose of the budget stabilization reserve fund is to mitigate budget reductions when there is a revenue shortfall.

(3) Except as provided in subsection (4), by August 15 following the end of each fiscal year, an amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer from the general fund to the budget stabilization reserve fund. General fund appropriations that continue from a fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded from the calculation.

(4) The provisions of subsection (3) do not apply in a fiscal year in which reductions required by 17-7-140 occur or if a transfer pursuant to subsection (3) would require reductions pursuant to 17-7-140.

(5) If the transfer provided for in subsection (3) increases the balance in the budget stabilization reserve fund to exceed 16% of all general revenue appropriations in the second year of the biennium, the amount in excess is transferred to the capital developments long-range building program account established in 17-7-209.

(6) By August 1 of each year, the department of administration shall certify to the legislative fiscal analyst and the budget director the following:

(a) the unaudited, unassigned ending fund balance of the general fund for the most recently completed fiscal year; and

(b) the amount of unaudited general fund revenue and transfers into the general fund received in the prior fiscal year recorded when that fiscal year's statewide accounting, budgeting, and human resource system records are closed. General fund revenue and transfers into the general fund are those recorded in the statewide accounting, budgeting, and human resource system using generally accepted accounting principles in accordance with 17-1-102.

(7) (a) The state treasurer shall calculate the operating reserve level of general fund balance defined in 17-7-102(12). The treasurer shall first apply the excess revenue to reach the operating reserve level general fund balance, if necessary.

(b) Once the general fund balance is at the reserve level, 75% of the remaining excess revenue is transferred as follows:

(i) to the budget stabilization reserve fund, until the amount in the fund is equal to 16% of all general revenue appropriations in the second year of the biennium; then

(ii) to the account established in 17-7-209, until the amount in the fund in excess of the amount needed for appropriations from the capital developments long-range building program account in the capital projects fund type is equal to 12% of all general revenue appropriations in the second year of the biennium.

(c) After the transfers in subsections (7)(b)(i) and (7)(b)(ii) have been made, if the balance of the budget stabilization reserve fund exceeds an amount equal to 16% of the general revenue appropriations in the second year of the biennium and the balance of the account established in 17-7-209 in excess of the amount needed for appropriations from the capital developments long-range building program account in the capital projects fund type exceeds 12% of all general revenue appropriations in the second year of the biennium, then:

(i) 75% of any funds in excess of that amount must be transferred to the ~~account established in 17-7-134~~ <u>Montana growth and opportunity trust established in [section 14]</u>; and

(ii) 25% of the funds in excess of that amount remain in the general fund.

(8) For the purposes of this section, the following definitions apply:

(a) "Adjusted compound annual growth rate revenue" means general fund revenue for the fiscal year prior to the most recently completed fiscal year plus the growth amount.

(b) "Excess revenue" means the amount of general fund revenue, including transfers in, for the most recently completed fiscal year minus adjusted compound annual growth rate revenue.

(c) "Growth amount" means general fund revenue for the fiscal year prior to the most recently completed fiscal year multiplied by the growth rate.

(d) "Growth rate" means the annual compound growth rate of general fund revenue realized over the period 12 years prior to the most recently completed fiscal year, including the most recently completed fiscal year."

Section 3. ~~Section 17-7-134, MCA, is amended to read:~~

~~"**17-7-134. Pension state special revenue account.** (1) There is a pension state special revenue account to the credit of the department of administration.~~

~~(2) The account is funded by a distribution pursuant to 17-7-130, 17-6-214, and by legislative transfer.~~

~~(3) Funds in the account may only be used to transfer into:~~

~~(a) a state-administered pension fund;~~

~~(b) the budget stabilization reserve fund provided for in 17-7-130 ; or~~

~~(c) the fire suppression account provided for in 76-13-150 ; or~~

~~(d) the capital developments long-range building program account provided for in 17-7-209.~~

~~(4) The fund is subject to legislative transfer.~~

~~(5) Interest earned must be retained in the account and must be subject to appropriation by the legislature.~~

~~(6) The balance in excess of $300 million is subject to appropriation by the legislature only for the purposes outlined in 1 9-3-316, 19-20-609, and this section.~~

~~(7) The principal of the fund below $300 million is subject to appropriation only by a vote of two-thirds of the members of each house of the legislature.~~

~~(8) (a) On certification by the teachers' retirement b oard, the state treasurer shall transfer no more than 25 % of the balance of this account to the teachers ' retirement system to ensure that the system meets its long-term rate of return assumption if the inception -to-date market rate of return as of June 30 in the previous two consecutive fiscal years is less than the current actuarially assumed rate of return set by the teachers ' retirement board.~~

~~(b) The amount of a transfer authorized in subsection (8)(a) is limited to the amount necessary to bring the inception-to-date market rate of return as of June 30 in the previous fiscal year up to the actuarially~~

~~assumed rate of return set by the teachers' retirement board.~~

~~(c) When applicable, the teachers' retirement board shall determine and shall certify to the state treasurer the amount of the transfer require d under this section. The state treasurer shall transfer the certified amount to the pension trust fund within 30 days following receipt of certification from the teachers' retirement board.~~

~~(9) (a) On certification by the public employees' retirement board, the state treasurer shall transfer no more than 25% of the balance of th is account to the p ublic e mployees ' r etirement s ystem to ensure that the system meets its long-term rate of return assumption if the inception-to-date market rate of return as of June 30 in the previous two consecutive fiscal years is less than the current actuarially assumed rate of return set by the public employees ' retirement board.~~

~~(b) The amount of a transfer authorized in subsection (9)(a) is limited to the amount necessary to bring the inception-to-date market rate of return as of June 30 in the previous fiscal year up to the actuarially assumed rate of return set by the public employees' retirement board.~~

~~(c) When applicable, the public employees' retirement board shall determine and shall certify to the state treasurer the amount of the transfer require d under this section. The state treasurer shall transfer the certified amount to the pension trust fund within 30 days following receipt of certification from the public employees' retirement board.~~ "

SECTION 11. SECTION 17-6-214, MCA, IS AMENDED TO READ:

"**17-6-214. Debt and liability free account -- rules for deposits and transfers -- purpose.** (1) There is an account in the state special revenue fund established by 17-2-102 known as the debt and liability free account.

(2) The purpose of the debt and liability free account is ~~to~~ as follows:

(a) to pay the principal, interest, premiums, and any costs or fees associated with redeeming outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of Montana and that are currently subject to optional redemption;

(b) to pay the principal, interest, premiums, and any costs or fees associated with defeasing outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of

Montana that are not currently subject to optional redemption;

(c) to forego or reduce the amount of an issuance of general obligation bonds paid from the general fund authorized by the legislature but not yet issued by the board of examiners prior to using funds from the account established in 17-7-209 for the same purpose; ~~and~~

(d) to pay in whole or in part legally resolved nonpension financial liabilities of the state of Montana;

(e) to replace federal funding that has been rescinded by the federal government from remaining funding of the American Rescue Plan Act funds;

(f) to mitigate the need for general fund supplemental appropriations for the general appropriations act; and

(g) to replace federal funds that have been reduced or rescinded by the federal government..

(3) For the fiscal year beginning July 1, 2022, through the fiscal year ending June 30, 2025, interest income received pursuant to 17-6-202(2) is deposited into the account.

(4) Funds in the debt and liability free account are statutorily appropriated, as provided in 17-7-502, to the governor's office of budget and program planning and must be used in accordance with the requirements of this section.

(5) Funds expended from the account in this section may not be included in the calculation of annual transfers in 17-7-208.

(6) The office of budget and program planning shall prioritize the use of funds for the uses outlined in subsections (1)(a) through (1)(c).

(7) Within 15 days of the close of each fiscal quarter, the office of budget and program planning shall submit a written report to the legislative finance committee in accordance with 5-11-210 that identifies the amount and the type of debt payoff or other expenditure from the account established in this section for the previous fiscal quarter.

(8) If the unobligated ending fund balance of this account is less than $12.5 million, then up to 50% of the volatile revenue calculated pursuant to [section 18(4)], but no more than $12.5 million per year, may be transferred by the state treasurer into this account."

Section 12. Section 17-6-308, MCA, is amended to read:

"**17-6-308. Authorized investments.** (1) Except as provided in subsections (2) through (8) of this section and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested as authorized by rules adopted by the board.

(2) The board may make loans from the permanent coal tax trust fund to the capital reserve account created pursuant to 17-5-1515 to establish balances or restore deficiencies in the account. The board may agree in connection with the issuance of bonds or notes secured by the account or fund to make the loans. Loans must be on terms and conditions determined by the board and must be repaid from revenue realized from the exercise of the board's powers under 17-5-1501 through 17-5-1518 and 17-5-1521 through 17-5-1529, subject to the prior pledge of the revenue to the bonds and notes.

(3) The board shall manage the seed capital and research and development loan portfolios created by the former Montana board of science and technology development. The board shall establish an appropriate repayment schedule for all outstanding research and development loans made to the university system. The board is the successor in interest to all agreements, contracts, loans, notes, or other instruments entered into by the Montana board of science and technology development as part of the seed capital and research and development loan portfolios, except agreements, contracts, loans, notes, or other instruments funded with coal tax permanent trust funds. The board shall administer the agreements, contracts, loans, notes, or other instruments funded with coal tax permanent trust funds. As loans made by the former Montana board of science and technology development are repaid, the board shall deposit the proceeds or loans made from the coal severance tax trust fund in the coal severance tax permanent fund until all investments are paid back with 7% interest.

(4) The board shall allow the Montana facility finance authority to administer $15 million of the permanent coal tax trust fund for capital projects. Until the authority makes a loan pursuant to the provisions of Title 90, chapter 7, the funds under its administration must be invested by the board pursuant to the provisions of 17-6-201. As loans for capital projects made pursuant to this subsection are repaid, the principal and interest payments on the loans must be deposited in the coal severance tax permanent fund until all principal and interest have been repaid. The board and the authority shall calculate the amount of the interest charge. Individual loan amounts may not exceed 10% of the amount administered under this subsection.

~~(5) The board shall allow the board of housing to administer $50 million of the permanent coal tax trust fund for the purposes of the Montana veterans' home loan mortgage program provided for in Title 90, chapter 6, part 6.~~

~~(6) The board shall allow the board of housing to administer $65 million of the permanent coal tax trust fund for the purpose of providing loans for the development and preservation of homes and apartments to assist low-income and moderate-income persons with meeting their basic housing needs pursuant to 90-6-137.~~

~~(7)~~(5) (a) Subject to subsections ~~(7)(b)~~ (5)(b) and ~~(7)(c)~~ (5)(c), the board may make working capital loans from the permanent coal tax trust fund to an owner of a coal-fired generating unit.

(b) Loans may be provided in accordance with subsection ~~(7)(a)~~ (5)(a) to an owner to finance:

(i) the everyday operations and required maintenance of a coal-fired generating unit of which an owner has a shared interest;

(ii) the purchase of an additional interest in a coal-fired generating unit of which an owner has a shared interest;

(iii) the purchase of coal to use at a coal-fired generating unit or improvements necessary to utilize coal from a different source at a coal-fired generating unit. When considering loan requests made under this subsection ~~(7)(b)(iii)~~ (5)(b)(iii), the board shall give preference to requests that allow for utilization of coal resources located in Montana or allow for improvements to utilize coal resources located in Montana that are determined to be economically feasible.

(iv) the purchase of electric transmission lines and associated facilities of a design capacity of 500 kilovolts or more primarily used to transmit electricity generated by a coal-fired resource;

(v) costs related to decommissioning and remediation of a coal-fired generating unit or affected property to meet applicable legal obligations as defined in 75-8-103; or

(vi) any combination of subsections ~~(7)(b)(i) through (7)(b)(v)~~ (5)(b)(i) through (5)(b)(v).

(c) The board may charge a working capital loan application fee of up to $500.

~~(8)~~(6) The board may make loans from the permanent coal tax trust fund to a city, town, county, or consolidated city-county government impacted by the closure of a coal-fired generating unit to secure and maintain existing infrastructure.

~~(9)~~(7) The board shall adopt rules to allow a nonprofit corporation to apply for economic assistance.

The rules must recognize that different criteria may be needed for nonprofit corporations than for for-profit corporations.

~~(10)~~(8) All repayments of proceeds pursuant to subsection (3) of investments made from the coal severance tax trust fund must be deposited in the coal severance tax permanent fund.

(9) By August 1, 2025, loans administered by funds in the permanent coal tax trust fund pursuant to 90-6-137 and 90-6-603 must be instead administered by the funds in the Montana housing trust provided for in [section 24], except that if not all principal of these loans has been paid, all proceeds from payment of principal of loans from the permanent coal tax trust fund must be deposited in the permanent coal tax trust fund until the principal of the loan is repaid."

SECTION 13. SECTION 17-6-317, MCA, IS AMENDED TO READ:

"**17-6-317. Participation by private financial institutions -- rulemaking.** (1) (a) The board may jointly participate with private financial institutions in making loans to a business enterprise if the loan will:

(i) result in the creation of a business estimated to employ at least 10 people in Montana on a permanent, full-time basis;

(ii) result in the expansion of a business estimated to employ at least an additional 10 people in Montana on a permanent, full-time basis; or

(iii) prevent the elimination of the jobs of at least 10 Montana residents who are permanent, full-time employees of the business.

(b) Loans under this section may be made only to:

(i) business enterprises that are producing or will produce value-added products or commodities; or

(ii) owners of coal-fired generating units for the purposes established in ~~17-6-308(7)~~ 17-6-308(5).

(c) A loan made pursuant to this section does not qualify for a job credit interest rate reduction under 17-6-318.

(2) A loan made pursuant to this section may not exceed 1% of the coal severance tax permanent fund and must comply with each of the following requirements:

(a) (i) The business enterprise seeking a loan must have a cash equity position equal to at least

25% of the total loan amount.

(ii) A participating private financial institution may not require the business to have an equity position greater than 50% of the total loan amount.

(iii) If additional security or guarantees, exclusive of federal guarantees, are required to cover a participating private financial institution, then the additional security or guarantees must be proportional to the amount loaned by all participants, including the board of investments.

(b) The board shall provide 75% of the total loan amount.

(c) The term of the loan may not exceed 15 years.

(d) The board shall charge interest at the following annual rate:

(i) 2% for the first 5 years if 15 or more jobs are created or retained;

(ii) 4% for the first 5 years if 10 to 14 jobs are created or retained;

(iii) 6% for the second 5 years; and

(iv) the board's posted interest rate for the third 5 years, but not to exceed 10% a year.

(e) (i) The interest rates in subsections (2)(d)(i) and (2)(d)(ii) become effective when the board receives certification that the required number of jobs has been created or as provided in subsection (2)(e)(ii). If the board disburses loan proceeds prior to creation of the required jobs, the loan must bear interest at the board's posted rate.

(ii) In establishing interest rates under subsections (2)(d)(i) and (2)(d)(ii) for preventing the elimination of jobs, the board shall require the submission of financial data that allows the board to determine if the loan and interest rate will in fact prevent the elimination of jobs.

(f) If a business entitled to the interest rate in subsection (2)(d)(i) or (2)(d)(ii) reduces the number of required jobs, the board may apply a graduated scale to increase the interest rate, not to exceed the board's posted rate.

(g) For purposes of calculating job creation or retention requirements, the board shall use the state's average weekly wage, as defined in 39-71-116, multiplied by the number of jobs required. This calculated number is the minimum aggregate salary threshold that is required to be eligible for a reduced interest rate. If individual jobs created pay less than the state's average weekly wage, the borrower shall create more jobs to meet the minimum aggregate salary threshold. If fewer jobs are created or retained than required in subsection (2)(d)(i) or (2)(d)(ii) but aggregate salaries meet the minimum aggregate salary threshold, the borrower is eligible for the reduced interest rate. A job paying less than the minimum wage, provided for in 39-3-409, may not be included in the required number of jobs.

(h) (i) A participating private financial institution may charge interest in an amount equal to the national prime interest rate, adjusted on January 1 of each year, but the interest rate may not be less than 6% or greater than 12%.

(ii) At the borrower's discretion, the borrower may request the lead lender to change this prime rate to an adjustable or fixed rate on terms acceptable to the borrower and lender.

(iii) A participating private financial institution, or lead private financial institution if more than one is participating, may charge a 0.5% annual service fee.

(i) The business enterprise may not be charged a loan prepayment penalty.

(j) The loan agreement must contain provisions providing for pro rata lien priority and pro rata liquidation provisions based on the loan percentage of the board and each participating private lender.

(3) If a portion of a loan made pursuant to this section is for construction, disbursement of that portion of the loan must be made based on the percentage of completion to ensure that the construction portion of the loan is advanced prior to completion of the project.

(4) A private financial institution shall participate in a loan made pursuant to this section to the extent of 85% of its lending limit or 25% of the loan, whichever is less. However, the board's participation in the loan must be 75% of the loan amount.

(5) (a) Except as provided in subsections (5)(b) and (5)(c), a business enterprise receiving a loan under the provisions of this section may not pay bonuses or dividends to investors until the loan has been paid off, except that incentives may be paid to employees for achieving performance standards or goals.

(b) A business enterprise for the production of ethanol to be used as provided in Title 15, chapter 70, part 5, may pay dividends to investors and bonuses to employees if the business enterprise is current on its loan payments and has available funds equal to at least 15% of the outstanding principal balance of the loan.

(c) A public utility may pay dividends to investors and bonuses to employees if the public utility is current on its loan payments and has available funds equal to at least 15% of the outstanding principal balance of the loan.

(6) The board may adopt rules that it considers necessary to implement this section."

NEW SECTION. **Section 14. Montana growth and opportunity trust.** (1) There is a Montana growth and opportunity trust in the permanent fund type funded by annual transfers of volatile revenues as provided for in [section 18]. The trust is administered by the department of revenue.

(2) Transfers into the trust are deposited as follows:

(a) one-half into the distribution portion of the trust; and

(b) one-half into the reinvestment portion of the trust.

(3) (a) Money deposited in the account established in this section must be invested by the board of investments as provided by law.

(b) If allowed by law, the board of investment may invest funds in the trust in higher-yielding investments.

(4) A bill appropriating funds from the corpus of the trust must be treated in the same manner as a bill creating state debt and requires a vote of two-thirds of the members of each house of the legislature for passage.

NEW SECTION. **Section 15. Distributions from Montana growth and opportunity trust.** (1) Except as provided in subsection (3), interest earnings from the transfers into the distribution portion of the Montana growth and opportunity trust established in [section 14] are allocated as follows:

(a) 40% to the state property tax assistance account established in [section 8], up to $20 million a year;

(b) 20% to the Montana water development state special revenue account established in [section 19], up to $10 million a year;

(c) 20% to the better local bridge state special revenue account established in [section 20], up to $10 million a year; and

(d) 20% to the Montana early childhood state special revenue account established in [section 22], up to $10 million a year.

(2) Any remaining interest earnings after the distribution in subsection (1) must remain in

THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED IN [SECTION 14].

(3) (A) BY AUGUST 15 OF EACH YEAR, THE STATE TREASURER SHALL DETERMINE WHETHER THE PREVIOUS FISCAL YEAR ENDING FUND BALANCE OF AN ACCOUNT REFERENCED IN SUBSECTION (1) IS GREATER THAN THE APPROPRIATION TO THE SAME ACCOUNT FOR THE CURRENT YEAR. IF THE ACCOUNT'S ENDING FUND BALANCE EXCEEDS THE APPROPRIATION, THE DIFFERENCE REMAINS IN THE DISTRIBUTION PORTION OF THE TRUST AND IS NOT TRANSFERRED INTO THAT ACCOUNT.

(B) THIS SUBSECTION (3) DOES NOT APPLY TO TRANSFERS INTO THE STATE PROPERTY TAX ASSISTANCE ACCOUNT.

NEW SECTION. **SECTION 16. REINVESTMENT OF GROWTH AND OPPORTUNITY TRUST.** (1) TRANSFERS INTO THE REINVESTMENT PORTION OF THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED IN [SECTION 14] ARE ALLOCATED AS FOLLOWS:

(A) 80% TO THE PENSION FUND PROVIDED FOR IN [SECTION 21] UNTIL THE BALANCE IN THE FUND EQUALS $1 BILLION; AND

(B) 20% TO A MONTANA HOUSING TRUST ESTABLISHED IN [SECTION 24] UNTIL THE BALANCE IN THE TRUST EQUALS $500 MILLION.

(2) ANY REMAINING TRANSFER AMOUNT MUST REMAIN IN THE REINVESTMENT PORTION OF THE TRUST AND IS NOT ALLOCATED TO ANY PURPOSE.

NEW SECTION. **SECTION 17. INTEREST EARNINGS.** INTEREST EARNINGS FROM THE DISTRIBUTION PORTION AND THE PENSION FUND WITHIN THE GROWTH AND OPPORTUNITY TRUST ARE COMBINED FOR PURPOSES OF CALCULATING THE TOTAL AMOUNT OF INTEREST EARNINGS AND ARE DISTRIBUTED AS FOLLOWS:

(1) 50% PURSUANT TO THE ACCOUNTS THAT COMPRISE THE DISTRIBUTION PORTION OF THE TRUST IN THE PERCENTAGES SET FORTH IN [SECTION 15]; AND

(2) 50% TO THE PENSION FUND ESTABLISHED IN [SECTION 21].

NEW SECTION. **SECTION 18. VOLATILE REVENUE -- TRANSFER TO MONTANA GROWTH AND OPPORTUNITY TRUST.** (1) EXCEPT AS PROVIDED IN SUBSECTIONS (6), IN THE FISCAL YEAR BEGINNING JULY 1, 2027, AND IN EACH

SUBSEQUENT FISCAL YEAR UNTIL JUNE 30, 2035, BY NOVEMBER 1, THE STATE TREASURER SHALL CALCULATE THE AMOUNT OF VOLATILE REVENUE FROM THE GENERAL FUND FOR THAT FISCAL YEAR. THE STATE TREASURER SHALL TRANSFER 16.5% OF THE AMOUNT OF VOLATILE REVENUE BY NOVEMBER 1 AND 16.5% OF THE VOLATILE REVENUE BY MAY 1 TO THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED IN [SECTION 14].

(2) EXCEPT AS PROVIDED IN SUBSECTION (6), STARTING IN THE FISCAL YEAR BEGINNING JULY 1, 2035, THE STATE TREASURER SHALL TRANSFER 8.5% OF THE AMOUNT OF VOLATILE REVENUE BY NOVEMBER 1 AND 8.5% OF THE AMOUNT OF VOLATILE REVENUE BY MAY 1 TO THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED IN [SECTION 14].

(3) THE AMOUNT OF VOLATILE REVENUE IS AN AMOUNT EQUAL TO:

(A) THE SUM OF CAPITAL GAINS VOLATILE REVENUE AND PARTNERSHIP VOLATILE REVENUE; AND

(B) A PORTION OF INTEREST EARNINGS FROM THE TREASURY CASH ACCOUNT IN 17-6-202 AS DEFINED PURSUANT TO SUBSECTION (4).

(4) THE AMOUNT OF INTEREST EARNINGS FROM THE TREASURY CASH ACCOUNT IN 17-6-202 TO BE DEFINED AS VOLATILE REVENUE PURSUANT TO SUBSECTION (3) IS THE DIFFERENCE BETWEEN:

(A) THE ESTIMATE OF INTEREST EARNINGS ON THE TREASURY CASH ACCOUNT IN 17-6-202 AS PROVIDED IN THE MOST RECENT OFFICIAL REVENUE ESTIMATE PROVIDED FOR IN 5-5-227; AND

(B) THE LOWEST ACTUAL AMOUNT OF INTEREST EARNINGS ON THE TREASURY CASH ACCOUNT IN 17-6-202 WITHIN THE MOST RECENT 7 YEARS OF AVAILABLE DATA AS CERTIFIED TO THE LEGISLATIVE FISCAL ANALYST AND THE BUDGET DIRECTOR BY THE DEPARTMENT OF ADMINISTRATION AND ADJUSTED FOR INFLATION PURSUANT TO SUBSECTION (7).

(5) FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING CALCULATIONS APPLY:

(A) "CAPITAL GAINS INCREMENT" IS THE DIFFERENCE BETWEEN:

(I) THE CURRENT CALENDAR YEAR'S CAPITAL GAINS ESTIMATE AS DESCRIBED IN THE MOST RECENT OFFICIAL REVENUE ESTIMATE PROVIDED FOR IN 5-5-227; AND

(II) THE LOWEST REPORTED CAPITAL GAINS INCOME FROM ANY YEAR WITHIN THE MOST RECENT 7 YEARS OF AVAILABLE DATA, AS PUBLISHED IN THE DEPARTMENT OF REVENUE'S BIENNIAL REPORT PROVIDED FOR IN 15-1-205 AND ADJUSTED FOR INFLATION PURSUANT TO SUBSECTION (7).

(B) "CAPITAL GAINS VOLATILE REVENUE" IS CALCULATED BY MULTIPLYING THE CAPITAL GAINS INCREMENT

BY THE RATE ESTABLISHED IN 15-30-2103(2)(A)(II).

(C) "PARTNERSHIP INCREMENT" IS THE DIFFERENCE BETWEEN:

(I) THE CURRENT CALENDAR YEAR'S RENTS, ROYALTY, AND PARTNERSHIP ESTIMATE AS DESCRIBED IN THE MOST RECENT OFFICIAL REVENUE ESTIMATE PROVIDED FOR IN 5-5-227; AND

(II) THE LOWEST REPORTED RENTS, ROYALTY, AND PARTNERSHIP INCOME FROM ANY YEAR WITHIN THE MOST RECENT 7 YEARS OF AVAILABLE DATA, AS PUBLISHED IN THE DEPARTMENT OF REVENUE'S BIENNIAL REPORT PROVIDED FOR IN 15-1-205 AND ADJUSTED FOR INFLATION PURSUANT TO SUBSECTION (7).

(D) "PARTNERSHIP VOLATILE REVENUE" IS CALCULATED BY MULTIPLYING THE PARTNERSHIP INCREMENT BY THE RATE ESTABLISHED IN 15-30-2103(1)(A)(II).

(6) (A) BY AUGUST 1 OF EACH YEAR, THE DEPARTMENT OF ADMINISTRATION SHALL CERTIFY TO THE LEGISLATIVE FISCAL ANALYST AND THE BUDGET DIRECTOR THE UNAUDITED, UNASSIGNED ENDING FUND BALANCES FOR THE MOST RECENTLY COMPLETED FISCAL YEAR OF:

(I) THE GENERAL FUND; AND

(II) THE BUDGET STABILIZATION RESERVE FUND PROVIDED FOR IN 17-7-130.

(B) IF THE SUM OF THE ENDING FUND BALANCES FOR THE GENERAL FUND AND BUDGET STABILIZATION RESERVE FUND EQUAL AN AMOUNT LESS THAN 20% OF ALL GENERAL REVENUE APPROPRIATIONS IN THE SECOND YEAR OF THE BIENNIUM, THEN THE AMOUNT OF THE TRANSFERS IN SUBSECTION (1) IS REDUCED BY 50% FOR THE FISCAL YEAR.

(7) FOR THE PURPOSE OF ADJUSTING FOR INFLATION, INFLATION IS BASED ON THE CONSUMER PRICE INDEX, AS DEFINED IN 20-9-326, AND AS PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR FOR THE MOST RECENTLY COMPLETED CALENDAR YEAR.

NEW SECTION. **SECTION 19. MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT.** (1) (A) THERE IS A MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE FUND AS PROVIDED FOR IN 17-2-102 TO THE CREDIT OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION.

(B) THE FUND RETAINS ITS OWN INTEREST.

(C) THE ACCOUNT IS COMPOSED OF REVENUE GIFTED TO THE STATE OR TRANSFERRED TO THE ACCOUNT BY THE LEGISLATURE AND INTEREST GENERATED BY THE ACCOUNT.

(2) NINETY PERCENT OF THE EARNINGS FROM THE INVESTMENT MUST BE DISTRIBUTED TO THE WATER STORAGE STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN 85-1-631.

(3) TEN PERCENT OF THE EARNINGS FROM THE INVESTMENT MUST BE DISTRIBUTED TO THE NATURAL RESOURCES PROJECTS STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN 15-38-302 TO BE USED FOR WATER STORAGE PILOT PROJECTS AND DAM INSPECTIONS REQUIRED UNDER 85-15-213.

NEW SECTION. **SECTION 20. BETTER LOCAL BRIDGE STATE SPECIAL REVENUE ACCOUNT -- RULEMAKING.** (1) THERE IS AN ACCOUNT IN THE STATE SPECIAL REVENUE FUND PROVIDED FOR IN 17-2-102 TO BE KNOWN AS THE BETTER LOCAL BRIDGE FUND ACCOUNT TO THE CREDIT OF THE DEPARTMENT OF TRANSPORTATION.

(2) THERE MUST BE DEPOSITED IN THE ACCOUNT MONEY RECEIVED PURSUANT TO [SECTION 15].

(3) THE ACCOUNT MAY BE USED FOR:

(A) GRANTS TO LOCAL GOVERNMENT FOR THE COSTS ASSOCIATED WITH ENGINEERING AND CONSTRUCTION OF LOCAL, OFF-SYSTEM BRIDGES; AND

(B) ADMINISTRATIVE COSTS FOR THE DEPARTMENT OF TRANSPORTATION, NOT TO EXCEED 5% OF REVENUE RECEIVED.

(4) GRANTS TO LOCAL GOVERNMENTS MUST INCLUDE NO LESS THAN 20% LOCAL MATCHING FUNDS.

(5) THE DEPARTMENT SHALL ENACT RULES FOR DISTRIBUTION OF ANNUAL GRANTS TO LOCAL GOVERNMENTS.

(6) THE ACCOUNT RETAINS ITS OWN INTEREST.

NEW SECTION. **SECTION 21. PENSION FUND.** THERE IS A PENSION PORTION OF THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED [SECTION 14].

(2) THE ACCOUNT IS FUNDED BY A DISTRIBUTION PURSUANT TO 17-6-214, 17-7-130, AND TRANSFERS MADE PURSUANT TO [SECTION 15].

(3) FUNDS IN THE ACCOUNT MAY ONLY BE USED TO TRANSFER INTO A STATE-ADMINISTERED PENSION FUND.

(4) IN ANY 2-YEAR PERIOD, NO MORE THAN $300 MILLION MAY BE TRANSFERRED FROM THE PENSION SECTION OF THE MONTANA GROWTH AND OPPORTUNITY TRUST FOR THE PURPOSES OUTLINED IN SUBSECTIONS (5) AND

(6).

(5) (A) ON CERTIFICATION BY THE TEACHERS' RETIREMENT BOARD, THE STATE TREASURER SHALL TRANSFER NO MORE THAN 25% OF THE BALANCE OF THIS FUND TO THE TEACHERS' RETIREMENT SYSTEM TO ENSURE THAT THE SYSTEM MEETS ITS LONG-TERM RATE OF RETURN ASSUMPTION IF THE INCEPTION-TO-DATE MARKET RATE OF RETURN AS OF JUNE 30 IN THE PREVIOUS 2 CONSECUTIVE FISCAL YEARS IS LESS THAN THE CURRENT ACTUARIALLY ASSUMED RATE OF RETURN SET BY THE TEACHERS' RETIREMENT BOARD.

(B) THE AMOUNT OF A TRANSFER AUTHORIZED IN SUBSECTION (5)(A) IS LIMITED TO THE AMOUNT NECESSARY TO BRING THE INCEPTION-TO-DATE MARKET RATE OF RETURN AS OF JUNE 30 IN THE PREVIOUS FISCAL YEAR UP TO THE ACTUARIALLY ASSUMED RATE OF RETURN SET BY THE TEACHERS' RETIREMENT BOARD.

(C) WHEN APPLICABLE, THE TEACHERS' RETIREMENT BOARD SHALL DETERMINE AND SHALL CERTIFY TO THE STATE TREASURER THE AMOUNT OF THE TRANSFER REQUIRED UNDER THIS SECTION. THE STATE TREASURER SHALL TRANSFER THE CERTIFIED AMOUNT TO THE PENSION TRUST FUND WITHIN 30 DAYS FOLLOWING RECEIPT OF CERTIFICATION FROM THE TEACHERS' RETIREMENT BOARD.

(6) (A) ON CERTIFICATION BY THE PUBLIC EMPLOYEES' RETIREMENT BOARD, THE STATE TREASURER SHALL TRANSFER NO MORE THAN 25% OF THE BALANCE OF THIS FUND TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO ENSURE THAT THE SYSTEM MEETS ITS LONG-TERM RATE OF RETURN ASSUMPTION IF THE INCEPTION-TO-DATE MARKET RATE OF RETURN AS OF JUNE 30 IN THE PREVIOUS 2 CONSECUTIVE FISCAL YEARS IS LESS THAN THE CURRENT ACTUARIALLY ASSUMED RATE OF RETURN SET BY THE PUBLIC EMPLOYEES' RETIREMENT BOARD.

(B) THE AMOUNT OF A TRANSFER AUTHORIZED IN SUBSECTION (6)(A) IS LIMITED TO THE AMOUNT NECESSARY TO BRING THE INCEPTION-TO-DATE MARKET RATE OF RETURN AS OF JUNE 30 IN THE PREVIOUS FISCAL YEAR UP TO THE ACTUARIALLY ASSUMED RATE OF RETURN SET BY THE PUBLIC EMPLOYEES' RETIREMENT BOARD.

(C) WHEN APPLICABLE, THE PUBLIC EMPLOYEES' RETIREMENT BOARD SHALL DETERMINE AND SHALL CERTIFY TO THE STATE TREASURER THE AMOUNT OF THE TRANSFER REQUIRED UNDER THIS SECTION. THE STATE TREASURER SHALL TRANSFER THE CERTIFIED AMOUNT TO THE PENSION TRUST FUND WITHIN 30 DAYS FOLLOWING RECEIPT OF CERTIFICATION FROM THE PUBLIC EMPLOYEES' RETIREMENT BOARD.

NEW SECTION. **SECTION 22. MONTANA EARLY CHILDHOOD ACCOUNT -- NONSUPPLANTATION OF FUNDS.** (1) THERE IS A MONTANA EARLY CHILDHOOD ACCOUNT IN THE STATE SPECIAL REVENUE FUND IN THE STATE TREASURY

TO THE CREDIT OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES. THE MONEY IN THE ACCOUNT IS ALLOCATED TO THE MONTANA EARLY CHILDHOOD ACCOUNT BOARD ESTABLISHED IN [SECTION 23] FOR FUNDING SERVICES AND ACTIVITIES UNDER AND PAYMENT OF ADMINISTRATIVE COSTS OF THE PROGRAMS DESCRIBED IN [SECTION 27].

(2) FUNDS DEPOSITED IN THE MONTANA EARLY CHILDHOOD ACCOUNT MAY ONLY BE USED FOR THE PROGRAMS AND GRANTS AUTHORIZED IN [SECTION 25] AND MAY NOT BE USED TO PAY THE EXPENSES OF ANY OTHER PROGRAM OR SERVICE ADMINISTERED IN WHOLE OR IN PART BY THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES OR ANY OTHER STATE GOVERNMENT ENTITY.

(3) PRIVATE CONTRIBUTIONS TO THE MONTANA EARLY CHILDHOOD ACCOUNT ARE EXCLUDED FOR PURPOSES OF CALCULATING THE ACCOUNT'S ENDING FUND BALANCE OR LIMITING TRANSFERS INTO THE ACCOUNT PURSUANT TO [SECTION 2].

(4) THE ACCOUNT RETAINS ITS OWN INTEREST.

NEW SECTION. **SECTION 23. MONTANA EARLY CHILDHOOD ACCOUNT BOARD.** (1) THERE IS A MONTANA EARLY CHILDHOOD ACCOUNT BOARD CONSISTING OF 10 MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

(A) TWO MEMBERS WHO ARE EMPLOYEES OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, INCLUDING ONE EMPLOYEE OF THE EARLY CHILDHOOD AND FAMILY SUPPORT DIVISION AND ONE EMPLOYEE OF THE DIVISION OF THE DEPARTMENT THAT OVERSEES AMERICAN INDIAN HEALTH;

(B) ONE MEMBER WHO IS AN EMPLOYEE OF THE DEPARTMENT OF LABOR AND INDUSTRY;

(C) ONE MEMBER WHO IS AN EMPLOYEE OF THE OFFICE OF PUBLIC INSTRUCTION;

(D) ONE MEMBER WHO IS AN EMPLOYEE OF THE DEPARTMENT OF COMMERCE;

(E) TWO MEMBERS REPRESENTING STATE AND LOCAL COMMUNITY EARLY CHILDHOOD ORGANIZATIONS;

(F) TWO MONTANA CHILD-CARE PROVIDERS; AND

(G) A PARENT WITH A CHILD OR CHILDREN UNDER THE AGE OF 6 IN CHILD CARE.

(2) A MEMBER'S TERM IS 3 YEARS. INITIAL APPOINTMENTS MAY SPECIFY A SHORTER LENGTH OF THE INITIAL TERM TO STAGGER THE TERMS. VACANCIES MUST BE FILLED FOR THE BALANCE OF AN UNEXPIRED TERM. A MEMBER OF THE BOARD MAY BE REAPPOINTED.

(3) THE BOARD IS ALLOCATED TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES FOR

ADMINISTRATIVE PURPOSES ONLY, AS PROVIDED IN 2-15-121. THE DEPARTMENT MAY EMPLOY STAFF AND ADOPT RULES TO CARRY OUT THE DUTIES AS DESCRIBED IN [SECTIONS 23 AND 25 THROUGH 27].

(4) UNLESS OTHERWISE PROVIDED BY LAW, EACH MEMBER IS ENTITLED TO BE REIMBURSED FOR TRAVEL EXPENSES INCURRED, AS PROVIDED IN 2-18-501 THROUGH 2-18-503, WHILE PERFORMING BOARD DUTIES.

NEW SECTION. **SECTION 24. MONTANA HOUSING TRUST.** (1) THERE IS A MONTANA HOUSING TRUST IN THE MONTANA GROWTH AND OPPORTUNITY TRUST.

(2) THE MONTANA HOUSING TRUST IS COMPRISED OF THREE PROGRAMS:

(A) THE HOUSING MONTANA FUND ADMINISTERED BY THE BOARD OF HOUSING;

(B) THE MONTANA VETERANS' HOME LOAN MORTGAGE PROGRAM ADMINISTERED BY THE BOARD OF HOUSING; AND

(C) THE PROGRAM PROVIDING LOANS FOR THE DEVELOPMENT AND PRESERVATION OF HOMES AND APARTMENTS TO ASSIST ELIGIBLE LOW-INCOME AND MODERATE-INCOME APPLICANTS ADMINISTERED BY THE BOARD OF HOUSING.

(3) THE BOARD OF HOUSING SHALL ADMINISTER $50 MILLION OR MORE OF THE MONTANA HOUSING TRUST FOR THE PURPOSES OF THE MONTANA VETERANS' HOME LOAN MORTGAGE PROGRAM PROVIDED FOR IN TITLE 90, CHAPTER 6, PART 6.

(4) THE BOARD OF HOUSING SHALL ADMINISTER $65 MILLION OR MORE OF THE MONTANA HOUSING TRUST FOR THE PURPOSE OF PROVIDING LOANS FOR THE DEVELOPMENT AND PRESERVATION OF HOMES AND APARTMENTS TO ASSIST LOW-INCOME AND MODERATE-INCOME PERSONS WITH MEETING THEIR BASIC HOUSING NEEDS PURSUANT TO 90-6-137.

NEW SECTION. **SECTION 25. ELIGIBLE USES OF MONTANA EARLY CHILDHOOD ACCOUNT.** (1) THE MONTANA EARLY CHILDHOOD ACCOUNT BOARD ESTABLISHED IN [SECTION 23] SHALL USE THE MONEY IN THE MONTANA EARLY CHILDHOOD ACCOUNT PROVIDED FOR IN [SECTION 22] TO FUND SERVICES AND ACTIVITIES UNDER THE ELIGIBILITY CRITERIA BELOW APPROVED BY THE MONTANA EARLY CHILDHOOD ACCOUNT BOARD ESTABLISHED IN [SECTION 23].

(2) ELIGIBLE PURPOSES FOR WHICH THE BOARD MAY AUTHORIZE GRANTS INCLUDE:

(A) EARLY CARE AND EDUCATION PROVIDER SUPPORT AND WORKFORCE DEVELOPMENT, INCLUDING:

(I) TECHNICAL ASSISTANCE GRANTS THAT OFFER FUNDING TO START OR EXPAND CHILD-CARE BUSINESSES, COMMUNITY-LEVEL PARTNERSHIPS, AND PROGRAM ACCESS STRATEGIES;

(II) GRANTS TO SUPPORT EARLY CHILDHOOD POSTSECONDARY EDUCATION, CERTIFICATIONS, APPRENTICESHIPS, TRAINING, AND CONTINUING EDUCATION TO GROW THE WORKFORCE OF EARLY CHILDHOOD PROFESSIONALS; AND

(III) RECRUITMENT AND RETENTION GRANTS TO PROVIDE WORKFORCE BENEFITS, STIPENDS, OR SUPPLEMENTS TO RETAIN QUALIFIED WORKERS;

(B) QUALITY IMPROVEMENT INITIATIVES, INCLUDING ACCREDITATION SUPPORT, CURRICULUM DEVELOPMENT, SAFETY UPGRADES, AND SUPPORTS FOR INFANTS, TODDLERS, AND CHILDREN WITH SPECIAL NEEDS;

(C) AFFORDABILITY INITIATIVES, INCLUDING EXPANSION OF LICENSED BEFORE-SCHOOL AND AFTER-SCHOOL CARE, THE STATE CHILD-CARE SUBSIDY PROGRAM, AND TEMPORARY CHILD-CARE ASSISTANCE PROGRAMS FOR FAMILIES FACING SUDDEN FINANCIAL HARDSHIP;

(D) INNOVATION INITIATIVES, INCLUDING COMMUNITY CHILD-CARE EXPANSION PROGRAMS AND EARLY LEARNING AND EARLY CHILDHOOD INTERVENTION ACCESS PROGRAMS; AND

(E) EMERGENCY ASSISTANCE AND DISASTER RELIEF PROGRAMS FOR IMPACTED CHILD-CARE FACILITIES.

(3) IN ADMINISTERING FUNDING FROM THE EARLY CHILDHOOD ACCOUNT, THE BOARD SHALL:

(A) DETERMINE FUNDING PRIORITIES FOR SERVICES AND ACTIVITIES USING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES' EARLY CHILDHOOD SYSTEM STRATEGIC PLAN AND COMPREHENSIVE FISCAL ANALYSIS;

(B) ESTABLISH FURTHER CRITERIA FOR THE RECEIPT OF PROGRAM FUNDS;

(C) MONITOR THE EXPENDITURE OF FUNDS BY ORGANIZATIONS RECEIVING FUNDS UNDER THIS SECTION; AND

(D) EVALUATE THE EFFICACY OF SERVICES AND ACTIVITIES FUNDED UNDER THIS SECTION.

(4) BY SEPTEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE EDUCATION INTERIM COMMITTEE AND THE CHILDREN, FAMILIES, HEALTH, AND HUMAN SERVICES INTERIM COMMITTEE IN ACCORDANCE WITH 5-11-210 ON THE SERVICES AND ACTIVITIES FUNDED UNDER THIS SECTION.

NEW SECTION. **SECTION 26. GIFTS AND GRANTS TO PROGRAMS.** (1) THE MONTANA EARLY CHILDHOOD ACCOUNT BOARD MAY ACCEPT CONTRIBUTIONS, GIFTS, AND GRANTS, OF MONEY OR OTHERWISE, TO THE PROGRAMS

DESCRIBED IN [SECTION 25]. MONETARY GIFTS, CONTRIBUTIONS, AND GRANTS EARMARKED FOR THE MONTANA EARLY CHILDHOOD ACCOUNT MUST BE PAID INTO THE ACCOUNT ESTABLISHED IN [SECTION 22] AND EXPENDED PURSUANT TO 17-8-101(2).

(2) FUNDS ACCEPTED PURSUANT TO THIS SECTION MAY QUALIFY FOR THE MONTANA ENDOWMENT TAX CREDIT.

NEW SECTION. **SECTION 27. PROGRAM COSTS -- ANNUAL REPORT.** (1) THE COSTS INCURRED BY THE MONTANA EARLY CHILDHOOD ACCOUNT BOARD IN ADMINISTERING THE PROGRAMS DESCRIBED IN [SECTION 25] MUST BE PAID FOR WITH MONEY FROM THE MONTANA EARLY CHILDHOOD ACCOUNT PROVIDED FOR IN [SECTION 22]. THE BOARD SHALL KEEP COSTS TO A MINIMUM AND USE EXISTING OFFICE SPACE, PERSONNEL, EQUIPMENT, AND SUPPLIES OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO THE EXTENT POSSIBLE.

(2) (A) BY SEPTEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL PROVIDE A WRITTEN REPORT TO THE CHILDREN, FAMILIES, HEALTH, AND HUMAN SERVICES INTERIM COMMITTEE IN ACCORDANCE WITH 5-11-210.

(B) THE REPORT MUST INCLUDE THE FOLLOWING INFORMATION FOR EACH PROGRAM OR GRANT:

(I) THE PROJECT OR ACTIVITY FOR WHICH IT WAS AWARDED;

(II) THE AMOUNT OF THE GRANT;

(III) PROPOSED AND ACTUAL USES OF GRANT FUNDS;

(IV) THE DURATION; AND

(V) ITS RECIPIENT.

SECTION 28. SECTION 17-7-140, MCA, IS AMENDED TO READ:

"**17-7-140. Reduction in spending.** (1) (a) As the chief budget officer of the state, the governor shall ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in subsection (2), in the event of a projected general fund budget deficit, the governor, taking into account the criteria provided in subsection (1)(c), shall direct agencies to reduce spending in an amount that ensures that the projected ending general fund balance for the biennium will be at least:

(i) 4% of the general revenue appropriations for the second fiscal year of the biennium prior to October of the year preceding a legislative session;

(ii) 3% of the general revenue appropriations for the second fiscal year of the biennium in October of the year preceding a legislative session;

(iii) 2% of the general revenue appropriations for the second fiscal year of the biennium in January of the year in which a legislative session is convened; and

(iv) 1% of the general revenue appropriations for the second fiscal year of the biennium in March of the year in which a legislative session is convened.

(b) An agency may not be required to reduce general fund spending for any program, as defined in each general appropriations act, by more than 10% during a biennium. A governor may not reduce total agency spending in the biennium by more than 4% of the second year general revenue appropriations for the agency. Departments or agencies headed by elected officials or the board of regents may not be required to reduce general fund spending by a percentage greater than the percentage of general fund spending reductions required for the weighted average of all other executive branch agencies. The legislature may exempt from a reduction an appropriation item within a program or may direct that the appropriation item may not be reduced by more than 10%.

(c) The governor shall direct agencies to manage their budgets in order to reduce general fund expenditures. Prior to directing agencies to reduce spending as provided in subsection (1)(a), the governor shall direct each agency to analyze the nature of each program that receives a general fund appropriation to determine whether the program is mandatory or permissive and to analyze the impact of the proposed reduction in spending on the purpose of the program. An agency shall submit its analysis to the office of budget and program planning and shall at the same time provide a copy of the analysis to the legislative fiscal analyst. The report must be submitted in an electronic format. The office of budget and program planning shall review each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and program planning's recommendations for reductions in spending. The budget director shall provide a copy of the recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations. The recommendations must be provided in an electronic format <u>and entered into the state budgeting software</u>. The recommendations must be provided to the legislature in accordance with 5-11-210. The legislative finance committee <u>established in 5-12-201 and the interim budget committees established in 5-12-501</u> shall meet within

~~20~~ 30 days of the date that the proposed changes to the recommendations for reductions in spending are provided to the legislative fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative finance committee. The legislative finance committee may make recommendations concerning the proposed reductions in spending. The governor shall consider each agency's analysis and the recommendations of the office of budget and program planning and the legislative finance committee in determining the agency's reduction in spending and may incorporate information from the interim budget committees in making recommendations. Reductions in spending must be designed to have the least adverse impact on the provision of services determined to be most integral to the discharge of the agency's statutory responsibilities.

(2) Reductions in spending for the following may not be directed by the governor:

(a) payment of interest and principal on state debt;

(b) the legislative branch;

(c) the judicial branch;

(d) the school BASE funding program, including special education;

(e) salaries of elected officials during their terms of office; and

(f) the Montana school for the deaf and blind.

(3) (a) As used in this section, "projected general fund budget deficit" means an amount, certified by the budget director to the governor, by which the projected ending general fund balance for the biennium is less than:

(i) 4% of the general revenue appropriations for the second fiscal year of the biennium prior to October of the year preceding a legislative session;

(ii) 1.875% in October of the year preceding a legislative session;

(iii) 1.25% in January of the year in which a legislative session is convened; and

(iv) 0.625% in March of the year in which a legislative session is convened.

(b) In determining the amount of the projected general fund budget deficit, the budget director shall take into account revenue, established levels of appropriation, anticipated supplemental appropriations for school equalization aid and the cost of the state's wildland fire suppression activities exceeding the amount statutorily appropriated in 10-3-312, and anticipated reversions.

(4) If the budget director determines that an amount of actual or projected receipts will result in an amount less than the amount projected to be received in the revenue estimate established pursuant to 5-5-227, the budget director shall notify the revenue interim committee in accordance with 5-11-210 of the estimated amount. Within 20 days of notification, the revenue interim committee shall provide the budget director with any recommendations concerning the amount. The budget director shall consider any recommendations of the revenue interim committee prior to certifying a projected general fund budget deficit to the governor.

(5) If the budget director certifies a projected general fund budget deficit, the governor may authorize transfers to the general fund from certain accounts as set forth in subsection (6).

(6) <u>If the budget director certifies a projected general fund budget deficit, then the governor may cancel the remaining transfers of volatile revenue to the Montana growth and opportunity trust established in [section 14] for the biennium.</u>

<u>(7)</u> The governor may authorize transfers from the budget stabilization reserve fund provided for in 17-7-130. The governor may authorize $3 of transfers from the fund for each $1 of reductions in spending but may not authorize a transfer that would cause the balance of the budget stabilization reserve fund to be less than 6% of all general revenue appropriations in the second year of the biennium."

Section 29. Section 19-3-316, MCA, is amended to read:

"**19-3-316. Employer contribution rates.** (1) Each employer shall contribute to the system. Except as provided in subsection (2), the employer shall pay as employer contributions 6.9% of the compensation paid to all of the employer's employees plus any additional contribution under subsection (3), except for those employees properly excluded from membership. Of employer contributions made under this subsection for both defined benefit plan and defined contribution plan members, a portion must be allocated for educational programs as provided in 19-3-112. Employer contributions for members under the defined contribution plan must be allocated as provided in 19-3-2117.

(2) Local government and school district employer contributions must be the total employer contribution rate provided in subsection (1) minus the state contribution rates under 19-3-319.

(3) (a) Subject to subsection (4), each employer shall contribute to the system an additional

employer contribution equal to the percentage specified in subsection (3)(b) of the compensation paid to all of the employer's employees, except for those employees properly excluded from membership.

(b) ~~The percentage of compensation to be contributed under subsection (3)(a) is 1.27% for fiscal year 2014 and increases by 0.1% each fiscal year through fiscal year 2024.~~ For fiscal years beginning after June 30, ~~2024~~ ~~2025~~ 2024, the percentage of compensation to be contributed under subsection (3)(a) is 2.27%. For fiscal years beginning after June 30, 2027, there is a ~~0.2%~~ 0.1% increase each fiscal year through the fiscal year ending June 30, ~~2037~~ 2047. For fiscal years beginning after June 30, ~~2037~~ 2047, the percentage of compensation to be contributed under subsection (3)(a) is 4.27%.

(4) (a) The board shall annually review the additional employer contribution provided for under subsection (3) and recommend adjustments to the legislature as needed to maintain the amortization schedule set by the board for payment of the system's unfunded liabilities.

(b) The employer contribution required under subsection (3) terminates on January 1 following the board's receipt of the system's actuarial valuation if the actuarial valuation determines that terminating the additional employer contribution pursuant to this subsection (4)(b) and reducing the employee contribution pursuant to 19-3-315(2) would not cause the amortization period to exceed 25 years."

NEW SECTION. **Section 30. Property tax assistance for primary residences.** (1) A county shall provide property tax assistance to owners of primary residences certified by the department of revenue pursuant to [section 31]. The assistance is provided with funding from the state property tax assistance account distributed to the county as provided in [section 8].

(2) (a) Except as provided in subsection (2)(b), the county treasurer shall provide the property tax assistance distributed pursuant to [section 8] to each primary residence by listing the property tax assistance amount as a credit on the property tax bill as provided in 15-16-101(2)(a)(v).

(b) If the property tax assistance calculated pursuant to [section 8(2)] exceeds the property tax billed for an individual property, the county may retain the revenue that exceeds the property tax billed.

(3) The owner of a primary residence that receives property tax assistance under this section is not prohibited from receiving property tax assistance under another property tax assistance

PROGRAM.

(4) STATE PROPERTY TAX ASSISTANCE PROVIDED TO COUNTIES PURSUANT TO THIS SECTION MAY NOT AFFECT THE MAXIMUM MILL CALCULATION IN 15-10-420.

NEW SECTION. **SECTION 31. CERTIFICATION OF PRIMARY RESIDENCE FOR STATE PROPERTY TAX ASSISTANCE -- RULEMAKING -- DEFINITION.** (1) TO RECEIVE STATE PROPERTY TAX ASSISTANCE PURSUANT TO [SECTION 30], THE OWNER OF A PRIMARY RESIDENCE SHALL APPLY TO THE DEPARTMENT FOR CERTIFICATION OF THE PRIMARY RESIDENCE.

(2) (A) TO RECEIVE STATE PROPERTY TAX ASSISTANCE FOR THE TAX YEAR IN WHICH THE APPLICATION IS FIRST MADE, THE OWNER SHALL APPLY ELECTRONICALLY OR BY MAIL ON A FORM PRESCRIBED BY THE DEPARTMENT AND POSTMARKED BY MARCH 1. APPROVED APPLICATIONS RECEIVED ELECTRONICALLY OR POSTMARKED AFTER MARCH 1 APPLY TO THE FOLLOWING TAX YEAR.

(B) ONCE APPROVED, THE CERTIFICATION REMAINS EFFECTIVE UNTIL:

(I) THERE IS A CHANGE IN OWNERSHIP OF THE PROPERTY;

(II) THE OWNER NO LONGER USES THE DWELLING AS A PRIMARY RESIDENCE; OR

(III) THE OWNER APPLIES FOR STATE PROPERTY TAX ASSISTANCE FOR A DIFFERENT PRIMARY RESIDENCE.

(C) IF CERTIFICATION IS TERMINATED PURSUANT TO SUBSECTION (2)(B), THE OWNER SHALL SUBMIT A NEW APPLICATION TO THE DEPARTMENT TO REESTABLISH THE CERTIFICATION.

(D) AN APPLICATION FOR STATE PROPERTY TAX ASSISTANCE MUST BE SUBMITTED ON A FORM PRESCRIBED BY THE DEPARTMENT AND MUST CONTAIN:

(I) A WRITTEN DECLARATION MADE UNDER PENALTY OF PERJURY THAT THE APPLICANT OWNS AND MAINTAINS THE LAND AND IMPROVEMENTS AS THE PRIMARY RESIDENCE. THE APPLICATION MUST STATE THE PENALTY PROVIDED FOR IN [SECTION 32].

(II) THE GEOCODE OR OTHER PROPERTY IDENTIFIER FOR THE PRIMARY RESIDENCE FOR WHICH THE APPLICANT IS REQUESTING THE STATE PROPERTY TAX ASSISTANCE;

(III) THE SOCIAL SECURITY NUMBER OF THE APPLICANT; AND

(IV) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT THAT IS RELEVANT TO THE APPLICANT'S ELIGIBILITY.

(3) (A) EXCEPT AS PROVIDED IN SUBSECTION (3)(B), CLASS FOUR RESIDENTIAL PROPERTY OWNED BY AN ENTITY IS NOT ELIGIBLE TO RECEIVE THE STATE PROPERTY TAX ASSISTANCE.

(B) THE TRUSTEE OF A GRANTOR REVOCABLE TRUST MAY APPLY FOR STATE PROPERTY TAX ASSISTANCE FOR A PRIMARY RESIDENCE ON BEHALF OF THE TRUST IF THE DWELLING MEETS THE DEFINITION OF A PRIMARY RESIDENCE FOR THE GRANTOR.

(4) THE DEPARTMENT MAY ADOPT RULES, PREPARE FORMS, AND MAINTAIN RECORDS THAT ARE NECESSARY TO IMPLEMENT THIS SECTION.

(5) (A) FOR THE PURPOSE OF THIS SECTION AND [SECTIONS 32 AND 33], "PRIMARY RESIDENCE" MEANS A CLASS FOUR RESIDENTIAL PROPERTY:

(I) THAT IS A SINGLE-FAMILY DWELLING UNIT, UNIT OF A MULTIPLE-UNIT DWELLING, TRAILER, MANUFACTURED HOME, OR MOBILE HOME;

(II) IN WHICH AN OWNER CAN DEMONSTRATE THE OWNER OWNED AND LIVED FOR AT LEAST 7 MONTHS OF THE YEAR;

(III) THAT IS THE OWNER'S ONLY PRIMARY RESIDENCE;

(IV) FOR WHICH THE VALUE OF THE RESIDENTIAL DWELLING IS $1 MILLION OR LESS; AND

(V) FOR WHICH THE OWNER MADE PAYMENT OF THE ASSESSED MONTANA PROPERTY TAXES.

(B) AN OWNER WHO CANNOT MEET THE REQUIREMENTS OF SUBSECTION (5)(A)(II) BECAUSE THE OWNER'S PRIMARY RESIDENCE CHANGED DURING THE TAX YEAR TO ANOTHER PRIMARY RESIDENCE MAY STILL QUALIFY IF THE OWNER PAID THE MONTANA PROPERTY TAXES WHILE RESIDING IN EACH PRIMARY RESIDENCE FOR A TOTAL OF AT LEAST 7 CONSECUTIVE MONTHS OF THE TAX YEAR. THE DEPARTMENT SHALL ESTABLISH RULES FOR DETERMINING THE PROPERTY TAX ASSISTANCE WHEN THE PRIMARY RESIDENCES ARE IN DIFFERENT COUNTIES.

NEW SECTION. **SECTION 32. STATE PROPERTY TAX ASSISTANCE -- PENALTY FOR FALSE OR FRAUDULENT APPLICATION.** A PERSON WHO FILES A FALSE OR FRAUDULENT CERTIFICATION OF PRIMARY RESIDENCE FOR STATE PROPERTY TAX ASSISTANCE UNDER [SECTION 31] IS SUBJECT TO CRIMINAL PROSECUTION UNDER THE PROVISIONS OF 45-7-202 AND MAY BE PROHIBITED FROM CLAIMING STATE PROPERTY TAX ASSISTANCE FOR UP TO 10 YEARS. IF FALSE OR FRAUDULENT PROPERTY TAX ASSISTANCE HAS BEEN ISSUED BY THE COUNTY, THE AMOUNT OF ASSISTANCE GRANTED MAY BE RECOVERED AS ANY OTHER TAX OWED THE COUNTY. IF PROPERTY TAX ASSISTANCE BECOMES DUE AND OWING,

THE DEPARTMENT MAY ISSUE A WARRANT FOR DISTRAINT AS PROVIDED IN TITLE 15, CHAPTER 1, PART 7.

NEW SECTION. **SECTION 33. APPEAL OF DENIAL OF CERTIFICATION OF PRIMARY RESIDENCE.** (1) (A) IF THE DEPARTMENT DENIES AN APPLICATION FOR CERTIFICATION OF A PRIMARY RESIDENCE, THE OWNER MAY REQUEST AN INFORMAL REVIEW OF THE DENIAL BY SUBMITTING AN OBJECTION ON WRITTEN OR ELECTRONIC FORMS PROVIDED BY THE DEPARTMENT FOR THAT PURPOSE IN A MANNER PRESCRIBED BY THE DEPARTMENT. THE OBJECTION MUST BE MADE NO LATER THAN 30 DAYS AFTER THE DATE OF THE DENIAL NOTIFICATION.

(B) THE PROPERTY OWNER MAY REQUEST THAT THE DEPARTMENT CONSIDER EXTENUATING CIRCUMSTANCES TO GRANT AN APPLICATION FOR CERTIFICATION OF A PRIMARY RESIDENCE. EXTENUATING CIRCUMSTANCES INCLUDE BUT ARE NOT LIMITED TO EXTRAORDINARY, UNUSUAL, OR INFREQUENT EVENTS THAT ARE MATERIAL IN NATURE AND OF A CHARACTER DIFFERENT FROM THE TYPICAL OR CUSTOMARY, AND THAT ARE NOT EXPECTED TO RECUR.

(C) AFTER THE INFORMAL REVIEW, THE DEPARTMENT SHALL DETERMINE THE CORRECT STATUS OF THE APPLICATION AND NOTIFY THE TAXPAYER OF ITS DETERMINATION BY MAIL OR ELECTRONICALLY. IN THE NOTIFICATION, THE DEPARTMENT SHALL STATE ITS REASONS FOR ACCEPTING OR DENYING THE APPLICATION.

(2) IF A PROPERTY OWNER IS AGGRIEVED BY THE DETERMINATION MADE BY THE DEPARTMENT AFTER THE REVIEW PROVIDED FOR IN SUBSECTION (1), THE PROPERTY OWNER HAS THE RIGHT TO FIRST APPEAL TO THE COUNTY TAX APPEAL BOARD AND THEN TO THE MONTANA TAX APPEAL BOARD, WHOSE FINDINGS ARE FINAL SUBJECT TO THE RIGHT OF REVIEW IN THE COURTS. AN APPEAL TO THE COUNTY TAX APPEAL BOARD, PURSUANT TO 15-15-102, MUST BE FILED WITHIN 30 DAYS FROM THE DATE ON THE NOTICE OF THE DEPARTMENT'S DETERMINATION. IF THE COUNTY TAX APPEAL BOARD OR THE MONTANA TAX APPEAL BOARD DETERMINES THAT THE RESIDENCE SHOULD QUALIFY AS A PRIMARY RESIDENCE, THE DEPARTMENT SHALL PROVIDE TO THE PROPERTY OWNER THE AMOUNT OF PROPERTY TAX ASSISTANCE DUE FROM THE AMOUNT RETAINED PURSUANT TO [SECTION 8].

Section 34. Section 19-20-609, MCA, is amended to read:

"**19-20-609. Employer's supplemental contribution -- actuarially determined adjustments.** (1) (a) Subject to subsections (1)(b) through (1)(d), each employer shall contribute to the retirement system a supplemental amount equal to the percentage specified in subsection (1)(b) of total earned compensation of each member employed during the whole or part of the preceding payroll period.

(b) ~~The percentage of compensation to be contributed under subsection (1)(a) is 1% for fiscal year 2014 and increases by 0.1% each fiscal year through fiscal year 2024.~~ For fiscal years beginning ~~after June 30, 2024~~ ~~July 1, 2025, through July 1, 2027~~ AFTER JUNE 30, 2024, the percentage of compensation to be contributed under subsection (1)(a) is 2%. For fiscal years beginning after June 30, 2027, there is a ~~0.2%~~ 0.1% increase each fiscal year through the fiscal year ending June 30, ~~2037~~ 2047. For fiscal years beginning after June 30, ~~2037~~ 2047, the percentage of compensation to be contributed under subsection (1)(a) is 4%.

(c) The board may decrease the employer's supplemental contribution if:

(i) the average funded ratio of the system based on the last three actuarial valuations is equal to or greater than 90%;

(ii) the period necessary to amortize all liabilities of the system based on the most recent annual actuarial valuation is less than 15 years; and

(iii) the guaranteed annual benefit adjustment has been increased to the maximum allowed under 19-20-719.

(d) Following one or more decreases in the supplemental contribution rate pursuant to subsection (1)(c), the board may increase the supplemental contribution to a rate not to exceed 1% if:

(i) the average funded ratio of the system based on the last three annual actuarial valuations is equal to or less than 80%; and

(ii) the period necessary to amortize all liabilities of the system based on the most recent annual actuarial valuation is greater than 20 years.

(2) After the board has actuarially determined the need to impose, increase, or decrease a supplemental contribution rate under this section, the imposition, increase, or decrease is effective on the first day of July following the board's determination."

SECTION 35. SECTION 85-1-631, MCA, IS AMENDED TO READ:

"**85-1-631. Water storage state special revenue account created -- revenues allocated -- appropriations from account.** (1) There is a water storage state special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the water storage state special revenue account:

(a) for the biennium beginning July 1, 2007, the proceeds of the resource indemnity and ground water assessment tax as provided in 15-38-106; ~~and~~

(b) money allocated from the resource indemnity trust fund interest earnings pursuant to 15-38-202 and all revenue of the works and other money as provided in 85-1-332~~.~~ ; and

(c) 90% of the interest earned from the Montana water development state special revenue account established in [section 19].

(3) All revenue provided from 85-1-332(1)(e) and (1)(f) deposited in the water storage state special revenue account must be appropriated solely for the construction, operation, rehabilitation, expansion, maintenance, and modification of state-owned water storage projects.

(4) Money that was not encumbered or expended from the water storage state special revenue account during the previous biennium must remain in the account.

(5) Deposits to the water storage state special revenue account must be placed in short-term investments and accrue interest, which must be deposited in the water storage state special revenue account.

(6) The purpose of the water storage state special revenue account is to provide money exclusively for construction, operation, rehabilitation, expansion, maintenance, and modification of state-owned water storage projects."

SECTION 36. SECTION 90-6-137, MCA, IS AMENDED TO READ:

"**90-6-137. Alternate funding source for housing loans -- use of ~~coal tax trust fund money~~ Montana housing trust within Montana growth and opportunity trust.** (1) The board of ~~investments~~ housing shall allow ~~the board of housing to~~ administer $65 million or more of the ~~coal tax trust fund~~ funds from the Montana housing trust for the purpose of providing loans for the development and preservation of homes and apartments to assist eligible low-income and moderate-income applicants. Until the board uses money in the ~~coal tax trust fund~~ Montana housing trust to loan to a qualified applicant pursuant to this part, the money under the administration of the board must remain invested by the board of investments.

(2) While a loan made from the ~~coal tax trust fund~~ Montana housing trust pursuant to this section is repaid, the principal payments on the loan must be deposited in the ~~coal tax trust fund~~ Montana housing trust

until all of the principal of the loan is repaid. Interest received on a loan may be used by the board, in amounts determined by the board in accordance with 90-6-136, to pay for the servicing of a loan and for reasonable costs of the board for administering the program. After payment of associated expenses, interest received on the loan must be deposited into the coal tax trust fund.

(3) (a) Money from the ~~coal tax trust fund~~ Montana housing trust must be used for the purposes identified in 90-6-134(3) and (4).

(b) Loans made pursuant to this section must meet the following requirements:

(i) Projects funded with the loans must be multifamily rental housing projects that provide low-income and moderate-income housing.

(ii) The loan must be in the first lien position and may not exceed 95% of total development costs.

~~(iii) The minimum interest rate charged on a loan pursuant to this section is no less than 0.5% below the current coal trust fund investment performance, and all loans combined must at least average the current coal trust investment performance.~~

~~(iv)~~(iii) The board and the loan recipient shall each pay half of loan servicing fees.

~~(v)~~(iv) Projects funded with the loans must be subject to property taxes, except those located on tribal lands.

(4) Money from the ~~coal tax trust fund~~ Montana housing trust may not be used to replace existing or available sources of funding for eligible activities.

(5) Funds administered by the board from the ~~coal tax trust fund~~ Montana housing trust may not be used to pay the expenses of any other program or service administered by the board.

(6) A multifamily rental housing project eligible to receive a loan under this section may include the development or preservation of a mobile home park as defined in 70-33-103."

NEW SECTION. **Section 37. Reduction of volatile revenue transfer -- report.** If the budget director estimates a projected general fund ending fund balance at the end of the biennium that is less than the operating reserve as defined in 17-7-102, the budget director shall inform the legislative finance committee and the legislative fiscal analyst in writing of the financial forecast and recommended actions by September 15 if a reduction is considered for the November 1 transfer or

MARCH 15, IF A REDUCTION IS CONSIDERED FOR THE MAY TRANSFER. THE LEGISLATIVE FINANCE COMMITTEE MAY MEET AND COMMENT WITHIN 30 DAYS OF RECEIVING THE FORECAST AND RECOMMENDATIONS. WITHIN 30 DAYS AFTER PROVIDING NOTICE, THE GOVERNOR MAY REDUCE THE TRANSFER OF VOLATILE REVENUE TO THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED IN [SECTION 14] BY UP TO 50% OF THE VOLATILE REVENUE TRANSFER AMOUNT.

SECTION 38. SECTION 90-6-603, MCA, IS AMENDED TO READ:

"**90-6-603. Veterans' home loan mortgage program created -- use of ~~coal tax trust fund money~~ Montana housing trust.** (1) There is a Montana veterans' home loan mortgage program under the direction and management of the board for eligible veterans who are first-time home buyers.

(2) The board of investments shall ~~allow the board to~~ administer $50 million or more of the ~~permanent coal tax trust fund~~ Montana housing trust for the purpose of the program. Until the board uses money in the trust fund to purchase a mortgage loan from a participating financial institution pursuant to this part, the money under the administration of the board must remain invested by the board of investments. As a loan made pursuant to this part is repaid, the principal payments on the loan must be deposited in the trust fund until all of the principal of the loan is repaid. Interest received on the loan may be used by a participating financial institution and the board, in amounts determined by the board in accordance with 90-6-605, to pay for the origination and servicing of a loan by a participating financial institution and to pay the reasonable costs of the board for the administration of the program. After payment of associated expenses, interest received on the loan must be deposited into the ~~trust fund~~ Montana housing trust.

(3) Interest on a home mortgage loan made pursuant to this part must be charged at 1% less than the federal national mortgage association's delivery rate or 1% lower than the lowest interest rate charged by the board for the purposes of other home loan mortgage programs administered by the board, whichever is less. If the federal national mortgage association's rate becomes unavailable, the board shall use another similar rate for the purposes of this subsection. The board may not make a direct loan to an eligible veteran."

NEW SECTION. **SECTION 39. REPEALER.** THE FOLLOWING SECTIONS OF THE MONTANA CODE ANNOTATED ARE REPEALED:

17-7-134. PENSION STATE SPECIAL REVENUE ACCOUNT.

NEW SECTION. **Section 40. Transfer of funds.** ~~By June 30, 2025, the state treasurer shall transfer $300 million from the general fund to the account provided for in 17-7-134.~~ (1) FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, THE STATE TREASURER SHALL MAKE THE FOLLOWING TRANSFERS FROM THE GENERAL FUND:

(A) $10 MILLION TO THE MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT;

(B) $10 MILLION TO THE BETTER LOCAL BRIDGE STATE SPECIAL REVENUE ACCOUNT;

(C) $20 MILLION TO THE STATE PROPERTY TAX ASSISTANCE ACCOUNT;

(D) $10 MILLION TO THE MONTANA EARLY CHILDHOOD STATE SPECIAL REVENUE ACCOUNT;

(E) $250 MILLION TO THE PENSION FUND ESTABLISHED IN [SECTION 21];

(F) $50 MILLION FOR BRIDGES TO THE DISTRIBUTION PORTION OF THE TRUST OF THE MONTANA GROWTH AND OPPORTUNITY TRUST PROVIDED FOR IN [SECTION 20]; AND

(G) $174 MILLION TO THE DISTRIBUTION PORTION OF THE TRUST OF THE MONTANA GROWTH AND OPPORTUNITY TRUST PROVIDED FOR IN [SECTION 15].

(2) (A) FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, THE STATE TREASURER SHALL MAKE THE FOLLOWING TRANSFERS FROM THE DEBT AND LIABILITY FREE ACCOUNT ESTABLISHED IN 17-6-214:

(I) $26 MILLION, OR A DIFFERENT AMOUNT BASED ON THE BALANCE OF AUTHORIZED FUNDS COMMITTED TO ELIGIBLE APPLICANTS BY THE BOARD OF HOUSING BUT NOT DISBURSED AS OF JULY 30, 2025, TO THE MONTANA HOUSING TRUST FOR PROGRAMS ADMINISTERED PURSUANT TO 90-6-137 AND 90-6-603; AND

(II) $89 MILLION, OR A DIFFERENT AMOUNT BASED ON THE BALANCE OF AUTHORIZED FUNDS DISBURSED TO ELIGIBLE APPLICANTS BY THE BOARD OF HOUSING AS OF JULY 30, 2025, TO THE PERMANENT COAL TAX TRUST.

(B) THE TRANSFER AMOUNTS FOR THE PERMANENT COAL TAX TRUST AND FOR PROGRAMS ADMINISTERED PURSUANT TO 90-6-137 AND 90-6-603 MAY NOT EXCEED $115 MILLION AND MAY BE ADJUSTED IN THIS SUBSECTION (2) TO:

(I) FIRST TRANSFER AN AMOUNT INTO THE PERMANENT COAL TAX TRUST EQUAL TO ITS OUTSTANDING LOANS; AND

(II) TRANSFER THE REMAINDER TO PROGRAMS ADMINISTERED PURSUANT TO 90-6-137 AND 90-6-603.

(3) (A) FOR THE FISCAL YEAR BEGINNING JULY 1, 2025, THE STATE TREASURER SHALL MAKE THE FOLLOWING SETS OF TRANSFERS FROM THE GENERAL FUND:

(I) $30.1 MILLION TO THE DISTRIBUTION PORTION OF THE TRUST OF THE MONTANA GROWTH AND OPPORTUNITY TRUST PROVIDED FOR IN [SECTION 14] BY NOVEMBER 1, 2025, AND MAY 1, 2026;

(II) $24.1 MILLION TO THE PENSION FUND ESTABLISHED IN [SECTION 21] BY NOVEMBER 1, 2025, AND MAY 1, 2026; AND

(III) $6 MILLION TO THE MONTANA HOUSING TRUST BY NOVEMBER 1, 2025, AND MAY 1, 2026;

(B) IF THE BUDGET DIRECTOR ESTIMATES A PROJECTED GENERAL FUND ENDING FUND BALANCE AT THE END OF THE FISCAL YEAR THAT IS LESS THAN THE OPERATING RESERVE AS DEFINED IN 17-7-102, THE BUDGET DIRECTOR SHALL INFORM THE LEGISLATIVE FINANCE COMMITTEE AND THE LEGISLATIVE FISCAL ANALYST IN WRITING OF THE FINANCIAL FORECAST AND RECOMMENDATIONS BY SEPTEMBER 15 IF A REDUCTION IS CONSIDERED FOR THE NOVEMBER 1 TRANSFER OR MARCH 15 IF A REDUCTION IS CONSIDERED FOR THE MAY TRANSFER. THE LEGISLATIVE FINANCE COMMITTEE MAY MEET AND COMMENT WITHIN 30 DAYS OF RECEIVING THE FORECAST AND RECOMMENDATIONS. AFTER THAT, THE GOVERNOR MAY REDUCE THE TRANSFERS PROVIDED FOR IN THIS SUBSECTION (3) TO THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED IN [SECTION 14] BY UP TO 50%.

(4) (A) FOR THE FISCAL YEAR BEGINNING JULY 1, 2026, THE STATE TREASURER SHALL MAKE THE FOLLOWING SETS OF TRANSFERS FROM THE GENERAL FUND:

(I) $23 MILLION TO THE DISTRIBUTION PORTION OF THE TRUST OF THE MONTANA GROWTH AND OPPORTUNITY TRUST PROVIDED FOR IN [SECTION 14] BY NOVEMBER 1, 2026, AND MAY 1, 2027;

(II) $18.4 MILLION TO THE PENSION FUND ESTABLISHED IN [SECTION 21] BY NOVEMBER 1, 2026, AND MAY 1, 2027; AND

(III) $4.2 MILLION TO THE MONTANA HOUSING TRUST BY NOVEMBER 1, 2026, AND MAY 1, 2027.

(B) IF THE BUDGET DIRECTOR ESTIMATES A PROJECTED GENERAL FUND ENDING FUND BALANCE AT THE END OF THE FISCAL YEAR THAT IS LESS THAN THE OPERATING RESERVE AS DEFINED IN 17-7-102, THE BUDGET DIRECTOR SHALL INFORM THE LEGISLATIVE FINANCE COMMITTEE AND THE LEGISLATIVE FISCAL ANALYST IN WRITING OF THE FINANCIAL FORECAST AND RECOMMENDATIONS BY SEPTEMBER 15 IF A REDUCTION IS CONSIDERED FOR THE NOVEMBER 1 TRANSFER OR MARCH 15 IF A REDUCTION IS CONSIDERED FOR THE MAY TRANSFER. THE LEGISLATIVE FINANCE COMMITTEE MAY MEET AND COMMENT WITHIN 30 DAYS OF RECEIVING THE FORECAST AND RECOMMENDATIONS. AFTER THAT, THE GOVERNOR MAY REDUCE THE TRANSFERS PROVIDED FOR IN THIS SUBSECTION (4) TO THE MONTANA GROWTH AND OPPORTUNITY TRUST ESTABLISHED IN [SECTION 14] BY UP TO 50%.

Section 41. Section 5, Chapter 48, Laws of 2023, is amended to read:

"**Section 5. Transfer of funds.** (1) By June 30, 2023, the state treasurer shall transfer $125 million from the general fund to the account provided for in [section 1].

(2) By June 30, 2023, the state treasurer shall transfer $18.6 million from the general fund to the statewide public safety communications system account provided for in 44-4-1607.

~~(3) By June 30, 2027, the state treasurer shall transfer any unobligated funds in the account established in [section 1] as follows:~~

~~(a) 50% to the capital developments long-range building program account established in 17-7-209; and~~

~~(b) 50% to the general fund.~~"

NEW SECTION. **SECTION 42. APPROPRIATION.** (1) THERE IS APPROPRIATED THE FOLLOWING AMOUNTS FROM THE FOLLOWING ACCOUNTS FOR THE FISCAL YEAR BEGINNING JULY 1, 2025, FOR THE PURPOSES OUTLINED IN THOSE ACCOUNTS:

(A) $7.5 MILLION FROM THE MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION;

(B) $7.5 MILLION FROM THE BETTER LOCAL BRIDGE STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF TRANSPORTATION; AND

(C) $7.5 MILLION FROM THE MONTANA EARLY CHILDHOOD STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES.

(2) THERE IS APPROPRIATED THE FOLLOWING AMOUNTS FROM THE FOLLOWING ACCOUNTS FOR THE FISCAL YEAR BEGINNING JULY 1, 2026, FOR THE PURPOSES OUTLINED IN THOSE ACCOUNTS:

(A) $10 MILLION FROM THE MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION; AND

(B) $10 MILLION FROM THE LOCAL BRIDGE STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF TRANSPORTATION; AND

(C) $10 MILLION FROM THE MONTANA EARLY CHILDHOOD STATE SPECIAL REVENUE ACCOUNT TO THE

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES.

(3) THE LEGISLATURE INTENDS THAT THE APPROPRIATIONS IN SUBSECTION (2) BE CONSIDERED PART OF THE ONGOING BASE FOR THE NEXT LEGISLATIVE SESSION.

NEW SECTION. **SECTION 43. CODIFICATION INSTRUCTION.** (1) [SECTIONS 14 THROUGH 18 AND SECTION 37] ARE INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 17, AND THE PROVISIONS OF TITLE 17 APPLY TO [SECTIONS 14 THROUGH 18 AND SECTION 37].

(2) [SECTION 19] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 85, CHAPTER 1, PART 3, AND THE PROVISIONS OF TITLE 85, CHAPTER 1, PART 3, APPLY TO [SECTION 19].

(3) [SECTION 20] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 60, CHAPTER 2, PART 2, AND THE PROVISIONS OF TITLE 60, CHAPTER 2, PART 2, APPLY TO [SECTION 20].

(4) [SECTION 21] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 17, CHAPTER 7, AND THE PROVISIONS OF TITLE 17, CHAPTER 7, APPLY TO [SECTION 21].

(5) [SECTION 24] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 90, CHAPTER 6, AND THE PROVISIONS OF TITLE 90, CHAPTER 6, APPLY TO [SECTION 24].

(6) [SECTION 8 AND SECTIONS 30 THROUGH 33] ARE INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 15, CHAPTER 6, AND THE PROVISIONS OF TITLE 15, CHAPTER 6, APPLY TO [SECTION 8 AND SECTIONS 30 THROUGH 33].

(7) [SECTIONS 22, 23, AND SECTIONS 25 THROUGH 27] ARE INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 52, CHAPTER 2, AND THE PROVISIONS OF TITLE 52, CHAPTER 2, APPLY TO [SECTIONS 22, 23, AND SECTIONS 25 THROUGH 27].

COORDINATION SECTION. **SECTION 44. COORDINATION INSTRUCTION.** (1) IF EITHER SENATE BILL NO. 56 OR HOUSE BILL NO. 924, OR BOTH, AND [THIS ACT] ARE PASSED AND APPROVED, AND IF EITHER OR BOTH AND [THIS ACT] CONTAIN A SECTION THAT AMENDS 19-3-316, THEN THE SECTIONS AMENDING 19-3-316 IN SENATE BILL NO. 56 AND HOUSE BILL NO. 924 ARE VOID.

(2) IF HOUSE BILL NO. 924 AND [THIS ACT] ARE PASSED AND APPROVED, AND IF BOTH CONTAIN A SECTION THAT AMENDS 19-20-609, THEN THE SECTION AMENDING 19-20-609 IN HOUSE BILL NO. 924 IS VOID.

COORDINATION SECTION. **SECTION 45. COORDINATION INSTRUCTION.** IF BOTH SENATE BILL NO. 324 AND [THIS ACT] ARE PASSED AND APPROVED, AND IF SENATE BILL NO. 324 AMENDS 61-3-321 TO PROVIDE FOR A TRANSFER OR DEPOSIT OF FUNDS INTO THE BETTER LOCAL BRIDGE FUND, THEN [SECTION 5 OF SENATE BILL NO. 324], ESTABLISHING THE BETTER LOCAL BRIDGE FUND, IS VOID AND FUNDS INSTEAD TRANSFER OR DEPOSIT INTO THE DISTRIBUTION PORTION OF THE MONTANA GROWTH AND OPPORTUNITY TRUST PROVIDED FOR IN [SECTION 14].

NEW SECTION. **Section 46. Effective date.** [This act] is effective on passage and approval.

- END -